

**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**

**(Re: Approval of a Mortgage Adjudication Protocol)**

March 30, 2026

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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  
SPV LIMITED PARTNERSHIP**

BETWEEN:

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

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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)**

**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 a Judge presiding over the Superior Court of Justice, Toronto (Commercial List) on a date to be fixed by the Court, at the courthouse located at 330 University Avenue, Toronto, Ontario.

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

in person.

**THE MOTION IS FOR:**

- (a) An order substantially in the form attached at Tab 4 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 promotes the preservation of scarce judicial resources by including a mediation option to encourage the non-litigious resolution of the issues;
- (l) The Protocol maintains the Court’s supervisory authority by requiring a summary trial for all Impugned Mortgages that are not resolved at mediation;
- (m) The Protocol is preferable to the form of protocol advanced by certain opposing title insurers;

- (n) Rules 2.03, 3.02, and 37 of the *Rules of Civil Procedure*;
- (o) 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
- (p) 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;
- (b) The Supplement to the Fourth Report dated March 30, 2026; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 30, 2026

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TO: **SERVICE LIST**

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

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**SERVICE LIST  
(as at March 30, 2026)**

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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

**NOTICE OF MOTION**

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# 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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COURT FILE NUMBER: CV-24-00721560-00CL

**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 Mortgagees.
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 Mortgagees. 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 Mortgagees are, generally, similar. In particular, the Objecting Mortgagees (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 Mortgagees 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 Mortgages.
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 Mortgage, 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 Mortgages. 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.

A handwritten signature in blue ink that reads "Kimmel J." is enclosed in a light yellow rectangular box.

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

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Email: [djalili@tgf.ca](mailto:djalili@tgf.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

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

**THORNTON GROUT FINNIGAN LLP**

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

# TAB 3



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

March 30, 2026

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COURT FILE NUMBER: CV-24-00721560-00CL

**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**

**SUPPLEMENT TO THE FOURTH REPORT OF  
KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER**

**MARCH 30, 2026**

## **1.0 Introduction**

1. This report (the “**Supplemental Report**”) supplements the Receiver’s Fourth Report to Court dated January 5, 2026 (the “**Fourth Report**”) and is intended to be read in conjunction with the Fourth Report.
2. Unless otherwise stated, capitalized terms used in this Supplemental Report and not otherwise defined have the meanings given to them in the Fourth Report.

### **1.1 Purpose of this Supplemental Report**

1. The purposes of this Supplemental Report are to:
  - a) provide an overview of developments since the date of the Fourth Report, including unsuccessful efforts to settle the terms of the Mortgage Adjudication Protocol with the Title Insurers; and
  - b) update the Court on the recent arrest of the Debtor’s principal, Sergiy Shchavyelyev, by York Regional Police.

## 1.2 Restrictions

1. This Supplemental Report is subject to the restrictions set out in Section 1.2 of the Fourth Report, which are incorporated herein by reference.

## 1.3 Court Materials

1. Court materials filed in these proceedings are available on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/equityline>.

## 2.0 Developments since the Fourth Report

1. The motion for approval of the Mortgage Adjudication Protocol has been adjourned twice at the request of the insurers for the Impugned Mortgages, First Canadian Title Company Limited ("**FCT**") and TitlePLUS (together, the "**Title Insurers**"), who oppose its terms. Since the Fourth Report, the Receiver has made extensive efforts to address the objections of the Title Insurers and reach a consensual protocol, including by providing all relevant documentation in its possession and implementing substantial revisions to the Mortgage Adjudication Protocol to accommodate their concerns. In doing so, the Receiver has proceeded on the basis that it is an insured under the applicable title insurance policies, with the express qualification that its obligations under the title insurance policies cannot conflict with the duties it owes to the Debtor's stakeholders.
2. Despite the Receiver's efforts, the Title Insurers have rejected the Mortgage Adjudication Protocol and instead propose their own protocol (the "**Insurer Protocol**"). The Insurer Protocol contemplates a lengthier process than the Mortgage Adjudication Protocol and would not be conducted in the receivership proceeding. In the Receiver's view, the Insurer Protocol includes steps that are either not needed or more appropriately addressed in the Mortgage Adjudication Protocol and further, the costs of carrying out same would be far disproportionate to the relatively modest amounts at issue.
3. To accommodate the dual objectives of: (i) ensuring an expeditious and just resolution to the allegations made by the Objecting Mortgagors, many of whom are elderly and have expressed a need to sell their homes to transition to assisted-living accommodations; and (ii) implementing a process that is proportionate to the amounts at issue, the Receiver recommends the Mortgage Adjudication Protocol be approved. Further, the Mortgage Adjudication Protocol is procedurally fair and exceeds the adjudication process previously approved by this Court for other Impugned Mortgages, and the Receiver has made revisions to the protocol to accommodate certain of the Title Insurers' concerns.

## 2.1 First Adjournment

1. The Fourth Report of the Receiver was filed in support of the Receiver's motion returnable January 13, 2026, for an order approving the Mortgage Adjudication Protocol. The Receiver served its motion record on January 5, 2026.

2. The Title Insurers sought an adjournment to the motion on the basis that they were not previously made aware of the claims made by the Impugned Mortgages and/or that all defendants to the allegations made by the Objecting Mortgagors (the “**Interested Parties**”) must be on notice of the motion to approve the Mortgage Adjudication Protocol.
3. As the Receiver advised counsel to the Title Insurers, the Receiver had submitted claims to the Title Insurers, particularly FCT, in respect of each of the Impugned Mortgages over a year prior to the hearing, and the insurers were aware of the allegations and the receivership. Attached hereto as **Appendix “A”** is a copy of an email chain between counsel for the Receiver and FCT between November 2024 – July 2025 demonstrating same.
4. The Receiver agreed to adjourn the motion to negotiate a consensual path forward with the Title Insurers and to provide notice to the Interested Parties.
5. Pursuant to an endorsement of Justice Kimmel dated January 13, 2026 (the “**First Kimmel Endorsement**”), counsel for both the Title Insurers and Objecting Mortgagors were required to assist the Receiver in its efforts to put the Interested Parties on notice. The parties were required to return to Court on February 2, 2026, to provide an update on how matters were progressing. The First Kimmel Endorsement is attached hereto as **Appendix “B”**.
6. During this time, the Receiver also revised the terms of the Mortgage Adjudication Protocol to address concerns expressed by the Title Insurers regarding the lack of documentary disclosure as a “threshold issue”. Specifically, the Receiver agreed to provide all relevant and non-privileged materials in its possession within 15 days of the delivery of the Mortgagor Materials. The Receiver invited the Title Insurers to revise the draft of the Mortgage Adjudication Protocol with any further comments. Attached hereto as **Appendix “C”** is a copy of the redline of the Mortgage Adjudication Protocol appended to the aide memoire of the Receiver dated January 30, 2026.

## 2.2 Second Adjournment

1. On January 30, 2026, the Receiver served the revised Mortgage Adjudication Protocol to the Service List, which includes all of the Interested Parties that the Receiver was able to contact pursuant to the 20 notice packages it delivered. None of the Objecting Mortgagors or the Interested Parties opposed the Mortgage Adjudication Protocol on its proposed terms (one Interested Party, Seun Olowolafe, expressed jurisdictional objections).
2. Leading up to the February 2<sup>nd</sup> hearing, the Title Insurers raised a second “threshold issue”: the identity of the “insured” under the policies. The Receiver agreed to a further adjournment of the motion for the approval of the Mortgage Adjudication Protocol to resolve this second threshold issue with the Title Insurers.
3. A hearing date was set for March 13, 2026 to decide this second threshold issue pursuant to an endorsement of Justice Kimmel dated February 2, 2026 (the “**Second Kimmel Endorsement**”). A copy of the Second Kimmel Endorsement is attached hereto as **Appendix “D”**.

4. Prior to the March 13, 2026 hearing, the Receiver and the Title Insurers engaged to attempt to resolve the second threshold issue. Under the title insurance policies, there can be more than one “insured” and the Receiver and the Title Insurers agreed that the Receiver was an “insured” and the second threshold issue did not need to be argued. Accordingly, the March 13, 2026 hearing date was vacated. Sample copies of each of the FCT and TitlePLUS policies are attached hereto as **Appendices “E”** and **“F”**, respectively. Attached hereto as **Appendix “G”** is a copy of the email chain between counsel for the Receiver and Title Insurers confirming agreement on the second threshold issue.
5. The discussions between the Receiver and the Title Insurers subsequently focused on the terms of a process to adjudicate the Impugned Mortgages and the purported first threshold issue that no protocol can commence until the Title Insurers have received all of the documents they requested.
6. As set out further below, the Title Insurers did not view the further changes the Receiver made to the Mortgage Adjudication Protocol as satisfactory, nor do they believe that the delivery by the Receiver of all relevant documents in its possession satisfied the outstanding “threshold issue”. The Title Insurers instead insist on their form of protocol, the most recent version of which is attached hereto as **Appendix “H”**.

### **2.3 Delivery of Documents and Information to the Title Insurers**

1. Since the date of the Fourth Report, the Receiver has worked with the Title Insurers to deliver all relevant documents in its possession.
2. The Title Insurers have requested extensive documentation from the Receiver for each of the eight (8) Impugned Mortgages. A copy of the email from counsel for FCT setting out these requests is provided as **Appendix “I”**, together with the attachment referenced in the Insurer Protocol.
3. The Receiver previously delivered documentation to the Title Insurers, specifically:
  - a) Notice of potential claims were sent to the Title Insurers on November 7, 2024;
  - b) Individual claim letters were sent to FCT on (i) January 24, 2025 in respect of 22 Lord Roberts Drive, 30 Cherrywood Avenue, 99 Kalmar Avenue and 123 Southmoor Drive; and (ii) January 30, 2025 in respect of 7044 Leeming Street;
  - c) Individual claim letters were sent to TitlePLUS (LAWPRO) on (i) January 9, 2025 in respect of 132 Swift Crescent; and (ii) January 24, 2025 in respect of 17-280 Thaler Avenue and 19-700 Paisley Road.
4. The Receiver provided supporting documentation to FCT via ShareFile and FileDrop links on July 2, 2025; such documentation was not provided to TitlePLUS as it was not requested at the time.

5. The title insurance policies only require an “insured” to provide reasonable documentation requested or to grant permission to the Title Insurers to obtain same from third parties. Nevertheless, in response to the Title Insurers’ requests, the Receiver provided all of the relevant documents in its possession for each of the Impugned Mortgages, including:
  - a) underwriting files, appraisal reports, legal reports, commitment letters, acknowledgments and directions;
  - b) post-funding mortgagor payment history, SPV TD account ledger, TD account statements/transactions, financial statements, reporting templates, default correspondences;
  - c) letters and emails to and from mortgagors’ counsel;
  - d) copies of all pleadings;
  - e) correspondences and documents between the warehouse lender, EQB, and the Debtor, including monthly reporting, weekly arrears trackers and draw requests;
  - f) correspondence and all documents between the title custodian, the Debtor and the mortgagors;
  - g) letters to various lawyers;
  - h) discovery materials and the responses to undertakings delivered thereto pursuant to the Investigative Powers Order; and
  - i) an exhaustive summary of the litigation pertaining to the mortgages of the Mortgage Portfolio excluding the Impugned Mortgages.
6. The Receiver further advised the Title Insurers that, to the extent that there remained any deficiencies, such missing documents are not in the possession of the Receiver. The Receiver has granted permission to the Title Insurers to obtain relevant documents in the possession of third parties. The Receiver has also invited the Title Insurers to revise the Mortgage Adjudication Protocol with steps requiring the production of such documents from these third parties, or to seek a Court order in respect of same. Attached hereto as **Appendix “J”** are emails from counsel for the Receiver to counsel to the Title Insurers dated March 11 and 12, 2026 in this regard.
7. The Title Insurers maintain that the Receiver has not complied with its obligations under the title insurance policies. A copy of the letter from counsel for FCT dated March 26, 2026 in this regard is provided as **Appendix “K”**.
8. The Receiver responded on March 30, 2026 to advise that it has provided all relevant documents in its possession and has complied with its obligations in this respect under the title insurance policies. A copy of the letter from counsel to the Receiver is attached hereto as **Appendix “L”**.

## 2.4 Further Changes to the Mortgage Adjudication Protocol

1. The Receiver has substantially revised the Mortgage Adjudication Protocol to attempt to address the concerns of the Title Insurers. A clean version of the Mortgage Adjudication Protocol, together with a redline to the version served on January 30, 2026, are attached hereto as **Appendix “M”**. The changes made to address the concerns of the Title Insurers include:
  - a) **Introduction of a Summary Trial:** The Mortgage Adjudication Protocol was changed such that all Impugned Mortgages that are not resolved at mandatory mediation proceed to a summary trial, rather than an approval motion.
  - b) **Affidavit of Documents:** The inclusion of the requirement that, along with their affidavit evidence setting out the case for fraud, the Objecting Mortgagors provide an affidavit of documents.
  - c) **Receiver’s Disclosure Report:** The Receiver will provide a disclosure report confirming that the documents it produces comprise all relevant and non-privileged information in its possession.
  - d) **Recommendation of Title Insurers’ Preferred Mediator:** The Title Insurers recommended that Chris Papadopolous be appointed as mediator. The Receiver accepted their recommendation.
  
2. The Title Insurers continue to view the Mortgage Adjudication Protocol as inadequate; however, they have not provided any comments on the Mortgage Adjudication Protocol. On March 19, 2026, counsel to FCT delivered a letter (the “**March 19 Letter**”) advising that the Insurer Protocol “...is the more appropriate form of protocol, subject to further discussion of minor modifications to address concerns that do not affect the Insurers’ contractual rights”. Attached hereto as **Appendix “N”** is a copy of the March 19 Letter.
  
3. The March 19 Letter sets out five reasons for the Title Insurers’ insistence that the parties proceed with the Insurer Protocol. The Receiver’s response to each is set out below:

| Title Insurer Argument  | Receiver’s Response   |
|---|---|
| The protocol must provide for threshold documentary disclosure as (purportedly) required by the title insurance policies                          | As set out above, the Receiver has provided to the Title Insurers all of the documents in its possession. The title insurance policies do not require the Receiver to retrieve documents that are solely in the possession of third parties. The Mortgage Adjudication Protocol requires the Objecting Mortgagors and Interested Parties to provide an affidavit of documents and affidavit evidence setting out their position in respect of an Impugned Mortgage. |
| Formal pleadings are necessary to trigger the duty to defend and existing pleadings may need to be amended with the invocation of title insurance | The title insurance policies do not require a formal pleading to trigger the Title Insurers’ obligations under their policies. The policies require a claim or a potential claim against the insured be reported. To qualify as an “Objecting Mortgagor”, such mortgagor must have alleged fraud, which triggers the Receiver’s duty to report the claim, and the Title Insurers’ rights and obligations under the policy are engaged.                              |

|   |   |
|---|---|
| The protocol cannot prevail over the title insurance policies | The Mortgage Adjudication Protocol is an efficient and fair process to have the claims of the Objecting Mortgagors determined. The Receiver is a court officer and owes duties to all stakeholders, not simply the Title Insurers. The Mortgage Adjudication Protocol exceeds the procedural requirements approved by the Court in respect of the Jank Mortgage, at a hearing attended by counsel for TitlePLUS. The Mortgage Adjudication Protocol is in the best interests of all stakeholders of the Debtor. |
| The Receiver cannot absolve itself of the Debtor's conduct    | The Mortgage Adjudication Protocol allows for a determination of whether the Debtor was involved in the alleged fraudulent conduct with respect to the Impugned Mortgages. If such a determination is made, the Title Insurers can rely on their rights under the title insurance policies to assert any defence to a claim under the policies.   |
| A summary trial must have fulsome evidence                    | The Mortgage Adjudication Protocol provides that the process for summary trials will be established by the Court at a future case conference. Any process that is developed must be proportionate and reasonable.   |

### 3.0 The Receiver Recommends Approval of the Mortgage Adjudication Protocol

1. In addition to the reasons set out in the Fourth Report, the Receiver recommends approval of the Mortgage Adjudication Protocol for the following reasons:
  - a. The Mortgage Adjudication Protocol provides for the complete resolution of all claims related to an Impugned Mortgage, including any corresponding title insurance claims submitted by the Receiver. The Insurer Protocol only provides for the adjudication of the Impugned Mortgages, without a process governing coverage disputes. Any potential coverage dispute should be resolved within the Mortgage Adjudication Protocol to ensure a fair and cost-effective resolution of all issues.
  - b. The primary parties involved in the events underlying each Impugned Mortgage, being the Objecting Mortgagors and Interested Parties, have either supported the terms of earlier versions of the Mortgage Adjudication Protocol (in the case of the Objecting Mortgagors) or have not opposed (in the case of the Interested Parties).
  - c. The Insurer Protocol is inconsistent with the single proceeding model for insolvency proceedings, as the process it contemplates is, in effect, multiple standalone proceedings with the Receiver as a common party, all to be transferred and adjudicated on the Commercial List.

- d. The Insurer Protocol requires many unnecessary procedural steps, including:
  - i. Requiring numerous steps to be taken with respect to all proceedings related to the Commercial List, including orders transferring the proceedings to the Commercial List and orders continuing such proceedings. The Impugned Mortgages are proposed to be adjudicated under the Mortgage Adjudication Protocol and the multiple litigation steps contemplated by the Insurer Protocol would add cost and delay. The proceedings are currently stayed by the Receivership Order;
  - ii. Providing for the amendment of pleadings 30 days after the delivery of the affidavit of documents. Amended pleadings are not necessary as the claims will be dealt with by the Mortgage Adjudication Protocol;
  - iii. Providing for a supplemental affidavit of documents 20 days after the delivery of amended pleadings. As set out above, amended pleadings are not necessary. The Receiver will initiate the process by delivering a notice of claim, in respect of which the Objecting Mortgagors must provide affidavit evidence in support of their allegation that their respective Impugned Mortgage is fraudulent, along with an affidavit of documents. Interested Parties are thereafter required to provide their own affidavit evidence and affidavit of documents. There is no need for a supplemental affidavit of documents; and
  - iv. Cross-examinations on affidavit of documents. The Mortgage Adjudication Protocol provides the Title Insurers with the opportunity to deliver written interrogatories to the Receiver in respect of the Receiver's disclosure report within 7 days. To the extent that the Title Insurers wish to cross-examine any affiant of the Objecting Mortgagors or Interested Parties on their affidavit of documents, that process can be decided by the judge presiding over the pre-trial case conference.
- e. The resolution of the fraud allegations with respect to the Impugned Mortgages requires an expedited and streamlined process that balances the rights of the Interested Parties and Title Insurers. This objective is especially pressing in the current circumstances, as many of the Objecting Mortgagors are elderly and have expressed a need to transition to assisted living communities. Further, the proposed process must also be proportional to the relatively modest amount at stake; the Impugned Mortgages, collectively, total just over \$4 million, averaging \$501,875 each. The revised Mortgage Adjudication Protocol establishes a fair process that appropriately balances these considerations and the interests of all stakeholders, including the Title Insurers. On the other hand, the version proposed by the Title Insurers overly complicates this process, both in terms of the timeline and costs, and severely prejudices the Debtor's stakeholders.

#### 4.0 Arrest of Debtor's Principal

1. On March 6, 2026, an investor in the MIC sent an email to the Receiver, among others, with a press release from the York Regional Police confirming the arrest of Mr. Shchavyelyev, which had occurred on December 11, 2025. Copies of the email and press release are provided as **Appendices "O"** and **"P"**.

2. The Receiver does not have any additional information regarding Mr. Shchavyelyev's arrest beyond what is set out in the press release. The Receiver notes that, based on the press release, Mr. Shchavyelyev's arrest appears to be in respect of allegations that he had defrauded investors in respect of EquityLine Group's publicly listed mortgage investment entity, EquityLine Mortgage Investment Corporation. The subject of Mr. Shchavyelyev's arrest does not appear to relate to Mr. Shchavyelyev's involvement with the Impugned Mortgages.

## 5.0 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”

## Dannallyn Salita

---

**From:** Brian Chung <bchung@airdberlis.com>  
**Sent:** July 2, 2025 2:22 PM  
**To:** Rachelle Hepburn  
**Subject:** RE: CTS25013000231

Thanks for confirming, Rachelle. Yes, I believe you now have the complete underwriting files that we have regarding those properties. If there is anything specific you or your colleagues believe is missing from any particular file, let me know and I will do my best to address the request(s). Otherwise, we have provided what we have.

Looking forward to hearing back on the various files.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E bchung@airdberlis.com

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---

**From:** Rachelle Hepburn <rhepburn@fct.ca>  
**Sent:** July 2, 2025 2:19 PM  
**To:** Brian Chung <bchung@airdberlis.com>  
**Subject:** RE: CTS25013000231

Hi Brian,

Thank you, I confirm receipt of the documentation. I have noted below in red who will be handling each of the respective files. To confirm, we now have everything to be submitted with each claim, namely the letter you sent in January for each property, together with the documents you have sent us today?

Please allow us time to review the files, and we will each reach out to you in due course.

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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---

**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Wednesday, July 2, 2025 1:58 PM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Subject:** RE: CTS25013000231

**Caution: External email / Attention: Courriel externe.**  
(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Thanks, Rachelle. I just uploaded 5 folders for the mortgages in respect of:

- 99 Kalmar – **Trudie Tong**
- 7044 Leeming – **Rachelle Hepburn**
- 30 Cherrwood – **Trudie Tong**
- 22 Lord Roberts – **John Tracy**
- 123 Southmoor – **Trudie Tong**

Let me know if you have any trouble accessing the documents.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** July 2, 2025 1:48 PM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** RE: CTS25013000231

Certainly! If it is easier to upload, you can please do so here:

filedrop.fct.ca  
Login ID: Clm\_Rachelle  
Password: 41Tsgwotmt;naftbs

Please let me know if you experience any difficulties.

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Wednesday, July 2, 2025 1:41 PM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Subject:** RE: CTS25013000231

**Caution: External email / Attention: Courriel externe.**  
(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

There could be 30+ documents to email. Would it be easier for you to re-send your data room link for me to upload them?

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** July 2, 2025 1:39 PM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** RE: CTS25013000231

Thanks, Brian. Unfortunately, due to IT security settings, we are unable to access external dropbox type links. Is it possible for the documents to be sent via email as PDF attachments (it is fine if there are multiple emails)? Thank you.

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

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**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Wednesday, July 2, 2025 1:37 PM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Subject:** RE: CTS25013000231

**Caution: External email / Attention: Courriel externe.**  
(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

I hope you had a good Canada Day.

In looking at the file and discussing internally, I was not able to find the mortgage documents having been sent to you previously, but I also no longer have access to the shared file. If the documents were not shared, I apologize.

You will be able to download the underwriting files (containing mortgage documents) in the following Sharefile link: <https://airdberlis.sharefile.com/f/fo40b47a-f76c-421c-83d1-f7d4be2f9fc5>. The link will expire on August 1, 2025. If you have any trouble accessing the documents, please let me know.

Thanks, and apologies again.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** June 24, 2025 1:53 PM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** RE: CTS25013000231

Great, I will wait to receive same from you.  
Thanks,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Tuesday, June 24, 2025 1:42 PM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Subject:** RE: CTS25013000231

**Caution: External email / Attention: Courriel externe.**  
(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

I thought we had provided what we have, but I am checking internally.

Brian

**Brian Chung**

Partner

T 416.865.3426

E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>

**Sent:** June 24, 2025 1:34 PM

**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** CTS25013000231

Hi Brian,

You had indicated to me earlier that you would be obtaining the mortgage file and further documents. You had given FCT initial summary letters on these properties, however, we have not received any substantiating documents from you, which would be necessary to proceed with a claim. Should you have formal challenges to any of the mortgages, you are welcome to provide this, together with the mortgage files, and documentation supporting the fraud allegations.

Thanks,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Sent:** Tuesday, June 24, 2025 12:27 PM

**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>

**Subject:** RE: CTS24312004192

**Caution: External email / Attention: Courriel externe.**

(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

I hope you are well.

I am following up on our various policy claims with FCT (being 123 Southmoor, 22 Lord Roberts, 30 Cherrywood, 7044 Leeming, and 99 Kalmar).

Do you have a sense of timing as to when FCT will get back to us on its claims determinations?

Thanks,  
Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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---

**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** January 27, 2025 9:19 AM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Thank you, Brian.

I will await the file on Leeming – I am assigned to that file.

The other two files will be closed based on your advising the insured is not proceeding with them at this time. The insured is welcome to submit a potential claim in future.

Best,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

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**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Monday, January 27, 2025 9:09 AM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

|   |
|---|
| <p><b>Caution: External email / Attention: Courriel externe.</b><br/>(Sender: <a href="mailto:bchung@airdberlis.com">bchung@airdberlis.com</a>)</p> |
|---|

Hi Rachelle,

We are proceeding with a claim re Leeming Street. We were waiting for one court document, which I believe we have recently received so that package will be sent to you this week.

As for the others (Lawrence, Nipissing), we are not making claims at this time as we are not aware of specific circumstances warranting a claim under the title insurance policy. That may change as we continue our investigations on behalf of the Receiver. If we become aware of specific circumstances warranting a claim, we will notify you immediately.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** January 27, 2025 7:50 AM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Hi Brian,

Could you please confirm if you will be proceeding with the following claims at this time? We did not receive any claim submission documents (as you sent out with the other four files on Friday).

CTS24312004192 – 267 Lawrence Avenue, Orillia  
CTS24354001650 – 1563 Nipissing Court, Pickering  
CTS25013000231 – 7044 Leeming Street, Niagara Falls

Thank you,

### **Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Rachelle Hepburn  
**Sent:** Monday, January 13, 2025 8:29 AM  
**To:** 'Brian Chung' <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Thank you for providing this, Brian. I hope you had a nice holiday season.

May you confirm whether you will be proceeding with claims:

CTS24312004192 – 267 Lawrence Avenue, Orillia

CTS24354001650 – 1563 Nipissing Court, Pickering

I recognize both were not on your list, however, I was not sure if this was simply because we already had discussed and opened claim files for these two matters, as you also included the transfer of charge for each of these properties. If you could please confirm whether these claim files should remain open and I should expect documents / claim summary on these, that would be great.

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

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**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Sent:** Friday, January 10, 2025 2:37 PM

**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>

**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>

**Subject:** RE: CTS24312004192

**Caution: External email / Attention: Courriel externe.**

(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

Happy new year, I hope you had a good break and time off with family.

Thank you for the below. Sorry that I missed your call. I was tied up in court in the weeks leading up to the break, and then was away for two weeks. I am now catching up.

As requested, attached are Transfers of Charges for each of the FCT-insured mortgages. I will flag that for 22 Lord Roberts Drive, it is our understanding that the mortgage was transferred from Computershare to Equityline SPV GP Inc. by way of Instrument No. AT6533326, and therefore we do not have a transfer of charge to KSV. It is further our understanding that the transfer from Computershare to Equityline was undertaken without Computershare's consent or knowledge.

I will also flag although our initial notice of claim referred to all of the FCT-insured mortgages, our claim submissions will only include, at this time, those mortgages relating to 123 Southmoor Drive, 22 Lord Roberts Drive, 30 Cherrywood Avenue, 7044 Leeming Street, and 99 Kalmar Ave. If we become aware of any circumstances that would trigger claims under the other insured mortgages, we will promptly notify you and submit detailed claims submissions in respect of those mortgages.

For now, as you will see shortly, we will be submitting individual letters and supporting documents for each of the 5 above noted properties. We expect that those claims packages will be sent to you next week.

Please let me know if you have any questions or would like to discuss.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** December 19, 2024 9:29 AM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Hi Brian,

I tried to reach you via phone and got your voicemail. If you would like to discuss, please feel free to call me at 905.287.3024.

Further to the below, I have re-reviewed the properties that you provided me in the original list with the claim submission. Upon further review, I can accept claim submissions from you with respect to 267 Lawrence Avenue, Orillia and 1563 Nipissing Court, Pickering, as you confirmed you are counsel for the Receiver KSV appointed for Equityline Services Corp. I understand you have a copy of the Policy already for 267 Lawrence Avenue, as you provided this with the initial claim submission. I have attached a copy of the Policy for 1563 Nipissing Court. I apologize for the inconvenience with respect to the back and forth on commencing the claims for Lawrence and Nipissing. Given the many parties involved, I wanted to be sure I was taking the claim submission from the appropriate entity, and I appreciate your patience in this regard.

The remainder of the properties you submitted in your list of seven do not contain any reference to Equityline, and accordingly, I will need a copy of the transfer of charge evidencing that Equityline is the insured.

I will open a separate claim file for the Nipissing property and send you the claim reference number once I have same. Please advise when you anticipate being able to provide the documents for these two matters. The dropbox link and password that I had previously provided is no longer valid, and so I will need to send you a new one.

Again, my apologies for the inconvenience, and thank you for your understanding. Should you wish to discuss further, please do not hesitate to let me know.

Best,

Rachelle

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Rachelle Hepburn

**Sent:** Tuesday, December 17, 2024 3:26 PM

**To:** 'Brian Chung' <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>

**Subject:** RE: CTS24312004192

Hi Brian,

The named insured is Computershare Trust Company of Canada. The inclusion of the reference "c/o" does not identify Equityline as an insured; "c/o" means "care of" and would follow that this is a provision to send the items for the insured, Computershare, care of Equityline. As I indicated previously, if you have documentation that the Insured is Equityline, please provide for my review.

Best,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Sent:** Friday, December 13, 2024 2:52 PM

**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>

**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>

**Subject:** RE: CTS24312004192

**Caution: External email / Attention: Courriel externe.**

(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

The insured is not changing. Under the policies (for example Policy No. ONGLT220601004108), Equityline is the named insured. Computershare is a title custodian only, hence the "c/o" reference in the insurance policies. KSV is the appointed Receiver over all of the assets of Equityline, including the insurance policies. We are counsel to KSV.

Let me know if a further call would assist.

Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** December 3, 2024 3:10 PM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Hi Brian,

As I previously indicated, I can only communicate with the Insured under the Policy or its counsel. I cannot accept an assignment of title insurance policies as the basis for changing the Insured under the Policy. Should you have a copy of the registered transfer of charges mentioned in the assignment, please provide these for my review.

Thank you,

### Rachelle Hepburn (she/her)

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Sent:** Monday, December 2, 2024 9:08 AM  
**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Cc:** Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>; Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Subject:** RE: CTS24312004192

**Caution: External email / Attention: Courriel externe.**

(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

Thanks for your email. All good on my end. I hope you had a good weekend too.

Attached is an assignment in respect of the FCT policies. At this time, there are 5 mortgages for which title insurance claims are being made to FCT. There may be other claims as we become aware of circumstances warranting claims. Otherwise, the 5 mortgages relate to the following properties:

1. 99 Kalmar Avenue
2. 7044 Leeming Street
3. 22 Lord Roberts Drive
4. 123 Southmoor Drive

5. 30 Cherrywood Avenue

I note that #3 (22 Lord Roberts) was unintentionally omitted from the Schedule in the attached assignment. We are looking into that and will be back to you. In the meantime, I can confirm that our firm is appointed as counsel for KSV (the receiver) and Equitable Bank. See the service list in the receivership proceeding: [https://www.ksvadvisory.com/docs/default-source/insolvency-case-documents/equityline-spv-lp/receivership-proceedings/service-list/service-list-as-at-october-2-2024.pdf?sfvrsn=8633ee1b\\_1](https://www.ksvadvisory.com/docs/default-source/insolvency-case-documents/equityline-spv-lp/receivership-proceedings/service-list/service-list-as-at-october-2-2024.pdf?sfvrsn=8633ee1b_1). You may also want to browse the court filings in the broader proceeding, here: <https://www.ksvadvisory.com/experience/case/equityline>.

We are continuing to compile the supporting documents, together with summary narratives, that we have for each of the above mortgages. We will provide those to you on an ongoing basis.

In the meantime, I mentioned on our initial call that our copies of the insurance policies may be incomplete in some instances. I would appreciate if you could please provide to us complete title policies for each of the FCT-insured mortgages for Computershare/Equityline.

Thanks,  
Brian

**Brian Chung**  
Partner

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>  
**Sent:** December 1, 2024 9:29 PM  
**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** RE: CTS24312004192

Hi Brian,

Hope you had a nice weekend.

I wanted to send a follow up on this to confirm you received same and inquire whether I should anticipate receipt of documentation substantiating the claim(s)?

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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**From:** Rachelle Hepburn  
**Sent:** Tuesday, November 19, 2024 10:03 PM

**To:** 'Brian Chung' <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** RE: CTS24312004192

Hi Brian,

It was a pleasure to connect with you this afternoon.

As discussed, please use the following link and login details to submit the documents for this claim:

[filedrop.fct.ca](http://filedrop.fct.ca)

Login ID: Clm\_Rachelle

Password: TitfdfA&Bbc4

We had discussed that it is necessary for me to have the documentation supporting that Equityline is the Insured under the respective policies, as I can only discuss the policies and accept claims submissions from an insured or an insured's counsel. You have also advised that you are counsel to the Receiver appointed to Equityline (as opposed to Equityline), so I would also need documentation supporting this.

Then the further documents required would be anything necessary to set out the claim. Typically, we would need a detailed summary of the issue(s), the transactional documentation, the allegations of fraud, the parcel register, the charge, the trust ledger, the closing report from the transaction, copies of legal proceedings (where applicable), etc. As I receive the detailed summary, I can also provide specific requests for documents based off of this.

Lastly, I know you are still in the process of collecting the documentation, and we had discussed since time is of the essence and delay could prejudice FCT, to not wait until you have every document on every file, and you can send the information and documents for one property even if you are waiting on the details for a different property.

If you have any questions, please do not hesitate to contact me.

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

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**F:** 905.287.1006

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**From:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Sent:** Friday, November 15, 2024 3:21 PM

**To:** Rachelle Hepburn <[rhepburn@fct.ca](mailto:rhepburn@fct.ca)>

**Subject:** RE: CTS24312004192

**Caution: External email / Attention: Courriel externe.**

(Sender: [bchung@airdberlis.com](mailto:bchung@airdberlis.com))

Hi Rachelle,

Apologies for the delayed response. Are you available to speak next week? How about Wednesday?

Brian

**Brian Chung**  
Partner

T 416.865.3426

E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

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**From:** Rachelle Hepburn <[rhpburn@fct.ca](mailto:rhpburn@fct.ca)>

**Sent:** November 13, 2024 1:13 PM

**To:** Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** CTS24312004192

Hi Brian,

Thank you for your potential claim submission under Policy No. ONGLT220601004108.

Would you be available for a call to discuss this matter? I reviewed the information submitted; however, I will need more documentation and details from you.

I would also ask that you please confirm you are counsel for Computershare Trust Company of Canada and are submitting this claim on its behalf. In your initial email you indicate you are counsel to Equitable Bank.

Thank you,

**Rachelle Hepburn (she/her)**

Senior Legal Counsel, Claims | **FCT**

**T:** 1.800.307.0370 x 763024 | **D:** 905.287.3024

**F:** 905.287.1006

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de dollars canadiens sont offertes par la **Compagnie d'assurances FCT ltée.** Les polices d'assurance titres commerciale de plus de 10 millions de dollars canadiens sont offertes par la **Compagnie d'assurance titres First American.** Les services sont offerts par la **Compagnie de titres First Canadian Limitée.** Ce courriel et toutes pièces jointes peuvent être confidentiels. Si vous avez reçu ce message par erreur ou si vous n'êtes pas le destinataire visé, veuillez le supprimer ainsi que tous documents ou annexes. De plus, vous ne pouvez conserver, distribuer ou utiliser les informations contenues dans ce courriel ou dans les pièces jointes. Veuillez nous informer d'une livraison erronée par retour de courriel. Merci de votre collaboration.

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Insurance by **FCT Insurance Company Ltd.**, with the exception of commercial policies. Subject to certain exceptions, commercial title insurance policies equal or below \$10M CAD are provided by **FCT Insurance Company Ltd.** Commercial title insurance policies above \$10M CAD are provided by **First American Title Insurance Company.** Services by **First Canadian Title Company Limited.** This e-mail and any attachments may be confidential. If you received this message in error or are not the intended recipient, you should destroy the e-mail message and any attachments or copies, and you may not retain, distribute or use any information in the e-mail or any of its attachments. Please inform us of the erroneous delivery by return e-mail. Thank you for your cooperation.

Les assurances sont offertes par la **Compagnie d'assurances FCT ltée.**, à l'exception des polices commerciales. Sous réserve de certaines exceptions, les polices d'assurance titres commerciale d'une valeur égale ou inférieure à 10 millions de dollars canadiens sont offertes par la **Compagnie d'assurances FCT ltée.** Les polices d'assurance titres commerciale de plus de 10 millions de dollars canadiens sont offertes par la **Compagnie d'assurance titres First American.** Les services sont offerts par la **Compagnie de titres First Canadian Limitée.** Ce courriel et toutes pièces jointes peuvent être confidentiels. Si vous avez reçu ce message par erreur ou si vous n'êtes pas le destinataire visé, veuillez le supprimer ainsi que tous documents ou annexes. De plus, vous ne pouvez conserver, distribuer ou utiliser les informations contenues dans ce courriel ou dans les pièces jointes. Veuillez nous informer d'une livraison erronée par retour de courriel. Merci de votre collaboration.

# APPENDIX “B”



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00721560-00CL

DATE: January 13, 2026

NO. ON LIST: 1

TITLE OF PROCEEDING: EQUITABLE BANK v. EQUITYLINE SPV LIMITED PARTNERSHIP

BEFORE: JUSTICE KIMMEL

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

| Name of Person Appearing | Name of Party              | Contact Info   |
|--------------------------|----------------------------|--|
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**For Defendant, Respondent, Responding Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|---------------|--------------|
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**For Other, Self-Represented:**

| Name of Person Appearing                         | Name of Party  | Contact Info   |
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| Cristina Fulop                                   | Counsel for Computershare Trust<br>Company of Canada | <a href="mailto:Cristina.fulop@dlapiper.com">Cristina.fulop@dlapiper.com</a>   |
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## **ENDORSEMENT OF JUSTICE KIMMEL:**

[1] The court hearing time booked for today was preserved by my November 26, 2025 endorsement (at para. 9): “so that it can be used to deal with another the claim of fraud brought by another elderly mortgagor, Lyle Auton (whose counsel was in attendance in court today), in addition to claims in respect of six other possibly fraudulent mortgages that have been identified”.

[2] It was noted in the November 26, 2025 endorsement that the Receiver was in the process of determining which other title insurers may need to be on notice of any motion that it may wish to have return on January 13, 2026. The court also indicated (at para. 11 of that endorsement) that:

If there is going to be a motion on January 13, 2026 to deal with any other allegedly fraudulent mortgages, there will need to be a timetable to ensure that the interested parties are on notice and have had a chance to respond. Accordingly, counsel for the Receiver has undertaken to try to identify the potentially interested stakeholders and arrange a further scheduling conference before the holidays, to either timetable steps to ensure the participating parties are ready to proceed on January 13, 2026, or to schedule a new hearing date.

[3] The Receiver determined in December 2025 that it was not going to be in a position to proceed to deal on the merits with the Auton claim, or to deal on the merits with the claims of the six other possibly fraudulent mortgages that have been identified by the Receiver (referred to by the Receiver as the “Impugned Mortgages”). Instead, the Receiver determined that it would ask the court to consider a proposed claims adjudication protocol for dealing with the allegedly fraudulent mortgages (the “Mortgage Claim Protocol”). The Receiver requested confirmation from the court in December of 2025 to re-purpose the January 13, 2026 hearing date, which confirmation was not provided until January 5, 2026, immediately after which the Receiver served its motion for approval of its proposed Mortgage Claim Protocol.

[4] After being served, some of the title insurers requested an adjournment of the Receiver’s motion for approval of the proposed Mortgage Claim Protocol to allow them more time to consider it. The Receiver

agreed to a brief adjournment and the primary purpose of today's case conference was to put a timetable in place to allow time for the interested parties to reach a consensus on the terms of a Mortgage Claim Protocol, and to schedule the motion for its approval if consensus was not reached.

- [5] The Receiver's objective is to try to come to the court with a proposed Mortgage Claims Protocol that is acceptable to the primary stakeholders (most of whom were represented at today's case conference), namely: the Applicant (mortgagee), the mortgagors, and the title insurers.
- [6] A concern was raised about whether there are other parties to the pre-existing claims regarding the Impugned Mortgages that may have an interest and desire to participate in the adjudication of those claims, for example the mortgage brokers and the lawyers for the mortgagees and mortgagors (or their insurers). The Receiver has identified and engaged with the other title insurers since the last case conference, but notes that to the extent there may be other parties to the pre-existing claims, they would be readily identifiable by the mortgagors and possibly by the title insurers already engaged in the investigation of those claims (which pre-dated the receivership).
- [7] After some discussion, it was agreed that this would be addressed offline. The court asked counsel who appeared on this case conference to, by the end of this week, provide the Receiver with the names of those other known parties to pre-existing mortgage claims, their counsel of record and address for service if known, so that they can be served with the Receiver's motion record and can engage in the discussions about the Mortgage Claims Protocol if they wish to do so.
- [8] A further case conference has been scheduled on February 2, 2026 for 90 minutes by zoom.
- [9] The hope of the Receiver, supported by most of the other participating parties at this case conference, is that the Mortgage Claims Protocol (as amended based on engagement between now and then) can be agreed upon and presented, with appropriate authorities, for the court's consideration and (if determined appropriate) approval on February 2, 2026. If it is unopposed or on consent then the court will consider and determine whether to approve the proposed Mortgage Claims Protocol at the February 2, 2026 case conference.
- [10] If the Receiver's proposed Mortgage Claims Protocol is not either on consent or unopposed, the February 2, 2026 case conference will be used to schedule and timetable the Receiver's motion, on a relatively expedited timetable. If necessary, the Receiver may request that the court make an order on February 2, 2026 to toll limitation periods that might be otherwise expiring in respect of any of the claims involving the Impugned Mortgages. Any such request will need require evidentiary support and legal authority.

Date: January 13, 2026



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Jessica Kimmel



# APPENDIX “C”

# 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

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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.

such 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, arrearages, 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 and EquityLine 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.
15. In addition, within 15 days of receipt of the Mortgagor Materials, the Receiver shall deliver to the Objecting Mortgagors and Interested Parties all relevant and non-privileged documents within its power, possession and control relating to the subject Impugned

Mortgage (the “**EquityLine Materials**”). In determining which materials are relevant, the Receiver may consider requests for specific documents made by the Objecting Mortgagor and/or Interested Parties.

III. Responses by Interested Parties

16. ~~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.

17. ~~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.

18. ~~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

19. ~~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

20. ~~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 EquityLine Materials;](#)
  - (c) ~~(b)~~ the Interested Party Materials;
  - (d) ~~(e)~~ the Reply Materials; and
  - (e) ~~(d)~~ any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
21. ~~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.
22. [Notwithstanding the foregoing, the Receiver shall at all times be entitled to seek the advice and directions of the Court in respect of any matter relating to an Impugned Mortgage or any Determination made in respect thereof.](#)
23. ~~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**").
24. ~~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.

25. ~~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~~24, above, the Receiver shall serve motion materials in respect of an Approval Motion in accordance with the applicable practice directions of the Court.

26. ~~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.

27. ~~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)

28. ~~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**”).

29. ~~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.

30. ~~28.~~ Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.

31. ~~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.

32. ~~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.

33. ~~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

34. ~~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.

35. ~~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. In considering any such request, the Receiver may, in its sole discretion, solicit the views of the relevant Objecting Mortgagor and/or Interested Parties, as applicable.

#### E. Proceeds of Sale

36. ~~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**”).

37. ~~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**

38. ~~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.
39. ~~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.
40. ~~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.
41. ~~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.

42. ~~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**

43. ~~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,  
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and to the Receiver's independent legal counsel, as follows:

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# APPENDIX “D”



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00721560-00CL

DATE: Feb 02, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING: EQUITABLE BANK v. EQUITYLINE SPV LIMITED PARTNERSHIP

BEFORE: JUSTICE KIMMEL

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|---------------|--------------|
|                          |               |              |
|                          |               |              |

**For Defendant, Respondent, Responding Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|---------------|--------------|
|                          |               |              |

**For Other, Self-Represented:**

| Name of Person Appearing      | Name of Party                                      | Contact Info                      |
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| Erin Hoops      | counsel for Motgage Maven  | ehoops@fcl-law.com          |
| Kevin Mooibroek | Counsel for Simon Morris.  | kmooibroek@grllp.com        |
| Steven Gadbois  | CSL FOR VANDIJK  | Sgadbois@watlaw.ca          |
| Rebecca Van Dyk | OBSERVER   | becky.vandyk@gmail.com      |
| Danika So       | counsel to Stephen Price   | dso@dglp.ca                 |

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## **ENDORSEMENT OF JUSTICE:**

- [1] The Receiver has been working on a proposed claims adjudication protocol for dealing with the eight identified allegedly fraudulent mortgages (the “Mortgage Claim Protocol”). Since the last case conference on January 13, 2026, the Receiver has been working to provide notice to the other parties to the pre-existing claims regarding these “Impugned Mortgages” that may have an interest and desire to participate in the adjudication of those claims, for example the mortgage brokers and the lawyers for the mortgagees and mortgagors (or their insurers), and to engage with them about the proposed Mortgage Claim Protocol.
- [2] Although discussions between the Receiver and the stakeholders, particularly the title insurers, are ongoing, the terms of a Mortgage Claim Protocol have not been agreed to yet.
- [3] In the meantime, one of the title insurers (FCT Insurance Company Ltd. ("FCT")) has raised a threshold issue that all appear to agree either needs to be resolved or determined before the Mortgage Claim Protocol can be finalized, whether by agreement or court order. That threshold issue is: who the "Insured" is under the applicable title insurance policies. It is recognized that the outcome of this motion might impact the Receiver’s jurisdiction and role in the adjudication of claims associated with the Impugned Mortgages

- [4] This case conference was originally scheduled with the expectation that the Mortgage Claim Protocol (as amended based on engagement since the last case conference) would have been agreed upon and presented at today's case conference, with appropriate authorities, for the court's consideration and (if determined appropriate) approval. Or, if not unopposed or on consent, then the contemplation was that this February 2, 2026 case conference would be used to schedule and timetable the Receiver's motion for approval of its proposed Mortgage Claim Protocol, on a relatively expedited timetable.
- [5] After engaging with the other parties and their counsel, the Receiver suggested that all would benefit from an additional two weeks to continue working on the Mortgage Claim Protocol. While there was general consensus about that, there still is the threshold issue that will have to be addressed and less optimism that it can be resolved entirely through the continuing discussions, even if the issues might be narrowed or streamlined.
- [6] Given that there remain concerns about dealing with the claims associated the Impugned Mortgages in a timely manner because of the age and financial needs of some of the mortgagors, it was determined that these efforts need to proceed on parallel tracks. While the engagement about the Mortgage Claim Protocol should continue with all interested parties participating to attempt to come up with an appropriately streamlined, efficient and cost effective way to deal with these claims, the threshold issue will need to be determined by the court.
- [7] To that end, a half-day in-person motion has been scheduled on March 13, 2026 to deal with a threshold issue raised by the title insurers, namely who the "Insured" is under the applicable title insurance policies. The parties shall adhere to the following pre-hearing steps for this threshold motion:
- (a) February 9, 2026: FTC to serve its motion record (moving party)
  - (b) February 13, 2026: TitlePLUS to serve its motion record if needed to supplement the FTC record (moving party)
  - (c) February 23, 2026: the Receiver (and Equitable Bank if determined necessary) shall serve their responding motion record(s)
  - (d) February 27, 2026: FTC to serve its moving factum (maximum 25 pages double spaced, draft to be coordinated with TitlePLUS in advance)
  - (e) March 3, 2026: TitlePLUS to serve its moving factum if needed to supplement the FTC factum (maximum 5 pages double spaced)
  - (f) March 6, 2026: Responding factum(s) of the Receiver and Equitable Bank, or joint factum (maximum combined 30 pages double spaced to be coordinated in advance)
  - (g) March 10, 2026: reply factum, if appropriate in accordance with the Commercial List Practice Direction (joint or combined from FTC and TitlePLUS, maximum combined 5 pages double spaced)
  - (h) March 11, 2026: all materials shall have been served filed and uploaded into the appropriate hearing bundle in case center by no later than 4:30 p.m.
  - (i) The parties may agree to adjust any of these deadlines among themselves as long as the final March 11, 2026 deadline is adhered to for all material to have been served, filed and uploaded into Case Center.
- [8] In the interim, the parties are encouraged to continue working on narrowing the threshold issue and on the Mortgage Claim Protocol. A further case conference may be requested to seek for directions regarding the court's consideration of the Receiver's proposed Mortgage Claim Protocol (as amended as a result of

ongoing engagement with interested parties) when the Receiver or any other party deems that to be appropriate.

[9] This endorsement and the directions contained in it shall have the immediate effect of a court order without the necessity of a formal order.

Date: Feb 02, 2026

A handwritten signature in cursive script that reads "Kimmel J." is positioned above a horizontal line. The signature is contained within a light gray rectangular box.

Jessica Kimmel

# APPENDIX “E”



2235 Sheridan Garden Drive, Oakville ON L6J 7Y5

**BY EMAIL**

Haskell Nussbaum  
Barrister & Solicitor

Unit 601, 3100 Steeles Avenue West  
Concord, ON  
L4K 3R1

Dear Mr. Nussbaum:

|               |                            |
|---------------|----------------------------|
| <b>Date:</b>  | June 29, 2022              |
| <b>To:</b>    | Haskell Nussbaum           |
| <b>Email:</b> | haskell@shapirolawyers.com |

*AB*

**Re: Computershare Trust Company of Canada Mortgage Loan to Hinds, Phyllis  
30 Cherrywood Avenue, Toronto, Ontario, M6C 2X2  
Loan Policy No. ONGLT220624000613  
Your File Number: 30 Cherrywood**

Thank you for choosing FCT. We confirm receipt of your title insurance order with respect to the above transaction and enclose the Certificate of Insurance and Invoice. Please note, if you have purchased a policy for a rural property, a new septic endorsement has been included to clarify our existing septic coverages. We ask that you take a few moments to review the package and advise our office of any changes within 24 hours of receipt.

Please note that failure to remit the premium in a timely manner may result in loss of coverage. Please forward the bottom portion of your invoice and the premium to FCT, Dept. 400108, C/O PNC Bank, PO BOX 4375, Station A, Toronto, ON, M5W 0J3.

At FCT, customer service is paramount. To serve your needs most effectively we have activated a "Claims Hotline", which you can pass along to your clients. When you think a client may have a claim, they can speak directly to our experts. Our experienced claims handling team will provide them with answers and options on how to proceed. Call us at 905.287.4325/866.515.5516 (8:00 AM – 5:00 PM EST), email us at [claims@fct.ca](mailto:claims@fct.ca) or visit us at [www.fct.ca](http://www.fct.ca) and click on "Make a Claim".

It is our pleasure to be of service to you. If you have any questions or comments, please do not hesitate to call one of our representatives from Monday to Friday 8:00 AM to 8:00 PM EST.

Yours truly,

Adam Babbey  
Customer Service Specialist, Residential Solutions  
905.287.3122 | 1.866.804.3122  
[customer.relations.rtis@fct.ca](mailto:customer.relations.rtis@fct.ca)

**t** 905.287.3122 **or** 1.866.804.3122 | **f** 905.287.2403 **or** 1.800.705.0006



FCT is committed to protecting your client's privacy and personal information. The personal information you provide is kept confidential and is used to underwrite, assess and control risks, and issue and administer policies of title insurance. For our complete corporate Privacy Policy, please visit our website at [www.fct.ca](http://www.fct.ca) or contact our Privacy Officer at 1.800.307.0370 or [privacy.inquiries@fct.ca](mailto:privacy.inquiries@fct.ca).

Insurance by **FCT Insurance Company Ltd.**

® Registered Trademark of **First American Financial Corporation.**



**CERTIFICATE OF INSURANCE**  
**Insurance by FCT Insurance Company Ltd.**

**To:** Computershare Trust Company of Canada

Please be advised that at the date noted below your Mortgage/Charge (Loan Reference No. Hinds) was registered and insured. FCT Insurance Company Ltd. confirms that a Form 4 (04/16) Loan Policy (Ontario) has been issued in accordance with your instructions, as amended with the following particulars and such particulars shall be deemed to be Schedule A to the Policy and Schedule B Exceptions, if any, to Coverage:

**Policy No.** ONGLT220624000613  
**Insured:** Computershare Trust Company of Canada  
**Policy Amount:** \$475,000.00  
**Policy Date:** June 30, 2022

(The Policy Date shall be deemed to be amended to correspond with the registration date of the insured Charge/Mortgage)

**The estate or interest in the Land which is covered by the Policy:**  
Fee Simple

**Title to the estate or interest in the Land is held by:** Hinds, Phyllis

**The insured mortgage is described as follows:** Second Charge/Mortgage of Land

**Schedule B exceptions to coverage:**

Mortgages, liens or encumbrances registered on Title accepted by the Insured as having priority as to the registered amount over the Insured Mortgage.

**The Land referred to in the Policy is described as follows:**

30 Cherrywood Avenue, Toronto, Ontario, M6C 2X2  
P.I.N. 10469-0145 LT, Part Lot 85, West Side of Cherrywood, Plan M-352, York, City of Toronto, together with any registered easements that benefit the Land.

**Extended Super Priority Lien Coverage:**

Notwithstanding the provisions of Section 9(c) of the Conditions and Stipulations, the Insured's coverage under this policy against any claims or interests asserted by any agency or ministry of the Federal or Provincial Crown as having priority over the Insured Mortgage shall not terminate upon the payment in full by any person or the voluntary satisfaction or release ("Release") of the Insured Mortgage, but shall continue in favour of the Insured for a period of ten (10) years from the date of the Release of the Insured Mortgage. In the event that such a claim or interest is asserted following the Release of the Insured Mortgage, coverage under this policy will be limited to a maximum amount of Five Hundred Thousand Dollars (\$500,000.00).

**FROM:** FCT Insurance Company Ltd.  
Michael F. LeBlanc, Chief Executive Officer

# Gold Policy

ISSUED & UNDERWRITTEN BY  
FCT Insurance Company Ltd.



Michael F. LeBlanc  
Chief Executive Officer



Form 4 (04/16)  
Loan Policy (Ontario)



# Gold Policy

ISSUED & UNDERWRITTEN BY

## FCT Insurance Company Ltd.

### POLICY OF TITLE INSURANCE For Single Family Residential Loans

#### COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FCT Insurance Company Ltd., registered to carry on the business of title insurance in Canada, with its principal office for Canada in Oakville, Ontario, herein called the Company, insures, as of Date of Policy shown in Schedule A, (or, to the extent expressly stated below, after Date of Policy), against loss or damage, not exceeding one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A, sustained or incurred by the Insured by reason of:

- Title to the estate or interest described in Schedule A being held other than as stated therein;
- Any defect in, charge, lien or encumbrance on the title;
- Unmarketable title;
- Lack of a right of pedestrian or vehicular access to and from the Land;
- The invalidity or unenforceability of the Insured Mortgage upon the title;
- The priority of any lien or encumbrance over the Insured Mortgage;
- Lack of priority of the Insured Mortgage over:
  - Any construction lien arising out of Section 78, as amended from time to time, of the Construction Lien Act; or
  - Any construction lien (or the claim of priority of any construction lien over the Insured Mortgage) arising from an improvement or work related to the Land which is contracted for and commenced subsequent to Date of Policy and is not funded in whole or in part by proceeds of the indebtedness secured by the Insured Mortgage;
- The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens;
- The invalidity or unenforceability of the Insured Mortgage upon the title based upon the usury laws of the jurisdiction where the Land is located;
- The failure of the Land to have the municipal address shown in Schedule A;
- The failure of the Land to contain a single family residence with the municipal address shown in Schedule A;
- Any outstanding work orders against the Land and the failure of the Land to comply with the applicable zoning by-law and to be zoned to permit a single family residence;
- The failure of the Land to be a lawfully created parcel according to the subdivision and part lot control provisions of the Planning Act;
- Failure of the existing residential structure or any portion thereof, or a modification thereto or replacement thereof constructed after Date of Policy, to have been constructed with a valid building permit from the appropriate local government issuing office;
- Any violation, variation, or adverse circumstance affecting title that would have been disclosed by an up-to-date survey, including, but not limited to, any encroachment of existing improvements located on the Land onto adjoining land and any encroachment onto the Land of existing improvements located on adjoining land, other than boundary walls or fences.
- The inability to use the existing single family residence, any portion thereof, or any replacement thereof constructed after Date of Policy for residential purposes because that use violates any restrictions referred to in paragraph 7 of the Exclusions From Coverage.
- Encroachment onto the Land of an improvement constructed after Date of Policy by someone other than the then owner of the estate or interest referred to in Schedule A;
- Any existing improvements, or those constructed after Date of Policy, encroaching upon any easement or right of way referred to in paragraph 7 of the Exclusions From Coverage and the use of that easement or right of way for the purpose granted or reserved interfering with or damaging the improvements, including lawns, shrubbery and trees;
- Any use of the Land for single family residential purposes being affected or impaired by reason of any lease, grant, exception or reservation of minerals or mineral rights referred to in paragraph 7 of the Exclusions From Coverage and damage to existing and future improvements, including lawns, shrubbery and trees resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights referred to in paragraph 7 of the Exclusions From Coverage;
- The invalidity, unenforceability or lack of priority of the Insured Mortgage resulting from any provisions therein which provide for (i) interest on interest; (ii) changes in the rate of interest; or (iii) the addition of unpaid interest to the principal balance of the loan;
- Forgery after Date of Policy of any assignment, release, discharge (partial or full), postponement or modification of the Insured Mortgage; or in the event the Insured has acquired the estate or interest in the manner described in Section 2(a) of the Conditions and Stipulations and has not conveyed the title, forgery of any instrument by which another claims the title has been conveyed after Date of Policy;
- The invalidity, unenforceability or lack of priority of the Insured Mortgage as to:
  - Advances made after Date of Policy pursuant to the terms of the Insured Mortgage existing at Date of Policy; and
  - Advances made and/or changes in the rate of interest charged subsequent to any modification to the terms of the Insured Mortgage made after Date of Policy which are by the terms of the Insured Mortgage, as modified, secured thereby.
- Any covenants, conditions or restrictions, appearing in the Public Records, under which the Insured Mortgage can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
- Any violations on the Land of any enforceable covenants, conditions or restrictions appearing in the Public Records.
- Any future violations on the Land of any existing covenants, conditions or restrictions appearing in the Public Records, occurring prior to the acquisition of title to the estate or interest in the Land by the Insured, provided the violations result in:
  - invalidity, loss of priority, or unenforceability of the Insured Mortgage; or
  - loss of title to the estate or interest in the Land if the Insured acquires title in satisfaction of the indebtedness secured by the Insured Mortgage.
- Any covenants, conditions or restrictions, appearing in the Public Records, providing for:
  - a lien for liquidated damages;
  - a private charge or assessment; or
  - an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
- Any adverse circumstance affecting the Land which would have been disclosed by a Local Authority Search of the Land at Date of Policy.

The Company will also pay the costs, legal fees and expenses incurred in defence of any matter insured against by the policy, but only to the extent provided in the Conditions and Stipulations.

## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, legal fees or expenses which arise by reason of:

- (a) Any law, by-law, order, code or governmental regulation (including but not limited to zoning by-laws) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection and conservation, or the effect of any violation of these laws, by-laws or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been registered in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 15 of this policy.
- (b) Any governmental power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been registered in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 15 of this policy.
- Rights of expropriation unless notice of the exercise thereof has been registered in the Public Records at Date of Policy, but not excluding from coverage any expropriation for which notice has been given prior to Date of Policy.
- Defects, liens, encumbrances, adverse claims or other matters:
  - created, suffered, assumed or agreed to by the Insured Claimant;
  - not Known to the Company, not registered in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - resulting in no loss or damage to the Insured Claimant;
  - attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under Covered Risks 7, 14, 16, 17, 18, 19, 20, 21, 22 and 25 of this policy); or
  - resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- Unenforceability of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws in the Province of Ontario.
- Invalidity or unenforceability of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon any Consumer Protection Law. This exclusion does not limit the coverage provided under Covered Risk 9 of this policy.
- Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.
- Any covenants, conditions, restrictions, easements, rights of way, statutory building schemes, and regarding minerals and mineral rights, any lease, grant, exception or reservation, appearing in the Public Records. This exclusion does not limit the coverage provided under Covered Risks 16, 18, 19, 23, 24, 25 and 26 of this policy.

## CONDITIONS AND STIPULATIONS

### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- "Consumer Protection Law": any law designed or intended to give protection to a borrower in respect of the terms and conditions of the loan including without limitation, any laws requiring disclosure of interest rates, any laws specifying a maximum rate of interest and any laws relating to unconscionability, misleading advertising or consumer protection.
- "Insured": the Insured named in Schedule A. The term "Insured" also includes:
  - the owner of the indebtedness secured by the Insured Mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defences as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the Land);
  - any governmental agency, or crown corporation or private corporation, which is an insurer or guarantor under an insurance contract or guarantee insuring or guaranteeing the indebtedness secured by the Insured Mortgage, or any part thereof, whether named as an Insured herein or not;
  - the parties designated in Section 2(a) of these Conditions and Stipulations.
- "Insured Claimant": an Insured claiming loss or damage.
- "Knowledge" or "Known": actual knowledge or notice, but not knowledge or notice which may be imputed to an Insured by reason of the Public Records as defined in this policy or any other records which impart actual notice of matters affecting the Land.
- "Land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the Land is insured by this policy.
- "Local Authority Search": any search of local government records pertaining to the Land which would customarily be required by a solicitor or notary qualified to practice law in the province or territory where the Land is located in the normal course of a real estate transaction.
- "Mortgage": mortgage, charge, trust deed, or other security instrument.
- "Public Records": records established and maintained under the applicable provincial or territorial legislation dealing with the registration of title to an interest in land.
- "Unmarketable title": title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the title or lender on the title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title. "Unmarketable title" is not created by matters relating only to the physical condition of the Land.

### 2. CONTINUATION OF INSURANCE

- After Acquisition of Title. The coverage of this policy shall continue in force as of Date of Policy in favour of (i) an Insured who acquires all or any part of the estate or interest in the Land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the Insured Mortgage; (ii) a transferee of the estate or interest so acquired from an Insured corporation, provided the transferee is the parent or wholly owned subsidiary of the Insured corporation and their corporate successors by operation of law and not by purchase, subject to any rights or defences the Company may have against any predecessor Insureds;
- After Conveyance of Title. The coverage of this policy shall continue in force as of Date of Policy in favour of an Insured only so long as the Insured retains an estate or interest in the Land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser to the Insured, or only so long as the Insured shall have liability by reason of the covenants implied by the Land Registration Reform Act, or covenants contained in the terms of the Mortgage made by the Insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favour of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an indebtedness secured by a purchase money mortgage given to the Insured.
- Amount of Insurance: The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:
  - One hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A; or
  - The amount of the principal of the indebtedness secured by the Insured Mortgage, at the time of acquisition of the estate or interest, interest thereon, expenses of foreclosure, amounts advanced pursuant to the Insured Mortgage to assure compliance with laws or to protect the Insured Mortgage prior to the time of acquisition of the estate or interest in the Land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made.

### 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an Insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the Insured Mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or Insured Mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company then as to the Insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required provided, however, that failure to notify the Company shall in no case prejudice the rights of any Insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

### 4. DEFENCE AND PROSECUTION OF ACTIONS, DUTY OF INSURED CLAIMANT TO COOPERATE

- Upon written request by the Insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company at its own cost and without unreasonable delay, shall provide for the defence of an Insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defence of those causes of action which allege matters not insured against by this policy.
- The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- Whenever the Company shall have brought an action or filed a defence as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- In all cases where this policy permits or requires the Company to prosecute or provide for the defence of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defence in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the Insured Mortgage, as insured. If the Company is prejudiced by the failure of the Insured to furnish the required co-operation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such co-operation.

### 5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the Insured Claimant shall be furnished to the Company within 90 days after the Insured Claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Insured Claimant to provide the required proof of loss or damage, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the Insured Claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, letters, ledgers, cheques, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, letters, ledgers, cheques, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

### 6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following options:

- To Pay or Tender Payment of One Hundred Twenty-Five percent (125%) of the Amount of Insurance or to Purchase the Indebtedness.
  - to pay or tender payment of one hundred twenty five percent (125%) of the amount of insurance under this policy together with any costs, legal fees and expenses incurred by the Insured Claimant, which were authorized by the Company up to the time of payment or tender of payment and which the Company is obligated to pay; or
  - to purchase the indebtedness secured by the Insured Mortgage for the amount owing thereon together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the Insured Mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of either of the options provided for in paragraphs a(i) or (ii), all liability and obligations to the Insured under this policy, other than to make the payment required in those paragraphs shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

- to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy, together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
- to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

### 7. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

- One Hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;
- the amount of the unpaid principal indebtedness as defined in 2 (c) (ii) secured by the Insured Mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
- the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy; provided, however, that this Section 7(a)(iii) shall not apply when the defect, lien, encumbrance or other matter insured against by this policy results in a total failure of the Insured Mortgage to attach to the insured estate or interest.

(b) In the event the Insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, legal fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

### 8. LIMITATION OF LIABILITY

- If the Company establishes good and marketable title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or otherwise establishes the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or to the Insured Mortgage, as insured.
- The Company shall not be liable for loss or damage to any Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- The Company shall not be liable for:
  - any indebtedness created subsequent to Date of Policy except for advances covered under Covered Risk 22 and those made to protect the Insured Mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or
  - construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land which at Date of Policy were secured by the Insured Mortgage and which the Insured was and continued to be obligated to advance at and after Date of Policy.

### 9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- All payments under this policy, except payments made for costs, legal fees and expenses, shall reduce the amount of the insurance accordingly. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce accordingly the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the Insured Mortgage.
- Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the Insured Mortgage, or any voluntary partial satisfaction or release of the Insured Mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance accordingly. The amount of insurance may thereafter be increased by accruing interest and advances made pursuant to the terms of the Insured Mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A.
- Payment in full by any person or the voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2(a) and Section 9(b) of these Conditions and Stipulations.

### 10. LIABILITY NONCUMULATIVE

If the Insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the Insured Mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an Insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

### 11. PAYMENT OF LOSS

- No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

### 12. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all rights of subrogation shall vest in the Company unaffected by any act of the Insured Claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Insured Claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the Insured Claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall be subrogated to all rights and remedies of the Insured Claimant after the Insured Claimant shall have recovered its principal, interest, and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the Insured Mortgage, provided the priority of the Insured Mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the Insured Mortgage or release any collateral security for the indebtedness.

When the acts permitted by the preceding paragraph occur and the Insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the Insured Mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-Insured obligors shall exist and shall include, without limitation, the rights of the Insured to indemnities, guarantees, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(b)(i) of these Conditions and Stipulations) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an Insured under this policy, notwithstanding Section 1(b)(i) of these Conditions and Stipulations.

### 13. ARBITRATION

Unless prohibited by applicable law, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include but are not limited to any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service of the Company in connection with its issuance of the breach of a policy provision or other obligation. All arbitrable matters shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy shall be binding upon the parties. The award may include legal fees. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The laws of the Province of Ontario shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

### 14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the Insured Mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

### 15. SEVERABILITY

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

### 16. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 2235 Sheridan Garden Drive Oakville, Ontario, L6J 7Y5.

### 17. COMPLIANCE WITH PROCEEDS OF CRIME AND ANTI-TERRORIST FINANCING LEGISLATION

The Company shall not be deemed to provide coverage and shall not be liable to pay any claim or provide any benefit under this policy to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the Company to any penalty, prohibition or restriction under United Nations resolutions or trade or economic sanctions, or under the laws or regulations of Canada or the United States of America.

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**ENDORSEMENT**

Attached to and forming a part of Title Insurance Policy No. ONGLT220624000613

Issued by

**FCT INSURANCE COMPANY LTD.**

2235 Sheridan Garden Drive,

Oakville, Ontario

L6J 7Y5

Telephone: (905) 287-1000 or 1-800-307-0370

The Company insures against actual loss or damage, not to exceed the lesser of ten percent (10%) of the Amount of Insurance stated in Schedule A or Fifty Thousand Dollars (\$50,000.00), sustained or incurred by the Insured by reason of:

- (a) the Insured being forced by a governmental authority to remove or remedy the structures located on the Land, or any part of them, because they have been used, either before or after the Date of Policy, for the purposes of the production of a controlled substance, as defined in the Controlled Drugs and Substances Act, as amended from time to time;
  - (b) any charges incurred for the reconnection of utilities to the Land, including charges for past use of utilities, as long as those charges relate to the use of the property for the production of a controlled substance;
  - (c) the costs of compliance with any law, by-law, order, code or governmental regulation providing for the prevention and abatement of properties being used for the production of a controlled substance being added to the municipal tax bill for the Land and forming a lien in priority to the Insured Mortgage;
- or
- (d) any governmental act or regulation dealing with proceeds of crime preventing or delaying the Insured from enforcing its security in the Land.

All payments under this endorsement, except payments made for costs, legal fees and expenses, shall reduce the Amount of Insurance stated in Schedule A accordingly.

The Company will not pay loss or damage, costs, legal fees or expenses which arise after the Date of Policy as described in Paragraph (a) herein if the Insured had knowledge as at the Date of Policy that the Insured Mortgage was securing a property not being occupied by the borrower.

For the purposes of a claim submitted pursuant to the coverage provided by this endorsement, if the Insured has insurance with another insurer which would apply in the absence of this Policy, the coverage provided by this endorsement shall apply only as excess insurance over such other insurance.

For the purposes of a claim submitted pursuant to the coverage provided by this endorsement, the definition of "Insured" contained in the Policy shall not include those parties described in Section 1(b)(ii) of the Stipulations and Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

**FCT INSURANCE COMPANY LTD.**

By:



Michael F. LeBlanc, Chief Executive Officer

## **APPENDIX “F”**

# Confirmation of Title Insurance for Mortgage Lender Lender Policy

Date: May 19, 2022

The following mortgage will be title insured by Lawyers' Professional Indemnity Company (LAWPRO) under a TitlePLUS Policy, in accordance with Schedule A, and will be subject to the terms of the Policy and any exceptions to coverage contained in Schedule B.

**Insured Lender:** COMPUTERSHARE TRUST COMPANY OF CANADA

**Mortgage Ref. No.:** EQUIT-006

**Lawyer's Name (the "Lawyer"):** HASKELL HILLEL NUSSBAUM

**Policy No. (the "Policy"):** L-032JXX11

**Policy Amount:** \$390,000.00

**Priority:** 1

**Borrower(s):** LYNDA SHARON TALMAGE

**Municipal Address:** 280 Thaler Avenue 17, Kitchener ON N2A 1R6

**Legal Description:** UNIT 17, LEVEL 1, WATERLOO CONDOMINIUM PLAN NO. 247 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS PART OF LOTS 46, 53 AND 54, MUNICIPAL COMPLIED PLAN 959, DESIGNATED AS PARTS 1,2, & 3 ON PLAN 58r-10047, S/T RIGHT OF WAY OVER PART 2 ON 58R-10047, AS IN 523404 AND 523405, CITY OF KITCHENER

**Scheduled Advance Date:** May 19, 2022

Before closing, please provide this Confirmation to the Lender and advise the Lender of any defects which will not be covered under the Policy.

See Schedules A & B, attached.

The Lawyer has disclosed that LAWPRO will pay the Lawyer a fee for legal services performed for LAWPRO in relation to the Policy. This is not compensation for recommending TitlePLUS title insurance and no commission or fee is being furnished by LAWPRO or any agent or intermediary with respect to any title insurance coverage.

The protection of personal information is important to Lawyers' Professional Indemnity Company (LAWPRO®) and accordingly, we have policies and procedures in place to effectively manage and secure personal information. For individual, non-corporate lenders, LAWPRO will use your personal information only to the extent necessary for the following purposes: (1) to establish insurance coverage; (2) to determine and collect premiums and other amounts owing; (3) to underwrite and rate the insurance programs, including the development of statistics for underwriting and risk management purposes; (4) to advise you of loss control initiatives or methods of managing or reducing risk in connection with the ownership of real property; (5) to handle claims; (6) to detect and prevent fraud; (7) to obtain reinsurance and comply with any requirements thereof; or (8) to fulfill any regulatory and accounting obligations. LAWPRO may disclose your personal information: (1) to third parties involved in a claim reported to LAWPRO as insurer, including counsel, adjusters, experts, mediators and adjudicators, but only to the extent disclosure of your personal information is necessary for handling or resolution of the claim; and (2) to regulatory bodies having jurisdiction over insurance and financial services companies, to the extent they require disclosure of, or access to, personal information. The Lawyer is obligated to disclose to LAWPRO all information which relates to the Property and the mortgage of the Property. LAWPRO operates under a comprehensive Privacy Code, a copy of which can be obtained on request or at lawpro.ca.

2021 TitlePLUS® Policy Version L-4.0

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250 Yonge Street, Suite 3101, P.O. Box 3, Toronto, ON M5B 2L7  
Phone: 416-598-5899 or 1-800-410-1013; Fax: 416-599-8341 or 1-800-286-7639  
e-mail: titleplus@lawpro.ca titleplus.ca



# POLICY OF TITLE INSURANCE

The TitlePLUS Policy is issued and underwritten by Lawyers' Professional Indemnity Company (the "Company").

## COVERAGE STATEMENT

Subject to the EXCLUSIONS, the exceptions from coverage contained in Schedule B and the CONDITIONS, this Policy insures, as of the Policy Date shown in Schedule A (or, to the extent expressly stated below, after the Policy Date) against loss or damage, not exceeding one hundred twenty-five percent (125%) of the Policy Amount stated in Schedule A, sustained or incurred by the Insured by reason of:

## COVERED RISKS

1. Title to the estate or interest described in Schedule A being held other than as stated therein;
2. Any defect in or charge, lien or encumbrance on the Title, including but not limited to loss or damage from:
  - a. Fraud, forgery, impersonation, undue influence, duress, incompetency or incapacity;
  - b. A document upon which the Title is based is invalid, impaired or unenforceable because it is not properly created, executed, witnessed, commissioned, notarized, signed, sealed, acknowledged, authorized, delivered, or registered, recorded or indexed in the Public Records, in accordance with the requirements authorized by law;
  - c. A document executed under a falsified, revoked, expired or otherwise invalid power of attorney;
  - d. A defective judicial or administrative proceeding;
  - e. A judgment, tax (including assessments of supplemental realty tax not previously assessed against the Land for any period before the Policy Date), special assessment or public utility account, or a charge by a condominium corporation.
3. Unmarketability of the Title;
4. Lack of a right of pedestrian and vehicular access to and from the Land, based upon a legal right;
5. Invalidity or unenforceability of the Insured Mortgage upon the Title, including but not limited to loss or damage from any of the following:
  - a. Fraud, forgery, impersonation, undue influence, duress, incompetency, or incapacity;
  - b. A document upon which the Title is based is invalid, impaired or unenforceable because it is not properly

- created, executed, witnessed, commissioned, notarized, signed, sealed, acknowledged, authorized, delivered, or registered, recorded or indexed in the Public Records, in accordance with the requirements authorized by law;
    - c. A document executed under a falsified, revoked, expired or otherwise invalid power of attorney; or
    - d. A defective judicial or administrative proceeding.
6. The priority of any defect, lien or encumbrance over the Insured Mortgage on or after the Policy Date;
7. Lack of priority of the Insured Mortgage as to each and every advance of proceeds of the indebtedness secured by the Insured Mortgage, which as of the Policy Date the Insured has made or is obligated to make, over any statutory lien for services, labour or material arising from an improvement or work related to the Land, whether or not:
  - a. The lien or liens arise prior to, on or after the Policy Date; or
  - b. The improvement or work is contracted for or commenced prior to, on or after the Policy Date.
8. Any assessments for local improvements under construction or completed as of the Policy Date which gain or may gain priority over the Insured Mortgage prior to, on, or after the Policy Date;
9. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens;
10. The invalidity or unenforceability of the Insured Mortgage upon the Title based upon a violation of the usury laws of the jurisdiction where the Land is located;
11. The failure of the Land to have the municipal address shown in Schedule A;
12. The failure of the Land to contain at least one single family residence or condominium (if indicated in the legal description in Schedule A) with the municipal address shown in Schedule A;
13. The failure of the existing improvements with the municipal address shown in Schedule A to be located on the Land;
14. The exercise of a right of expropriation if a notice of the exercise, describing any part of the Land, is registered in the Public Records;
15. Any expropriation that has occurred and is binding on the rights of a purchaser for value without Knowledge;

16. a. Any outstanding work orders, notices of violation or deficiency notices against the Land;
- b. The failure of the Land to comply with the applicable zoning by-laws;
- c. The failure of the Land to be zoned to permit at least one single family residence or condominium (if indicated in the legal description in Schedule A); or
- d. The existing structures or any part of them are located on land under the jurisdiction of conservation or similar Governmental Authority without approval.
17. The failure of the Land to be a lawfully created parcel according to provincial, territorial or municipal legislation governing subdivision of land and zoning by-laws adopted pursuant thereto;
18. Any violation of a subdivision, development or related agreement;
19. Failure of the existing residential structure or any portion thereof, or a modification thereto or replacement thereof constructed after the Policy Date, to have been constructed with a valid building permit from the proper Governmental Authority;
20. Any violation, variation, or adverse circumstance affecting the Land that would have been disclosed by an up-to-date Survey, including, but not limited to, any encroachment of existing improvements located on the Land onto adjoining land and any encroachment onto the Land of existing improvements located on adjoining land;
21. The inability to use the existing residential structure or any portion thereof, or any replacement thereof constructed after the Policy Date for residential purposes because that use violates any covenants, conditions or restrictions referred to in paragraph 5 of the EXCLUSIONS;
22. Encroachment onto the Land of an improvement constructed after the Policy Date by someone other than the then owner of the estate or interest referred to in Schedule A;
23. Any existing improvements, or those constructed after the Policy Date, encroaching upon any easement or right of way referred to in paragraph 5 of the EXCLUSIONS, or the use of any easement or right of way for the purpose granted or reserved interfering with or damaging the improvements, including lawns, shrubbery and trees;
24. Any use of the Land for single family residential purposes being affected or impaired by reason of any lease, grant, exception or reservation of minerals or mineral rights referred to in paragraph 5 of the EXCLUSIONS or damage to existing or future improvements, including lawns, shrubbery and trees resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals, water or any other substance, or the minerals or mineral rights referred to in paragraph 5 of the EXCLUSIONS;
25. The invalidity, unenforceability or lack of priority of the Insured Mortgage resulting from any provisions therein which provide for (i) interest on interest, (ii) changes in the rate of interest, or (iii) the addition of unpaid interest to the principal balance of the loan;
26. Impersonation or other fraudulent act after the Policy Date, as the result of which someone other than you claims to have an interest in the Title;
27. Forgery after the Policy Date of:
  - a. any assignment, release, discharge (partial or full), postponement or modification of the Insured Mortgage; or
  - b. any instrument purporting to convey or encumber the Title.
28. The invalidity, unenforceability or lack of priority of the Insured Mortgage as to:
  - a. Advances made after the Policy Date pursuant to the terms of the Insured Mortgage existing as of the Policy Date; and
  - b. Advances made and/or changes in the rate of interest charged subsequent to any modification to the terms of the Insured Mortgage made after the Policy Date which are by the terms of the Insured Mortgage, as modified, secured thereby.
29. Any covenants, conditions or restrictions, appearing in the Public Records, on or after the Policy Date, under which the Insured Mortgage can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired;
30. Any violations on the Land of any enforceable covenants, conditions or restrictions appearing in the Public Records;
31. Any future violations on the Land of any existing covenants, conditions or restrictions appearing in the Public Records, occurring prior to the acquisition of title to the estate or interest in the Land by the Insured, provided the violations result in:
  - a. invalidity, loss of priority, or unenforceability of the Insured Mortgage; or
  - b. loss of title to the estate or interest in the Land if the Insured acquires Title in satisfaction of the indebtedness secured by the Insured Mortgage.
32. Any covenants, conditions or restrictions, appearing in the Public Records, providing for:
  - a. A lien for liquidated damages;

- b. A private charge or assessment; or
- c. An option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.

33. Any adverse circumstance affecting the Land which would have been disclosed by a Local Authority Search of the Land as of the Policy Date;
34. Any rights arising as of or after the Policy Date from tenancies, leases, contracts, options, or rights of possession under applicable provincial or territorial legislation dealing with family law;
35. Anyone else having the right to limit the use of the Land, whether the right affects Title to the Land on or after the Policy Date;
36. The invalidity of any easement benefiting the Land which is included in the Legal Description section of Schedule A;
37. Any order by a court or other authority after the Policy Date resulting from failure of the Land, as of the Policy Date, to comply with a property standards by-law or the building code of a Governmental Authority having jurisdiction;
38. Any incorrectness in a written statement from a Governmental Authority indicating that there are no defects relating to the Land's compliance with applicable building or zoning by-laws as of the Policy Date;
39. If the Land contains one or more new residential dwelling(s) purchased from a builder by the owner described in Schedule A, with respect to improvements to the Land which the builder was contractually obligated to construct as of the Policy Date, any of COVERED RISKS 7, 8, 17, 18, 19, 20, 21, 23, 24, 30, 32 and 38, if the risks affect the Land before or on a date 365 days after the date that the transfer from the builder to the said owner was registered in the Public Records;
40. The unenforceability of the Insured Mortgage, or any guarantee contained in the Insured Mortgage, because of a lack of, or inadequate, independent legal advice;
41. The validity, enforceability or priority of the Insured Mortgage or any other document required by the Insured being impaired as a result of being obtained by Remote Signing;
42. **Legal Service Coverage**  
The lawyer acting for the Insured with respect to the Insured Mortgage:
  - a. Failing to register, or ensure the registration of, any document required with respect to the Insured Mortgage, so that the validity, priority or enforceability of the Insured Mortgage may be impaired;
  - b. Failing to remove an encumbrance or lien that exists as of the Policy Date against any chattel included as part of the security for the Insured Mortgage; or

- c. Committing an error or omission in providing legal services for the Insured Mortgage for which liability is imposed by law.

43. Any defect in or lien or encumbrance on the Title or other matter included in COVERED RISKS 1 through 42 above registered or created subsequent to the Policy Date and prior to the date and time of registration of the Insured Mortgage in the Public Records.

The Company will also pay the costs, legal fees and expenses incurred in the defence of any matter insured against by this Policy but only to the extent provided in the CONDITIONS.

## EXCLUSIONS

The following matters are expressly excluded from the coverage of this Policy and the Company will not pay loss or damage, costs, legal fees or expenses which arise by reason of:

1. a. Any law, by-law, ordinance, order, code or governmental regulation (including but not limited to building and zoning by-laws) restricting, regulating, prohibiting or relating to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions or location of any improvement now or hereafter erected on the Land;
  - iii. a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or
  - iv. environmental protection or conservation;

or the effect of any violation of these laws, by-laws, ordinances, codes or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, charge or encumbrance resulting from a violation or alleged violation affecting the Land has been registered in the Public Records as of the Policy Date. This exclusion does not limit the coverage provided under COVERED RISKS 14, 15, 16, 17, 18, 19, 21, 37, 38, 39 and 42 of this Policy.
- b. Any governmental power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien, charge or encumbrance resulting from a violation or alleged violation affecting the Land has been registered in the Public Records as of the Policy Date. This exclusion does not limit the coverage provided under COVERED RISKS 14, 15, 16, 17, 18, 19, 21, 37, 38, 39 and 42 of this Policy.
2. Defects, liens, encumbrances, adverse claims or other matters:
  - a. created, allowed, suffered, assumed or agreed to by the Insured Claimant;

- b. not Known to the Company, not registered in the Public Records as of the Policy Date, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this Policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Policy Date – this paragraph (d) does not limit the coverage provided under COVERED RISKS 2(d), 6, 7, 8, 19, 21, 22, 23, 24, 26, 27, 28, 29, 31, 34, 35, 37 and 39 of this Policy; or
  - e. resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
3. Unenforceability of the Insured Mortgage because of the inability or failure of the Insured as of the Policy Date, or the inability or failure of any subsequent owner of the indebtedness secured by the Insured, the failure of the mortgage or the Insured to comply with any consumer protection laws or laws regulating its ability to carry on business in the province where the Land is located. This exclusion does not limit the Mortgage Coverage provided in COVERED RISK 10 and 25;
  4. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to the Policy Date, other than assessments of supplemental realty tax not previously assessed against the Land for any period before the Policy Date;
  5. Any covenants, conditions, restrictions, easements, rights of way, statutory building schemes, and regarding minerals and mineral rights, any lease, grant, exception or reservation, appearing in the Public Records. This exclusion does not limit the coverage provided under COVERED RISKS 4, 21, 23, 24, 29, 30, 31, 32 and 36 of this Policy;
  6. Environmental concerns or matters of any kind on or relating to the Land, including but not limited to: any law, by-law, order, code, ordinance, rule or regulation relating to environmental protection or waste water management including sewage ejector systems, the existence of a hazardous substance, underground fuel tanks, underground oil or gas wells, mould, asbestos, urea formaldehyde, termites, infestations, water leakage, and water quality or quantity. This exclusion does not limit the coverage described in COVERED RISK 42 or the Water Potability Endorsement, if applicable;
  7. Any native or aboriginal land claim affecting the Land. This exclusion does not limit the coverage described in COVERED RISK 42.
- a. "Consumer Protection Law": Any law designed or intended to give protection to a borrower in respect of the terms and conditions of the loan including without limitation, any laws requiring disclosure of interest rates, any laws specifying a maximum rate of interest and any laws relating to unconscionability, misleading advertising or consumer protection.
  - b. "Governmental Authority": Any department or division of the government of Canada, or of any province or territory, or of the municipality in which the Land is located, which has jurisdiction.
  - c. "Insured": The Insured named in Schedule A. The term "Insured" also includes:
    - i. the owner of the indebtedness secured by the Insured Mortgage and each successor in ownership of the indebtedness, including a corporate transferee of the Insured Mortgage from an Insured corporation, except a successor who is an obligor under the provisions of Section 12(c) of these CONDITIONS (subject to any rights or defences the Company may have against any predecessor Insured unless the successor acquired the indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this Policy as affecting title to the estate or interest in the Land); or
    - ii. any governmental agency or crown corporation or private corporation which is an insurer or guarantor under an insurance contract or guarantee insuring or guaranteeing the indebtedness secured by the Insured Mortgage, or any part thereof.
  - d. "Insured Claimant": An Insured claiming loss or damage.
  - e. "Insured Mortgage": The mortgage, charge or other security instrument described in Schedule A.
  - f. "Knowledge" or "Known": Actual knowledge or notice, but not knowledge or notice which may be imputed to an Insured by reason of the Public Records as defined in this Policy or any other records which impart actual notice of matters affecting the Land.
  - g. "Land": The land described in Schedule A to this Policy and any improvements on the land which are real property.
  - h. "Local Authority Search": Any search of local government records or other search or verifications pertaining to the Land which would customarily be required by a solicitor qualified to practise law in the province or territory where the Land is located, in the normal course of a real estate transaction.
  - i. "Policy": This policy of insurance, together with Schedules A and B, and endorsements, if any. This Policy is not complete without Schedules A and B.

## CONDITIONS

### 1. DEFINITIONS

The following terms when used in this Policy mean:

- j. "Policy Date": The Policy Date described in Schedule A.
- k. "Public Records": Records established and maintained under the applicable provincial or territorial legislation in which the Land is located dealing with the registration of title to an interest in land.
- l. "Remote Signing": A process whereby a party and a lawyer use physical or electronic means authorized by law to create, execute, witness, commission, notarize, sign, seal, acknowledge, authorize, deliver or register documents, where the lawyer is not in the same location as the party signing.
- m. "Survey": A plan of survey, building location certificate, real property report or certificate of localization prepared by a surveyor qualified to survey land in the province or territory where the Land is located.
- n. "Title": The estate or interest in the Land described in Schedule A, which would customarily be registered in the Public Records.
- o. "Unmarketability of the Title": An alleged or apparent matter affecting the Title to the Land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the Insured Mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title. Unmarketability of the Title is not created by matters relating only to the physical condition of any improvements on the Land.

**2. CONTINUATION OF COVERAGE**

The coverage of this Policy shall continue in force as of the Policy Date in favour of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money mortgage or vendor take back mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties or covenants in any transfer or conveyance of the Title. This Policy shall not continue in force in favour of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money mortgage or vendor take back mortgage given to the Insured.

**3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

The Insured shall notify the Company promptly in writing by filing a Proof of Loss form on titleplus.ca (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an Insured hereunder of any claim of title or interest which is adverse to the Title to the estate or interest of the Insured Mortgage, as Insured, and which might cause loss or damage for which the Company may be liable by virtue of this Policy, or (iii) if

Title to the estate or interest of the Insured Mortgage, as insured, is rejected due to Unmarketability of the Title. If prompt notice shall not be given to the Company, then as to the Insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any Insured under this Policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

**4. DEFENCE AND PROSECUTION OF ACTIONS, DUTY OF INSURED CLAIMANT**

- a. Upon written request by the Insured and subject to the options contained in Section 6 of these CONDITIONS, the Company, at its own cost and without unreasonable delay, shall provide for the defence of an Insured in litigation in which any third party asserts a claim adverse to the Title or interest as insured, but only as to those stated causes of action alleging a defect, lien, charge or encumbrance or other matter insured against by this Policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defence of those causes of action which allege matters not insured against by this Policy.
- b. The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the Title to the estate or interest of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this Policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- c. Whenever the Company shall have brought an action or filed a defence as required or permitted by the provisions of this Policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- d. In all cases where this Policy permits or requires the Company to prosecute or provide for the defence of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defence in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses,

prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the Title to the estate or interest of the Insured Mortgage, as Insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the Policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

**5. PROOF OF LOSS OR DAMAGE**

In addition to and after the notices required under Section 3 of these CONDITIONS have been provided to the Company, a proof of loss or damage signed by the Insured Claimant shall be furnished to the Company within ninety (90) days after the Insured Claimant ascertains the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien, charge or encumbrance on the Title, or other matter insured against by this Policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Insured Claimant to provide the required proof of loss or damage, the Company's obligations to the Insured under the Policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the Insured Claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, cheques, correspondence and memoranda, whether bearing a date before or after the Policy Date, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, cheques, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Policy as to that claim.

**6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this Policy, the Company shall have the following options:

- a. i. To pay or tender payment of one hundred twenty-five percent (125%) of the Policy Amount under this Policy together with any costs, legal fees and expenses incurred by the Insured Claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
- ii. To purchase the indebtedness secured by the Insured Mortgage for the amount owing thereon together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign and convey the indebtedness and the Insured Mortgage, together with any collateral security, to the Company upon payment therefor. Upon the exercise by the Company of either of the options provided for in paragraph (a) (i) or (ii), all liability and obligations to the Insured under this Policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

- b. i. To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim Insured against under this Policy, together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this Policy, together with any costs, legal fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraph (b) (i) or (ii), the Company's obligations to the Insured under this Policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

**7. DETERMINATION AND EXTENT OF LIABILITY**

This Policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant, who has suffered loss or damage by reason of matters insured

against by this Policy and only to the extent herein described.

- a. The liability of the Company under this Policy shall not exceed the least of:
  - i. One hundred twenty-five percent (125%) of the Policy Amount stated in Schedule A;
  - ii. The amount of the principal indebtedness secured by the Insured Mortgage, interest thereon, expenses of foreclosure or other enforcement, amounts advanced pursuant to the Insured Mortgage to assure compliance with laws or to protect the Insured Mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made or as limited or provided under Section 8 of these CONDITIONS or as reduced under Section 9 of these CONDITIONS, at the time the loss or damage insured against by this Policy occurs;
  - iii. The amount paid by a governmental agency or crown corporation or private corporation, if the agency or corporation is the Insured Claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guarantee; or
  - iv. The difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien, charge or encumbrance insured against by this Policy; provided, however, that this Section 7(a)(iv) shall not apply when the defect, lien, charge, encumbrance or other matter insured against by this Policy results in a total failure of the Insured Mortgage to attach to the insured estate or interest.
- b. In the event the Insured has acquired title to the estate or interest in the manner described in Section 2 of these CONDITIONS or has conveyed the Title, then the liability of the Company shall continue as set forth in Section 7(a) of these CONDITIONS.
- c. The Company will pay only those costs, legal fees and expenses incurred in accordance with Section 4 of these CONDITIONS.

**8. LIMITATION OF LIABILITY**

- a. If the Company establishes good and marketable title, or removes the alleged defect, lien, charge or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketability of the Title, or otherwise establishes the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

- b. In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction and disposition of all appeals therefrom, adverse to the Title or interest of the Insured or to the Insured Mortgage, as insured.
- c. The Company shall not be liable for loss or damage to any Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company shall not be liable for:
  - i. any indebtedness created subsequent to the Policy Date except for advances covered under COVERED RISK 28 and those made to protect the Insured Mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or
  - ii. construction loan advances made subsequent to the Policy Date, except for construction loan advances made subsequent to the Policy Date for the purpose of financing in whole or in part the construction of an improvement to the Land which as of the Policy Date were secured by the Insured Mortgage and which the Insured was and continued to be obligated to advance at and after the Policy Date.

**9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**

- a. All payments under this Policy, except payments made for costs, legal fees and expenses, shall reduce the Policy Amount accordingly. However, any payments made prior to the acquisition of Title to the estate or interest as provided in Section 2 of these CONDITIONS shall not reduce accordingly the Policy Amount afforded under this Policy except to the extent that the payments reduce the amount of the indebtedness secured by the Insured Mortgage.
- b. Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the Insured Mortgage, or any voluntary partial satisfaction or release of the Insured Mortgage, to the extent of the payment, satisfaction or release of the Insured Mortgage, shall reduce the Policy Amount accordingly. The Policy Amount may thereafter be increased by accruing interest and advances made pursuant to the terms of the Insured Mortgage and secured thereby, with interest thereon, provided in no event shall the Policy Amount be greater than one hundred twenty-five percent (125%) of the Policy Amount stated in Schedule A.
- c. Payment in full by any person or the voluntary satisfaction or release of the Insured Mortgage shall terminate all

liability of the Company except as provided in Section 2 and Section 9(b) of these CONDITIONS.

**10. LIABILITY NONCUMULATIVE**

If the Insured acquires Title to the estate or interest in satisfaction of the indebtedness secured by the Insured Mortgage, or any part thereof, it is expressly understood that the Policy Amount under this Policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an Insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this Policy.

**11. PAYMENT OF LOSS**

When liability and the extent of loss or damage has been definitely fixed in accordance with these CONDITIONS, the loss or damage shall be payable within thirty (30) days thereafter.

**12. SUBROGATION UPON PAYMENT OR SETTLEMENT**

- a. Whenever the Company shall have settled and paid a claim under this Policy, all rights of subrogation shall vest in the Company unaffected by any act of the Insured Claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the Insured Claimant would have had against any person or property in respect to the claim had this Policy not been issued. If requested by the Company, the Insured Claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights or remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall be subrogated to all rights and remedies of the Insured Claimant after the Insured Claimant shall have recovered its principal, interest, and costs of collection.
- b. Notwithstanding the foregoing, the owner of the indebtedness secured by the Insured Mortgage, provided the priority of the Insured Mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the Insured Mortgage or release any collateral security for the indebtedness. When the acts permitted by the preceding paragraph occur and the Insured has knowledge of any claim of title or interest adverse to the Title to the estate or interest or the priority or enforceability of the Insured Mortgage, as insured, the Company shall be required

to pay only that part of any losses Insured against by this Policy which shall exceed the amount if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

- c. The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the Insured to indemnities, guarantees, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this Policy. The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in subsection (i) of the definition of "Insured" in Section 1 of these CONDITIONS) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an Insured under this Policy, notwithstanding subsection (i) of the definition of "Insured" in Section 1 of these CONDITIONS.

**13. ARBITRATION**

Unless prohibited by applicable law, either the Company or the Insured may request arbitration in accordance with the arbitration legislation of the province or territory in which the Land is situated. All arbitrable matters shall be arbitrated only when agreed to by both the Company and the Insured. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Arbitration pursuant to this Policy shall be binding upon the parties. The award may include legal fees. The law of the province or territory in which the Land is situated shall apply to an arbitration under this Policy.

**14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

- a. This Policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this Policy, this Policy shall be construed as a whole.
- b. Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the Insured Mortgage or of the Title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this Policy.
- c. No amendment of, or endorsement to, this Policy can be made except in writing agreed to by the Company.
- d. Each endorsement to this Policy issued at any time is made a part of this Policy and is subject to all of its terms and provisions, including any other endorsement. Except

as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the Policy, (ii) modify any prior endorsement, (iii) extend the Policy Date, or (iv) increase the Policy Amount stated in Schedule A.

**15. COMPLIANCE WITH PROCEEDS OF CRIME AND ANTI-TERRORIST FINANCING LEGISLATION**

The Company shall not be deemed to provide coverage and shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such coverage, payment of such claim or provision of such benefit would result in a violation of law or expose the Company to any penalty, prohibition or restriction under United Nations resolutions or trade or economic sanctions, or under the laws or regulations of Canada.

**16. SEVERABILITY**

In the event any provision of this Policy is held invalid or unenforceable under applicable law, the Policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

**17. NOTICES, WHERE SENT**

All notices required to be given the Company and any statement in writing required to be furnished to the Company shall include the number of this Policy and shall be addressed to the Company at:

LAWYERS' PROFESSIONAL INDEMNITY COMPANY  
Attn: TitlePLUS Claims  
3101-250 Yonge Street  
Toronto, Ontario M5B 2L7

By email to: [titleplus@lawpro.ca](mailto:titleplus@lawpro.ca)

**INSURANCE LEGISLATION STATEMENT**

*The following applies only to policies issued in the province of Manitoba, British Columbia or Alberta: Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.*

Signed on behalf of Lawyers' Professional Indemnity Company

*Daniel E. Pinnington*

Daniel E. Pinnington

President and Chief Executive Officer

Lawyers' Professional Indemnity Company (LAWPRO\*)  
250 Yonge Street  
Suite 3101, P.O. Box 3  
Toronto, Ontario M5B 2L7  
416-598-5899  
1-800-410-1013

[For SK policies only, this wording should appear: The chief office and telephone number of LAWPRO in Saskatchewan are c/o Kaylea Michelle Dunn, McKercher LLP, 374 Third Avenue South, Saskatoon, SK S7K 1M5; telephone: 306-653-2000.]

2021 TitlePLUS® Policy Version L-4.0

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## Schedule A

### Lender Policy

**Mortgage Reference Number:** EQUIT-006

**Lawyer's Name:** HASKELL HILLEL NUSSBAUM

**Lawyer's File No.:** Equit-006

**Policy Amount:** \$390,000.00

**Premium:** \$165.00  
(not including processing fee or taxes)

**Policy Date:** May 19, 2022

*(Upon registration of the insured interest in the Land in the Public Records, the Policy Date shall be deemed to be amended to the date of registration.)*

1. Name of Insured: COMPUTERSHARE TRUST COMPANY OF CANADA
2. The estate or interest in the Land which is covered by this Policy:  
Fee Simple
3. Title to the estate or interest in the Land is held by:  
LYNDA SHARON TALMAGE
4. The Insured Mortgage and assignments thereof (if any) are described as follows:  
first mortgage in favour of COMPUTERSHARE TRUST COMPANY OF CANAD, securing the principal sum of \$390,000.00 .  
Where Assignment(s) of Rents is/are being registered in conjunction with the Insured Mortgage, coverage is provided for said Assignment(s) of Rent as if it/they were included in Schedule A, Paragraph 4.
5. The Land is described as follows:  
Municipal Address: 280 Thaler Avenue 17, Kitchener ON N2A 1R6  
PIN: 23247-0017  
Legal Description: UNIT 17, LEVEL 1, WATERLOO CONDOMINIUM PLAN NO. 247 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS PART OF LOTS 46, 53 AND 54, MUNICIPAL COMPLIED PLAN 959, DESIGNATED AS PARTS 1,2, & 3 ON PLAN 58r-10047, S/T RIGHT OF WAY OVER PART 2 ON 58R-10047, AS IN 523404 AND 523405, CITY OF KITCHENER

Together with any benefiting easements registered on Title to the Land

This Policy is valid only if Schedule B is attached.

## Schedule B Lender Policy

**Mortgage Reference Number:** EQUIT-006

**Lawyer's Name:** HASKELL HILLEL NUSSBAUM

**Lawyer's File No.:** Equit-006

**Policy Amount:** \$390,000.00

**Premium:** \$165.00  
(not including processing fee or taxes)

**Policy Date:** May 19, 2022

*(Upon registration of the insured interest in the Land in the Public Records, the Policy Date shall be deemed to be amended to the date of registration.)*

This Policy does not insure against loss or damage (and the Company will not pay costs, legal fees, or expenses) sustained or incurred by the Insured by reason of:

1. Condominium declaration, description and by-laws registered on Title. (only if condo)
2. The following endorsements are attached to this Policy:  
Condominium Strata Endorsement, Extended Super Priority Lien Endorsement

Condominium declaration, description and by-laws registered on Title.

### Specific Risk(s) Insured Over

This Policy insures against loss or damage, and any costs, legal fees and expenses provided under this Policy, sustained or incurred by the Insured by reason of the following risk(s) as of the Policy Date:

NONE

# Condominium/Strata Endorsement

## Lender Policy

Notwithstanding the exceptions set out in Schedule B, and in addition to the COVERED RISKS in the Policy, this Policy insures against loss or damage sustained or incurred by the Insured because of any of the risks listed below, provided they affect the Title as of the Policy Date:

1. The failure of the unit(s) identified in Schedule A and its/their interest in the common elements to be part of a condominium/strata corporation created under the applicable condominium/strata legislation.
2. The failure of the condominium/strata complex as a whole to comply with building and zoning by-laws and/or registered municipal covenants and restrictions.
3. The failure of the documents required by applicable condominium/strata legislation to comply with the requirements of the legislation to the extent that such failure affects the Title to the unit(s) and its/their common elements.
4. Violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium/strata documents required by the applicable condominium/strata legislation.
5. Failure of the condominium/strata corporation governing the Land to disclose in the Status Certificate/Estoppel Certificate/Information Certificate/Certificate of Payment obtained in this transaction any situation that would give rise to the condominium/strata corporation's right to levy an increase in the monthly common/strata expenses or a special assessment against the unit.
6. The failure of the unit(s) identified in Schedule A and its/their interest in the common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
7. The condominium/strata corporation, a court or other authority forcing the removal or remediation of any:
  - a. improvements existing as of the Policy Date because of (i) encroachments, or (ii) future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit that is not excepted in Schedule B; or
  - b. unauthorized alteration or improvement of the common elements in existence as of the Policy Date.
8. The failure of the Title to include the parking, storage, locker or other units appurtenant to the Land, which were inadvertently omitted from the legal description of the Land.
9. The owner of the dominant tenement of any easement that the Land is subject to having, prior to the Policy Date, claimed a legal interest in the Land that is greater than the legal interest provided for in the easement.
10. Violations on the Land of any enforceable terms, conditions, covenants, restrictions, obligations or reservations contained within registered instruments to which the municipality, a utility company, the developer, the builder, or the condominium/strata corporation are parties, as of the Policy Date, other than those specifically excepted in Schedule B.

*This endorsement is part of the Policy and is subject to all of the terms and provisions of the Policy, including any other endorsements. This endorsement does not:*

- *modify any of the terms and provisions of the Policy, including any other endorsement;*
- *extend the effective date of the Policy, including any other endorsement; or*
- *increase the face amount of the Policy;*

*unless expressly stated above.*

## Extended Super Priority Lien Endorsement Lender Policy

1. In addition to the COVERED RISKS in the Policy, this Policy insures against loss or damage sustained or incurred by the Insured by reason of any claims or interests asserted by the federal, provincial or territorial governments as having priority over the Insured Mortgage. This coverage continues for a period of ten (10) years after the earlier of the dates on which:
  - a. the Insured Mortgage no longer constitutes a charge on the Land;
  - b. the Insured Mortgage is repaid in full; or
  - c. the voluntary satisfaction or release of the Insured Mortgage occurs.
2. The Insured's coverage under this Endorsement is limited to:
  - a. the lesser of the Policy Amount or Five Hundred Thousand Dollars (\$500,000.00); and
  - b. claims or interests for amounts that are accrued and payable, but unpaid, as of the Policy Date.

*This endorsement is part of the Policy and is subject to all of the terms and provisions of the Policy, including any other endorsements. This endorsement does not:*

- *modify any of the terms and provisions of the Policy, including any other endorsement;*
- *extend the effective date of the Policy, including any other endorsement; or*
- *increase the face amount of the Policy;*

*unless expressly stated above.*

# APPENDIX “G”

## Denna Jalili

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**From:** Kraft, Kenneth <kenneth.kraft@dentons.com>  
**Sent:** February 10, 2026 4:22 PM  
**To:** Rebecca Kennedy; Brosseau, Renée; Tony Antoniou; Deborah Berlach; Derek Harland; Denna Jalili; Coggin, Marisa  
**Cc:** Wilson, Sara-Ann  
**Subject:** RE: EquityLine

Rebecca

Thank you for your message and we agree that there is no longer a need for a motion. We do note that the benefits of the policy cannot be separate from the obligations thereunder. At this point any conflict between the policies and the Receiver's duties is entirely theoretical. However, if there is an issue that arises under the policy where the Receiver believes it may have a conflict that will be for the Receiver to address at that time and our client reserves all rights in that regard. We'll communicate separately regarding the protocol shortly.

Ken

### Kenneth Kraft

Partner

My pronouns are: He/Him/His

+1 416 863 4374 | +1 416 602 7174

Dentons Canada LLP | Toronto

This lawyer practices through a professional corporation.

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---

**From:** Rebecca Kennedy <Rkennedy@tgf.ca>  
**Sent:** Tuesday, February 10, 2026 3:53 PM  
**To:** Kraft, Kenneth <kenneth.kraft@dentons.com>; Brosseau, Renée <renee.brosseau@dentons.com>; Tony Antoniou <tony@alaw.ca>; Deborah Berlach <dberlach@sblegal.ca>; Derek Harland <DHarland@tgf.ca>; Denna Jalili <djalili@tgf.ca>; Coggin, Marisa <marisa.coggin@dentons.com>  
**Subject:** Re: EquityLine

**[WARNING: EXTERNAL SENDER]**

---

Hi Ken,

We have instructions to agree that KSV Restructuring Inc. **solely** in its capacity as Court-appointed receiver of EquityLine SPV Limited Partnership and the mortgages set out in paragraph 2 of the Receivership Order (in such capacity, the "**Receiver**"), and **not** in its personal or corporate capacity, is an "insured" under the FCT title insurance policies in respect of the five policies that Dentons has provided to us (Hinds, Auton/Wright, Hirschberger, Hunter-Parkhill and Burton) so long as KSV remains the Receiver.

The Receiver notes that its obligations as an insured cannot conflict with, or supersede, its obligations as a court officer, including the fiduciary duties the Receiver owes to all stakeholders of EquityLine SPV Limited Partnership.

As the motion will now be moot, we should switch gears and consider the parameters of the mortgage adjudication protocol given the unique circumstances of the Receiver's status as an insured under the FCT title policies.

Please let us know when we can continue the conversation about the protocol. In the meantime, we are waiting for copies of TitlePLUS' title insurance policies from Tony Antoniou and will reserve comment on how the Receiver may fit thereunder until we are in receipt of same.

Best,  
Rebecca

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Rebecca Kennedy | [Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | [www.tgf.ca](http://www.tgf.ca)

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---

**From:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>

**Sent:** Monday, February 9, 2026 9:09:43 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>

**Subject:** Re: EquityLine

[REDACTED]

[REDACTED]

[REDACTED]

**Kenneth Kraft**

Partner

My pronouns are: He/Him/His

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**From:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Sent:** Monday, February 9, 2026 6:10:27 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou

<[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>

**Subject:** RE: EquityLine

**[WARNING: EXTERNAL SENDER]**

---

[REDACTED]

Rebecca Kennedy | [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)



Rebecca Kennedy | | [Rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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-----Original Appointment-----

**From:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>

**Sent:** Monday, February 9, 2026 12:35 PM

**To:** Kraft, Kenneth; Rebecca Kennedy; Brosseau, Renée; Tony Antoniou; Deborah Berlach; Derek Harland; Denna Jalili; Coggin, Marisa

**Subject:** EquityLine

**When:** February 9, 2026 4:00 PM-4:30 PM (UTC-05:00) Eastern Time (US & Canada).

**Where:** Microsoft Teams Meeting

---

## Microsoft Teams meeting

### Join:

<https://teams.microsoft.com/meet/26919368330974?p=WLCWa6tLJGttMCtzyK>

Meeting ID: 269 193 683 309 74

Passcode: tp3jX6Cw

---

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---

## Kenneth Kraft

Partner

My **pronouns** are: He/Him/His

+1 416 863 4374 |  +1 416 602 7174

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com) | [Bio](#) | [Website](#)

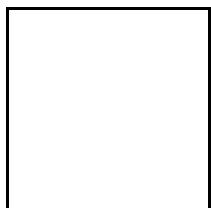
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# APPENDIX “H”

Revised Protocol -13 February 2026

| #  | Item                                    | Process Point   | Timeline  | Notes  |
|----|---|---|---|--|
| 1  | Document Disclosure – Policy Obligation | Insured Mortgagee to provide all relevant documents to title insurers in accordance with the applicable title insurance policies.   | ASAP  | The obligation is ongoing. A detailed list was provided to the Insured Mortgagee to facilitate production on 18 January 2026.<br><br>This obligation is not part of the court approved protocol it is an obligation of the Insured pursuant to the policies. |
| 2  | Transfer Orders                         | Insured Mortgagee to obtain orders to transfer all litigation matters to the Commercial List  | March 13, 2026  | Rule 131.01(3). This can be done by the Insured Mortgagee in a basket motion. It is a simple matter.   |
| 3. | Orders to Continue                      | Insured Mortgagee to obtain orders to continue transferring all litigation matters  | March 13, 2026  | Rule 11. This can be done in a basket motion. It is a simple matter.<br><br>Insured Mortgagee will also have to lift the stay  |
| 4  | Exchange of Affidavits of Documents     | Mortgagee, Mortgagor and named parties in pleadings (the “Parties”) to exchange affidavits of documents (“AOD”). Usual production requirements pursuant to <i>Rules 29 and 3</i> apply. |   | Insured Mortgagee will provide estimated timeline to produce documents to title insurers.  |
| 5. | Amendment(s) to Pleadings               | Parties to amend pleadings on consent following the receipt of the AOD  | Within 30 days of the receipt of the AOD                    | Rule 26.01 Protocol to confirm it is on consent to avoid unnecessary delay. All rights reserved with respect to defenses including limitations.  |
| 6. | Supplemental AOD                        | Contingent on amendments to pleadings   | Within 20 days of the receipt of Amended Pleadings, if any. |  |

Revised Protocol -13 February 2026

| #  | Item                            | Process Point  | Timeline  | Notes  |
|----|---------------------------------|--|---|--|
| 7. | Mortgagor Affidavits            | Provide outline of their position  | Within 20 days of the Receipt of the Supplemental AOD, if any. If not, within 20 days of the receipt of the Amended Pleadings.  |  |
| 8  | Cross Examination on AOD        | Cross-examinations to be completed. Cross-examinations not to exceed 7-hour time limit under <i>Rule</i> 31.05.1 | At the election of the parties, cross-examinations can occur before or after mandatory mediation.   |  |
| 9  | Mandatory Mediation             | Parties to attend mediation with designated mediator (the “Mediator”) who specialize in title fraud matters.     | The Mediator will provide dates   | Good availability confirmed with the Mediator. |
| 10 | Summary Trial (Commercial List) | If mediation unsuccessful, matter to be heard by designated trier of fact in summary trial.                      | Scheduled by Commercial List. <ul style="list-style-type: none"> <li>Parties to attend case conference with trier of fact to establish protocol for hearing, including exchange of affidavits and expert reports as the case may be, and cross-examination on affidavits before trier of fact using summary trial procedures.</li> <li>The summary trial procedures will be approved by the trier of fact and include the use of affidavits as the evidence-in-chief with cross-examinations on the affidavits to test credibility, intent, knowledge, inconsistencies, etc.</li> </ul> |  |
| 11 | Appeal                          | Parties may exercise appeal rights under <i>Courts of Justice Act</i> and <i>Rules of Civil Procedure</i>        |   |  |

# APPENDIX “I”

## Denna Jalili

---

**From:** Flis, Oliver <oliver.flis@dentons.com>  
**Sent:** March 8, 2026 10:22 PM  
**To:** Rebecca Kennedy; Brosseau, Renée  
**Cc:** Kraft, Kenneth; Wilson, Sara-Ann; Denna Jalili  
**Subject:** RE: Auton 22 Lord Roberts Dr. Toronto  
**Attachments:** Fraud Claim Litigation Protocol 18 January 2026.docx

Good evening Rebecca,

Reattaching the draft fraud claim litigation protocol, which lists the requested documents under step #1. For clarity, these documents include:

- (a) the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and, as the case may be, the mortgagor as well as exports of the software system used for such communications e.g. Filogix);
- (b) post-funding portfolio administration files and communication logs (for e.g. MARS), post-funding correspondence (such as annual statements, interest adjustment statements and mailing logs), default correspondence including demand, notice of sale under charge, ordinary course disclosure sent to the mortgagors,
- (c) Correspondence received from mortgagors and/or their counsel;
- (d) Pleadings including affidavits of service as the case may be and all related correspondence and files for enforcement counsel including directions sent to obtain same;
- (e) Files sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors;
- (f) The complete mortgagee funding counsel file (Nussbaum) including copies of directions that were sent to him by the Insured Mortgagee relating to same;
- (g) Data collection and preservation protocols and related documents, including chain of custody and control documentation/logs from the date of the Receiver appointment with the requisite date stamps;
- (h) Compliance reviews performed on behalf of the warehouse lender on EquityLine for the material claim periods;
- (i) Correspondence and all documents exchanged between the warehouse lender and EquityLine related to the Impugned Mortgages; and
- (j) Correspondence and all documents between the title custodian (Computershare) and EquityLine and mortgagors /mortgagor's counsel related to the Impugned Mortgages.

We confirm receipt of the pleadings provided on Friday and are reviewing same.

Thank you.

**Oliver Flis**

Associate

My pronouns are: He/Him/His

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---

**From:** Rebecca Kennedy <Rkennedy@tgf.ca>

**Sent:** Sunday, March 8, 2026 4:29 PM

**To:** Brosseau, Renée <renee.brosseau@dentons.com>

**Cc:** Kraft, Kenneth <kenneth.kraft@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>; Flis, Oliver

<oliver.flis@dentons.com>; Denna Jalili <djalili@tgf.ca>

**Subject:** Re: Auton 22 Lord Roberts Dr. Toronto

[WARNING: EXTERNAL SENDER]

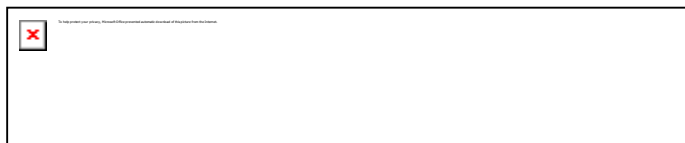
Hi Renee,

I'm not sure what info you are waiting for from us.

Could you please resend the list?

Rebecca

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Rebecca Kennedy | | [Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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---

**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Sunday, March 8, 2026 2:35:49 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Cc:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>

**Subject:** Auton 22 Lord Roberts Dr. Toronto

### Privileged and Confidential

Afternoon Rebecca

We are writing to you in your capacity as the Insured.

We received the retroactive capacity assessment on Mr. Auton and our team is reviewing same. However, we are unable to finalize our position until we receive the files we requested and itemized for you on January 18, 2026. Would you please provide us with a timeline on the delivery of same.

Regards, R

**Renée Brosseau**

Counsel

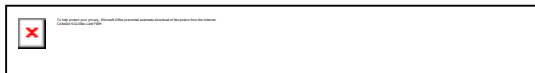
 +1 416 863 4650

[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) | [Bio](#) | [Website](#)



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| # | Item                                  | Process Point   | Timeline | Notes   |
|---|---------------------------------------|---|----------|---|
| 1 | Document Disclosure – Threshold Issue | Receiver /Insured Mortgagee, Equitable Bank, and Computershare to provide all relevant documents in accordance with the applicable title insurance policies | 30 days  | <ul style="list-style-type: none"> <li>• Disclosure by the Insured Mortgagee is required pursuant to the following terms of the applicable title insurance policies. For convenience the operative section for Document Production of the FCT policy is paragraph 5 of the Conditions:</li> </ul> <p><i>In addition, the Insured Claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company [FCT] and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, letters, ledgers, cheques, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, letters, ledgers, cheques, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.</i></p> |

| # | Item | Process Point | Timeline | Notes   |
|---|------|---------------|----------|---|
|   |      |               |          | <ul style="list-style-type: none"> <li>• Disclosure must include the complete unredacted mortgage files, including but not limited to:               <ul style="list-style-type: none"> <li>(a) the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and, as the case may be, the mortgagor as well as exports of the software system used for such communications e.g. Filogix);</li> <li>(b) post-funding portfolio administration files and communication logs (for e.g. MARS), post-funding correspondence (such as annual statements, interest adjustment statements and mailing logs), default correspondence including demand, notice of sale under charge, ordinary course disclosure sent to the mortgagors,</li> <li>(c) Correspondence received from mortgagors and/or their counsel;</li> <li>(d) Pleadings including affidavits of service as the case may be and all related correspondence and files for enforcement counsel including directions sent to obtain same;</li> <li>(e) Files sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors;</li> <li>(f) The complete mortgagee funding counsel file (Nussbaum) including copies of directions that were sent to him by the Insured Mortgagee relating to same;</li> <li>(g) Data collection and preservation protocols and related documents, including chain of custody and control documentation/logs from the date of the Receiver appointment with the requisite date stamps;</li> <li>(h) Compliance reviews performed on behalf of the warehouse lender on EquityLine for the material claim periods;</li> <li>(i) Correspondence and all documents exchanged between the warehouse</li> </ul> </li> </ul> |

| # | Item                                       | Process Point  | Timeline                             | Notes   |
|---|--|--|--------------------------------------|---|
|   |  |  |                                      | <p>lender and EquityLine related to the Impugned Mortgages; and</p> <p>(j) Correspondence and all documents between the title custodian (Computershare) and EquityLine and mortgagors /mortgagor’s counsel related to the Impugned Mortgages.</p>   |
| 2 | Investigation Disclosure – Threshold Issue | Receiver/Insured Mortgagee to provide status notes on investigations of EquityLine and mortgages | 30 days                              | <ul style="list-style-type: none"> <li>• The Receiver has investigative powers pursuant to the 30 July 2024 appointment order, including the power “to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information”</li> <li>• The Receiver/Insured Mortgagee to provide copies of all transcripts and meeting notes relating to investigations and reports including drafts prepared and related correspondence on the Impugned Mortgages as well as EquityLine</li> </ul>  |
| 3 | Exchange of Affidavits of Documents        | Mortgagee, Mortgagor and named parties in pleadings to exchange affidavits of documents (AOD)    | 60 days from completion of #1 and #2 | <ul style="list-style-type: none"> <li>• The Receiver as the Insured Mortgagee will swear the AOD.</li> <li>• The Receiver / Insured Mortgagee has a duty to cooperate and provide evidence. For convenience, this is set out in paragraph 4(d) of the Conditions.</li> </ul> <p><i>In all cases where this policy permits or requires the Company to prosecute or provide for the defence of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defence in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company’s expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the Insured Mortgage, as insured. If the Company is prejudiced by the failure of the Insured to furnish the required co-operation, the Company’s</i></p> |

| # | Item                | Process Point                      | Timeline                            | Notes   |
|---|---------------------|------------------------------------|-------------------------------------|---|
|   |                     |                                    |                                     | <p><i>obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such co-operation.</i></p> <ul style="list-style-type: none"> <li>• The Receiver/Insured Mortgagee will swear the affidavit of documents as it has custody and control of same. <ul style="list-style-type: none"> <li>○ Para. 6 of the Receiver’s appointment order provides that “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 “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”</li> </ul> </li> <li>• The draft protocol included as Schedule B to the Fourth Report indicates that affidavits would be exchanged.</li> <li>• AODs required for certain parties (mortgagees, mortgagors, title insurers, LawPro, brokers)</li> <li>• AODs optional for other interested parties</li> <li>• Receiver/Insured Mortgagee to confirm who will be providing evidence on behalf of the Insured Mortgagee in accordance with the obligations pursuant to the policy.</li> <li>• Usual production requirements under <i>Rules 29 and 30</i> apply</li> </ul> |
| 4 | Cross-Examinations  | Cross-examinations to be completed | Before or after mandatory mediation | <ul style="list-style-type: none"> <li>• Parties to choose timing (i.e., before or after mediation)</li> <li>• Cross-examinations not to exceed 7-hour time limit under <i>Rule 31.05.1</i></li> <li>• The Insured Mortgagee/Receiver will provide evidence as required pursuant to the policy.</li> </ul>  |
| 5 | Mandatory Mediation | Parties to attend mediation        | Before or after cross-examinations  | <ul style="list-style-type: none"> <li>• Necessary parties include the Receiver/Insured Mortgagee, mortgagors,</li> </ul>   |

| # | Item                            | Process Point   | Timeline                     | Notes   |
|---|---------------------------------|---|------------------------------|---|
|   |                                 |   |                              | <p>any professional defendants, NOSI defendants and their insurers.</p> <ul style="list-style-type: none"> <li>• Selection of mediator based on experience with subject matter (i.e., alleged mortgage fraud) on agreement of the participating parties from a predetermined list.</li> <li>• Parties will rely on the pleadings exchanged to date.</li> <li>• Exchange of mediation briefs 7 days before the mediation</li> </ul>  |
| 6 | Summary Trial (Commercial List) | If mediation unsuccessful, matter to be heard by designated trier of fact in summary trial  | Scheduled by Commercial List | <ul style="list-style-type: none"> <li>• Counsel for Receiver/Insured Mortgagee confident that Commercial List judge will be able to hear summary trial on expedited basis</li> <li>• Parties to attend case conference with trier of fact to establish protocol for hearing, including exchange of affidavits and expert reports as the case may be, and cross-examination on affidavits before trier of fact using summary trial procedures.</li> <li>• Parties to rely on the pleadings exchanged to date.</li> <li>• The summary trial procedures will be approved by the trier of fact and include the use of affidavits as the evidence-in-chief with cross-examinations on the affidavits to test credibility, intent, knowledge, inconsistencies, etc.</li> </ul> |
| 7 | Appeal                          | Parties may exercise appeal rights under Courts of Justice Act and Rules of Civil Procedure |                              |   |

# APPENDIX “J”

## Denna Jalili

---

**From:** Denna Jalili  
**Sent:** March 11, 2026 12:13 PM  
**To:** Kraft, Kenneth; Brosseau, Renée; Wilson, Sara-Ann; Flis, Oliver; Tony Antoniou  
**Cc:** Rebecca Kennedy; Deborah Berlach; Derek Harland; D. Robb English; Miranda Spence; Brian Chung; Alex Bernicchia-Freeman  
**Subject:** EquityLine - Revised Protocol [IMAN-CLIENT.FID2012343]  
**Attachments:** Litera Compare Redline - Schedule A - Mortgage Adjudication Protocol.pdf; Schedule \_A\_ - Mortgage Adjudication Protocol.docx

Good afternoon,

Please see attached the draft Protocol revised to accommodate many of your suggestions, including that a summary trial be used in lieu of an Approval Motion to adjudicate any Impugned Mortgages not resolved through prior mediation. We kindly ask that, should you have any incremental comments, that you mark up the attached draft and send a corresponding redline together with your comments, rather than revert a separate version of protocol.

While we should be close to agreement on the terms of the Protocol, there is not enough time to have it approved by Justice Cavanagh on March 13<sup>th</sup>, and therefore the date should be vacated. Please advise the Court accordingly. We will update the Service List thereafter.

Kind regards,

Denna  
 **Thornton Grout Finnigan LLP**  
RESTRUCTURING + LITIGATION

Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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## Denna Jalili

---

**From:** Denna Jalili  
**Sent:** March 12, 2026 3:47 PM  
**To:** Brosseau, Renée; Kraft, Kenneth; Wilson, Sara-Ann; Flis, Oliver  
**Cc:** Rebecca Kennedy; Derek Harland; Deborah Berlach  
**Subject:** RE: EquityLine [REDACTED]

Hi Renee,

Thank you for the precedent direction. [REDACTED]

Our intention is to provide you with the producible documents that are in our possession most, if not all, of which your client should have previously received from Aird & Berlis. We are two months into the negotiation process with your clients on this Protocol, which we have substantially revised to accommodate your client's suggestions and concerns. We have further provided an exhaustive summary of the "Group B" litigation process and a copy of the pleadings for Group "A". We are not prepared to further delay the approval of the Protocol to await a response to a direction from third parties which can nonetheless be compelled by a Court order and/or required as a step in the Protocol.

We are compiling the enforcement files that are in the Receiver's possession and will provide you with them shortly. In the meantime, we would appreciate if you could provide us with any comments that you may have on the Protocol.

Kind regards,

Denna



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---

**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>  
**Sent:** Thursday, March 12, 2026 1:05 PM  
**To:** Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>  
**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>  
**Subject:** RE: EquityLine [REDACTED] [IMAN-CLIENT.FID2012343]

Denna

If you haven't sent the funding lawyer direction, here is a sample that is used for such matters. If you already have, please ensure that it contains the same information request and if not, send a further direction so we have the complete file. You can issue them for all files.

R

Renée Brosseau  
Counsel

+1 416 863 4650

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---

**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Thursday, March 12, 2026 11:37 AM

**To:** Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>

**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>

**Subject:** RE: EquityLine - [REDACTED] [IMAN-CLIENT.FID2012343]

Hello Denna

[REDACTED]

Also, to review these quickly can you please copy us on the direction to Walman and his LawPro counsel if you haven't already sent it. We require those enforcement files asap. Let's prioritize Auton, Burton and Hunter. Kindly do the same for the funding lawyer (Nussbaum).

R

Renée Brosseau

Counsel

+1 416 863 4650

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---

**From:** Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>

**Sent:** Wednesday, March 11, 2026 1:49 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>

**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>

**Subject:** EquityLine - [REDACTED] [IMAN-CLIENT.FID2012343]

**[WARNING: EXTERNAL SENDER]**

[REDACTED]

[REDACTED]

[REDACTED]



**Thornton Grout Finnigan LLP**  
RESTRUCTURING + LITIGATION

Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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# APPENDIX “K”

March 26, 2026

**WITH PREJUDICE**

**Sent Via E-mail**

**rkennedy@tgf.ca; djalili@tgf.ca; dharland@tgf.ca; chung@airdberlis.com; mspence@airdberlis.com; renglish@airdberlis.com; abernicchia-freeman@airdberlis.com; dberlach@sblegal.ca**

All:

**Re: Equitable Bank v. EquityLine SPV Limited Partnership (“EquityLine”) (Court File No. CV-24-00721560-00CL) – Documentary Disclosure & Conduct of Litigation**

We write further to our letter dated March 19, 2026. Capitalized terms have the same meaning as in that letter.

We have reviewed the documents provided by the Receiver as **Insured** to date, including the pleadings (March 6, 2026), enforcement file materials (March 16, 2026), and undertakings materials from the Shchavyelyev examinations (March 19, 2026).

We have the following concerns:

**a. Incomplete Documentary Disclosure**

The documents provided to date are a starting point but do not represent the full disclosure required under the FCT insurance policies and the Insurer Protocol.

Disclosure must include complete unredacted mortgage files, including the document categories identified in the January 18, 2026 Insurer Protocol (enclosed as **Tab 1**). We have requested these documents on at least 11 occasions:

- i) January 9, 2026 at 4:06 p.m. (**Tab 2**)
- ii) January 12, 2026 at 12:14 p.m. (**Tab 3**)
- iii) January 14, 2026 at 12:17 p.m. and 8:09 p.m. (**Tab 4**)
- iv) January 15, 2026 at 8:38 a.m. and 9:00 a.m. (**Tab 5**)
- v) January 22, 2026 at 3:27 p.m. (**Tab 6**)
- vi) January 26, 2026 at 8:06 a.m. (**Tab 7**)
- vii) February 12, 2026 at 3:06 p.m. (**Tab 8**)
- viii) March 8, 2026 at 10:22 p.m. (**Tab 9**)
- ix) March 9, 2026 at 6:14 p.m. (**Tab 10**)
- x) March 10, 2026 at 9:43 a.m. (**Tab 11**)
- xi) March 12, 2026 at 11:37 a.m. and 1:05 p.m. (**Tab 12**)

On March 9, 2026, you advised the Insured was “working on a response” to our document requests (**Tab 13**). However, the documents provided on March 16 and 19, 2026 remain incomplete. Critical documents

are still outstanding for most impugned mortgages, including underwriting review notes, pre- and post-funding correspondence, and the complete files of funding counsel (Haskell Nussbaum). These categories, specified in the January 18, 2026 Insurer Protocol, include trust ledgers, endorsed cheques, wire confirmations, and other documents showing the advance of funds – which is essential to establishing a valid debt.

On March 12, 2026, we provided a precedent direction for requesting complete files from funding counsel and enforcement counsel (Terry Walman) (Tab 12). Please confirm which files have been requested and received, and whether a direction was sent to counsel seeking their complete files.

#### **b. Examinations – Undertaken Without Knowledge or Consent of FCT**

We have reviewed the transcripts and undertakings materials from the Shchavyelyev examinations on July 29, 2025, and September 18, 2025. The transcripts contain questions about the impugned mortgages, their validity, and allegations of fraud. FCT was not advised that the Insured would examine Mr. Shchavyelyev regarding these matters and reserves its rights under the policies.

Enclosed as **Tab 14** is the undertakings chart from Mr. Shchavyelyev's July 29, 2025 examination, with his answers added in the "Responses" column.<sup>1</sup> As noted, several undertakings remain unanswered or incomplete.

Specifically: (i) undertaking no. 2 (referral fees to Haskell Nussbaum) – no records were produced; (ii) undertaking no. 4 (opportunities from Haskell Nussbaum, 2021-2024) – emails were provided in PDF form without attachments; and (iii) undertakings nos. 10-12 (title insurance claim packages, Insurer communications, and notice to Mr. Nussbaum regarding potential claims) – Mr. Shchavyelyev indicated he "requested" these materials, but nothing further has been provided.

Please confirm whether you have received any further documents from Mr. Shchavyelyev in response to unanswered undertakings and, if so, provide copies. If not, please confirm that appropriate follow-up steps have been taken with his counsel.

Regarding Mr. Shchavyelyev's September 18, 2025 examination, please advise whether any undertakings have been answered and provide copies of any responses.

We have also reviewed the transcripts from the July 7, 2025 examinations of Mary Moncada and Mark Simone. Both refer to a board meeting and investigation regarding fraud allegations with the Burton mortgage (Ms. Moncada at p. 62, Q. 255; Mr. Simone at p. 94-99, Q. 151-157). Please provide the meeting minutes and investigation results.

---

<sup>1</sup> The numbering of Mr. Shchavyelyev's responses generally did not match the numbering of the undertakings. For the purposes of the chart enclosed as Tab 14, the numbering of the undertakings was preserved and Mr. Shchavyelyev's responses were matched to the corresponding undertaking based on their substance.

**c. Insured's Awareness of Criminal Investigation and Charges**

On March 6, 2026, we asked when the Insured first became aware of the criminal investigation and charges (**Tab 15**).

Your response that day was marked "without prejudice". As the subject matter does not relate to settlement discussions, this designation is improper. FCT reserves its rights to seek the court's determination and to rely on the response.

Among the March 16, 2026 documents is a March 7, 2024 email to Mr. Shchavyelyev from Computershare's general counsel referencing an OPP investigation relating to the Auton mortgage and fraud allegations (**Tab 16**). The version provided is not a native copy and excludes the attachment. Please provide a native copy with the attachment.

Please also provide all communications and documents in which the Insured or EquityLine was notified about potential fraud regarding the impugned mortgages, including any police communications.

**Path Forward**

We expect the Insured to promptly and fully comply with its remaining disclosure obligations under the FCT insurance policies. FCT reserves its rights to seek the court's direction if necessary.

Yours truly,

Dentons Canada LLP



Kenneth Kraft  
Partner

KK/of

cc: Renée Brosseau, Dentons Canada LLP  
Sara-Ann Wilson, Dentons Canada LLP  
Oliver Flis, Dentons Canada LLP

**TAB 1**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Sunday, January 18, 2026 9:01 AM  
**To:** rkennedy@tgf.ca; dharland@tgf.ca; bchung@airdberlis.com; mspence@airdberlis.com  
**Cc:** Flis, Oliver; Wilson, Sara-Ann; tony@alaw.ca  
**Subject:** EquityLine [Fraud Claim Litigation Protocol & Privilege Matters]  
**Attachments:** Fraud Claim Litigation Protocol 18 January 2026.docx

Counsel

Attached please find the draft fraud litigation protocol that will respond to the specific nature of the claims asserted by the mortgagors. Please note, that counsel for TitlePlus has reviewed and approved the attached.

The first two points are process notes for the Receiver who is also the insured mortgagee (collectively, the “**Insured Mortgagee**”). As requested, we’ve outlined your obligations pursuant to the underlying policies on document production and the proffering of evidence. Given the urgency expressed, we see no reason why the Insured Mortgagee would delay in providing the universe of documents which, for ease of reference for you, we have listed. To that end, we reiterate the request made in our emails to Mr. Cheung last week. While we have put a 30-day period in the protocol for you to respect the urgency you expressed, we trust you will provide same this week. It is essential that we review the complete document files for each underlying claim. For the sake of efficiency, we have also provided a detailed list of the ordinary course documents. Your obligations pursuant to the policy are separate and apart from the preparation of a fraud litigation claim protocol. Obviously, not all documents produced to FCT and TitlePlus pursuant to your obligations under the policies will be produced in an AOD as the latter depends on the relevancy standard pursuant to the *Rules*. Accordingly, we would not include #1 and #2 in the protocol exchanged with the service list as to do so would be improper.

As a corollary of the above, given that the Receiver has presented itself as the Insured Mortgagee, it is wearing two hats. While it is fine to exchange ideas on the fraud litigation protocol (and was requested by Her Honour’s 13 January 2026 endorsement), when it comes to the actual litigation strategy on each of the individual claims, we will not be able to include (as counsel requested on our Thursday, 15 January 2026 call) Aird and Berlis on those communications. The latter are acting for the senior secured lender who is funding the receivership and counsel was clear on the call that they are not the insured mortgagee. Accordingly, to copy them would be to waive privilege. The Receiver will also be unable to discuss or share litigation strategy with Aird and Berlis on the underlying claims and will have to execute the ordinary course retainer agreements with FCT and TitlePlus re the duty to defend.

Lastly, we have elicited dates from Chris Papadopoulos, a mediator we previously mentioned to Ms. Kennedy on 9 January 2026 and did so again on our 15 January 2026 joint call, who has deep experience in mediating complex multi-party residential mortgage title insurance matters. He is available on the following days in June (for matters where the parties agree to mediate prior to examination) and in August (where the parties chose to mediate following examinations). The dates are June 24, 25, 26, 29 and 30 and August 4, 5, 6, 7, 10, 11, 12, 13, 14 and 17. The ability to utilize these dates is obviously contingent upon the Insured Mortgagee providing the complete files set out in #1 of the protocol.

Regards,  
R

**Renée Brosseau**  
Counsel

 +1 416 863 4650

[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) | [Bio](#) | [Website](#)

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| # | Item                                  | Process Point   | Timeline | Notes   |
|---|---------------------------------------|---|----------|---|
| 1 | Document Disclosure – Threshold Issue | Receiver /Insured Mortgagee, Equitable Bank, and Computershare to provide all relevant documents in accordance with the applicable title insurance policies | 30 days  | <ul style="list-style-type: none"> <li>• Disclosure by the Insured Mortgagee is required pursuant to the following terms of the applicable title insurance policies. For convenience the operative section for Document Production of the FCT policy is paragraph 5 of the Conditions:</li> </ul> <p><i>In addition, the Insured Claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company [FCT] and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, letters, ledgers, cheques, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, letters, ledgers, cheques, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.</i></p> |

| # | Item | Process Point | Timeline | Notes   |
|---|------|---------------|----------|---|
|   |      |               |          | <ul style="list-style-type: none"> <li>• Disclosure must include the complete unredacted mortgage files, including but not limited to:               <ul style="list-style-type: none"> <li>(a) the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and, as the case may be, the mortgagor as well as exports of the software system used for such communications e.g. Filogix);</li> <li>(b) post-funding portfolio administration files and communication logs (for e.g. MARS), post-funding correspondence (such as annual statements, interest adjustment statements and mailing logs), default correspondence including demand, notice of sale under charge, ordinary course disclosure sent to the mortgagors,</li> <li>(c) Correspondence received from mortgagors and/or their counsel;</li> <li>(d) Pleadings including affidavits of service as the case may be and all related correspondence and files for enforcement counsel including directions sent to obtain same;</li> <li>(e) Files sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors;</li> <li>(f) The complete mortgagee funding counsel file (Nussbaum) including copies of directions that were sent to him by the Insured Mortgagee relating to same;</li> <li>(g) Data collection and preservation protocols and related documents, including chain of custody and control documentation/logs from the date of the Receiver appointment with the requisite date stamps;</li> <li>(h) Compliance reviews performed on behalf of the warehouse lender on EquityLine for the material claim periods;</li> <li>(i) Correspondence and all documents exchanged between the warehouse</li> </ul> </li> </ul> |

| # | Item                                       | Process Point  | Timeline                             | Notes   |
|---|--|--|--------------------------------------|---|
|   |  |  |                                      | <p>lender and EquityLine related to the Impugned Mortgages; and</p> <p>(j) Correspondence and all documents between the title custodian (Computershare) and EquityLine and mortgagors /mortgagor’s counsel related to the Impugned Mortgages.</p>   |
| 2 | Investigation Disclosure – Threshold Issue | Receiver/Insured Mortgagee to provide status notes on investigations of EquityLine and mortgages | 30 days                              | <ul style="list-style-type: none"> <li>• The Receiver has investigative powers pursuant to the 30 July 2024 appointment order, including the power “to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information”</li> <li>• The Receiver/Insured Mortgagee to provide copies of all transcripts and meeting notes relating to investigations and reports including drafts prepared and related correspondence on the Impugned Mortgages as well as EquityLine</li> </ul>  |
| 3 | Exchange of Affidavits of Documents        | Mortgagee, Mortgagor and named parties in pleadings to exchange affidavits of documents (AOD)    | 60 days from completion of #1 and #2 | <ul style="list-style-type: none"> <li>• The Receiver as the Insured Mortgagee will swear the AOD.</li> <li>• The Receiver / Insured Mortgagee has a duty to cooperate and provide evidence. For convenience, this is set out in paragraph 4(d) of the Conditions.</li> </ul> <p><i>In all cases where this policy permits or requires the Company to prosecute or provide for the defence of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defence in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company’s expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the Insured Mortgage, as insured. If the Company is prejudiced by the failure of the Insured to furnish the required co-operation, the Company’s</i></p> |

| # | Item                | Process Point                      | Timeline                            | Notes   |
|---|---------------------|------------------------------------|-------------------------------------|---|
|   |                     |                                    |                                     | <p><i>obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such co-operation.</i></p> <ul style="list-style-type: none"> <li>• The Receiver/Insured Mortgagee will swear the affidavit of documents as it has custody and control of same. <ul style="list-style-type: none"> <li>○ Para. 6 of the Receiver’s appointment order provides that “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 “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”</li> </ul> </li> <li>• The draft protocol included as Schedule B to the Fourth Report indicates that affidavits would be exchanged.</li> <li>• AODs required for certain parties (mortgagees, mortgagors, title insurers, LawPro, brokers)</li> <li>• AODs optional for other interested parties</li> <li>• Receiver/Insured Mortgagee to confirm who will be providing evidence on behalf of the Insured Mortgagee in accordance with the obligations pursuant to the policy.</li> <li>• Usual production requirements under <i>Rules 29 and 30</i> apply</li> </ul> |
| 4 | Cross-Examinations  | Cross-examinations to be completed | Before or after mandatory mediation | <ul style="list-style-type: none"> <li>• Parties to choose timing (i.e., before or after mediation)</li> <li>• Cross-examinations not to exceed 7-hour time limit under <i>Rule 31.05.1</i></li> <li>• The Insured Mortgagee/Receiver will provide evidence as required pursuant to the policy.</li> </ul>  |
| 5 | Mandatory Mediation | Parties to attend mediation        | Before or after cross-examinations  | <ul style="list-style-type: none"> <li>• Necessary parties include the Receiver/Insured Mortgagee, mortgagors,</li> </ul>   |

| # | Item                            | Process Point   | Timeline                     | Notes   |
|---|---------------------------------|---|------------------------------|---|
|   |                                 |   |                              | <p>any professional defendants, NOSI defendants and their insurers.</p> <ul style="list-style-type: none"> <li>• Selection of mediator based on experience with subject matter (i.e., alleged mortgage fraud) on agreement of the participating parties from a predetermined list.</li> <li>• Parties will rely on the pleadings exchanged to date.</li> <li>• Exchange of mediation briefs 7 days before the mediation</li> </ul>  |
| 6 | Summary Trial (Commercial List) | If mediation unsuccessful, matter to be heard by designated trier of fact in summary trial  | Scheduled by Commercial List | <ul style="list-style-type: none"> <li>• Counsel for Receiver/Insured Mortgagee confident that Commercial List judge will be able to hear summary trial on expedited basis</li> <li>• Parties to attend case conference with trier of fact to establish protocol for hearing, including exchange of affidavits and expert reports as the case may be, and cross-examination on affidavits before trier of fact using summary trial procedures.</li> <li>• Parties to rely on the pleadings exchanged to date.</li> <li>• The summary trial procedures will be approved by the trier of fact and include the use of affidavits as the evidence-in-chief with cross-examinations on the affidavits to test credibility, intent, knowledge, inconsistencies, etc.</li> </ul> |
| 7 | Appeal                          | Parties may exercise appeal rights under Courts of Justice Act and Rules of Civil Procedure |                              |   |

**TAB 2**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Friday, January 9, 2026 4:06 PM  
**To:** Rkennedy@tgf.ca; Campbell, Amanda; DHarland@tgf.ca; djalili@tgf.ca  
**Cc:** Wilson, Sara-Ann; Mackinnon Blair, Fraser; ngoldstein@ksvadvisory.com; mvininsky@ksvadvisory.com; ttrifunovic@ksvadvisory.com; renglish@airdberlis.com; mspence@airdberlis.com; bchung@airdberlis.com  
**Subject:** In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL)

Hello Rebecca,

Our request is straightforward. There is a threshold issue.

We do not have the list of alleged fraudulent mortgages. Aird and Berlis did not provide same. They provided a spreadsheet of addresses that were not categorized in any way. We need a list of the matters for which you/Equityline have received allegations of fraud. We require the correspondence/pleadings etc. received from the mortgagors. We also require all the underlying lender files for each of those matters. I trust you have complied those already.

Once we have the list and those files for FCT and Stewart, a protocol can be worked on together. I am confident that we can develop a protocol that is reflective of the nature of the allegations made by mortgagors.

Until we receive those files and lists, we are unable to finalize a responsive protocol and determine an appropriate date for the return of an approval hearing.

If we do not agree on a protocol, an ordinary course timetable for the exchange of motion materials for a contested hearing will be required.

R

**Renée Brosseau**

Counsel

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**Dentons Canada LLP | Toronto**

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**From:** Rebecca Kennedy <Rkennedy@tgf.ca>

**Sent:** Friday, January 9, 2026 3:54 PM

**To:** Campbell, Amanda <amanda.campbell@dentons.com>; Derek Harland <DHarland@tgf.ca>; Denna Jalili <djalili@tgf.ca>

**Cc:** Wilson, Sara-Ann <sara.wilson@dentons.com>; Brosseau, Renée <renee.brosseau@dentons.com>; Mackinnon Blair, Fraser <fraser.mackinnon.blair@dentons.com>; ngoldstein@ksvadvisory.com; mvininsky@ksvadvisory.com; ttrifunovic@ksvadvisory.com; renglish@airdberlis.com; mspence@airdberlis.com; Brian Chung

<bchung@airdberlis.com>

**Subject:** RE: In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL)

**[WARNING: EXTERNAL SENDER]**

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Renee, Sara-Ann,

I am in receipt of your materials. I have just tried calling Renee. I got your voicemail.

You are new to the matter, so I thought it would be good to update you and clarify some points, since we keep receiving escalating communications and materials from you. Hopefully a call will be helpful.

That said, ahead of a call, I wanted to level set some points for you. First, you intimate in your materials that there is an order requiring the Receiver to prepare a timetable. There is not. Further, there is no requirement for us to timetable our motion for a protocol. We have agreed to adjourn the relief so we can develop a timetable for the approval of the protocol. Happy to hear your input and thoughts on that.

With respect to the endorsement, I urge you to stop trying to misread what was discussed at a case conference you did not attend. I am happy to discuss that with you, but your continued misinterpretation is unhelpful. The case conference dealt with the Jank Order and scheduling of Mr. Auton's mortgage adjudication. The court wanted to include interested parties before we deal with any adjudication (given the process that unfolded with the Jank Mortgage with respect to the title insurer). With respect to Mr. Auton's mortgage, the Receiver is not moving forward with adjudication on January 13, 2026 nor is it adjudicating any of the impugned mortgages. Rather than dealing with this on a mortgage by mortgage basis, the Receiver is proposing to deal with them pursuant to one global timetable/protocol. That timetable is our draft protocol. There is no further timetable to provide, so your materials are incorrect in that no timetable was provided. If you have comments on the protocol, would be happy to discuss them.

Finally, with respect to short service, the January 13, 2026 court time was only confirmed by the court on January 5, 2026 at 1:38 pm. We served our motion record within hours of that confirmation. I just want you to have all the information before you cast aspersions about short service when we had no confirmation of the time before then. We will be including this correspondence in an Aide Memoire, but didn't want you to be surprised by this point.

Finally, I have copied Aird & Berlis. I understand that your clients have been on notice for over a year of these claims. I am certain that they will be able to address what information your client already has with respect to the claims and the impugned mortgages.

While writing this email, I note you have called, but I am currently on a call and will call you once I get off this call.

Best,  
Rebecca

Rebecca Kennedy | [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)



Rebecca Kennedy | [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**From:** Campbell, Amanda <[amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com)>

**Sent:** Wednesday, January 7, 2026 3:36 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>

**Cc:** Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Mackinnon Blair, Fraser <[fraser.mackinnon.blair@dentons.com](mailto:fraser.mackinnon.blair@dentons.com)>; [ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com); [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com); [ttrifunovic@ksvadvisory.com](mailto:ttrifunovic@ksvadvisory.com); [renglish@airdberlis.com](mailto:renglish@airdberlis.com); [mspence@airdberlis.com](mailto:mspence@airdberlis.com); [jh@friedmans.ca](mailto:jh@friedmans.ca); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [bruce.darlington@dlapiper.com](mailto:bruce.darlington@dlapiper.com); [tudor.carsten@dlapiper.com](mailto:tudor.carsten@dlapiper.com); [cristina.fulop@ca.dlapiper.com](mailto:cristina.fulop@ca.dlapiper.com); [tony@alaw.ca](mailto:tony@alaw.ca); [glenn@glenncohenlaw.ca](mailto:glenn@glenncohenlaw.ca); [terry@terrywalman.com](mailto:terry@terrywalman.com); [gadair@agbllp.com](mailto:gadair@agbllp.com); [osbservice-bsfservice@ised-ised.gc.ca](mailto:osbservice-bsfservice@ised-ised.gc.ca); [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca); [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca); [pat.confalone@cra-arc.gc.ca](mailto:pat.confalone@cra-arc.gc.ca); [director\\_of\\_titles@ontario.ca](mailto:director_of_titles@ontario.ca); [debra.eveleigh@ontario.ca](mailto:debra.eveleigh@ontario.ca); [bethanie.pascutto@ace.clcj.ca](mailto:bethanie.pascutto@ace.clcj.ca); [mario.giovane@stewart.com](mailto:mario.giovane@stewart.com); [rdas@byldlaw.com](mailto:rdas@byldlaw.com); [rhepburn@fct.ca](mailto:rhepburn@fct.ca); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [sgadbois@watlaw.ca](mailto:sgadbois@watlaw.ca); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [obarnwell@ogblaw.com](mailto:obarnwell@ogblaw.com); [nbarabash@ogblaw.com](mailto:nbarabash@ogblaw.com); [sharmin9110@gmail.com](mailto:sharmin9110@gmail.com); [thisaan.r@hotmail.com](mailto:thisaan.r@hotmail.com)

**Subject:** In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL)

Counsel,

We represent Stewart Title Guaranty Company and FCT Insurance Company Ltd. in the above-noted matter. Please see the attached correspondence from Renée Brosseau enclosing the Notice of Appearance of Stewart Title Guaranty Company & FCT Insurance Company Ltd. dated January 7, 2026, which is hereby served upon you in accordance with the *Rules of Civil Procedure*.

Please add Dentons to the Service List in this matter and invite us to the case in Case Centre.

Kind regards,  
Amanda

**Amanda Campbell**

Legal Assistant to Robert Kennedy, Sara-Ann Wilson and John Salmas

My pronouns are: She/Her/Hers

 +1 416 863 4468

[amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com) | [Website](#)

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**TAB 3**

## Campbell, Amanda

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**From:** Rebecca Kennedy <Rkennedy@tgf.ca>  
**Sent:** Monday, January 12, 2026 2:07 PM  
**To:** Brosseau, Renée  
**Cc:** DHarland@tgf.ca; Campbell, Amanda; ngoldstein@ksvadvisory.com; mvininsky@ksvadvisory.com; ttrifunovic@ksvadvisory.com; djalili@tgf.ca; renglish@airdberlis.com; mspence@airdberlis.com; jh@friedmans.ca; sergiy@equitylinemic.com; sergiy@equitylinemic.com; sergiy@equitylinemic.com; sergiy@equitylinemic.com; bruce.darlington@dlapiper.com; tudor.carsten@dlapiper.com; cristina.fulop@ca.dlapiper.com; tony@alaw.ca; glenn@glenncohenlaw.ca; terry@terrywalman.com; gadair@agblp.com; osbservice-bsf@service@ised-isde.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; debra.eveleigh@ontario.ca; bethanie.pascutto@ace.clcj.ca; Wilson, Sara-Ann; Mackinnon Blair, Fraser; mario.giovane@stewart.com; rhpburn@fct.ca; rdas@byldlaw.com; burns@adburnslaw.ca; burns@adburnslaw.ca; sgadbois@watlaw.ca; dbernstein@nelwat.com; dbernstein@nelwat.com; obarnwell@ogblaw.com; nbarabash@ogblaw.com; sharmin9110@gmail.com; thisaan.r@hotmail.com; bchung@airdberlis.com  
**Subject:** In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL) [3rd Request]  
**Attachments:** RE\_ CTS25013000231.eml

**[WARNING: EXTERNAL SENDER]**

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Renee,

Thank you for your email. I don't think that repeated emails to the service list are helpful, nevertheless, I will respond to everyone as you see fit to copy them on your correspondence to us.

1. **FCT has all the related files**

I have discussed this matter with Aird & Berlis LLP and understand that FCT has all of the documents you and I discussed on Friday. FCT provided to Aird & Berlis FCT's own file transfer site, where the files you reference (including the lender files) were uploaded. This was completed before July 2, 2025. On July 2, 2025, FCT confirmed their receipt. Please see the attached correspondence from FCT. We do not have any information with respect to FCT's own investigation or interviews of the borrowers. Please provide such information if it exists.

With respect to Stewart Title, I understand that Stewart Title was provided with notice of our motion out of an abundance of caution. Stewart Title is the title insurer on two properties, one of which relates to an unauthorized postponement and the other an unauthorized discharge of the Debtor's mortgages. With respect to those two mortgages, I understand that Stewart Title has already issued denials of coverage.

As such, there is nothing to upload at this point to your KiteWork's link and I suggest you review with FCT the materials provided last year.

2. **Claims Process**

As outlined, FCT has had over 6 months to address protocol and has taken no steps, the Receiver was required to take steps to develop a protocol to address the interests of the mortgagors. There has been no follow up from your clients

for 6 months with respect to the mortgage files they received. **You** have the power to course correct immediately by addressing the outstanding documentation in your client's possession and consider the protocol in this light.

### 3. Return Date

As I advised on Friday, we agree that the next attendance is either to approve a consent protocol or schedule a hearing to adjudicate the protocol. I assume that a consent timetable can be entered at the next attendance if we are not having a consent protocol approved.

As we left it on Friday, you were going to check your calendar for January 30, 2026. I heard nothing from you since and as I indicated I am travelling February 1-4. I also indicated that if you were not available on January 30, 2026, I would have Derek Harland of my office attend in my absence on the dates the following week if that works for the Court.

We look forward to your response once your client reviews the materials in its possession.

Best,  
Rebecca

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**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Monday, January 12, 2026 12:14 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Cc:** Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Campbell, Amanda <[amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com)>; Noah Goldstein <[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)>; Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>; Tony Trifunovic <[ttrifunovic@ksvadvisory.com](mailto:ttrifunovic@ksvadvisory.com)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; [jh@friedmans.ca](mailto:jh@friedmans.ca); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [bruce.darlington@dlapiper.com](mailto:bruce.darlington@dlapiper.com); [tudor.carsten@dlapiper.com](mailto:tudor.carsten@dlapiper.com); [cristina.fulop@ca.dlapiper.com](mailto:cristina.fulop@ca.dlapiper.com); [tony@alaw.ca](mailto:tony@alaw.ca); [glenn@glenncohenlaw.ca](mailto:glenn@glenncohenlaw.ca); [terry@terrywalman.com](mailto:terry@terrywalman.com); [gadair@agblp.com](mailto:gadair@agblp.com); [osbservice-bsfservice@ised-isde.gc.ca](mailto:osbservice-bsfservice@ised-isde.gc.ca); AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca); [pat.confalone@cra-arc.gc.ca](mailto:pat.confalone@cra-arc.gc.ca); [debra.eveleigh@ontario.ca](mailto:debra.eveleigh@ontario.ca); [bethanie.pascutto@ace.clcj.ca](mailto:bethanie.pascutto@ace.clcj.ca); Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Mackinnon Blair, Fraser <[fraser.mackinnon.blair@dentons.com](mailto:fraser.mackinnon.blair@dentons.com)>; [mario.giovane@stewart.com](mailto:mario.giovane@stewart.com); [rhepburn@fct.ca](mailto:rhepburn@fct.ca); [rdas@byldlaw.com](mailto:rdas@byldlaw.com); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [sgadbois@watlaw.ca](mailto:sgadbois@watlaw.ca); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [obarnwell@ogblaw.com](mailto:obarnwell@ogblaw.com); [nbarabash@ogblaw.com](mailto:nbarabash@ogblaw.com); [sharmin9110@gmail.com](mailto:sharmin9110@gmail.com); [thisaan.r@hotmail.com](mailto:thisaan.r@hotmail.com)

**Subject:** RE: In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL) [3rd Request]

Good afternoon Rebecca,

We had, what I believed, was a productive call on Friday evening. Unfortunately, it appears we are speaking at cross purposes following the receipt of the Receiver's January 9, 2026 Aide-Mémoire.

I will reiterate.

**#1. FCT and Stewart Title Immediately Require The List of Impugned Mortgages as well as the Related Insured Lender Files.**

The Receiver and the Insured Lender have been aware of potential claims of Impugned Mortgages for 1.6 years.

You have referenced these unidentified mortgages in all, if not every Report, that has been filed in this proceeding. Surely, in that generous period of 1.6 years, either the Receiver or the Insured Lender has gathered and compiled the Insured Lender files. Has the Receiver or the Insured Lender also notified counsel who acted for the mortgagee on these files and sought a direction from counsel to deliver their files so that you also have those key documents in your possession? This is the standard procedure for submitting title insurance claims.

The January 9, 2026 Aide-Mémoire indicates what is, perhaps, confusion on behalf of the Receiver with respect to procedure.

Neither the Receiver nor the Insured Lender is required to complete an investigation of the allegations of fraudulent instruments before providing FCT and Stewart Title with the required notice and complete files pursuant to the underlying policies. Rather, what occurs in the ordinary course of investigations of title fraud is as follows. FCT and/or Stewart, as the case may be, engage an independent third-party adjustor firm with deep experience in investigating such matters. These adjustors are promptly engaged when the insured provides notice of a potential claim.

Resolve this issue now.

Enable FCT and Stewart Title to help move these matters forward. Provide us with the list of Impugned Mortgages for each of Stewart Title and FCT, as well as the related files, today. If you have not communicated with counsel who acted for the mortgagee on these mortgages, do so. LawPro is a key party to these matters and must be engaged asap. They will have to consent to any claim protocol.

Ms. Campbell, cc'd, will provide you with a Kiteworks link this afternoon so you can easily upload those materials.

## **#2 FCT and Stewart Title Are Proponents of a Claims Process That Responds to Fraud Claims.**

Once FCT and Stewart Title receive the above #1, a responsive claims process will be developed for consideration. At this point, we are operating in a vacuum. Remedy this today.

Our clients were served the evening of Monday, January 5, 2026, with a purported claims process, *which failed to address basic aspects of fraud claims*. We promptly wrote to you and the service list on Wednesday, January 7, 2026, and underscored some of the basic flaws in the purported protocol. We also spoke on Friday, January 9, 2025 at which time I understood that we would work collaboratively with you to establish a protocol that responds to fraud claims. Any protocol that will be accepted by FCT and Stewart Title will require, for e.g. a trier of fact (a retired judge, for example) to adjudicate claims that are not resolved. We are also very open to a mediation process with the mediators who are well-known and versed in title insurance fraud matters. I went so far as to identify for you triers of fact who have experience in these matters, as well as mediators.

Accordingly, it is a gross misstatement to assert in your January 9, 2026 Report that the (a) "title insurers have requested lengthy and indefinite adjournments of the Protocol" as well as (b) "[t]his urgency is being met with opposition of complex commercial entities, being the insurers, who seek to

delay the approval of the Protocol....” and (c) that it is “title insurer's efforts to delay the approval and commencement of an adjudication process”. Any delay is most certainly, based on the above, at the feet of the Receiver and the Insured Lender.

You have the power to course correct immediately. Provide us with #1 today and we can work collaboratively on #2. We trust that you will do so.

### #3 Return Date

With respect to a return date, the purpose of same will be to either (a) approve a responsive claims protocol that has received FCT/Stewart Title, TitlePlus (and likely LawPro) consent; or (b) establish a timetable for the delivery of materials in a contested hearing.

I made it clear that I am not available on January 30, 2026. I have good availability on February 3, 4,5 and 6.

Naturally, if the Receiver fails to provide the essential files today or the files are incomplete, those delays will curtail the claim investigation process as well as the development of a responsive protocol and render the February 2026 adjourned date obsolete. We trust the Receiver will remedy this now.

R

Renée Brosseau  
Counsel

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---

**From:** Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>

**Sent:** Friday, January 9, 2026 9:46 PM

**To:** Noah Goldstein <[ngoldstein@ksv advisory.com](mailto:ngoldstein@ksv advisory.com)>; Mitch Vininsky <[mvininsky@ksv advisory.com](mailto:mvininsky@ksv advisory.com)>; Tony Trifunovic <[ttrifunovic@ksv advisory.com](mailto:ttrifunovic@ksv advisory.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; [jh@friedmans.ca](mailto:jh@friedmans.ca); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com); [bruce.darlington@dlapiper.com](mailto:bruce.darlington@dlapiper.com); [tudor.carsten@dlapiper.com](mailto:tudor.carsten@dlapiper.com); [cristina.fulop@ca.dlapiper.com](mailto:cristina.fulop@ca.dlapiper.com); [tony@alaw.ca](mailto:tony@alaw.ca); [glenn@glenncohenlaw.ca](mailto:glenn@glenncohenlaw.ca); [terry@terrywalman.com](mailto:terry@terrywalman.com); [gadair@agblp.com](mailto:gadair@agblp.com); [osbservice-bsfservice@ised-isde.gc.ca](mailto:osbservice-bsfservice@ised-isde.gc.ca); [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca); [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca); [pat.confalone@cra-arc.gc.ca](mailto:pat.confalone@cra-arc.gc.ca); [debra.eveleigh@ontario.ca](mailto:debra.eveleigh@ontario.ca); [bethanie.pascutto@ace.clcj.ca](mailto:bethanie.pascutto@ace.clcj.ca); Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Mackinnon Blair, Fraser <[fraser.mackinnon.blair@dentons.com](mailto:fraser.mackinnon.blair@dentons.com)>; [mario.giovane@stewart.com](mailto:mario.giovane@stewart.com); [rhepburn@fct.ca](mailto:rhepburn@fct.ca); [rdas@byldlaw.com](mailto:rdas@byldlaw.com); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [sgadbois@watlaw.ca](mailto:sgadbois@watlaw.ca); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [dbernstein@nelwat.com](mailto:dbernstein@nelwat.com); [obarnwell@ogblaw.com](mailto:obarnwell@ogblaw.com);

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Cc: Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>

Subject: In the Matter of the Receivership of Equityline SPV Limited Partnership (CV-24-00721560-00CL) - Aide Memoire of the Receiver dated January 9, 2026 [IMAN-CLIENT.FID2012343]

**[WARNING: EXTERNAL SENDER]**

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Good evening,

Please see attached the aide memoire of the Receiver dated January 9, 2026, which is hereby served upon you in accordance with the *Rules of Civil Procedure* and E-Service Protocol of the Commercial List.

We further advise that the hearing before Justice Kimmel for January 13<sup>th</sup> at 10am has been converted from a motion to a case conference. The following Zoom link may be used to access the hearing:

<https://ca01web.zoom.us/j/64172244590?pwd=OHg5VkFZNIRHb3FPdFcxaVY4dnRRZz09#success> .

If you wish to attend the case conference and have not already advised of your intention to do so, please confirm via reply email to me.

Kind regards,

Denna



Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**TAB 4**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Wednesday, January 14, 2026 8:09 PM  
**To:** bchung@airdberlis.com  
**Cc:** Flis, Oliver  
**Subject:** Equityline - Request for Remaining File Materials

Evening Brian

Would you please confirm you have requested and received Nussbaum's entire legal file for all these matters failing which please send him a direction asap to forward his files to us and reference the Receivership. As Oliver noted below those files were not received.

This must be done to trigger him to report to LawPro so they appoint counsel and said counsel can be involved in the preparation of the litigation protocol approval process.

Regards

R

---

**From:** Flis, Oliver <oliver.flis@dentons.com>  
**Sent:** Wednesday, January 14, 2026 12:17:19 PM  
**To:** bchung@airdberlis.com <bchung@airdberlis.com>  
**Cc:** Brosseau, Renée <renee.brosseau@dentons.com>  
**Subject:** Equityline - Request for Remaining File Materials

Brian,

We have reviewed the files received from you for the Hinds, Hunter, Hirschberger, and Burton matters. We confirm receipt of the registered charges, credit bureau reports, appraisals, mortgage commitments, mortgage history, reports from Equityline's counsel, and signing packages.

However, we have not received the complete mortgage files, including the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and as the case may be the mortgagor), post-funding portfolio administration files (for eg. Did Equityline use MARS if so, provide an Excel export), post-funding correspondence (such as annual statements and interest adjustment statements and mailing logs), ordinary course disclosure sent to the mortgagors as well as correspondence received from mortgagors and/or their counsel. We also require the files that were sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors.

We will be providing you with a Kiteworks link for each matter, to which we ask that you upload the remaining file materials today as the receipt of the complete files is required in order to prepare a responsive litigation protocol.

Thank you.

**Oliver Flis**

Associate

My pronouns are: He/Him/His

 +1 416 863 4536

[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com) | [Bio](#) | [Website](#)

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**TAB 5**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Thursday, January 15, 2026 9:00 AM  
**To:** bchung@airdberlis.com; Rkennedy@tgf.ca; tony@alaw.ca  
**Cc:** Wilson, Sara-Ann; Flis, Oliver; djalili@tgf.ca; DHarland@tgf.ca  
**Subject:** Equityline -Call Today

Thanks Brian. It appears Rebecca is only available at 330. Is there someone else on your team that can participate or alternatively on Rebecca's? These are critical threshold issues that drive the timelines and development of a protocol. We can go later in the evening, which is not ideal, but I am available until 10 p.m.

In the interim, can you start sending us the missing documents so we don't lose the day.

Thanks. R

**Renée Brosseau**  
Counsel

 +1 416 863 4650

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---

**From:** Brian Chung <bchung@airdberlis.com>  
**Sent:** Thursday, January 15, 2026 8:57 AM  
**To:** Rebecca Kennedy <Rkennedy@tgf.ca>; Brosseau, Renée <renee.brosseau@dentons.com>; Tony Antoniou <tony@alaw.ca>  
**Cc:** Wilson, Sara-Ann <sara.wilson@dentons.com>; Flis, Oliver <oliver.flis@dentons.com>; Denna Jalili <djalili@tgf.ca>; Derek Harland <DHarland@tgf.ca>  
**Subject:** Re: Equityline -Call Today

**[WARNING: EXTERNAL SENDER]**

---

My only free window today is 230 to 330

**Brian Chung**  
Partner | Lawyer

T 416.865.3426  
E [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

**Aird & Berlis LLP**  
Toronto | Vancouver

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**From:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Sent:** Thursday, January 15, 2026 8:39:46 AM

**To:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>

**Cc:** Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>

**Subject:** RE: Equityline -Call Today

I have court today. It is not commercial list so I am concerned about when it will be heard. Can we go later in that window? Say, 3:30?

I will review the substance of your email later today.

Please copy my team on your correspondence (and same when corresponding with Brian Chung) so that we can limit having to forward emails to our team.

Thanks,  
Rebecca

Rebecca Kennedy | [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)



Rebecca Kennedy | | [Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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---

**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Thursday, January 15, 2026 8:38 AM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; [bchung@airdberlis.com](mailto:bchung@airdberlis.com); Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>

**Cc:** Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>

**Subject:** RE: Equityline -Call Today

**Importance:** High

Morning Counsel

As you will have noted, Tony indicated he is also available today from 1 p.m. to 4:30 p.m. and 5 to 6 p.m. Kindly provided your availability. We will circulate a Teams invite.

In light of the urgency to prepare a responsive litigation protocol and to help us prepare for today's call, I've set out an agenda and ask that you add to it as needed. To the extent that we will discuss individual case-by-case matters as opposed to general framework matters, we will do so with counsel for the insured lender separately to respect privilege. The agenda will cover the following topics, and to the extent Receiver counsel will need to drop off for privilege purposes, we will inform of her same. Please note, that we would like to discuss each file separately with the insured immediately following the general call.

1. **Document Production:** The files received are incomplete. We provided a list of what is required by way of a separate email to Brian yesterday, as well as individual Kitework links for each matter. We would like to discuss the timing of the receipt of same, as it will drive the timelines and development of a litigation protocol.
2. **Procedure:** A review of the portal indicates that the insured did not obtain orders to continue the statements of claim in the name of Equityline by its successor Equitable Bank either before or after the receivership. This will need to be done asap by Aird and Berlis. The Receiver will consent to lifting the stay as required to facilitate the litigation, we presume.
3. **Evidence:** Who will provide evidence on behalf of the insured lender? Also, as I mentioned when we spoke on Friday Rebecca, both Tony and I will need to get an understanding of what evidence preservation protocols were put in place by the Equitable Bank and later the Receiver (e.g. the physical records catalogue as well as the electronic records forensics including severs, metadata etc ) and be provided with the chain of custody and control documentation/logs when you were appointed in 2024. We will need copies of those as well as the litigation holds.
4. **Investigations:** We do not have copies or reports from the insured lender as to the status of the internal investigation of each mortgage/claim. We understand that your title custodian (Computershare) undertook a separate investigation and will require those agent reports as well.
5. **Interested Parties:** We have a good list of the interested parties, which @Flis, Oliver will forward later today. However, as I indicated to Brian yesterday, in the event they have not secured Nausbaum's legal file, they must send a direction to him today so that he sends his files for each matter to us and Tony for each file. If this was not done, it would explain why LAWPRO has not appointed counsel. Tony can speak to this issue on the call.
6. **Defendants:** I spoke with all but one of the defendants counsel yesterday to get their input on a process. We can discuss on our call today as it will help us prepare a responsive protocol.

Today's call should clear the way to preparing a responsive protocol!

R

Renée Brosseau

Counsel

+1 416 863 4650

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---

**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Wednesday, January 14, 2026 10:13 PM

**To:** [bchung@airdberlis.com](mailto:bchung@airdberlis.com); Rebecca Kennedy <[rkennedy@tgf.ca](mailto:rkennedy@tgf.ca)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>

**Cc:** Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>

**Subject:** Equityline -Call Tomorrow

Evening

We should speak tomorrow to discuss next steps including document production, who will be providing evidence for the insured mortgagee and litigation protocol. I've also had preliminary discussions with mortgagor counsel today regarding same.

What is your availability from 1-6 pm.

R

**Renée Brosseau**

Counsel

 +1 416 863 4650

[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) | [Bio](#) | [Website](#)

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## Campbell, Amanda

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**From:** Flis, Oliver  
**Sent:** Thursday, January 22, 2026 3:27 PM  
**To:** bchung@airdberlis.com  
**Cc:** rkennedy@tgf.ca; dharland@tgf.ca; mspence@airdberlis.com; tony@alaw.ca; Brosseau, Renée; Wilson, Sara-Ann  
**Subject:** Equityline - Request for Remaining File Materials

Brian,

We are following up on our email below – please confirm whether the requested documents will be provided this week.

Thank you.

**Oliver Flis**  
Associate

My **pronouns** are: He/Him/His

 +1 416 863 4536

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---

**From:** Flis, Oliver  
**Sent:** Tuesday, January 20, 2026 10:56 AM  
**To:** bchung@airdberlis.com  
**Cc:** Rebecca Kennedy <rkennedy@tgf.ca>; Derek Harland <dharland@tgf.ca>; Miranda Spence <mspence@airdberlis.com>; Tony Antoniou <tony@alaw.ca>; Brosseau, Renée <renee.brosseau@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>  
**Subject:** RE: Equityline - Request for Remaining File Materials

Brian,

We are following up on the document requests in my email below and Renée's correspondence from earlier this week enclosing the draft fraud litigation protocol.

We reiterate our request that the documents be provided this week. The Kiteworks links circulated last week should still be active, but please advise if you require fresh links. To the extent that you do not have certain documents, please advise.

Thank you.

**Oliver Flis**  
Associate

My pronouns are: He/Him/His

+1 416 863 4536

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---

**From:** Flis, Oliver

**Sent:** Wednesday, January 14, 2026 12:17 PM

**To:** [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

**Cc:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Subject:** Equityline - Request for Remaining File Materials

Brian,

We have reviewed the files received from you for the Hinds, Hunter, Hirschberger, and Burton matters. We confirm receipt of the registered charges, credit bureau reports, appraisals, mortgage commitments, mortgage history, reports from Equityline's counsel, and signing packages.

However, we have not received the complete mortgage files, including the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and as the case may be the mortgagor), post-funding portfolio administration files (for eg. Did Equityline use MARS if so, provide an Excel export), post-funding correspondence (such as annual statements and interest adjustment statements and mailing logs), ordinary course disclosure sent to the mortgagors as well as correspondence received from mortgagors and/or their counsel. We also require the files that were sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors.

We will be providing you with a Kiteworks link for each matter, to which we ask that you upload the remaining file materials today as the receipt of the complete files is required in order to prepare a responsive litigation protocol.

Thank you.

**Oliver Flis**

Associate

My pronouns are: He/Him/His

+1 416 863 4536

[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com) | [Bio](#) | [Website](#)

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**TAB 7**

## Campbell, Amanda

---

**From:** Brosseau, Renée <renee.brosseau@dentons.com>  
**Sent:** Monday, January 26, 2026 8:06 AM  
**To:** Rebecca Kennedy; Brian Chung  
**Cc:** Derek Harland; Tony Antoniou; Flis, Oliver; Wilson, Sara-Ann  
**Subject:** FW: EquityLine [Fraud Claim Litigation Protocol & Privilege Matters] Follow up & Call Request  
**Attachments:** Fraud Claim Litigation Protocol 18 January 2026.docx; Equityline - Request for Remaining File Materials

Good Morning Rebecca, Brian

Are you available for a call today between 11 and 3? We would like to be able to present counsel for the mortgagors with the protocol by Wednesday. As you know, it will be much more productive if we have the mortgagors onsite for the protocol. My preliminary discussions on that front were positive. On a related note, the timeline will be driven the status of the document delivery. Can you also provide us with an update as to your efforts on that front. If you require additional time, we will need to build that into the timelines. R

**Renée Brosseau**

Counsel

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**From:** Renée <renee.brosseau@dentons.com>  
**Sent:** Sunday, January 18, 2026 9:01 AM  
**To:** rkennedy@tgf.ca; dharland@tgf.ca; bchung@airdberlis.com; mspence@airdberlis.com  
**Cc:** Flis, Oliver <oliver.flis@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>; tony@alaw.ca  
**Subject:** EquityLine [Fraud Claim Litigation Protocol & Privilege Matters]

Counsel

Attached please find the draft fraud litigation protocol that will respond to the specific nature of the claims asserted by the mortgagors. Please note, that counsel for TitlePlus has reviewed and approved the attached.

The first two points are process notes for the Receiver who is also the insured mortgagee (collectively, the “**Insured Mortgagee**”). As requested, we’ve outlined your obligations pursuant to the underlying policies on document production and the proffering of evidence. Given the urgency expressed, we see no reason why the Insured Mortgagee would delay in providing the universe of documents which, for ease of reference for you, we have listed. To that end, we reiterate the request made in our emails to Mr. Cheung last week. While we have put a 30-day period in the protocol for you to respect the urgency you expressed, we trust you will provide same this week. It is essential that we review the complete document files for each underlying claim. For the sake of efficiency, we have also provided a detailed list of the ordinary course documents. Your obligations pursuant to the

policy are separate and apart from the preparation of a fraud litigation claim protocol. Obviously, not all documents produced to FCT and TitlePlus pursuant to your obligations under the policies will be produced in an AOD as the latter depends on the relevancy standard pursuant to the *Rules*. Accordingly, we would not include #1 and #2 in the protocol exchanged with the service list as to do so would be improper.

As a corollary of the above, given that the Receiver has presented itself as the Insured Mortgage, it is wearing two hats. While it is fine to exchange ideas on the fraud litigation protocol (and was requested by Her Honour's 13 January 2026 endorsement), when it comes to the actual litigation strategy on each of the individual claims, we will not be able to include (as counsel requested on our Thursday, 15 January 2026 call) Aird and Berlis on those communications. The latter are acting for the senior secured lender who is funding the receivership and counsel was clear on the call that they are not the insured mortgagee. Accordingly, to copy them would be to waive privilege. The Receiver will also be unable to discuss or share litigation strategy with Aird and Berlis on the underlying claims and will have to execute the ordinary course retainer agreements with FCT and TitlePlus re the duty to defend.

Lastly, we have elicited dates from Chris Papadopoulos, a mediator we previously mentioned to Ms. Kennedy on 9 January 2026 and did so again on our 15 January 2026 joint call, who has deep experience in mediating complex multi-party residential mortgage title insurance matters. He is available on the following days in June (for matters where the parties agree to mediate prior to examination) and in August (where the parties chose to mediate following examinations). The dates are June 24, 25, 26, 29 and 30 and August 4, 5, 6, 7, 10, 11, 12, 13, 14 and 17. The ability to utilize these dates is obviously contingent upon the Insured Mortgagee providing the complete files set out in #1 of the protocol.

Regards,  
R

**Renée Brosseau**  
Counsel

 +1 416 863 4650

[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) | [Bio](#) | [Website](#)

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Renée Brosseau

Counsel

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**TAB 8**

## Campbell, Amanda

---

**From:** Tony Antoniou <tony@alaw.ca>  
**Sent:** Thursday, February 12, 2026 3:06 PM  
**To:** dberlach@sblegal.ca; Brosseau, Renée  
**Subject:** EquityLine  
**Attachments:** Fraud Claim Litigation Protocol 13 February 2026.docx

**[WARNING: EXTERNAL SENDER]**

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Debroah:

Attached a draft protocol that Renee and I have been working on. We can address it on our call tomorrow between insurance counsel.

Regards,

Tony



**Tony Antoniou** Principal Lawyer

**P:** 416-333-9795 **E:** tony@alaw.ca

ALAW.CA

---

**From:** Tony Antoniou  
**Sent:** Tuesday, February 10, 2026 4:58 PM  
**To:** 'Deborah Berlach' <dberlach@sblegal.ca>; Brosseau, Renée <renee.brosseau@dentons.com>  
**Subject:** RE: EquityLine

12:30 pm works for me. I will await for Renee's Teams invite.

Regards,

Tony



**Tony Antoniou** Principal Lawyer

**P:** 416-333-9795 **E:** tony@alaw.ca

ALAW.CA

---

**From:** Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>  
**Sent:** Tuesday, February 10, 2026 4:56 PM  
**To:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>  
**Subject:** Re: EquityLine

I can be available between 12:30 and 2pm.



**Deborah Berlach (she/her)**

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416.594.4671

[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)

3200-130 Adelaide Street W, Toronto, ON M5H 3P5



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**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>  
**Sent:** Tuesday, February 10, 2026 4:53 PM  
**To:** Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>  
**Subject:** RE: EquityLine

**CAUTION: External Email**

Greetings

I have time between 12 and 2 – let me know what works for both of you and I will send a Teams invite. R

Renée Brosseau  
Counsel

+1 416 863 4650

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---

**From:** Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>  
**Sent:** Tuesday, February 10, 2026 4:52 PM  
**To:** Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>  
**Cc:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>  
**Subject:** Re: EquityLine

**[WARNING: EXTERNAL SENDER]**

Tony,

Thank you for your email. I have an 11am meeting on Friday and suspect one half hour will not be sufficient. I am available earlier and in the early afternoon on Friday.

Best,  
Debbie



**Deborah Berlach (she/her)**

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---

**From:** Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>  
**Sent:** Tuesday, February 10, 2026 4:29 PM  
**To:** Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>  
**Cc:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>  
**Subject:** RE: EquityLine

**CAUTION: External Email**

Debroah:

Both Renee and I are available on Friday at 10:30 am for a call amongst insurance litigators to discuss the issues about a form of protocol.

Are you available at that time for a call with us?

Regards,

Tony



**Tony Antoniou** Principal Lawyer

P: 416-333-9795 E: [tony@alaw.ca](mailto:tony@alaw.ca)

ALAW.CA

---

**From:** Tony Antoniou  
**Sent:** Tuesday, February 10, 2026 4:27 PM  
**To:** 'Kraft, Kenneth' <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>  
**Cc:** Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Sean Zeitz <[szeitz@szklaw.ca](mailto:szeitz@szklaw.ca)>; Rebecca Lin <[rlin@szklaw.ca](mailto:rlin@szklaw.ca)>  
**Subject:** RE: EquityLine

The same applies for TitlePLUS

Regards,

Tony



**Tony Antoniou** Principal Lawyer

P: 416-333-9795 E: [tony@alaw.ca](mailto:tony@alaw.ca)  
ALAW.CA

---

**From:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>  
**Sent:** Tuesday, February 10, 2026 4:22 PM  
**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>  
**Cc:** Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>  
**Subject:** RE: EquityLine

Rebecca

Thank you for your message and we agree that there is no longer a need for a motion. We do note that the benefits of the policy cannot be separate from the obligations thereunder. At this point any conflict between the policies and the Receiver's duties is entirely theoretical. However, if there is an issue that arises under the policy where the Receiver believes it may have a conflict that will be for the Receiver to address at that time and our client reserves all rights in that regard. We'll communicate separately regarding the protocol shortly.

Ken

**Kenneth Kraft**

Partner

My pronouns are: He/Him/His

☎ +1 416 863 4374 | ☎ +1 416 602 7174

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---

**From:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Sent:** Tuesday, February 10, 2026 3:53 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>

**Subject:** Re: EquityLine

**[WARNING: EXTERNAL SENDER]**

---

Hi Ken,

We have instructions to agree that KSV Restructuring Inc. **solely** in its capacity as Court-appointed receiver of EquityLine SPV Limited Partnership and the mortgages set out in paragraph 2 of the Receivership Order (in such capacity, the “**Receiver**”), and **not** in its personal or corporate capacity, is an “insured” under the FCT title insurance policies in respect of the five policies that Dentons has provided to us (Hinds, Auton/Wright, Hirschberger, Hunter-Parkhill and Burton) so long as KSV remains the Receiver.

The Receiver notes that its obligations as an insured cannot conflict with, or supersede, its obligations as a court officer, including the fiduciary duties the Receiver owes to all stakeholders of EquityLine SPV Limited Partnership.

As the motion will now be moot, we should switch gears and consider the parameters of the mortgage adjudication protocol given the unique circumstances of the Receiver’s status as an insured under the FCT title policies.

Please let us know when we can continue the conversation about the protocol. In the meantime, we are waiting for copies of TitlePLUS’ title insurance policies from Tony Antoniou and will reserve comment on how the Receiver may fit thereunder until we are in receipt of same.

Best,  
Rebecca

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Rebecca Kennedy | [Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | [www.tgf.ca](http://www.tgf.ca)

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---

**From:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>

**Sent:** Monday, February 9, 2026 9:09:43 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili

<[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>

**Subject:** Re: EquityLine

[REDACTED]

[REDACTED]

[REDACTED]

**Kenneth Kraft**

Partner

My pronouns are: He/Him/His

+1 416 863 4374 | +1 416 602 7174

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**From:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Sent:** Monday, February 9, 2026 6:10:27 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; Coggin, Marisa <[marisa.coggin@dentons.com](mailto:marisa.coggin@dentons.com)>

**Subject:** RE: EquityLine

**[WARNING: EXTERNAL SENDER]**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Rebecca Kennedy | [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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Rebecca Kennedy | | Rkennedy@tgf.ca | Direct Line +1 416 304 0603 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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-----Original Appointment-----

**From:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>

**Sent:** Monday, February 9, 2026 12:35 PM

**To:** Kraft, Kenneth; Rebecca Kennedy; Brosseau, Renée; Tony Antoniou; Deborah Berlach; Derek Harland; Denna Jalili; Coggin, Marisa

**Subject:** EquityLine

**When:** February 9, 2026 4:00 PM-4:30 PM (UTC-05:00) Eastern Time (US & Canada).

**Where:** Microsoft Teams Meeting

---

## Microsoft Teams meeting

### Join:

<https://teams.microsoft.com/meet/26919368330974?p=WLCWa6tLJGttMCtzyK>

Meeting ID: 269 193 683 309 74

Passcode: tp3jX6Cw

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Phone conference ID: 638 596 02#

For organizers: [Meeting options](#) | [Reset dial-in PIN](#)



[Privacy and security](#)

---

## Kenneth Kraft

Partner

My pronouns are: He/Him/His

+1 416 863 4374 |  +1 416 602 7174

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com) | [Bio](#) | [Website](#)

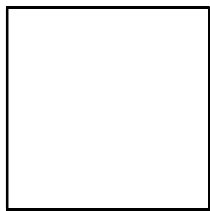
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## Revised Protocol -13 February 2026

| #  | Item                                    | Process Point   | Timeline  | Notes  |
|----|---|---|---|--|
| 1  | Document Disclosure – Policy Obligation | Insured Mortgagee to provide all relevant documents to title insurers in accordance with the applicable title insurance policies.   | ASAP  | The obligation is ongoing. A detailed list was provided to the Insured Mortgagee to facilitate production on 18 January 2026.<br><br>This obligation is not part of the court approved protocol it is an obligation of the Insured pursuant to the policies. |
| 2  | Transfer Orders                         | Insured Mortgagee to obtain orders to transfer all litigation matters to the Commercial List  | March 13, 2026  | Rule 131.01(3). This can be done by the Insured Mortgagee in a basket motion. It is a simple matter.   |
| 3. | Orders to Continue                      | Insured Mortgagee to obtain orders to continue transferring all litigation matters  | March 13, 2026  | Rule 11. This can be done in a basket motion. It is a simple matter.<br><br>Insured Mortgagee will also have to lift the stay  |
| 4  | Exchange of Affidavits of Documents     | Mortgagee, Mortgagor and named parties in pleadings (the “Parties”) to exchange affidavits of documents (“AOD”). Usual production requirements pursuant to <i>Rules 29 and 3</i> apply. |   | Insured Mortgagee will provide estimated timeline to produce documents to title insurers.  |
| 5. | Amendment(s) to Pleadings               | Parties to amend pleadings on consent following the receipt of the AOD  | Within 30 days of the receipt of the AOD                    | Rule 26.01 Protocol to confirm it is on consent to avoid unnecessary delay. All rights reserved with respect to defenses including limitations.  |
| 6. | Supplemental AOD                        | Contingent on amendments to pleadings   | Within 20 days of the receipt of Amended Pleadings, if any. |  |

Revised Protocol -13 February 2026

| #  | Item                            | Process Point  | Timeline  | Notes  |
|----|---------------------------------|--|---|--|
| 7. | Mortgagor Affidavits            | Provide outline of their position  | Within 20 days of the Receipt of the Supplemental AOD, if any. If not, within 20 days of the receipt of the Amended Pleadings.  |  |
| 8  | Cross Examination on AOD        | Cross-examinations to be completed. Cross-examinations not to exceed 7-hour time limit under <i>Rule</i> 31.05.1 | At the election of the parties, cross-examinations can occur before or after mandatory mediation.   |  |
| 9  | Mandatory Mediation             | Parties to attend mediation with designated mediator (the “Mediator”) who specialize in title fraud matters.     | The Mediator will provide dates   | Good availability confirmed with the Mediator. |
| 10 | Summary Trial (Commercial List) | If mediation unsuccessful, matter to be heard by designated trier of fact in summary trial.                      | Scheduled by Commercial List. <ul style="list-style-type: none"> <li>Parties to attend case conference with trier of fact to establish protocol for hearing, including exchange of affidavits and expert reports as the case may be, and cross-examination on affidavits before trier of fact using summary trial procedures.</li> <li>The summary trial procedures will be approved by the trier of fact and include the use of affidavits as the evidence-in-chief with cross-examinations on the affidavits to test credibility, intent, knowledge, inconsistencies, etc.</li> </ul> |  |
| 11 | Appeal                          | Parties may exercise appeal rights under <i>Courts of Justice Act</i> and <i>Rules of Civil Procedure</i>        |   |  |

**TAB 9**

## Campbell, Amanda

---

**From:** Flis, Oliver <oliver.flis@dentons.com>  
**Sent:** Sunday, March 8, 2026 10:22 PM  
**To:** Rebecca Kennedy; Brosseau, Renée  
**Cc:** Kraft, Kenneth; Wilson, Sara-Ann; Denna Jalili  
**Subject:** RE: Auton 22 Lord Roberts Dr. Toronto  
**Attachments:** Fraud Claim Litigation Protocol 18 January 2026.docx

Good evening Rebecca,

Reattaching the draft fraud claim litigation protocol, which lists the requested documents under step #1. For clarity, these documents include:

- (a) the mortgage applications, the underwriting files/review notes from the underwriting team, all pre-funding correspondence (such as broker correspondence with the mortgagee and, as the case may be, the mortgagor as well as exports of the software system used for such communications e.g. Filogix);
- (b) post-funding portfolio administration files and communication logs (for e.g. MARS), post-funding correspondence (such as annual statements, interest adjustment statements and mailing logs), default correspondence including demand, notice of sale under charge, ordinary course disclosure sent to the mortgagors,
- (c) Correspondence received from mortgagors and/or their counsel;
- (d) Pleadings including affidavits of service as the case may be and all related correspondence and files for enforcement counsel including directions sent to obtain same;
- (e) Files sent to Computershare and all correspondence between the title custodian and the mortgagee as well as counsel for the mortgagors;
- (f) The complete mortgagee funding counsel file (Nussbaum) including copies of directions that were sent to him by the Insured Mortgagee relating to same;
- (g) Data collection and preservation protocols and related documents, including chain of custody and control documentation/logs from the date of the Receiver appointment with the requisite date stamps;
- (h) Compliance reviews performed on behalf of the warehouse lender on EquityLine for the material claim periods;
- (i) Correspondence and all documents exchanged between the warehouse lender and EquityLine related to the Impugned Mortgages; and
- (j) Correspondence and all documents between the title custodian (Computershare) and EquityLine and mortgagors /mortgagor's counsel related to the Impugned Mortgages.

We confirm receipt of the pleadings provided on Friday and are reviewing same.

Thank you.

**Oliver Flis**

Associate

My **pronouns** are: He/Him/His

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---

**From:** Rebecca Kennedy <Rkennedy@tgf.ca>  
**Sent:** Sunday, March 8, 2026 4:29 PM  
**To:** Brosseau, Renée <renee.brosseau@dentons.com>  
**Cc:** Kraft, Kenneth <kenneth.kraft@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>; Flis, Oliver

<oliver.flis@dentons.com>; Denna Jalili <djalili@tgf.ca>

**Subject:** Re: Auton 22 Lord Roberts Dr. Toronto

**[WARNING: EXTERNAL SENDER]**

---

Hi Renee,

I'm not sure what info you are waiting for from us.

Could you please resend the list?

Rebecca

Get [Outlook for iOS](#)



Rebecca Kennedy | | [Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**From:** Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>

**Sent:** Sunday, March 8, 2026 2:35:49 PM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>

**Cc:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>

**Subject:** Auton 22 Lord Roberts Dr. Toronto

### Privileged and Confidential

Afternoon Rebecca

We are writing to you in your capacity as the Insured.

We received the retroactive capacity assessment on Mr. Auton and our team is reviewing same. However, we are unable to finalize our position until we receive the files we requested and itemized for you on January 18, 2026. Would you please provide us with a timeline on the delivery of same.

Regards, R

**Renée Brosseau**

Counsel

 +1 416 863 4650

[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) | [Bio](#) | [Website](#)



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**TAB 10**

## Campbell, Amanda

---

**From:** Flis, Oliver <oliver.flis@dentons.com>  
**Sent:** Monday, March 9, 2026 6:14 PM  
**To:** Alex Bernicchia-Freeman; Kraft, Kenneth; Brosseau, Renée; Wilson, Sara-Ann; tony@alaw.ca  
**Cc:** Rebecca Kennedy; Derek Harland; Denna Jalili; dberlach@sblegal.ca; Miranda Spence; D. Robb English; Brian Chung  
**Subject:** RE: EquityLine - Pleadings

Good afternoon Alex,

Thanks for sharing the pleadings. Could you please also provide copies of the affidavits of service?

### Oliver Flis

Associate

My pronouns are: He/Him/His

+1 416 863 4536

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**From:** Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>  
**Sent:** Friday, March 6, 2026 5:06 PM  
**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; tony@alaw.ca  
**Cc:** Rebecca Kennedy <[rkennedy@tgf.ca](mailto:rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; dberlach@sblegal.ca; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** EquityLine - Pleadings

**[WARNING: EXTERNAL SENDER]**

Hi all,

Please click the below link to access pleadings relating to the eight Impugned Mortgages.

<https://airdberlis.sharefile.com/d-s4d8043240a154cb4b70673e4174c7739>

Thanks,  
Alex

**Alex Bernicchia-Freeman**  
Associate | Lawyer

T 416.865.7735

F 416.863.1515

E [abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)

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**TAB 11**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Tuesday, March 10, 2026 9:43 AM  
**To:** djalili@tgf.ca; Flis, Oliver; abernicchia-freeman@airdberlis.com; Kraft, Kenneth; Wilson, Sara-Ann; tony@alaw.ca  
**Cc:** Rkennedy@tgf.ca; DHarland@tgf.ca; dberlach@sblegal.ca; mspence@airdberlis.com; renglish@airdberlis.com; bchung@airdberlis.com  
**Subject:** EquityLine - Pleadings

Morning Denna

As you may recall from our discussions in January and subsequent emails, we do require the complete enforcement file. Have you requested / sent a direction to Waldman & Associates for them? If they are represented by LawPro counsel on the matters, have you sent the direction to LawPro counsel? The complete pleadings, demand letters, NOS with declarations, correspondence with the mortgagors and/or their counsel are all documents we require. The AOS should be included in those files. Have they failed to comply with your directions? If so, that is something you should bring to the attention of Justice Kimmel asap so she can issue the requisite orders.

Thanks R

Renée Brosseau  
Counsel

 +1 416 863 4650

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---

**From:** Denna Jalili <djalili@tgf.ca>  
**Sent:** Monday, March 9, 2026 6:34 PM  
**To:** Flis, Oliver <oliver.flis@dentons.com>; Alex Bernicchia-Freeman <abernicchia-freeman@airdberlis.com>; Kraft, Kenneth <kenneth.kraft@dentons.com>; Brosseau, Renée <renee.brosseau@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>; tony@alaw.ca  
**Cc:** Rebecca Kennedy <Rkennedy@tgf.ca>; Derek Harland <DHarland@tgf.ca>; dberlach@sblegal.ca; Miranda Spence <mspence@airdberlis.com>; D. Robb English <renglish@airdberlis.com>; Brian Chung <bchung@airdberlis.com>  
**Subject:** Re: EquityLine - Pleadings

**[WARNING: EXTERNAL SENDER]**

---

Hi Oliver,

We don't have copies of the affidavits of service.

Should it be necessary, you should be able to request a copy of all filed affidavits of service from the Court or retrieve them from the respective case center matters.

In the meantime, we are working on a response to the list of other documents you requested.

Kind regards,

Denna

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Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**From:** Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>

**Sent:** Monday, March 9, 2026 6:14:10 PM

**To:** Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>; Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; [tony@alaw.ca](mailto:tony@alaw.ca)

**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; [dberlach@sblegal.ca](mailto:dberlach@sblegal.ca) <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** RE: EquityLine - Pleadings

Good afternoon Alex,

Thanks for sharing the pleadings. Could you please also provide copies of the affidavits of service?

**Oliver Flis**

Associate

My **pronouns** are: He/Him/His

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**From:** Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>

**Sent:** Friday, March 6, 2026 5:06 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; [tony@alaw.ca](mailto:tony@alaw.ca)

**Cc:** Rebecca Kennedy <[rkennedy@tgf.ca](mailto:rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; [dberlach@sblegal.ca](mailto:dberlach@sblegal.ca); Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** EquityLine - Pleadings

**[WARNING: EXTERNAL SENDER]**

---

Hi all,

Please click the below link to access pleadings relating to the eight Impugned Mortgages.

<https://airdberlis.sharefile.com/d-s4d8043240a154cb4b70673e4174c7739>

Thanks,

Alex

**Alex Bernicchia-Freeman**

Associate | Lawyer

T 416.865.7735

F 416.863.1515

E [abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)

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**TAB 12**

## Campbell, Amanda

---

**From:** Brosseau, Renée  
**Sent:** Thursday, March 12, 2026 1:05 PM  
**To:** djalili@tgf.ca; Kraft, Kenneth; Wilson, Sara-Ann; Flis, Oliver  
**Cc:** Rkennedy@tgf.ca; DHarland@tgf.ca; dberlach@sblegal.ca  
**Subject:** EquityLine - [REDACTED]  
[IMAN-CLIENT.FID2012343]  
**Attachments:** Direction Nussbaum.docx

Denna

If you haven't sent the funding lawyer direction, here is a sample that is used for such matters. If you already have, please ensure that it contains the same information request and if not, send a further direction so we have the complete file. You can issue them for all files.

R

**Renée Brosseau**  
Counsel

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---

**From:** Brosseau, Renée <renee.brosseau@dentons.com>  
**Sent:** Thursday, March 12, 2026 11:37 AM  
**To:** Denna Jalili <djalili@tgf.ca>; Kraft, Kenneth <kenneth.kraft@dentons.com>; Wilson, Sara-Ann <sara.wilson@dentons.com>; Flis, Oliver <oliver.flis@dentons.com>  
**Cc:** Rebecca Kennedy <Rkennedy@tgf.ca>; Derek Harland <DHarland@tgf.ca>; Deborah Berlach <dberlach@sblegal.ca>  
**Subject:** RE: EquityLine - [REDACTED] [IMAN-CLIENT.FID2012343]

Hello Denna

[REDACTED]

Also, to review these quickly can you please copy us on the direction to Walman and his LawPro counsel if you haven't already sent it. We require those enforcement files asap. Let's prioritize Auton, Burton and Hunter. Kindly do the same for the funding lawyer (Nussbaum).

R

**Renée Brosseau**  
Counsel

+1 416 863 4650

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**From:** Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>  
**Sent:** Wednesday, March 11, 2026 1:49 PM  
**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>  
**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Deborah Berlach <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>  
**Subject:** EquityLine - [REDACTED] [IMAN-CLIENT.FID2012343]

[WARNING: EXTERNAL SENDER]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**DIRECTION**

**TO: Haskell Hillel Nussbaum (“Nussbaum”)**

**AND TO: Shapiro Lawyers Professional Corporation (the “Firm”)**

**RE: Equityline SPV Limited Partnership by its Court Appointed Receiver, KSV Restructuring Inc.**

---

The undersigned, [ ], hereby instructs, directs and authorizes Nussbaum and the Firm to send to Renée Brosseau at Dentons Canada LLP, 77 King St. West Suite 400, Toronto, Ontario, M5K 0A1 [renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) the following documents:

- A complete copy of the [insert mortgagor name/address (the “Mortgagor”) ] files for the mortgage registered as Instrument No. [insert] including the client identification provided, meeting notes, file opening documents, engagement letter, trust statements and certificates of completion of all electronically signed documentation and/or original wet signed documents;
- A complete copy of all documents and correspondence received from any mortgage broker;
- A complete copy of all documents and correspondence received from counsel to the Mortgagor;
- Documentation with respect to all proceeds received and all proceeds disbursed, including but not limited to, copies of all cheques, deposit slips, wire transfers, bank drafts, invoices, receipts, discharge statements, and proof of delivery of payments for the mortgage transaction; and
- Title searches, instruments, mortgage instructions and reporting letter(s).

**DATED** at the City of \_\_\_\_\_, the \_\_\_ day of March 2026.

|  |  |
|--|--|
| <p>_____</p> <p><b>Witness Signature:</b></p> <p>_____</p> <p><b>Witness Print Name:</b></p> | <p>_____</p> <p><b>Print Name:</b></p> |
|--|--|

**TAB 13**

## Campbell, Amanda

---

**From:** Denna Jalili <djalili@tgf.ca>  
**Sent:** Monday, March 9, 2026 6:34 PM  
**To:** Flis, Oliver; abernicchia-freeman@airdberlis.com; Kraft, Kenneth; Brosseau, Renée; Wilson, Sara-Ann; tony@alaw.ca  
**Cc:** Rkennedy@tgf.ca; DHarland@tgf.ca; dberlach@sblegal.ca; mspence@airdberlis.com; renglish@airdberlis.com; bchung@airdberlis.com  
**Subject:** EquityLine - Pleadings

[WARNING: EXTERNAL SENDER]

---

Hi Oliver,

We don't have copies of the affidavits of service.

Should it be necessary, you should be able to request a copy of all filed affidavits of service from the Court or retrieve them from the respective case center matters.

In the meantime, we are working on a response to the list of other documents you requested.

Kind regards,

Denna

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Denna Jalili | Associate | [djalili@tgf.ca](mailto:djalili@tgf.ca) | Direct Line +1 +1 416 304 0312 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**From:** Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>  
**Sent:** Monday, March 9, 2026 6:14:10 PM  
**To:** Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>; Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; tony@alaw.ca <[tony@alaw.ca](mailto:tony@alaw.ca)>  
**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; dberlach@sblegal.ca <[dberlach@sblegal.ca](mailto:dberlach@sblegal.ca)>; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>  
**Subject:** RE: EquityLine - Pleadings

Good afternoon Alex,

Thanks for sharing the pleadings. Could you please also provide copies of the affidavits of service?

**Oliver Flis**

Associate

My pronouns are: He/Him/His

+1 416 863 4536

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**From:** Alex Bernicchia-Freeman <[abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)>

**Sent:** Friday, March 6, 2026 5:06 PM

**To:** Kraft, Kenneth <[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)>; Brosseau, Renée <[renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com)>; Wilson, Sara-Ann <[sara.wilson@dentons.com](mailto:sara.wilson@dentons.com)>; Flis, Oliver <[oliver.flis@dentons.com](mailto:oliver.flis@dentons.com)>; tony@alaw.ca

**Cc:** Rebecca Kennedy <[rkennedy@tgf.ca](mailto:rkennedy@tgf.ca)>; Derek Harland <[DHarland@tgf.ca](mailto:DHarland@tgf.ca)>; Denna Jalili <[djalili@tgf.ca](mailto:djalili@tgf.ca)>; dberlach@sblegal.ca; Miranda Spence <[mspence@airdberlis.com](mailto:mspence@airdberlis.com)>; D. Robb English <[renglish@airdberlis.com](mailto:renglish@airdberlis.com)>; Brian Chung <[bchung@airdberlis.com](mailto:bchung@airdberlis.com)>

**Subject:** EquityLine - Pleadings

**[WARNING: EXTERNAL SENDER]**

---

Hi all,

Please click the below link to access pleadings relating to the eight Impugned Mortgages.

<https://airdberlis.sharefile.com/d-s4d8043240a154cb4b70673e4174c7739>

Thanks,

Alex

**Alex Bernicchia-Freeman**

Associate | Lawyer

T 416.865.7735

F 416.863.1515

E [abernicchia-freeman@airdberlis.com](mailto:abernicchia-freeman@airdberlis.com)

**Aird & Berlis LLP**

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**TAB 14**

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

BETWEEN:

**EQUITABLE BANK**

Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**CHART OF UNDERTAKINGS, UNDER ADVISEMENTS AND REFUSALS FROM THE EXAMINATION FOR  
DISCOVERY OF SERGIY SHCHAVYELYEV  
HELD ON JULY 29, 2025**

---

**UNDERTAKINGS GIVEN DURING THE EXAMINATION  
OF SERGIY SHCHAVYELYEV HELD ON JULY 29, 2025**

**CORRECTED BY DENTONS CANADA LLP**

| No. | Pg. # | Q #    | Undertakings   | Responses  | Dentons Notes  |
|-----|-------|--------|--|--|--|
| 1.  | 7     | 5 - 15 | To provide the names of all the companies under the Equityline group of companies.   | <ul style="list-style-type: none"> <li>a. <i>EquityLine Mortgage Investment Corporation (ELMIC)</i></li> <li>b. <i>EquityLine Services Corp.</i></li> <li>c. <i>Equityline SPV Limited Partnership</i></li> <li>d. <i>EquityLine Alternate Assets GP Inc.</i></li> <li>e. <i>Velev Capital GP Inc.</i></li> <li>f. <i>Velev Capital Jamaica ULC</i></li> <li>g. <i>Velev Capital US ULC</i></li> <li>h. <i>Equityline Capital Limited (Jamaica)</i></li> <li>i. <i>EquityLine Financial Corp.</i></li> <li>j. <i>EquityLine Diversity LP / EquityLine Real Estate LP / EquityLine New York LP</i></li> </ul> |  |
| 2.  | 31    | 116    | Best Efforts – to review Equityline’s files to locate any further documentation which records the referral fees provided to Haskell Nusbaum. | <i>Please see attached UT 3 folder containing files where Equityline dealt with Haskell Nusbaum.</i>   | The documents in the “UT 3 folder” are not records of referral fees provided to Haskell Nusbaum. These records have not been provided. |

| No. | Pg. #   | Q #       | Undertakings  | Responses   | Dentons Notes  |
|-----|---------|-----------|---|---|--|
|     | 30      | 113-114   | A request was made for a copy of the referral fee document between Nussbaum and Equityline, which Equityline agreed to provide  |   | This was not included in the Receiver's chart sent to counsel for Mr. Shchavyelyev despite counsel agreeing to provide same. |
| 3.  | 40      | 132       | Best Efforts – to provide a list of referral sources for mortgages by name and/or company.  | <i>Please see attached as UT 2, 3 lists of brokers and mortgage agents Equityline dealt with.</i> | Provided, although "UT 2" folder should have been labelled "UT 3".   |
| 4.  | 42      | 133       | To review emails and on a best efforts basis provide a list of opportunities provided by Haskell Nusbaum from 2021 to 2024 which includes the name of the borrower and the property address – and to further advise whether any of them resulted in mortgages being advanced by Equityline. | <i>Please see attached UT folder 4 containing emails from Haskell Nusbaum.</i>                    | The emails in the folder were provided as PDFs and do not include copies of the attachments.                                 |
| 5.  | 57 - 62 | 190 - 205 | Best Efforts – with reference to Exhibit 1, to review Equityline's paper files to ascertain whether there are any additional notes or other information related to Mr. Shchavyelyev or anyone else at Equityline's conversations with   | <i>Please see attached UT folder 5 containing the internal files for the [ten] properties.</i>    |  |

| No. | Pg. # | Q #       | Undertakings   | Responses  | Dentons Notes  |
|-----|-------|-----------|--|--|--|
|     |       |           | borrowers, or any notes in the process of reviewing and either approving or denying the mortgage applications for the 10 properties in question.   |  |  |
| 6.  | 83    | 266       | With reference the Exhibit 3, to advise all the substantive differences between Equityline's eligibility criteria versus the list in Exhibit 3.  | <i>For SPV eligible mortgages, the criteria is as set out in Exhibit 3.</i>        |  |
| 7.  | 84    | 268 - 271 | To produce all documents that set out the eligibility criteria for the purposes of reviewing and approving a mortgage application for the years 2021 to 2024 by Equityline.  | <i>For non-SPV mortgages, the eligibility criteria was based on loan to value.</i> | No documents produced as part of the response to this undertaking.   |
| 8.  | 90    | 300       | Best Efforts – with respect to the 10 properties in question, to search Equityline's records and to see if there is any recorded notes or conversations with borrowers either relating to the mortgage application itself or with respect to any default, and to provide any such records. |  | Not fully answered. Except to the extent correspondence such as default letters is included in "UT folder 5" referred to in UT 5 above, there are no other records of notes or communications. |

| No. | Pg. # | Q # | Undertakings  | Responses  | Dentons Notes   |
|-----|-------|-----|---|--|---|
| 9.  | 97    | 328 | Best efforts – to look for the different versions of the commitment letter and schedules that were being used from 2021 to 2024, and to provide same. | <i>See answers to undertakings 3 and 5 as well as a sample commitment letter for each of the above-referenced years contained in UT Folder 8.</i>  | “UT Folder 8” (which should have been labelled “UT 9”) only has commitment letters from 2021 and 2022.  |
| 10. | 102   | 346 | To provide the title insurance claim packages for any title insurance claims made by Equityline in relation to the alleged fraudulent mortgages.      | <p><i>We have requested a copy of the files/claims as well as the information requested in UT 10 and 11 below.</i></p> <p><i>Please see attached file “Glenn Cohen” which includes a summary of disputed mortgages, along with any pleadings in relation to them.</i></p> <p><i>Glenn Cohen advised that he believes there are 8 mortgages (SPV and MIC) mortgages which were disputed. All came through Haskell Nussbaum who was with Shapiro lawyers at that time. The litigation status as of June 2024 is set out on the attached excel spreadsheet. Glenn Cohen was on the record in Jank, Hinds and Van Dijk. He did not go on the record on Talmage. Auton was discontinued because one of the mortgagors was deceased and the other incorrectly named.</i></p> | <p>The “files/claims as well as the information requested” have not been provided.</p> <p>The reference to “UT 10 and 11” should be “UT 11 and 12”.</p> |

| No. | Pg. # | Q # | Undertakings   | Responses  | Dentons Notes  |
|-----|-------|-----|--|--|--|
|     |       |     |  | <p><i>Tony Antoniou filed defences to counterclaim and/or third party claims on Talmage and Jank for Titleplus. FCT was notified on Hinds and Van Dijk. Its investigation was substantially concluded on Hinds as of June 2024.</i></p> <p><i>On Hinds, FCT appointed Brian McCulloch to investigate. Mr. McCulloch concluded no fraud and no non est factum. As of June 2024, Glenn Cohen believed that there would be the same outcome on the other two mortgages where Simon Morris provided ILA as it was his practice to videotape his lengthy consultations with the borrowers.</i></p> <p><i>There was an additional file for 1096 William Street in London where there were default judgments and minutes of settlement.</i></p> |  |
| 11. | 102   | 348 | To provide any communications including any reports relating to the determinations made by the title insurers with respect to the title insurance claims made by Equityline. | See UT 9 above.  | Should be “see UT 10 above”. The requested documents remain outstanding. |

| No. | Pg. # | Q # | Undertakings  | Responses  | Dentons Notes   |
|-----|-------|-----|---|--|---|
| 12. | 107   | 364 | To advise if there was some sort of communication, letter or email notifying Mr. Nusbaum of the potential for legal proceedings to be commenced against him and to provide a copy or copies of same.  | <i>See UT 9 above.</i>   | Should be "see UT 10 above". Not specifically answered. |
| 13. | 133   | 487 | Best Efforts - with reference to Mr. Shchavyelyev's Affidavit paragraph 48(c), to advise if there is a specific email or other correspondence where Computershare has instructed Equityline to effect the transfer.   | <i>Please see attached acknowledgement and directions re. transfers.</i> |   |
| 14. | 134   | 488 | With reference to the Equifax Canada Credit Bureau report from Sheila Auton and the reference to Mortgage Maven Inc., to confirm that this credit report was in Equityline's files and that the Mortgage Maven Inc. was the mortgage broker who referred this file to Equityline. | <i>Haskell was the lawyer and the broker.</i>                            |   |
| 15. | 141   | 527 | To review Equityline's records, and subject to any claims of privilege, to advise if Mr. Cohen or Mr. Walman brought to Mr. Shchavyelyev's attention the allegations made by Mr. Auton with respect to this   |  | Not answered.   |

| No. | Pg. # | Q # | Undertakings  | Responses   | Dentons Notes |
|-----|-------|-----|---|---|---------------|
|     |       |     | property in this proceeding.  |   |               |
| 16. | 142   | 529 | With respect to the proceeding involving Mr. Auton, for Mr. Shchavyelyev to provide the reasons why he holds the view that the mortgage was enforceable in the face of Mr. Auton's allegations. | <p><i>See UT 5 Above along with Legal File at UT 15.</i></p> <p><i>Response to the allegations is as follows:</i></p> <p><i>In the mortgage transaction, Equityline Services Corp. was represented by Haskell Nussbaum of Shapiro Lawyers Professional Corporation and the Borrowers were represented by Simon Morris. Attached to this letter are copies of the real estate file documents comprising the legal reporting letter as follows:</i></p> <ol style="list-style-type: none"> <li><i>1. Copy of the report to mortgage lender for a title insured transaction;</i></li> <li><i>2. General assignment of rents</i></li> <li><i>3. Title insurance policy</i></li> <li><i>4. Authorization to transfer interest in insurance</i></li> <li><i>5. Direction re. Funds</i></li> <li><i>6. Re-Direction re Funds</i></li> <li><i>7. Authorization to Disburse Mortgage Proceeds</i></li> </ol> |               |

| No. | Pg. # | Q # | Undertakings | Responses   | Dentons Notes |
|-----|-------|-----|--------------|---|---------------|
|     |       |     |              | <p>8. <i>Undertakings of Simon Morris regarding payment of the proceeds of the transaction and to discharge certain charges</i></p> <p>9. <i>Confirmation and Acknowledgement of Identification executed by Simon Morris</i></p> <p>10. <i>Mortgage Commitment Agreement and Schedule A</i></p> <p>11. <i>PAD Agreement &amp; Void Cheque</i></p> <p>12. <i>Signed Acknowledgement and Direction re. registration of mortgage</i></p> <p><i>We understand that Mr. Morris is in good standing with the Law Society of Ontario. If Mr. Morris was involved in defrauding his clients, there is no evidence that Equityline's lawyer, Mr. Nussbaum, was aware of or should have been alerted to any fraud. Mr. Nussbaum, and by extension, Equityline, was entitled to rely on the documents and directions provided by Mr. Morris, which documents and directions he</i></p> |               |

| No. | Pg. # | Q # | Undertakings | Responses  | Dentons Notes |
|-----|-------|-----|--------------|--|---------------|
|     |       |     |              | <p><i>confirmed had been signed by Sheila Wright and Lyle Auton after Mr. Morris had verified their identity. We also understand that Mr. Morris' practice was to videotape his ILA sessions with his clients.</i></p> <p><i>With respect to the fraud allegations in the statement of claim, they are denied. Equityline is not connected in any way with the mortgage broker defendants or the lawyer defendants and had no communications with them. As such, it would be impossible to engage in a conspiracy with them as they are parties at arm's length.</i></p> <p><i>Equityline denies that its mortgage terms are unconscionable. The mortgage terms were disclosed in the commitment letter. There is a commitment letter for \$940,000 dated June 6, 2022 signed by the borrowers contrary to paragraph 38 of the statement of claim (see Legal Funding Documents in the attached file). Equityline has never spoken with or met the borrowers and therefore could not have made any representations to them that</i></p> |               |

| No. | Pg. # | Q # | Undertakings | Responses   | Dentons Notes |
|-----|-------|-----|--------------|---|---------------|
|     |       |     |              | <p><i>they relied upon to their detriment.</i></p> <p><i>The Plaintiff admits to receiving the funds which were disbursed in accordance with the commitment letter. Equityline SPV would not be aware of the Plaintiff's arrangements with his lawyer or his dealings with a mortgage broker, and the use of the proceeds of the mortgage by the mortgagors is completely unknown to Equityline SPV and out of its control. As with all private mortgages, Equityline SPV and the mortgagors had independent legal representation. Equityline SPV would not know what debts or registered interests its mortgage advance is paying off. Its only concern is the loan to value ratio and confirming that its lawyer has provided an opinion that its security is both valid and title insured.</i></p> |               |

**UNDER ADVISEMENTS GIVEN DURING THE EXAMINATION  
OF SERGIY SHCHAVYELYEV HELD ON JULY 29, 2025**

| <b>No.</b> | <b>Pg. #</b> | <b>Q #</b> | <b>Under Advisements</b>  | <b>Response</b> |
|------------|--------------|------------|---|-----------------|
| 1.         | 12           | 39 - 41    | To provide a list of the brokers that were employed by Equityline Financial.  |                 |
| 2.         | 37           | 125        | To produce any written documentation confirming which mortgage brokers and/or lawyers were referring files to Equityline from 2021 to 2024. |                 |

**REFUSALS GIVEN DURING THE EXAMINATION  
OF SERGIY SHCHAVYELYEV HELD ON JULY 29, 2025**

| <b>No.</b> | <b>Pg. #</b> | <b>Q #</b> | <b>Refusals</b>   | <b>Response</b> |
|------------|--------------|------------|---|-----------------|
| 1.         | 17           | 48 - 52    | To answer any questions with respect to the roles and responsibilities of the persons on the organization chart.  |                 |
| 2.         | 73 - 81      | 244 - 265  | With reference to Appendix B and the compliance checklist to the credit agreement provided by Ms. Moncada, to advise the differences between Equityline's criteria versus the 27 listed in Appendix B |                 |

**AIRD & BERLIS LLP**

Barristers and Solicitors  
Brookfield Place  
181 Bay Street  
Suite 1800  
Toronto, ON M5J 2T9

**Miranda Spence (LSO # 60621M)**

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Brian Chung (LSO # 66232Q)**

Tel: 416-863-1500

Email: [bchung@airdberlis.com](mailto:bchung@airdberlis.com)

Lawyers for the Receiver, KSV  
Restructuring Inc.

**TAB 15**

## Campbell, Amanda

---

**From:** Kraft, Kenneth <kenneth.kraft@dentons.com>  
**Sent:** Friday, March 6, 2026 11:50 AM  
**To:** Tony Antoniou; Rebecca Kennedy; Denna Jalili; Deborah Berlach  
**Cc:** Brosseau, Renée  
**Subject:** RE: News Release

Rebecca

The same applies to our client.

We need to understand when the Receiver first became aware of this (from the materials, the criminal charges were laid back in early December).

Ken

### Kenneth Kraft

Partner

My pronouns are: He/Him/His

+1 416 863 4374 | +1 416 602 7174

Dentons Canada LLP | Toronto

This lawyer practices through a professional corporation.

Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. Email you receive from Dentons may be confidential and protected by legal privilege. If you are not the intended recipient, disclosure, copying, distribution and use are prohibited; please notify us immediately and delete the email from your systems. To update your commercial electronic message preferences email [dentonsinsightsca@dentons.com](mailto:dentonsinsightsca@dentons.com). Please see [dentons.com](https://www.dentons.com) for Legal Notices.

---

**From:** Tony Antoniou <tony@alaw.ca>  
**Sent:** Friday, March 6, 2026 11:05 AM  
**To:** Rebecca Kennedy <rkennedy@tgf.ca>; Denna Jalili <djalili@tgf.ca>; Deborah Berlach <dberlach@sblegal.ca>  
**Cc:** Brosseau, Renée <renee.brosseau@dentons.com>; Kraft, Kenneth <kenneth.kraft@dentons.com>  
**Subject:** FW: News Release

**[WARNING: EXTERNAL SENDER]**

---

Hello Rebecca:

This is a major development.

This derails everything with respect to a protocol.

Equityline was purchasing title insurance to insure their dishonest activity.

Was the Receiver aware of the criminal investigation and criminal charges? We require all communications between the police and the Receiver.

Regards,

Tony



**Tony Antoniou** Principal Lawyer

P: 416-333-9795 E: [tony@alaw.ca](mailto:tony@alaw.ca)

ALAW.CA

---

**From:** Eric Barapp <[ebarapp@gmail.com](mailto:ebarapp@gmail.com)>

**Sent:** Friday, March 6, 2026 10:35 AM

**To:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Tony Trifunovic <[ttrifunovic@ksvadvisory.com](mailto:ttrifunovic@ksvadvisory.com)>

**Cc:** Leonard Susman <[leonardsusman@bellnet.ca](mailto:leonardsusman@bellnet.ca)>; [djalili@tgf.ca](mailto:djalili@tgf.ca); [dharland@tgf.ca](mailto:धारलंद@tgf.ca); Adrienne Kirsh <[AKirsh@lsuc.on.ca](mailto:AKirsh@lsuc.on.ca)>; [dberlach@sblegal.ca](mailto:dberlach@sblegal.ca); Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>; Noah Goldstein <[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)>; [tudor.carsten@dlapiper.com](mailto:tudor.carsten@dlapiper.com); [bruce.darlington@dlapiper.com](mailto:bruce.darlington@dlapiper.com); [cristina.fulop@ca.dlapiper.com](mailto:cristina.fulop@ca.dlapiper.com); Tony Antoniou <[tony@alaw.ca](mailto:tony@alaw.ca)>; [rdas@byldlaw.com](mailto:rdas@byldlaw.com); [gadair@agblp.com](mailto:gadair@agblp.com); [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca); [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca); [bethanie.pascutto@ace.clcj.ca](mailto:bethanie.pascutto@ace.clcj.ca); [kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com); [renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com); [rhepburn@fct.ca](mailto:rhepburn@fct.ca); [mario.giovane@stewart.com](mailto:mario.giovane@stewart.com); [burns@adburnslaw.ca](mailto:burns@adburnslaw.ca); [aapps@wildlaw.ca](mailto:aapps@wildlaw.ca); Arthur Smelyansky <[asmelyansky@maccabicapital.com](mailto:asmelyansky@maccabicapital.com)>; Contact Centre <[contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca)>; Terry Walman <[terry@terrywalmart.com](mailto:terry@terrywalmart.com)>; anthony apexinvest.ca <[anthony@apexinvest.ca](mailto:anthony@apexinvest.ca)>

**Subject:** News Release

<https://www.yrp.ca/en/Modules/News/index.aspx?feedId=eec058e4-5b49-437f-89cd-d222d7465de7&newsId=369803c9-5af5-422a-850b-cdc6fb66b256>

<https://toronto.citynews.ca/2026/03/06/toronto-man-charged-investment-scam-police/>

Hi All,

Some good news. Media Release. - all the victims will be providing interviews to the media. We will also make this viral on social media so no victims get scammed. Also funds were wired into the states. American authorities have been notified and are working away. There are accomplices - well make sure they are featured in the media.

Btw more victims have come forward. Spread the news. I will send the wire info that have been sent to American Authorities.

Thanks

--

Eric Barapp, BAS, JD  
Personal Injury Lawyer

**TAB 16**

<[terry@terrywalman.com](mailto:terry@terrywalman.com)>; [glenn@glenncohenlaw.ca](mailto:glenn@glenncohenlaw.ca); [mary@equitylinemic.com](mailto:mary@equitylinemic.com)

**Cc:** Stephen Murphy <[Stephen.Murphy@computershare.com](mailto:Stephen.Murphy@computershare.com)>; Fiona Koch <[Fiona.Koch1@computershare.com](mailto:Fiona.Koch1@computershare.com)>

**Subject:** RE: Potential Fraud Case.- Computershare v Lyle/Wright-22 LORD  
ROBERTS DRIVE, TORONTO,

**Importance:** High

Sergiy and team,

We are following up on the below correspondence as we are receiving follow ups from the counsel at Advocacy Centre for the Elderly representing Mr. Auton.

Can you please provide us with a response to the below by no later than end of business Mon March 11, 2024?

In addition, we require your written confirmation as soon as possible that no steps will be taken to enforce the default judgment until the matter has been sorted (including completion of OPP investigation).

Regards,

**Irene Choe**

Computershare

General Counsel

Computershare Trust Company of Canada | Computershare Investor Services Inc.

Cell: 416-316-7983

100 University Avenue, 8<sup>th</sup> Floor

Toronto, Ontario M5J 2Y1

[www.computershare.com](http://www.computershare.com)

| CERTAINTY | INGENUITY | ADVANTAGE |

**From:** Irene Choe

**Sent:** Thursday, March 7, 2024 1:01 PM

**To:** Sergiy Shchavyelyev <[sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com)>; [terry@terrywalman.com](mailto:terry@terrywalman.com); [glenn@glenncohenlaw.ca](mailto:glenn@glenncohenlaw.ca); [mary@equitylinemic.com](mailto:mary@equitylinemic.com)

**Cc:** Stephen Murphy <[Stephen.Murphy@computershare.com](mailto:Stephen.Murphy@computershare.com)>; Fiona Koch <[Fiona.Koch1@computershare.com](mailto:Fiona.Koch1@computershare.com)>

**Subject:** Potential Fraud Case.- Computershare v Lyle/Wright-22 LORD ROBERTS DRIVE, TORONTO,

**Importance:** High

Good afternoon, Sergiy and team,

Please be advised that per section 8.6 of the title custodian agreement between Equityline SPV Limited Partnership ("**Equityline**") and Computershare Trust Company of Canada ("**Computershare**"), dated August 4, 2021, which is attached for ease of reference, Equityline was required to advise Computershare prior to initiating any action or proceeding. As far as we are aware, no such communication was made.

Had we been made aware of your intention to initiate an action, further to section 8.6, it would have been required that Computershare be removed from title such that Equityline could commence the action in its own name. As such, this legal action has been commenced without our knowledge or authorization in breach of section 8.6 and Mr. Walman was not engaged by Computershare to commence such action.

In addition to the requirements of section 8.6 that have not be met, we are in receipt of the attached from the OPP indicating that Mr. Auton has been the victim of serious fraud. Please be advised that Mr. Auton's lawyer from Advocacy Centre for the Elderly has requested that no enforcement action be taken until the OPP has completed its investigation, and that they will be seeking punitive damages if the plaintiff proceeds with enforcement on the mortgage before the OPP has completed its investigation and laid relevant charges failing. They are also in the process of notifying Mr. Auton's title insurers about his claim, and FCT Insurance will need time to complete its investigation. We understand they are also seeking your consent to set aside the default judgment.

In light of the foregoing, we require the following from you:

You take immediate steps to withdraw the legal action in Computershare's name.

You take immediate steps to remove Computershare from title. We will need confirmation in writing that you will comply with #1 and 2 (and your anticipated timeline for doing so).

Provide us with copies of the pleadings and the motion for default judgment including any supporting affidavits.

Confirm whether Equityline has initiated any other enforcement proceedings in Computershare's name and if so, provide all relevant details and documentation (including the pleadings) in relation to any such proceedings.

Provide us with any information you have on the alleged fraud involving Mr. Auton.

Given the urgency of the matter, please advise your availability for a call with us this

# APPENDIX “L”



Thornton Grout Finnigan LLP  
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON Canada M5K 1K7  
T 416.304.1616 F 416.304.1313

Rebecca Kennedy  
T: 416-304-0603  
E: rkennedy@tgf.ca  
File No. 2252-002

March 30, 2026

**VIA EMAIL** ([kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com), [renee.brosseau@dentons.com](mailto:renee.brosseau@dentons.com) and [oliver.flis@dentons.com](mailto:oliver.flis@dentons.com))

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

**Attention: Kenneth Kraft**

Dear Mr. Kraft:

**Re: In the Matter of the Receivership of EquityLine SPV Limited Partnership (“EquityLine SPV”)**

As you are aware, we act as counsel to KSV Restructuring Inc., the court-appointed receiver of EquityLine SPV (the “Receiver”). We write in response to your letter dated March 26, 2026 regarding documentary disclosure (the “**March 26 Letter**”).

### **Alleged Incomplete Documentary Disclosure**

The Receiver and its counsel, including Aird & Berlis LLP, have provided you with all documents in its possession responsive to your requests. The documentary disclosure from the Receiver is complete.

The March 26 Letter refers to a request for documents made by Dentons on 11 occasions beginning on January 9, 2026, and suggests that our first response was on March 9, 2026. This is incorrect. On January 12, 2026, we responded to you to advise that FCT confirmed receipt of a significant number of documents on July 2, 2025 and that we were not aware of any other documents responsive to your initial request for the mortgage files. This correspondence is at Tab 2 of the March 26 Letter.

On March 6, 2026, we provided all of the pleadings relating to the impugned mortgages (Tab 10 of the March 26 Letter). On March 8, 2026, we responded to a request for documents from Dentons and asked Dentons to provide the list of requested documents (Tab 9 of the March 26 Letter). The next day, we advised that we were working on responding to the requested documents (Tab 11 of the March 26 Letter).

Then, on March 16 and 19, 2026, all of the documents in the possession of the Receiver and its counsel were sent to you by email. There are no additional documents to be provided by the Receiver.

The March 26 Letter refers to documents to be obtained from third parties. To be clear, FCT has the right to obtain these documents directly. FCT has received notice of the claim and, pursuant to section 4(b) of the FCT policy, FCT has the right to do any act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the insured mortgage or to prevent or reduce loss or damage to the insured. FCT is welcome to obtain these documents on its own. The FCT policy does not oblige the Receiver to obtain third party documents.

Section 5 of the FCT policy requires an insured (the Receiver) to grant its permission in writing to FCT to obtain documents in the custody or control of a third party which reasonably pertain to the loss or damage, upon request by FCT. We confirm on behalf of the Receiver that FCT may request, obtain and review such documents and request that the Receiver be copied on such correspondence.

### **Examinations of Sergiy Shchavyelyev**

The March 26 Letter complains that the Receiver examined Mr. Shchavyelyev without the knowledge or consent of FCT. To be clear, the Receiver conducted these examinations pursuant to the Order dated October 17, 2024 (the “**Investigative Powers Order**”) granted by Justice Kimmel in the receivership proceedings.

The Investigative Powers Order authorizes the Receiver to, among other things, examine under oath any person, including but not limited to representatives of EquityLine SPV, that the Receiver reasonably considers to have knowledge of the affairs or property of EquityLine SPV. The Receiver was fulfilling its mandate under court order to examine Mr. Shchavyelyev. There was no obligation of the Receiver to notify FCT or obtain its consent before doing so.

As noted in the March 26 Letter, we have provided you with the transcripts from those examinations together with the undertakings chart.

We have also provided you with all responses to undertakings that we have received from Mr. Shchavyelyev’s counsel, as well as the other witnesses, to date. We will continue to pass along any further responses that we receive going forward.

### **Awareness of Criminal Investigation and Charges**

With respect to the Receiver’s awareness of the criminal investigation and charges against Mr. Shchavyelyev, we refer you to our email to you on March 6, 2026. We are not sure what “court determination” you would be seeking, but we confirm that, although that email was marked without prejudice, that email can be included in materials or otherwise relied on.



Thornton Grout Finnigan LLP

3.

The March 7, 2024 email to Mr. Shchavyelyev from Computershare's general counsel was provided in the same PDF format that we have. The Receiver does not have a native copy of this email.

We trust these responses address all of the issues raised in the March 26 Letter.

Yours truly,

**Thornton Grout Finnigan LLP**

A handwritten signature in black ink that reads 'Rebecca Kennedy'.

Rebecca L. Kennedy

cc: Deborah Berlach, *Stieber Berlach LLP*  
Miranda Spence, *Aird & Berlis LLP*  
Mitch Vininsky, *KSV Restructuring*

# APPENDIX “M”

# 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 allegations made by the mortgagors listed in **Schedule “A”** (the “**Objecting Mortgagors**”) who are recipients 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 improperly 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 April 30, 2026, the Court granted an order approving this Protocol (the “**Protocol Approval Order**”).

## B. Scope and Application of the Protocol

4. This Protocol applies solely to: (i) allegations and defences asserted by Objecting Mortgagors in respect of loans advanced by EquityLine that the mortgage registered on title to their property (each, an “**Impugned Mortgage**”) in favour of EquityLine was improperly 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 Impugned Mortgages ought to be deleted from title, and the manner in which the Title Insurance Claims are to be resolved or finally determined.

---

<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.

5. An Impugned Mortgage will be eligible for adjudication under this Protocol, irrespective of whether a claim was commenced by the Objecting Mortgagor prior to the Receivership Order, provided that such eligibility is without prejudice to any legal positions that would otherwise be available to the Receiver and Interested Parties (as defined below), including, without limitation, those under the *Limitations Act*, 2002, S.O. 2002, c. 24, Sched. B.
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 on the merits by a Court of competent jurisdiction are not to be adjudicated under this Protocol.

**C. Administration of Protocol**

8. The Protocol will be administered by the Receiver, under supervision of the Court. The Receiver's responsibilities and duties in connection with the administration of the Protocol shall be governed strictly as set out hereunder or upon further Order of the Court.
9. The approval of this Protocol shall not prejudice the Receiver's rights to submit and recover a claim under the applicable title insurance policy.
10. No Title Insurance Claim may be denied by the relevant title insurer on the basis of any act or omission of the Receiver in carrying out its duties in these receivership proceedings, including, without limitation, the Receiver's administration of or compliance with this Protocol.
11. At any time during the administration of this Protocol, if any interested party determines that the Protocol requires amendment or revision, they may return to the Court on seven day's notice to all other interested parties or on such timetable as may be agreed to by all interested parties or upon further Order of the Court.

#### D. Service

12. 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.

#### E. Procedure

##### I. Initiation of Protocol

13. Within 30 days of the issuance of the Court order approving this Protocol, the Receiver shall issue a notice of claim (the “**Notice of Claim**”) to each Objecting Mortgagor setting out the basis for the Objecting Mortgagor’s liabilities to the estate of EquityLine. The Notice of Claim shall be prepared in the form set out hereto as **Schedule “B”**.

##### II. Objecting Mortgagor Response to Notice of Claim and Submission of Evidence

14. Within 45 days of delivery to the Objecting Mortgagor of a Notice of Claim, (the “**Mortgagor Dispute Deadline**”), each Objecting Mortgagors shall deliver to the Receiver:
  - (a) a mortgagor’s response to the claim (a “**Mortgagor’s Response**”) setting out the nature of the alleged fraud and the basis for the Objecting Mortgagor’s Dispute of the claim set out in the respective Notice of Claim. The Mortgagor’s Response shall be prepared in the form set out hereto as **Schedule “C”**;
  - (b) 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; and
  - (c) a sworn or affirmed affidavit of documents confirming that the Objecting Mortgagor has provided all relevant and non-privileged documents within its power, possession and control (collectively, the “**Mortgagor Materials**”).
15. 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) delivered by the Objecting Mortgagor.

16. Objecting Mortgagors who do not file their materials by the Mortgagor Dispute 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.

### III. Delivery of Mortgagor Materials and EquityLine Materials to Interested Parties

17. 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**").
18. 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.

19. The Receiver shall, within 15 days of receipt, deliver to the Interested Parties any documentation, information or particulars delivered in response to a request issued by the Receiver.
20. In addition, within 20 days of receipt of the Mortgagor Materials, the Receiver shall deliver to the Objecting Mortgagors and Interested Parties all relevant and non-privileged documents within its power, possession and control relating to the subject Impugned Mortgage, subject to any confidentiality, privilege, or contractual obligations binding on the Receiver, including obligations owed to the relevant title insurer (the “**EquityLine Materials**”). In determining which materials are relevant, the Receiver may consider requests for specific documents made by the Objecting Mortgagor and/or Interested Parties.

#### IV. Receiver’s Disclosure Report

21. The Receiver will, concurrently with the EquityLine Materials, deliver a brief report (the “**Disclosure Report**”) confirming that the EquityLine Materials comprise all of the relevant and non-privileged documents that are reasonably accessible.
22. The Disclosure Report shall be subject to written interrogatories by the relevant title insurer, only. The title insurer shall deliver any such interrogatories within 7 days of delivery of the Disclosure Report, and the Receiver shall deliver written responses within 15 days of receipt of the interrogatories.

#### V. Responses by Interested Parties

23. Each Interested Party that receives the Mortgagor Materials pursuant to Section E.III 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.

24. 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.

25. The Receiver shall deliver the Interested Party Materials, and any follow-up documentation, particulars or information delivered in response to a request by the Receiver, to the relevant Objecting Mortgagor within 7 days of receipt of same.

VI. Reply by Objecting Mortgagor

26. 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.

VII. Mandatory Mediation (at the Receiver's election)

27. 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**").

28. Upon such direction, the parties shall attend a Mediation before Chris Papadopoulos, 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.

29. Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.

30. 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.

31. 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 a summary trial, Notice of Dispute or other Court proceeding arising under this Protocol, except as may be necessary to enforce a settlement approved by the Court.
32. Subject to Section E.IX, the absence, failure or termination of any Mediation shall not suspend or extend any deadline set out in this Protocol.

#### VIII. Summary Trial

33. If the Objecting Mortgagor's claims are not resolved through prior Mediation (as set out in Section E.VII), the matter shall proceed to a summary trial ("**Summary Trial**") before a judge sitting on the Court based upon:
  - (a) the Mortgagor Materials;
  - (b) the EquityLine Materials;
  - (c) the Interested Party Materials;
  - (d) the Reply Materials; and
  - (e) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
34. Subject to Court availability, within 14 days of the delivery of Reply Materials, or the termination of Mediation, as the case may be, the parties will attend a case conference to establish a protocol for the Summary Trial (the "**Pre-Trial Case Conference**").
35. The order granted at Pre-Trial Case Conference shall govern the procedure for the Summary Trial, subject to any further orders of the Court.

#### IX. Control of EquityLine's Position during Summary Trial

36. Unless the relevant title insurer delivers a Waiver (defined below) to the Receiver at least 7 days before the Pre-Trial Case Conference, the Receiver shall have carriage and control

of EquityLine's position in any summary trial conducted pursuant to this Protocol, including final authority over all legal positions taken in connection therewith.

37. If the relevant title insurer delivers a Waiver, the title insurer may assume carriage and control of EquityLine's position in the applicable Summary Trial; provided that the Receiver may decline to permit such assumption of carriage where the Receiver, in its sole discretion acting reasonably, determines that a conflict exists between the conduct of the Summary Trial and the fiduciary duties owed by the Receiver to the stakeholders of EquityLine.
38. If, at any time after a title insurer has assumed carriage and control of EquityLine's position in a Summary Trial pursuant to paragraph 36, the Receiver determines, in its sole discretion, that the manner in which the Summary Trial is being conducted conflicts with the fiduciary duties owed by the Receiver to the stakeholders of EquityLine, the Receiver may immediately resume carriage and control of EquityLine's position in the Summary Trial. Upon resuming such carriage and control, the Receiver may take such steps as it considers appropriate in the circumstances, including requesting an adjournment of the Summary Trial or continuing with the Summary Trial. Any such resumption of carriage and control by the Receiver shall not constitute a breach of any obligation owed to the relevant title insurer and shall not, in whole or in part, form the basis for any denial, limitation or reservation of coverage under any applicable title insurance policy.
39. **“Waiver”** means a written and irrevocable waiver delivered by the relevant title insurer to the Receiver, substantially in the form attached hereto as Schedule **“D”** pursuant to which the title insurer unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under any applicable title insurance policy issued in respect of the Impugned Mortgage on the basis of, arising from, or in connection with the conduct, acts or omissions of EquityLine or its general partner, EquityLine GP Inc., Sergiy Shchavyelyev, or any of EquityLine's past or present, directors, officers or employees.

X. Extension to Deadlines

40. The Receiver may extend any deadline under this Protocol on a reasonable basis by written notice to the relevant Objecting Mortgagor and Interested Parties.
41. Any other party to this Protocol may extend a deadline hereunder upon obtaining the written consent of the Receiver or with leave of the Court. In considering any such request, the Receiver may, in its sole discretion, solicit the views of the relevant Objecting Mortgagor and/or Interested Parties, as applicable.

F. Proceeds of Sale

42. 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 outcome of the Summary Trial and any further court orders. The Receiver will hold those proceeds in an interest-bearing trust account (the “**Sale Proceeds**”).
43. 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.

G. Determination of Title Insurance Claims

44. Within 30 days following the Court’s decision on the merits of a Summary Trial, 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.
45. 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.

46. 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 delivered to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence delivered by the Objecting Mortgagor and/or Interested Parties.
47. 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.
48. 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.

#### **H. Notice**

49. 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@tgf.ca](mailto:rkennedy@tgf.ca)

**Derek Harland**

Tel: (416) 304-1127

Email: [ddharland@tgf.ca](mailto:ddharland@tgf.ca)

**Denna Jalili**

Tel: (416) 304-0312

Email: [djalili@tgf.ca](mailto:djalili@tgf.ca)

**Schedule “A”**  
**Objecting Mortgagors**

| <b>Mortgagor</b>                    | <b>Address</b>                    |
|-------------------------------------|-----------------------------------|
| Lynda Sharon Talmage                | 17-280 Thaler Avenue, Kitchner ON |
| Adrian Van Dijk                     | 19-700 Paisley Road, Guelph ON    |
| Margaret Ellen Jank                 | 132 Swift Crescent, Guelph ON     |
| Lyle Auton                          | 22 Lord Roberts Drive, Toronto ON |
| Barry William Hirschberger          | 123 Southmoor Drive, Kitchener ON |
| Phyllis Nola Hinds                  | 30 Cherrywood Avenue, Toronto ON  |
| The Estate of Barbara Burton        | 99 Kalmar Avenue, Toronto ON      |
| The Estate of Cindy Hunter-Parkhill | 7044 Leeming Street, Toronto ON   |





**Certification:**

I hereby certify that:

1. I am the Mortgagor or an authorized representative of the Mortgagor.
2. I have knowledge of all the circumstances connected with this response.
3. The Mortgagor asserts this response against the Equityline as set out above.
4. All available documentation in support of this response, including an Affidavit of Documents, is being provided with this response.

|                  |                |
|------------------|----------------|
| Signature: _____ | Witness: _____ |
| Name: _____      | Name: _____    |
| Title: _____     | Address: _____ |
|                  | _____          |
|                  | _____          |

**Schedule “D”****Title Insurer Waiver**

**TO:** KSV Restructuring Inc., in its capacity as court-appointed receiver of **EquityLine SPV Limited Partnership** (“**EquityLine**”)

**RE: Title Insurance Policy No. [●]**

The undersigned title insurer (the “**Title Insurer**”) hereby irrevocably, unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under the above-noted title insurance policy insuring the EquityLine mortgage registered against the property municipally known as **[insert municipal address]** and insured under the above-noted title insurance policy on the basis of, arising from, or in connection with the conduct, acts or omissions of:

- (a) EquityLine SPV Limited Partnership;
- (b) EquityLine GP Inc.;
- (c) Sergiy Shchavyelyev; or
- (d) any past or present officers, directors, employees or advisors of EquityLine.

The Title Insurer further acknowledges that any assumption or resumption of carriage and control of EquityLine’s position in a summary trial by the Receiver pursuant to the mortgage adjudication protocol dated \_\_\_\_\_ [●], 2026 shall not, in whole or in part, constitute a basis to deny, limit or restrict coverage under the policy.

**DATED** this \_\_\_ day of \_\_\_\_\_, 2026.



# 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 ~~e~~claims~~allegations~~ made by ~~ertain~~the mortgagors listed in Schedule “A” (the “**Objecting Mortgagors**”) who are recipients 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 improperly 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 ~~11~~April 30, 2026, the Court granted an order approving ~~the~~this 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

4. ~~5.~~ This Protocol applies solely to: (i) ~~e~~claims~~allegations and defences asserted~~ 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 improperly 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

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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.

Protocol governs the adjudication of whether such Impugned Mortgages ought to be deleted from title, and the manner in which the Title Insurance Claims are to be resolved or finally determined.

5. An Impugned Mortgage will be eligible for adjudication under this Protocol, irrespective of whether a claim was commenced by the Objecting Mortgagor prior to the Receivership Order, provided that such eligibility is without prejudice to any legal positions that would otherwise be available to the Receiver and Interested Parties (as defined below), including, without limitation, those under the *Limitations Act*, 2002, S.O. 2002, c. 24, Sched. B.
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 on the merits by a Court ~~or tribunal~~ of competent jurisdiction are not to be adjudicated under this Protocol.

C. Administration of Protocol

8. The Protocol will be administered by the Receiver, under supervision of the Court. The Receiver's responsibilities and duties in connection with the administration of the Protocol shall be governed strictly as set out hereunder or upon further Order of the Court.
9. The approval of this Protocol shall not prejudice the Receiver's rights to submit and recover a claim under the applicable title insurance policy.
10. No Title Insurance Claim may be denied by the relevant title insurer on the basis of any act or omission of the Receiver in carrying out its duties in these receivership proceedings, including, without limitation, the Receiver's administration of or compliance with this Protocol.
11. At any time during the administration of this Protocol, if any interested party determines that the Protocol requires amendment or revision, they may return to the Court on seven

day's notice to all other interested parties or on such timetable as may be agreed to by all interested parties or upon further Order of the Court.

D. ~~C.~~ Service

12. ~~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.

E. ~~D.~~ Procedure

I. ~~Objecting Mortgagor Initiation and Submission of Evidence — [ ] [ ], 2026 of~~  
Protocol

13. ~~9.~~ Within ~~45~~30 days of the issuance of the Court order approving this Protocol ~~(the “Mortgagor Claim Deadline”)~~, ~~all Objecting Mortgagors shall deliver to the Receiver a~~, the Receiver shall issue a notice of claim (the “**Notice of Claim**”) to each Objecting Mortgagor setting out the basis for the Objecting Mortgagor’s liabilities to the estate of EquityLine. The Notice of Claim shall be prepared in the form set out hereto as Schedule “B”.

II. Objecting Mortgagor Response to Notice of Claim and Submission of Evidence

14. Within 45 days of delivery to the Objecting Mortgagor of a Notice of Claim, (the “Mortgagor Dispute Deadline”), each Objecting Mortgagors shall deliver to the Receiver:

- (a) a mortgagor’s response to the claim (a “Mortgagor’s Response”) setting out the nature of the alleged fraud and the basis for the Objecting Mortgagor’s Dispute of the claim set out in the respective Notice of Claim. The Mortgagor’s Response shall be prepared in the form set out hereto as Schedule “C”;
- (b) 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”)~~; and

(c) a sworn or affirmed affidavit of documents confirming that the Objecting Mortgagor has provided all relevant and non-privileged documents within its power, possession and control (collectively, the “Mortgagor Materials”).

15. ~~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~~delivered by the Objecting Mortgagor.

16. ~~11.~~ Objecting Mortgagors who do not file their materials by the Mortgagor ~~Claim~~Dispute 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.

III. ~~H.~~ Delivery of Mortgagor Materials and EquityLine Materials to Interested Parties

17. ~~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**”).

18. ~~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.

19. ~~14.~~ The Receiver shall, within 15 days of receipt, deliver to the Interested Parties any documentation, information or particulars ~~submitted~~delivered in response to a request issued by the Receiver.

20. ~~15.~~ In addition, within ~~15~~20 days of receipt of the Mortgagor Materials, the Receiver shall deliver to the Objecting Mortgagors and Interested Parties all relevant and non-privileged documents within its power, possession and control relating to the subject Impugned Mortgage, subject to any confidentiality, privilege, or contractual obligations binding on the Receiver, including obligations owed to the relevant title insurer (the “**EquityLine Materials**”). In determining which materials are relevant, the Receiver may consider requests for specific documents made by the Objecting Mortgagor and/or Interested Parties.

#### IV. Receiver’s Disclosure Report

21. The Receiver will, concurrently with the EquityLine Materials, deliver a brief report (the “**Disclosure Report**”) confirming that the EquityLine Materials comprise all of the relevant and non-privileged documents that are reasonably accessible.

22. The Disclosure Report shall be subject to written interrogatories by the relevant title insurer, only. The title insurer shall deliver any such interrogatories within 7 days of delivery of the Disclosure Report, and the Receiver shall deliver written responses within 15 days of receipt of the interrogatories.

V. ~~III.~~ Responses by Interested Parties

23. ~~16.~~ Each Interested Party that receives the Mortgagor Materials pursuant to Section ~~D.E.H.III~~ 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.
24. ~~17.~~ 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.
25. ~~18.~~ The Receiver shall deliver the Interested Party Materials, and any follow-up documentation, particulars or information ~~submitted~~delivered in response to a request by the Receiver, to the relevant Objecting Mortgagor within 7 days of receipt of same.

VI. ~~IV.~~ Reply by Objecting Mortgagor

26. ~~19.~~ 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~~

- ~~20. 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 Equity Line Materials;~~

~~(c) the Interested Party Materials;~~

~~(d) the Reply Materials; and~~

~~(e) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.~~

~~21. 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.~~

~~22. Notwithstanding the foregoing, the Receiver shall at all times be entitled to seek the advice and directions of the Court in respect of any matter relating to an Impugned Mortgage or any Determination made in respect thereof.~~

~~23. 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").~~

~~24. 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 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.~~

~~25. 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 24, above, the Receiver shall serve motion materials in respect of an Approval Motion in accordance with the applicable practice directions of the Court.~~

~~26. 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.~~

~~27. 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.~~

VII. ~~VI.~~ Mandatory Mediation (at the Receiver’s ~~Election~~election)

27. ~~28.~~ 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**”).

28. ~~29.~~ Upon such direction, the parties shall attend a Mediation before [Chris Papadopoulos](#), 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.

29. ~~30.~~ Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.

30. ~~31.~~ 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.

31. ~~32.~~ 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~~ a summary trial, Notice of Dispute or other Court proceeding arising under this Protocol, except as may be necessary to enforce a settlement approved by the Court.
32. ~~33.~~ Subject to Section ~~DE.VIII~~, the absence, failure or termination of any Mediation shall not suspend or extend any deadline set out in this Protocol.

#### VIII. Summary Trial

33. If the Objecting Mortgagor's claims are not resolved through prior Mediation (as set out in Section E.VII), the matter shall proceed to a summary trial ("Summary Trial") before a judge sitting on the Court based upon:
- (a) the Mortgagor Materials;
  - (b) the EquityLine Materials;
  - (c) the Interested Party Materials;
  - (d) the Reply Materials; and
  - (e) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
34. Subject to Court availability, within 14 days of the delivery of Reply Materials, or the termination of Mediation, as the case may be, the parties will attend a case conference to establish a protocol for the Summary Trial (the "Pre-Trial Case Conference").
35. The order granted at Pre-Trial Case Conference shall govern the procedure for the Summary Trial, subject to any further orders of the Court.

#### IX. Control of EquityLine's Position during Summary Trial

36. Unless the relevant title insurer delivers a Waiver (defined below) to the Receiver at least 7 days before the Pre-Trial Case Conference, the Receiver shall have carriage and control

of EquityLine's position in any summary trial conducted pursuant to this Protocol, including final authority over all legal positions taken in connection therewith.

37. If the relevant title insurer delivers a Waiver, the title insurer may assume carriage and control of EquityLine's position in the applicable Summary Trial; provided that the Receiver may decline to permit such assumption of carriage where the Receiver, in its sole discretion acting reasonably, determines that a conflict exists between the conduct of the Summary Trial and the fiduciary duties owed by the Receiver to the stakeholders of EquityLine.
38. If, at any time after a title insurer has assumed carriage and control of EquityLine's position in a Summary Trial pursuant to paragraph 36, the Receiver determines, in its sole discretion, that the manner in which the Summary Trial is being conducted conflicts with the fiduciary duties owed by the Receiver to the stakeholders of EquityLine, the Receiver may immediately resume carriage and control of EquityLine's position in the Summary Trial. Upon resuming such carriage and control, the Receiver may take such steps as it considers appropriate in the circumstances, including requesting an adjournment of the Summary Trial or continuing with the Summary Trial. Any such resumption of carriage and control by the Receiver shall not constitute a breach of any obligation owed to the relevant title insurer and shall not, in whole or in part, form the basis for any denial, limitation or reservation of coverage under any applicable title insurance policy.
39. "Waiver" means a written and irrevocable waiver delivered by the relevant title insurer to the Receiver, substantially in the form attached hereto as Schedule "D" pursuant to which the title insurer unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under any applicable title insurance policy issued in respect of the Impugned Mortgage on the basis of, arising from, or in connection with the conduct, acts or omissions of EquityLine or its general partner, EquityLine GP Inc., Sergiy Shchavyelyev, or any of EquityLine's past or present, directors, officers or employees.

X. ~~VII.~~ Extension to Deadlines

40. ~~34.~~ The Receiver may extend any deadline under this Protocol on a reasonable basis by written notice to the relevant Objecting Mortgagor and Interested Parties.

41. ~~35.~~ Any other party to this Protocol may extend a deadline hereunder upon obtaining the written consent of the Receiver or with leave of the Court. In considering any such request, the Receiver may, in its sole discretion, solicit the views of the relevant Objecting Mortgagor and/or Interested Parties, as applicable.

F. ~~E.~~ Proceeds of Sale

42. ~~36.~~ 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~~ outcome of the Summary Trial and any further court orders. The Receiver will hold those proceeds in an interest-bearing trust account (the “**Sale Proceeds**”).

43. ~~37.~~ 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.

G. ~~F.~~ Determination of Title Insurance Claims

44. ~~38.~~ Within ~~60~~30 days following the Court’s ~~determination from the Approval Motion~~ decision on the merits of a Summary Trial, 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.

45. ~~39.~~ 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.
46. ~~40.~~ 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~~delivered to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence ~~submitted~~delivered by the Objecting Mortgagor and/or Interested Parties.
47. ~~41.~~ 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.
48. ~~42.~~ 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.

H. ~~G.~~ **Notice**

49. ~~43.~~ 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

**Tony Trifunovic**

Tel: 416-932-6013

Email: 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@tgf.ca

**Derek Harland**

Tel: (416) 304-1127

Email: dharland@tgf.ca

**Denna Jalili**

Tel: (416) 304-0312

Email: djalili@tgf.ca

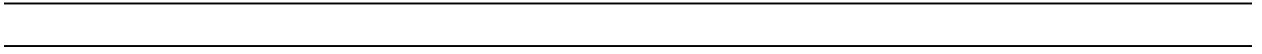
**Schedule “A”**

**Objecting Mortgagors**

| <b><u>Mortgagor</u></b>                    | <b><u>Address</u></b>                    |
|--|--|
| <u>Lynda Sharon Talmage</u>                | <u>17-280 Thaler Avenue, Kitchner ON</u> |
| <u>Adrian Van Dijk</u>                     | <u>19-700 Paisley Road, Guelph ON</u>    |
| <u>Margaret Ellen Jank</u>                 | <u>132 Swift Crescent, Guelph ON</u>     |
| <u>Lyle Auton</u>                          | <u>22 Lord Roberts Drive, Toronto ON</u> |
| <u>Barry William Hirschberger</u>          | <u>123 Southmoor Drive, Kitchener ON</u> |
| <u>Phyllis Nola Hinds</u>                  | <u>30 Cherrywood Avenue, Toronto ON</u>  |
| <u>The Estate of Barbara Burton</u>        | <u>99 Kalmar Avenue, Toronto ON</u>      |
| <u>The Estate of Cindy Hunter-Parkhill</u> | <u>7044 Leeming Street, Toronto ON</u>   |







**Certification:**

I hereby certify that:

1. I am the Mortgagor or an authorized representative of the Mortgagor.
2. I have knowledge of all the circumstances connected with this response.
3. The Mortgagor asserts this response against the Equityline as set out above.
4. All available documentation in support of this response, including an Affidavit of Documents, is being provided with this response.

|                         |                       |
|-------------------------|-----------------------|
| <u>Signature:</u> _____ | <u>Witness:</u> _____ |
| <u>Name:</u> _____      | <u>Name:</u> _____    |
| <u>Title:</u> _____     | <u>Address:</u> _____ |
|                         | _____                 |
|                         | _____                 |

Schedule “D”

Title Insurer Waiver

TO: KSV Restructuring Inc., in its capacity as court-appointed receiver of EquityLine SPV Limited Partnership (“EquityLine”)

RE: Title Insurance Policy No. [●]

The undersigned title insurer (the “Title Insurer”) hereby irrevocably, unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under the above-noted title insurance policy insuring the EquityLine mortgage registered against the property municipally known as [insert municipal address] and insured under the above-noted title insurance policy on the basis of, arising from, or in connection with the conduct, acts or omissions of:

- (a) EquityLine SPV Limited Partnership;
- (b) EquityLine GP Inc.;
- (c) Sergiy Shchavyelyev; or
- (d) any past or present officers, directors, employees or advisors of EquityLine.

The Title Insurer further acknowledges that any assumption or resumption of carriage and control of EquityLine’s position in a summary trial by the Receiver pursuant to the mortgage adjudication protocol dated \_\_\_\_\_ [●], 2026 shall not, in whole or in part, constitute a basis to deny, limit or restrict coverage under the policy.

DATED this \_\_\_ day of \_\_\_\_\_, 2026.

| <b>Summary report:</b>   |            |
|--|------------|
| <b>Litera Compare for Word 11.10.1.2 Document comparison done on<br/>2026-03-30 4:37:31 PM</b> |            |
| <b>Style name:</b> Default Style   |            |
| <b>Intelligent Table Comparison:</b> Active  |            |
| <b>Original DMS:</b> iw://tgf.cloudimanager.com/CLIENT/20231119/9                              |            |
| <b>Modified DMS:</b> iw://tgf.cloudimanager.com/CLIENT/20231119/13                             |            |
| <b>Changes:</b>  |            |
| <u>Add</u>   | 173        |
| <del>Delete</del>  | 103        |
| <del>Move From</del>   | 0          |
| <u>Move To</u>   | 0          |
| <u>Table Insert</u>  | 4          |
| <del>Table Delete</del>  | 0          |
| <u>Table moves to</u>  | 0          |
| <del>Table moves from</del>  | 0          |
| Embedded Graphics (Visio, ChemDraw, Images etc.)   | 0          |
| Embedded Excel   | 0          |
| Format changes   | 0          |
| <b>Total Changes:</b>  | <b>280</b> |

# APPENDIX “N”

March 19, 2026

**WITH PREJUDICE**

**Sent Via E-mail**

**rkennedy@tgf.ca; djalili@tgf.ca; dharland@tgf.ca; chung@airdberlis.com; mspence@airdberlis.com; renglish@airdberlis.com; abernicchia-freeman@airdberlis.com; dberlach@sblegal.ca**

All:

**Re: Equitable Bank v. EquityLine SPV Limited Partnership (Court File No. CV-24-00721560-00CL)  
– Mortgage Adjudication Protocol**

We have reviewed the Receiver's revised mortgage adjudication protocol dated March 11, 2026 (the "**Receiver Protocol**") against the protocol proposed by First Canadian Title ("**FCT**") and TitlePlus (the "**Insurers**") on February 13, 2026 (the "**Insurer Protocol**"). There are several areas of alignment between the parties, including the procedural consolidation of the mortgagors' claims into the Receivership and a mandatory mediation process, which we remain hopeful will result in the claims being settled. We similarly acknowledge the Receiver's general agreement to a summary trial process in the event that the claims do not settle. However, we remain of the view that the Insurer Protocol is the more appropriate form of protocol, subject to further discussion of minor modifications to address concerns that do not affect the substance of the Insurers' contractual rights. We provide the following comments to frame that discussion.

**a. The Protocol Must Provide for Threshold Documentary Disclosure**

The Receiver Protocol fails to provide for the threshold documentary disclosure required by the applicable title insurance policies and the duty to cooperate, as set out in the Insurer Protocol and our repeated prior correspondence. Fulsome affidavits of documents in accordance with the *Rules of Civil Procedure* will be necessary for cross-examinations and ultimate adjudication of claims that do not settle.

**b. Formal Pleadings Are Necessary to Trigger the Insurers' Duty to Defend**

The process in paragraphs 5 and 12-15 of the Receiver Protocol-initiating and responding to claims via the Notice of Claim and Mortgagor's Response (Schedules "B" and "C") is insufficient to trigger the Insurers' duty to defend. Formal pleadings are required to trigger the duty to defend. The applicable title insurance policies specifically contemplate this: paragraph 4 of the Conditions of the FCT policies states that FCT "shall provide for the defence of an Insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy".

Moreover, given that statements of claim or counterclaims have already been issued by some of the mortgagors, the process in the Receiver Protocol would be duplicative and would not properly respond to

the claims that have already been commenced. We reiterate that pleadings may need to be amended in response to the mortgagors' claims, which the Insurer Protocol reasonably provides shall occur on the consent of the parties.

**c. The Protocol Cannot Prevail Over the Title Insurance Policies**

The Receiver Protocol cannot prevail over the terms of the applicable title insurance policies without the Insurers' consent. A court-appointed receiver steps into the shoes of the debtor and cannot unilaterally amend contracts entered into by the debtor with third parties prior to the receivership.<sup>1</sup>

In particular, we underscore that the Insurers have the right under the applicable title insurance policies to assume and control the defence of the mortgagors' claims. The Receiver cannot unilaterally dispense with the Insurers' rights under the policies, particularly given that the Receiver is also an insured.

**d. The Receiver Cannot Absolve Itself of EquityLine's Conduct, Acts, Omissions, and Liabilities**

The Receiver cannot absolve itself of its own conduct, acts, omissions, and liabilities, nor those of EquityLine, as contemplated in paragraphs 10 and 38 of the Receiver Protocol and the Title Insurer Waiver (Schedule "D"). Where a receiver seeks to enforce a contract on the debtor's behalf, it cannot simultaneously avoid the debtor's burdens. The Receiver cannot expect the benefit of coverage under the policies while absolving itself of its own and EquityLine's obligations.

**e. A Summary Trial Must Have a Fulsome Evidentiary Record and Procedure**

The above comments regarding the Insurers' right to assume and control the defence of the mortgagors' claims, and the absence of any basis upon which the Receiver can absolve itself of EquityLine's burdens, are equally applicable to the summary trial process proposed at paragraphs 32-38 of the Receiver Protocol, particularly to the extent that process contemplates the delivery of the Title Insurer Waiver enclosed as Schedule "D" of the Receiver Protocol.

The evidentiary parameters proposed for summary trial will significantly limit the record before the court and will not adequately address the mortgagors' claims, which may require expert reports and will require cross-examinations on fulsome affidavits of documents to properly test credibility, intent, knowledge, and inconsistencies.

---

<sup>1</sup> As the Supreme Court of Canada confirmed in *Peace River Hydro Partners v. Petrowest Corp.*, [2022 SCC 41](#), at paras. 109-110

**Path Forward**

If the Receiver maintains that the court has jurisdiction to impose terms prevailing over the policies, we invite the Receiver to schedule a case conference with Justice Kimmel for directions. We are prepared to discuss the above further and, if necessary, confer on a timetable for either a case conference or a motion to determine the appropriate way forward.

Yours truly,

Dentons Canada LLP



Kenneth Kraft  
Counsel

KK/of

cc: Renee Brosseau, Dentons Canada LLP  
Sara-Ann Wilson, Dentons Canada LLP  
Oliver Flis, Dentons Canada LLP  
Tony Antoniou, Antoniou Law

# APPENDIX “O”

## Denna Jalili

---

**From:** Eric Barapp <ebarapp@gmail.com>  
**Sent:** March 6, 2026 10:35 AM  
**To:** Rebecca Kennedy; Tony Trifunovic  
**Cc:** Leonard Susman; Denna Jalili; Derek Harland; Adrienne Kirsh; dberlach@sblegal.ca; Mitch Vininsky; Noah Goldstein; tudor.carsten@dlapiper.com; bruce.darlington@dlapiper.com; cristina.fulop@ca.dlapiper.com; tony@alaw.ca; rdas@byldlaw.com; gadair@agblp.com; insolvency.unit@ontario.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; bethanie.pascutto@ace.clcj.ca; kenneth.kraft@dentons.com; renee.brosseau@dentons.com; rhepburn@fct.ca; mario.giovane@stewart.com; burns@adburnslaw.ca; aapps@wildlaw.ca; Arthur Smelyansky; Contact Centre; Terry Walman; anthony.apexinvest.ca  
**Subject:** News Release

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Report

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<https://www.yrp.ca/en/Modules/News/index.aspx?feedId=eec058e4-5b49-437f-89cd-d222d7465de7&newsId=369803c9-5af5-422a-850b-cdc6fb66b256>

<https://toronto.citynews.ca/2026/03/06/toronto-man-charged-investment-scam-police/>

Hi All,

Some good news. Media Release. - all the victims will be providing interviews to the media. We will also make this viral on social media so no victims get scammed. Also funds were wired into the states. American authorities have been notified and are working away. There are accomplices - well make sure they are featured in the media.

Btw more victims have come forward. Spread the news. I will send the wire info that have been sent to American Authorities.

Thanks

--  
Eric Barapp, BAS, JD  
Personal Injury Lawyer

# APPENDIX “P”



# Toronto Man Charged in Multi-Million Dollar Investment Scam

Posted on Friday March 06, 2026



Sergiy SHCHAVYELYEV

Investigators with the York Regional Police Financial Crimes Unit have laid fraud charges in an investment scam investigation and believe there may be additional victims.

The investigation began in March 2025, when a victim came forward to report an investment scam.

In February 2024, the victim invested a quantity of funds through the suspect, who owned Equity Line Service Corporation, and was promised a return on their investment.

In February 2025, investigators learned five additional victims had also invested a quantity of funds with the same suspect. It is believed the suspect misappropriated the invested funds from the victims for personal gain.

In total, over \$2.5 million was invested through the suspect.

After a thorough investigation, Sergiy **SHCHAVYELYEV**, 40, of the City of Toronto, was charged on December 9, 2025, with six counts of Fraud Over \$5,000.

Investigators are releasing his photo as they believe there may be additional victims and encourage them to come forward.

Anyone with information is asked to contact the York Regional Police Financial Crimes Unit at 1-866-876-5423, ext. 6612, or Crime Stoppers at 1-800-222-TIPS. Anonymous tips can also be sent online at [www.1800222tips.com](http://www.1800222tips.com).

Crime prevention is our shared responsibility: Find up-to-date crime data in York Region on the [Community Safety Data Portal](#), or become a partner in community safety by signing up for the [Security Camera Registry](#) today.

Prepared by: Constable Kevin Nebrija

25-88214

March 6, 2026

[Back to Search](#)

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47 Don Hillock Dr.

Aurora, ON L4G 0S7

TF: 1-866-876-5423

[Contact Us](#)

Designed by eSolutions

**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

**SUPPLEMENT TO THE FOURTH REPORT OF THE  
COURT-APPOINTED RECEIVER,  
KSV RESTRUCTURING INC.  
(MARCH 30, 2026)**

**THORNTON GROUT FINNIGAN LLP**

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

**Rebecca Kennedy (LSO# 61146S)**

Tel: 4(16) 304-0603

Email: [rkennedy@tgf.ca](mailto:rkennedy@tgf.ca)

**Derek Harland (LSO# 79504N)**

Tel: (416) 304-1127

Email: [धारland@tgf.ca](mailto:धारland@tgf.ca)

**Denna Jalili (LSO# 84976N)**

Tel: (416) 304-1127

Email: [djalili@tgf.ca](mailto:djalili@tgf.ca)

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

# TAB 4



## **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.

---

**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 allegations made by the mortgagors listed in **Schedule “A”** (the “**Objecting Mortgagors**”) who are recipients 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 improperly 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 April 30, 2026, the Court granted an order approving this Protocol (the “**Protocol Approval Order**”).

## B. Scope and Application of the Protocol

4. This Protocol applies solely to: (i) allegations and defences asserted by Objecting Mortgagors in respect of loans advanced by EquityLine that the mortgage registered on title to their property (each, an “**Impugned Mortgage**”) in favour of EquityLine was improperly 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 Impugned Mortgages ought to be deleted from title, and the manner in which the Title Insurance Claims are to be resolved or finally determined.

---

<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.

5. An Impugned Mortgage will be eligible for adjudication under this Protocol, irrespective of whether a claim was commenced by the Objecting Mortgagor prior to the Receivership Order, provided that such eligibility is without prejudice to any legal positions that would otherwise be available to the Receiver and Interested Parties (as defined below), including, without limitation, those under the *Limitations Act*, 2002, S.O. 2002, c. 24, Sched. B.
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 on the merits by a Court of competent jurisdiction are not to be adjudicated under this Protocol.

**C. Administration of Protocol**

8. The Protocol will be administered by the Receiver, under supervision of the Court. The Receiver's responsibilities and duties in connection with the administration of the Protocol shall be governed strictly as set out hereunder or upon further Order of the Court.
9. The approval of this Protocol shall not prejudice the Receiver's rights to submit and recover a claim under the applicable title insurance policy.
10. No Title Insurance Claim may be denied by the relevant title insurer on the basis of any act or omission of the Receiver in carrying out its duties in these receivership proceedings, including, without limitation, the Receiver's administration of or compliance with this Protocol.
11. At any time during the administration of this Protocol, if any interested party determines that the Protocol requires amendment or revision, they may return to the Court on seven day's notice to all other interested parties or on such timetable as may be agreed to by all interested parties or upon further Order of the Court.

#### D. Service

12. 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.

#### E. Procedure

##### I. Initiation of Protocol

13. Within 30 days of the issuance of the Court order approving this Protocol, the Receiver shall issue a notice of claim (the “**Notice of Claim**”) to each Objecting Mortgagor setting out the basis for the Objecting Mortgagor’s liabilities to the estate of EquityLine. The Notice of Claim shall be prepared in the form set out hereto as **Schedule “B”**.

##### II. Objecting Mortgagor Response to Notice of Claim and Submission of Evidence

14. Within 45 days of delivery to the Objecting Mortgagor of a Notice of Claim, (the “**Mortgagor Dispute Deadline**”), each Objecting Mortgagors shall deliver to the Receiver:
  - (a) a mortgagor’s response to the claim (a “**Mortgagor’s Response**”) setting out the nature of the alleged fraud and the basis for the Objecting Mortgagor’s Dispute of the claim set out in the respective Notice of Claim. The Mortgagor’s Response shall be prepared in the form set out hereto as **Schedule “C”**;
  - (b) 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; and
  - (c) a sworn or affirmed affidavit of documents confirming that the Objecting Mortgagor has provided all relevant and non-privileged documents within its power, possession and control (collectively, the “**Mortgagor Materials**”).
15. 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) delivered by the Objecting Mortgagor.

16. Objecting Mortgagors who do not file their materials by the Mortgagor Dispute 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.

### III. Delivery of Mortgagor Materials and EquityLine Materials to Interested Parties

17. 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**").
18. 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.

19. The Receiver shall, within 15 days of receipt, deliver to the Interested Parties any documentation, information or particulars delivered in response to a request issued by the Receiver.
20. In addition, within 20 days of receipt of the Mortgagor Materials, the Receiver shall deliver to the Objecting Mortgagors and Interested Parties all relevant and non-privileged documents within its power, possession and control relating to the subject Impugned Mortgage, subject to any confidentiality, privilege, or contractual obligations binding on the Receiver, including obligations owed to the relevant title insurer (the “**EquityLine Materials**”). In determining which materials are relevant, the Receiver may consider requests for specific documents made by the Objecting Mortgagor and/or Interested Parties.

#### IV. Receiver’s Disclosure Report

21. The Receiver will, concurrently with the EquityLine Materials, deliver a brief report (the “**Disclosure Report**”) confirming that the EquityLine Materials comprise all of the relevant and non-privileged documents that are reasonably accessible.
22. The Disclosure Report shall be subject to written interrogatories by the relevant title insurer, only. The title insurer shall deliver any such interrogatories within 7 days of delivery of the Disclosure Report, and the Receiver shall deliver written responses within 15 days of receipt of the interrogatories.

#### V. Responses by Interested Parties

23. Each Interested Party that receives the Mortgagor Materials pursuant to Section E.III 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.

24. 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.
25. The Receiver shall deliver the Interested Party Materials, and any follow-up documentation, particulars or information delivered in response to a request by the Receiver, to the relevant Objecting Mortgagor within 7 days of receipt of same.

VI. Reply by Objecting Mortgagor

26. 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.

VII. Mandatory Mediation (at the Receiver's election)

27. 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**").
28. Upon such direction, the parties shall attend a Mediation before Chris Papadopoulos, 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.
29. Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.
30. 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.

31. 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 a summary trial, Notice of Dispute or other Court proceeding arising under this Protocol, except as may be necessary to enforce a settlement approved by the Court.
32. Subject to Section E.IX, the absence, failure or termination of any Mediation shall not suspend or extend any deadline set out in this Protocol.

#### VIII. Summary Trial

33. If the Objecting Mortgagor's claims are not resolved through prior Mediation (as set out in Section E.VII), the matter shall proceed to a summary trial ("**Summary Trial**") before a judge sitting on the Court based upon:
  - (a) the Mortgagor Materials;
  - (b) the EquityLine Materials;
  - (c) the Interested Party Materials;
  - (d) the Reply Materials; and
  - (e) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
34. Subject to Court availability, within 14 days of the delivery of Reply Materials, or the termination of Mediation, as the case may be, the parties will attend a case conference to establish a protocol for the Summary Trial (the "**Pre-Trial Case Conference**").
35. The order granted at Pre-Trial Case Conference shall govern the procedure for the Summary Trial, subject to any further orders of the Court.

#### IX. Control of EquityLine's Position during Summary Trial

36. Unless the relevant title insurer delivers a Waiver (defined below) to the Receiver at least 7 days before the Pre-Trial Case Conference, the Receiver shall have carriage and control

of EquityLine's position in any summary trial conducted pursuant to this Protocol, including final authority over all legal positions taken in connection therewith.

37. If the relevant title insurer delivers a Waiver, the title insurer may assume carriage and control of EquityLine's position in the applicable Summary Trial; provided that the Receiver may decline to permit such assumption of carriage where the Receiver, in its sole discretion acting reasonably, determines that a conflict exists between the conduct of the Summary Trial and the fiduciary duties owed by the Receiver to the stakeholders of EquityLine.
38. If, at any time after a title insurer has assumed carriage and control of EquityLine's position in a Summary Trial pursuant to paragraph 36, the Receiver determines, in its sole discretion, that the manner in which the Summary Trial is being conducted conflicts with the fiduciary duties owed by the Receiver to the stakeholders of EquityLine, the Receiver may immediately resume carriage and control of EquityLine's position in the Summary Trial. Upon resuming such carriage and control, the Receiver may take such steps as it considers appropriate in the circumstances, including requesting an adjournment of the Summary Trial or continuing with the Summary Trial. Any such resumption of carriage and control by the Receiver shall not constitute a breach of any obligation owed to the relevant title insurer and shall not, in whole or in part, form the basis for any denial, limitation or reservation of coverage under any applicable title insurance policy.
39. **“Waiver”** means a written and irrevocable waiver delivered by the relevant title insurer to the Receiver, substantially in the form attached hereto as Schedule **“D”** pursuant to which the title insurer unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under any applicable title insurance policy issued in respect of the Impugned Mortgage on the basis of, arising from, or in connection with the conduct, acts or omissions of EquityLine or its general partner, EquityLine GP Inc., Sergiy Shchavyelyev, or any of EquityLine's past or present, directors, officers or employees.

X. Extension to Deadlines

40. The Receiver may extend any deadline under this Protocol on a reasonable basis by written notice to the relevant Objecting Mortgagor and Interested Parties.
41. Any other party to this Protocol may extend a deadline hereunder upon obtaining the written consent of the Receiver or with leave of the Court. In considering any such request, the Receiver may, in its sole discretion, solicit the views of the relevant Objecting Mortgagor and/or Interested Parties, as applicable.

F. Proceeds of Sale

42. 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 outcome of the Summary Trial and any further court orders. The Receiver will hold those proceeds in an interest-bearing trust account (the “**Sale Proceeds**”).
43. 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.

G. Determination of Title Insurance Claims

44. Within 30 days following the Court’s decision on the merits of a Summary Trial, 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.
45. 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.

46. 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 delivered to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence delivered by the Objecting Mortgagor and/or Interested Parties.
47. 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.
48. 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.

#### **H. Notice**

49. 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@tgf.ca](mailto:rkennedy@tgf.ca)

**Derek Harland**

Tel: (416) 304-1127

Email: [dharland@tgf.ca](mailto:dharland@tgf.ca)

**Denna Jalili**

Tel: (416) 304-0312

Email: [djalili@tgf.ca](mailto:djalili@tgf.ca)

**Schedule “A”**  
**Objecting Mortgagors**

| <b>Mortgagor</b>                    | <b>Address</b>                    |
|-------------------------------------|-----------------------------------|
| Lynda Sharon Talmage                | 17-280 Thaler Avenue, Kitchner ON |
| Adrian Van Dijk                     | 19-700 Paisley Road, Guelph ON    |
| Margaret Ellen Jank                 | 132 Swift Crescent, Guelph ON     |
| Lyle Auton                          | 22 Lord Roberts Drive, Toronto ON |
| Barry William Hirschberger          | 123 Southmoor Drive, Kitchener ON |
| Phyllis Nola Hinds                  | 30 Cherrywood Avenue, Toronto ON  |
| The Estate of Barbara Burton        | 99 Kalmar Avenue, Toronto ON      |
| The Estate of Cindy Hunter-Parkhill | 7044 Leeming Street, Toronto ON   |





**Certification:**

I hereby certify that:

1. I am the Mortgagor or an authorized representative of the Mortgagor.
2. I have knowledge of all the circumstances connected with this response.
3. The Mortgagor asserts this response against the Equityline as set out above.
4. All available documentation in support of this response, including an Affidavit of Documents, is being provided with this response.

|                  |                                  |
|------------------|----------------------------------|
| Signature: _____ | Witness: _____                   |
| Name: _____      | Name: _____                      |
| Title: _____     | Address: _____<br>_____<br>_____ |

**Schedule “D”****Title Insurer Waiver**

**TO:** KSV Restructuring Inc., in its capacity as court-appointed receiver of **EquityLine SPV Limited Partnership** (“**EquityLine**”)

**RE: Title Insurance Policy No. [●]**

The undersigned title insurer (the “**Title Insurer**”) hereby irrevocably, unequivocally and unconditionally waives any right to deny, limit, restrict or otherwise dispute coverage under the above-noted title insurance policy insuring the EquityLine mortgage registered against the property municipally known as **[insert municipal address]** and insured under the above-noted title insurance policy on the basis of, arising from, or in connection with the conduct, acts or omissions of:

- (a) EquityLine SPV Limited Partnership;
- (b) EquityLine GP Inc.;
- (c) Sergiy Shchavyelyev; or
- (d) any past or present officers, directors, employees or advisors of EquityLine.

The Title Insurer further acknowledges that any assumption or resumption of carriage and control of EquityLine’s position in a summary trial by the Receiver pursuant to the mortgage adjudication protocol dated \_\_\_\_\_ [●], 2026 shall not, in whole or in part, constitute a basis to deny, limit or restrict coverage under the policy.

**DATED** this \_\_\_ day of \_\_\_\_\_, 2026.

**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

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

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

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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.

**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  
(Re: Approval of a Mortgage Adjudication Protocol)**

**THORNTON GROUT FINNIGAN LLP**

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Toronto ON M5K 1K7

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