



**Second Supplement to Second Report to
Court of KSV Restructuring Inc.
as Receiver of First Swiss Mortgage Corp.**

June 16, 2023

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COURT FILE NO. CV-23-00696362-00CL

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

B E T W E E N:

**CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES
REGULATORY AUTHORITY OF ONTARIO**

APPLICANT

- AND -

FIRST SWISS MORTGAGE CORP.

RESPONDENT

**APPLICATION UNDER SECTION 37 OF THE *MORTGAGE BROKERAGES, LENDERS
AND ADMINISTRATORS ACT, 2006, S.O. 2006, C. 29, AS AMENDED, AND SECTION 101
OF THE *COURTS OF JUSTICE ACT, R.S.O. 1990, C.C.43, AS AMENDED****

**SECOND SUPPLEMENT TO SECOND REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER**

JUNE 16, 2023

1.0 Introduction

1. This report (the "Second Supplemental Report") further supplements the Receiver's Second Report to the Court dated May 12, 2023 (the "Second Report") as well as the Supplement to the Second Report dated May 15, 2023 (the "Supplemental Report").
2. Further background on these proceedings can be found in the Receiver's First Report to the Court dated March 31, 2023, the Second Report and the Supplemental Report (collectively, the "Previous Reports").
3. Unless otherwise stated, capitalized terms used in this Second Supplemental Report have the meanings ascribed to them in the Second Report or the Supplemental Report, as applicable.

1.1 Restrictions

1. This Second Supplemental Report is subject to the restrictions set out in the Second Report.

1.2 Currency

1. Unless otherwise noted, all currency references in this Second Supplemental Report are to Canadian dollars.

1.3 Purpose of this Second Supplemental Report

1. The purpose of this Second Supplemental Report is to:
 - a) respond to the affidavit of Reza Nezami-Nia sworn June 9, 2023 (the “Nezami-Nia Affidavit”) included within the Responding Record delivered by Mr. Nezami-Nia on June 9, 2023 (the “Responding Record”) ¹;
 - b) provide comments from FSRA related to the Nezami-Nia Affidavit;
 - c) summarize certain information provided to the Receiver by the Auditor; and
 - d) summarize the Receiver’s correspondence with a party alleging to be the landlord (the “Alleged Landlord”) of 7191 Yonge St., Unit 911, Markham (the “Premises”), being the premises that the Company occupied prior to its assignment in bankruptcy.

2.0 Background

1. As set out in the Second Report and the Supplemental Report, in connection with its ongoing investigations, the Receiver sought relief from this Court pursuant to a motion that was originally returnable on May 19, 2023 (the “May 19 Motion”). After the Receiver served its motion record in connection with the May 19 Motion, legal counsel for Mr. Nezami-Nia advised that his client intended to oppose certain of the relief. Counsel to Mr. Nezami-Nia also advised that, due to personal matters, he would be unable to attend the May 19 Motion. Accordingly, prior to the hearing of the May 19 Motion, the Receiver and counsel to Mr. Nezami-Nia agreed to a timetable (the “Timetable”) pursuant to which much of the relief specifically pertaining to Mr. Nezami-Nia and entities related to him would be adjourned on consent (the “Adjourned Relief”), with the balance of the relief being addressed on May 19, 2023.
2. Background on the Adjourned Relief, and the Receiver’s basis for recommending that the Court grant the Adjourned Relief, is set out in the Second Report and the Supplemental Report.
3. The adjournment and the Timetable for the return of the motion for the Adjourned Relief were approved by the Court pursuant to Justice Steele’s endorsement dated May 29, 2023. Justice Steele’s endorsement is provided in Appendix “A”. The Timetable has since been revised on consent between counsel for the Receiver and counsel for Mr. Nezami-Nia to account for the later July 27, 2023 hearing date that was scheduled by the Court.

¹ The Responding Record indicates on its cover page that it is delivered on behalf of the Company; however, the Company is a bankrupt, Mr. Nezami-Nia does not have the capacity to represent the Company and his counsel does not act for the Company. The Responding Record was delivered pursuant to a timetable agreed to between the Receiver and Mr. Nezami-Nia in respect of relief sought by the Receiver against Mr. Nezami-Nia. The evidence in the Responding Record is an affidavit sworn by Mr. Nezami-Nia with exhibits. The Responding Record should be treated as the responding materials of Mr. Nezami-Nia personally, and the Receiver treats them as such in this Second Supplemental Report.

4. The Adjourned Relief is for an Order:
 - a) directing that Mr. Nezami-Nia, the Auditor and any other party having in its possession or control books or records relating to the period since January 1, 2014 (the "Relevant Time"), for any entity in which Mr. Nezami-Nia is or was during the Relevant Time, whether directly or indirectly, a director, officer, majority shareholder, partner, or controlling mind of any kind, provide those books and records to the Receiver, subject to privilege exceptions;
 - b) directing Mr. Nezami-Nia to: (i) provide any electronic devices (including any cellphone and laptop) he used in connection with the Company's business to Kroll Consulting Canada Co. ("Kroll") or another third party information technology specialist agreed upon between the Receiver and Mr. Nezami-Nia to allow for both devices to be imaged and the data (the "Data") uploaded to Relativity or another e-discovery platform acceptable to the Receiver and Mr. Nezami-Nia; and (ii) provide the Data to the Receiver, except for any correspondence with a lawyer or law firm;
 - c) directing Mr. Nezami-Nia to attend for an examination, with or without counsel, if served with a Notice of Examination by the Receiver, and to provide the Receiver at such examination with any non-privileged information requested by the Receiver related in any way to the Company and/or 680; and
 - d) directing Mr. Nezami-Nia to prepare and provide to the Receiver a sworn net worth statement and submit to examinations under oath in respect of same.
5. Pursuant to the Timetable, it was contemplated that the purpose of the Responding Record would be to respond to the Adjourned Relief being sought by the Receiver.

3.0 The Nezami-Nia Affidavit

1. The Nezami-Nia Affidavit contains assertions that purport to address whether Mr. Nezami-Nia participated in fraudulent activity during his time with the Company. It generally does not respond to the Adjourned Relief, all of which is meant to provide the Receiver with further information and documentation in connection with its ongoing investigations into the Company and its affairs, including the use of Investor funds. Many of the assertions in the Nezami-Nia Affidavit demonstrate why obtaining further information and documentation from Mr. Nezami-Nia is necessary for the Receiver's ongoing investigations and recovery efforts.
2. While the Nezami-Nia Affidavit objects to certain of the Receiver's findings set out in the Previous Reports, the Nezami-Nia Affidavit does not refute or, in certain cases, even address key findings of the Receiver, including, *inter alia*, that:
 - a) Investor funds provided to the Company for the specific purpose of placing mortgages were instead transferred to 680, a company whose sole director and officer is Mr. Nezami-Nia;
 - b) approximately \$5.9 million was transferred in the last three years from the Company's bank accounts to an account held by 680;

- c) 680 paid at least \$3.6 million of lifestyle expenses, including several credit cards, private school tuition, life insurance, and vehicle lease payments in the last three years (in fact, the Nezami-Nia Affidavit confirms that 680 paid for Mr. Nezami-Nia's personal expenses, though he claims that these were legitimate reimbursements);
 - d) a significant number of mortgages were discharged without funds being paid to Investors, notwithstanding that the funds received by the Company were to have been held in trust for the applicable Investors; and
 - e) Investor funds were advanced to the Company for mortgages without those funds being transferred to borrowers for such mortgages.
3. Even if all of the assertions in the Nezami-Nia Affidavit are to be taken at face value (which the Receiver does not), Mr. Nezami-Nia does not dispute that he used Investor funds for his own personal benefit. Further, he concedes that there were financial irregularities occurring in respect of the Company's business during his time as its sole director (though he denies responsibility for this), which further highlights the need for the Receiver to obtain the Adjoined Relief in connection with its ongoing investigations.
4. Contrary to the assertions in the Nezami-Nia Affidavit, the Adjoined Relief does not contemplate that assets of Mr. Nezami-Nia will be frozen, and it is therefore not similar to relief that would be granted on a motion for a Mareva Injunction. It is also not similar to a Norwich Order "attempting to obtain unrelated third-party information" given that all of the information and documentation being sought by the Receiver is directly from Mr. Nezami-Nia and relates directly to the affairs of the Company and its financial dealings. Specifically, the Adjoined Relief will allow the Receiver to gather information to advance its ongoing investigations and determine: (i) the basis for payments that were admittedly made to 680, and possibly to other companies in respect of which Mr. Nezami-Nia was a director, officer, majority shareholder, partner, or controlling mind of any kind; (ii) the extent of Mr. Nezami-Nia's involvement in the diversion and misuse of Investor funds; (iii) the extent to which Mr. Nezami-Nia personally benefitted from such misconduct; and (iv) the prospect of recoveries from assets acquired with funds from the Company.
5. The Nezami-Nia Affidavit contains assertions that are unsubstantiated, uncorroborated by evidence, internally inconsistent and/or inconsistent with information and documentation that the Receiver has obtained from other sources. The Receiver does not intend to respond to each assertion in the Nezami-Nia Affidavit, and should not be taken to agree with the assertions in the Nezami-Nia affidavit simply because it has not directly responded to them here, but provides the following list of certain issues with the Nezami-Nia Affidavit:
- a) Mr. Nezami-Nia claims that 680 was "essentially responsible" for the majority of the Company's operating costs, without providing any evidence that would substantiate this claim and any explanation for why 680 would purportedly fund such expenses when the Company had an operating account from which such expenses could and should have been paid;

- b) Mr. Nezami-Nia claims that the Company's annual expenses substantially exceeded \$300,000 (which is inconsistent with the Audited Statements), without providing any evidence to substantiate this claim;
 - c) Mr. Nezami-Nia states that, through shareholder and other loans he purportedly made to the Company, he provided millions of dollars of his own personal funds as start-up capital or to assist when the Company required cash flow. No evidence to support this claim is provided, including source of capital, dates of advances, amounts of advances and dates of repayment. Notably, no shareholder loans are recorded in the Company's balance sheet contained within its audited financial statements for the 2014-2022 fiscal years. The Company's audited financial statements are provided in Appendix "B";
 - d) despite being the sole director of the Company who was allegedly personally funding the Company's activities, Mr. Nezami-Nia claims that he was effectively uninvolved in the Company's business activities for the past ten years. Apparently with little direct knowledge of the Company's operations or business, Mr. Nezami-Nia also asserts that he unilaterally decided that he would voluntarily take steps to wind-up the Company; and
 - e) Mr. Nezami-Nia seems to indicate that any wrongdoing that occurred was perpetrated by Patrick Dookram, even though close to \$6 million was transferred in the last three years to 680, a company controlled exclusively by Mr. Nezami-Nia and in respect of which Mr. Nezami-Nia is the sole director and officer, which would provide Mr. Dookram with no apparent benefit.
6. Mr. Nezami-Nia has not provided any credible basis as to why the Receiver should be denied the Adjourned Relief. Although Mr. Nezami-Nia denies wrongdoing, the assertions he makes in the Nezami-Nia Affidavit support the granting of the Adjourned Relief so that the Receiver may assess the assertions in the Nezami-Nia Affidavit with the benefit of supporting documentation.
7. The Previous Reports prepared by the Receiver were based on its findings to date in its investigation. The Receiver maintains that the Previous Reports were accurate based on the information that was available to the Receiver at the time, and the Receiver further maintains that the Previous Reports remain accurate in all material respects as of the date of this Second Supplemental Report².
8. Mr. Nezami-Nia asserts in the Nezami-Nia affidavit that the Previous Reports are "unverifiable, incomplete and unreliable" due to the qualifications contained in the Previous Reports. The qualifications set out in the Previous Reports are standard language used by court officers when preparing reports to the Court and reflect that the Receiver is not acting as an auditor and has not audited the financial information received.

² The Receiver notes that Mr. Nezami-Nia correctly identified a typographical error in the Supplemental Report – as set out in Appendix "B" to the Supplemental Report, the first date in the table at paragraph 8(b) should have been August 31, 2017, not August 31, 2007.

4.0 Position of FSRA

1. The Nezami-Nia Affidavit makes several comments regarding FSRA, including with respect to the affidavit of Cameron Clark of FSRA affirmed on March 15, 2023 and filed in connection with these proceedings.
2. A letter from FSRA's counsel which addresses certain of the issues it identified related to the content of the Nezami-Nia Affidavit as it relates to FSRA is provided as Appendix "C".

5.0 Initial Information from Auditor

1. The Receiver requested that the Auditor provide information related to the Company and 680 following issuance of the Ancillary Order.
2. On June 5, 2023, the Auditor provided information regarding the following:
 - a) 680, including:
 - i. 680's minute book, which reflects that Mr. Nezami-Nia is the sole shareholder of 680. This is consistent with 680's tax filings with Canada Revenue Agency, as provided in Appendix "D"; and
 - ii. Engagement letters, tax returns and other accounting information for the years ended July 31, 2014 to July 31, 2017. 680's most recent balance sheet as at July 31, 2017 (the "680 Balance Sheet") reflects that 680's assets included a "Total Loan Receivable (farm expenses)" of \$1.9 million, an "Investment with Fund" of \$115,000 and a "Loan Receivable-Investment Co" of \$207,000, and that its liabilities were a shareholder loan of \$3.5 million purportedly from Mr. Nezami-Nia, with no supporting documentation. A copy of the 680 Balance Sheet is provided as Appendix "E";
 - b) 9806881 Canada Corp. ("980"), which appears to be a farming business associated with 680 and Mr. Nezami-Nia³, and which also operated from the same premises as the Company. The information provided includes:
 - i. Invoices for aviation equipment, three vehicles, fencing, farming supplies, computer and office equipment;
 - ii. Engagement letters issued to William Nezami, tax returns and other accounting information for the years ended June 30, 2016 to June 30, 2020. 980's most recent balance sheet as at June 30, 2020 reflects that 980 had assets of approximately \$3 million (including fixed assets of \$1.6 million) and that its liabilities included a shareholder loan of \$692,000 and an intercompany payable of \$5.9 million (the identity of the related

³ 980 is a federally incorporated company, with an extra-provincial registration in Ontario. The Ontario profile report for 980 indicates that the Chief Officer or Manager of 980 is "R N", which is an acronym that corresponds to the name of Mr. Nezami-Nia. The Ontario profile report further notes that "R N" is a director and the person authorizing filing in respect of 980's initial return. The Ontario profile report is provided as Appendix "F" together with the federal profile report for 980. The federal profile report indicates that "F. Yavari" is a director of 980. The Receiver has no knowledge as to the relationship between "F. Yavari" and Mr. Nezami-Nia.

party is not shown). A copy of 980's financial statements for the year ended June 30, 2020 is provided as Appendix "G";

- iii. Correspondence between the Auditor and a party that appears to represent 980 (the "980 Auditor Correspondence") from September 2018 which includes a comment that "the Farm Company [980] does not have a Bank Account all funds are provided by the Cash Management Company". The Receiver understands from its discussions with the Auditor that 980 did not have its own bank account and instead used 680's bank account. The 980 Auditor Correspondence is provided as Appendix "H".
 - c) 10013536 Canada Corp. ("1001"), which is the entity that acquired the Premises in December 2016. This is the same premises where the Company operated from prior to this proceeding and is the same address used by 680 and 980 in their tax filings and other correspondence. The information provided by the Auditor included:
 - i. An agreement of purchase and sale between Mr. Nezami-Nia or a company to be incorporated, as buyer, and Behrouz Ehsani-Yeganeh, as seller, dated June 13, 2016, contemplating a purchase of the Premises for \$580,000;
 - ii. A "Trust Ledger Statement" addressed to Mr. Nezami-Nia dated December 28, 2016 from counsel that represented 1001. The statement references that the purchase price (net of the \$50,000 deposit) of \$542,687.34 (inclusive of closing costs) was funded by a mortgage of \$388,500 and a payment from 1001 of \$154,187.34;
 - iii. A "Statement of Advance" dated December 28, 2016 from counsel that appears to have represented the mortgagee. A copy of the documentation from the Auditor related to 1001 is collectively provided as Appendix "I".
3. The Receiver is continuing its review of the information from the Auditor and is awaiting responses to additional information requests.
4. As it relates to 1001, the Receiver traced the funds used by 1001 to purchase the Premises (\$154,187.34) to an account at Bank of Montreal ("BMO") that was held by 680. The Receiver further traced the source of the funds as being transfers from accounts held by the Company, also at BMO. Copies of the account statements relating to this tracing are provided as Appendix "J".
5. 1001 is a federally incorporated company, with an extra-provincial registration in Ontario. The Ontario profile report for 1001 indicates that the Chief Officer or Manager of 1001 is "R Nezami", which the Receiver believes to be Mr. Nezami-Nia. The Ontario profile report further notes that "R Nezami" is a director and the person authorizing filing in respect of 1001's initial return. The Ontario profile report is provided as Appendix "K" together with the federal profile report for 1001. The federal profile report for 1001 indicates that "F. Yavari" is a director of 1001. The Receiver has no knowledge as to the relationship between "F. Yavari" and Mr. Nezami-Nia; however, the Receiver notes that "F. Yavari" is listed as a director of both 1001 and 980 on their

respective federal profile reports, indicating a further connection between these entities and Mr. Nezami-Nia.

6.0 Correspondence with Alleged Landlord

1. On June 12, 2023, counsel for the Receiver and other parties, including Mr. Nezami-Nia's counsel and Goldhar & Associates Ltd., the Company's licensed insolvency trustee (the "Trustee"), received correspondence from an individual apparently named Alex with a non-descript email address (Y7191911@outlook.com), purporting to act on behalf of 1001 as the owner and landlord of the Premises. This party alleged that, among other things, rent is past due, hydro and utilities have been disconnected due to non-payment, the insurance on the Premises has lapsed and the Premises has fallen into a state of disrepair. In this correspondence, Alex advised that "we are intending to take full possession of our property this Friday June 16, 2023".
2. The Receiver understands that the Trustee attended at the Premises and changed the locks upon the Company's assignment in bankruptcy on March 15, 2023.
3. Counsel for the Receiver responded to this correspondence to request a copy of the rental agreement and account statement. Alex did not provide the requested documentation but instead responded with a series of inquiries and advised that unless the Receiver confirmed it would bring the Premises into compliance condition and restore all services immediately, Alex had "no interest or intention to delay or negotiate anything".
4. Despite follow-up correspondence from counsel for the Receiver requesting the rental agreement and account statement, and setting out the legal basis for this request, Alex refused to provide the documentation.
5. A copy of this chain of correspondence is provided as Appendix "L".
6. As of the date of this Second Supplemental Report, the Receiver has not been provided with the requested documentation. The Receiver presently has no knowledge regarding the identity of Alex or his/her authority to represent 1001. As 1001 acquired the Premises with funds from 680 that ultimately came from accounts held by the Company at BMO, and the Ontario profile report for 1001 identifies "R Nezami" as the Chief Officer or Manager and a director of 1001, it appears that Mr. Nezami-Nia is affiliated with this entity.

7.0 The Adjourned Relief

1. The Receiver continues to be of the view that the Adjourned Relief is necessary for it and the Company's creditors to understand the financial dealings of the Company and events that precipitated the insolvency proceedings. The granting of the Adjourned Relief is also fair and reasonable having regard to, among other things, the informational imbalance between Mr. Nezami-Nia as the sole director of both the Company and 680, on the one hand, and the creditors of the Company, including Investors, on the other hand. The Adjourned Relief appropriately balances the interests of all parties, including Mr. Nezami-Nia, and the Receiver is of the view that the balance of convenience favours the granting of the Adjourned Relief.

2. Part of the Adjourned Relief contemplates that Mr. Nezami-Nia will provide his electronic devices to a third-party information technology specialist to allow that data to be imaged and turned over to the Receiver (other than any privileged information). Mr. Nezami-Nia indicates in his affidavit that he has already provided his cellphone and laptop to his counsel. However, to date, he has not agreed to make the contents of these devices available to the Receiver, even with the Receiver's suggestion that a third-party ensure that no privileged information is provided to the Receiver. The Receiver would also be prepared to agree to a protocol that would ensure family photos or other personal items with no relevance to this matter are not shared with the Receiver, which appears to be a concern of Mr. Nezami-Nia.
3. The Receiver is of the view that the Adjourned Relief is carefully tailored only to what is necessary to assist its investigation without prejudice to Mr. Nezami-Nia. The Adjourned Relief may assist the Receiver's investigation into the potential wrongdoing at the Company and provide valuable information on potential avenues of recovery for the benefit of the Investors who are owed over \$25 million, with no apparent prejudice to Mr. Nezami-Nia arising from his production of the requested documentation and information. No such prejudice was raised in the Nezami-Nia Affidavit.
4. For the reasons set out herein and in the Previous Reports, the Receiver respectfully requests that this Court grant the Adjourned Relief.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
FIRST SWISS MORTGAGE CORP.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: CV-23-00696362-00CL DATE: May 29, 2023

NO. ON LIST: 6

TITLE OF PROCEEDING: CHIEF EXECUTIVE OFFICER V FIRST SWISS MORT CORP

BEFORE: **Madam Justice STEELE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig / Thomas Gray	Lawyers for the Receiver	zweigs@bennettjones.com / grayt@bennettjones.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Cullen, Laura	Lawyer for FSRA	LauraC@chaitons.com
Mitch Vininsky, Nisan Thurairatnam	KSV Restructuring Inc.	mvininsky@ksvadvisory.com; NThurairatnam@ksvadvisory.com
Mark Adilman	Lawyer for Winnick Realty Corp. and Winrep Holdings Inc.	madilman@mblaw.ca
Yana Papanyan	Former lead underwriter of First Swiss	yana.pa2021@gmail.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Kyriazakos, George	represents an investor, Cedric Daley	George@gklawfirmmpc.com

ENDORSEMENT

[1] This is a motion (heard May 19, 2023 via Zoom) by KSV Restructuring Inc. ("KSV"), in its capacity as the receiver of all of the assets of First Swiss Mortgage Corp. ("First Swiss") for:

- An order (the "Ancillary Order"), among other things:
 - i. directing each borrower with an active mortgage registered in favour of the Company (collectively, the "Borrowers") to pay to the Receiver (and not any other party) all principal, interest and other payments as and when due under such Borrower's mortgage;
 - ii. directing Shinhan Bank Canada ("Shinhan"), which the Receiver understands to have been the bank where the Company and 6807771 Canada Corp. ("680"), the Company's sole shareholder, most recently held their accounts, to provide certain information requested by the Receiver as it relates to the Company's accounts and those of 680;
 - iii. directing Bank of Montreal ("BMO") (i) to provide the Receiver with all available information regarding the Company's and 680's historical accounts with BMO since January 1, 2014, and (ii) to advise the Receiver whether account 00022/1565844 is owned or controlled by Reza Nezami-Nia, the Company's sole named director, or one of the Company's other principals, and if so, to provide the Receiver with account statements for the last 12 months, or such longer period as the Receiver may request;
 - iv. directing Mr. Nezami-Nia, 680, and the Company's auditor, Syed A. Raza Professional Corporation (the "Auditor"), to provide the Receiver with all nonprivileged books and records in their possession related to the Company and 680;
 - v. directing that Mr. Nezami-Nia, the Auditor and any other party having in its possession or control books or records relating to the period since January 1, 2014 (the "Relevant Time"), for any entity in which Mr. Nezami-Nia is or was during the Relevant Time, whether directly or indirectly, a director, officer, majority shareholder, partner, or controlling mind of any kind, subject to privilege exceptions;
 - vi. directing Mr. Nezami-Nia to (i) provide any electronic devices (including any cellphone and laptop) he used in connection with the Company's business to Kroll Consulting Canada Co. ("Kroll") or another third party information technology specialist agreed upon between the Receiver and Mr. Nezami-Nia to allow for both devices to be imaged and the data (the "Data") uploaded to Relativity or another ediscovery platform acceptable to the Receiver and Mr. Nezami-Nia; and (ii) provide the Data to the Receiver, except for any correspondence with a lawyer or law firm;
 - vii. directing Mr. Nezami-Nia, Patrick Dookram (the Company's former Vice President of Trading and Portfolio Management), Yana Papayan (the Company's former Lead Underwriter) and/or any other parties with information relevant to this proceeding to attend for an examination, with or without counsel, if served with a Notice of Examination

- by the Receiver, and to provide the Receiver at such examination with any non-privileged information requested by the Receiver related in any way to the Company and/or 680;
- viii. directing Mr. Nezami-Nia to prepare and provide to the Receiver a sworn net worth statement and submit to examinations under oath in respect of same;
 - ix. declaring that the Investors do not have trust claims against the Company, including in respect of mortgages registered by the Company;
 - x. approving the fees of the Receiver and its counsel, Bennett Jones LLP ("Bennett Jones"); and
 - xi. approving the Receiver's activities as set out in the Second Report of the Receiver dated May 12, 2023 and the First Report of the Receiver dated March 31, 2023. 2.
- An order (the "Amended Appointment Order"), among other things:
 - i. approving the loan agreement entered into between the Receiver and certain Investors (the "Loan Agreement"), and certain related relief;
 - ii. amending paragraph 30 of the Appointment Order to include the fees and disbursements of Marciano Beckenstein LLP ("Marciano"), counsel to one of the Investors, incurred up to March 27, 2023; and
 - iii. granting the Receiver certain additional typical powers that were removed from the Appointment Order to limit the Receiver's initial mandate.

[2] At the outset, the Receiver advised that certain issues pertaining to Mr. Nezami-Nia have been adjourned on consent. The schedule for those items is set out below.

Amended Appointment Order

[3] There was no objection raised to the relief sought with regard to the amendment of the appointment order. Among other things, the Receiver asks that certain powers that were not included when the appointment order was granted, which are typical in receiverships, be included. Given that the Receiver's role has expanded, it is appropriate to include the powers that are typically granted.

[4] The Receiver indicated that following the last Court attendance, Dancap, the largest investor, formed an ad hoc investor advisory committee which consists of a representative from Dancap and representatives from four other large investors (the "Advisory Committee"). The Receiver worked with the Advisory Committee to prepare a loan agreement, which was provided to all known investors to present the opportunity and allow them to participate. It provides for a loan of up to \$400,000 at a 15% interest rate, compounded semi annually, and payable on maturity. The loan obligations are to be secured by the Receiver's borrowing charge and the loan principal will rank senior to all other creditors (*pari passu* with FSRA's loan), other than the Receiver's charge for fees. The interest of the loan will rank immediately following the loan principal/FSRA loan.

[5] The Receiver advised that it has received approx. \$335,000 of the \$400,000 from about 30 lenders.

[6] The Receiver recommends that the Court approve the loan agreement for numerous reasons, including:

- The Loan Agreement was developed with and is supported by the Investor Advisory Committee:
- All known Investors were provided the opportunity to participate in the Loan; and
- The Loan will allow the Receiver to further advance this proceeding.

[7] I am satisfied that the Loan Agreement is appropriate.

Ancillary Order

[8] The relief sought (other than the adjourned relief) in the Ancillary Order is generally unopposed other than the direction for Yana Papanyan to attend at an examination with or without counsel if served with a Notice of Examination and to provide any non-privileged materials. This is discussed below. I also requested additional information from the Receiver regarding the request for a declaration that investors do not have trust claims against the company, which is also addressed below.

[9] The Receiver seeks for greater certainty language in the Order to make it easier for borrowers to understand who they are to pay. In the circumstances, where there are multiple borrowers confused as to who they should be paying, this is an appropriate order to make.

[10] The Receiver seeks information from Shinhan Bank and BMO in respect of certain accounts. No person, including Mr. Nezami-Nia, opposes this relief.

Attendance at Examinations/production of information

[11] Under the *Mortgage Brokers, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29, at s. 37(2), the Court may impose such conditions as the court considers appropriate.

[12] Under the initial appointment order, the Receiver was given broad powers, including the power:

3(d) to have access to all electronic storage and record databases, including but not limited to, icloud, email inboxes, dropbox, and to examine and make copies of any document or record contained therein;

3(g) to deliver notices of examination to and examine any person (including, without limitation, Reza Nezami, Patrick Dookram, and any other officer, director, or employee of the Debtor) under oath who has knowledge of the business and affairs of the Debtor;

[13] The initial order gives the Receiver the power to examine any person under oath, who has knowledge of the business and affairs of the Debtor, which would include Yana Papanyan. The Receiver wants further clarity in the Order regarding the requirement to attend at examinations where a Notice of Examination is served, whether with or without counsel. As noted above, Yana Papanyan, has indicated that she will not attend an examination without counsel.

[14] Ms. Papanyan did not provide any legitimate basis for her refusal to attend at an examination.

[15] The Receiver, in its Second Report, notes that there is a significant discrepancy between the active mortgage registrations held by the Company compared to the value of the mortgages that the Company had been reporting. Further, the Receiver states that there have been inconsistencies related to the information

provided by Mr. Nezami-Nia compared with the information provided by Mr. Dookram. Accordingly, the Receiver considers it appropriate to examine parties under oath.

[16] Ms. Papayan has informed the Receiver that she cannot afford to retain counsel and she did not qualify for legal aid. Ms. Papayan asks that the estate pay for her counsel. The Receiver's position is that this is not a cost that ought to be borne by the estate.

[17] I agree with the Receiver that this is not a cost that the estate should be required to cover.

Declaration re Trust Claims

[18] The Receiver asks the Court to grant declaratory relief in respect of the non-existence of trust claims and seeks the following order:

This court orders and declares that the parties that advanced funds to the Debtor in respect of intended mortgage investments do not have valid trust claims against the Debtor, including in respect of any mortgages registered by the Debtor.

[19] I requested additional submissions from the Receiver regarding its request to include this relief. The Receiver states that it is not uncommon for courts to grant declaratory relief in the context of insolvency proceedings, and cites the following examples:

- Declaring that certain claims against a debtor company were "equity claims" [*Sino-Forest Corp., Re*, 2012 ONSC 4377; Order dated July 27, 2012, *Sino-Forest Corp., Re*, Court File No. CV-12-9667-00CL].
- Declaring that certain directors subject to litigation had the benefit of certain releases [*Fraser Papers Inc., Re*, 2012 ONSC 4882].
- Declaring that receiver's demand on a performance bond was proper and declaring that the performance bond obliged the counterparty to elect one of four options in the performance bond [Order dated September 25, 2019, *In the Matter of the Receivership of 2423402 Ontario Inc.*, Court File No. CV-18-610236-00CL].

[20] The Receiver did not provide the Court with an example of another matter where declaratory relief such as that sought in respect of the potential trust claims has been previously granted.

[21] The Receiver submits that similar to the *Sino-Forest* case, (i) it has been clear since the outset of these proceedings that this issue – whether the claims of Investors would be considered trust claims – would have to be determined, and (ii) no party can be said to be prejudiced if this threshold issue is determined at this time because the threshold issue does not depend upon a determination of quantification of any claim.

[22] However, *Sino-Forest* is different. *Sino-Forest* was proceeding under the *Creditors' Companies Arrangement Act* ("CCAA"). The company sought an order directing that certain claims, resulting from the ownership of an equity interest in SFC, were "equity claims" as defined in s. 2 of the CCAA. The Court was essentially asked to make a determination whether certain claims were creditor claims or equity claims. This issue was put squarely before the Court with a full record. That is not the case here.

[23] The Receiver states that granting this declaratory relief will provide certainty regarding the use of funds repaid by borrowers, avoid potential costly disputes in the future, and allow the Receiver to focus its efforts on its investigation and recovery for the benefit of the Investors and other creditors.

[24] While I understand that a declaration of the type requested may be desirable, based the record before me I am unable to grant this declaration. Whether a trust exists at law is determined based on whether the three certainties have been met. If there is a trust relationship, the beneficiary of the trust would presumably have certain rights. There are documents that have previously been provided to the Court that suggest there may have been an intention to create one or more trust relationships (see, for example exhibit A to the affidavit of Rose Baum, dated March 15, 2023, exhibit C to the affidavit of Daniel Baum, dated March 15, 2023, exhibit A to the affidavit of Jared Green, dated March 15, 2023, exhibit A to the affidavit of Elias Toby, dated March 15, 2023). Paragraph 12 of the affidavit of Daniel Baum states: "Pursuant to the terms of the mortgage loan servicing agreement and the trust and beneficial owner agreement dated April 18, 2011 ..., I was the beneficial owner of the Heatherleigh Mortgage. These terms reflect First Swiss' representations that investors fully owned the mortgages which they invested in."

[25] The Receiver's First Report and Second Report notes that "the accounts were not used in a manner that would be consistent with a trust." There may be issues of breaches of trust related to the handling of trust funds (including funds being improperly applied or transferred between accounts), but that does not negate a trust relationship if one exists.

[26] The First Report of the Receiver provides in section 6.3(d) (and the Second Report in section 9(3)(e)) that "to the extent that strict rules of a trust did exist ... the Receiver is aware of case law providing that the application of strict legal rules has been set aside in favour of rateable sharing in certain circumstances, including the existence of a Ponzi scheme." This case law may be of assistance to the Court.

[27] At the very least, it is premature for the Court to make this declaration and, it certainly cannot be made on the record before me.

Receiver's Fees and Expenses

[28] The Receiver seeks approval of its fees and expenses and those of its counsel. The fees of the Receiver and Bennett Jones from the commencement of the proceeding to April 30, 2023 total \$126,766 and \$141,292, respectively, plus disbursements and HST. Fee affidavits have been provided.

[29] Under s. 37(7) of the *Mortgage Brokers, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29 the receiver's fees and expenses are in the discretion of the Court.

[30] In determining whether to approve the fees and disbursements in a receivership under the *Bankruptcy and Insolvency Act*, the Court should consider whether the fees incurred in carrying out the receivership were fair and reasonable taking into consideration, among other things, the factors set out in *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, at paras. 33 and 45. These factors include the nature, extent and value of the assets, the complications and difficulties encountered, the Receiver's knowledge and skill, the responsibilities assumed and the result of the Receiver's efforts. In my view, these factors ought to similarly apply to a receivership under the MBLAA.

[31] There was no opposition raised to this relief. I note that Ms. Papanayan referred to the quantum of the legal costs of the Receiver and its counsel when making her request for payment of legal fees out of the estate.

[32] The Receiver is of the view that Bennett Jones' hourly rates are consistent with the rates charged by other law firms practicing in the restructuring area in Toronto. The Receiver is of the view that its fees are reasonable and appropriate in the circumstances.

[33] I am satisfied that the fees and expenses are fair and reasonable.

Adjournment of Certain Relief

[34] The Receiver and Mr. Nezami-Nia have agreed to adjourn the following relief that was originally sought by the Receiver as part of the Ancillary Order (collectively, the "Adjourned Relief"):

(a) directing that Mr. Nezami-Nia, the Auditor and any other party having in its possession or control books or records relating to the period since January 1, 2014 (the "Relevant Time"), for any entity in which Mr. Nezami-Nia is or was during the Relevant Time, whether directly or indirectly, a director, officer, majority shareholder, partner, or controlling mind of any kind, to provide those books and records to the Receiver, subject to privilege exceptions;

(b) directing Mr. Nezami-Nia to (i) provide any electronic devices (including any cellphone and laptop) he used in connection with the Company's business to Kroll Consulting Canada Co. ("Kroll") or another third party information technology specialist agreed upon between the Receiver and Mr. Nezami-Nia to allow for both devices to be imaged and the data (the "Data") uploaded to Relativity or another e-discovery platform acceptable to the Receiver and Mr. Nezami-Nia; and (ii) provide the Data to the Receiver, except for any correspondence with a lawyer or law firm;

(c) directing Mr. Nezami-Nia to attend for an examination, with or without counsel, if served with a Notice of Examination by the Receiver, and to provide the Receiver at such examination with any non-privileged information requested by the Receiver related in any way to the Company and/or 680;


(d) directing Mr. Nezami-Nia to prepare and provide to the Receiver a sworn net worth statement and submit to examinations under oath in respect of same.

[35] The Receiver and Mr. Nezami-Nia have agreed to the following timetable for the return of the motion in respect of the Adjourned Relief:

- Responding materials of Mr. Nezami-Nia - May 31 by 5:00 p.m.
- Reply materials of the Receiver, if any - June 5
- Cross-examination of affiant(s) by counsel to the Receiver - June 7
- Submission of written interrogatories to Receiver on its Reports - June 7 [should the Receiver's reply materials include affidavit evidence, counsel to Mr. Nezami-Nia reserves the right to cross examine on any such affidavit on June 7]
- Receiver's responses to written interrogatories - June 12
- Written follow up questions regarding Receiver's responses to written interrogatories - June 15

- Factum of the Receiver - June 16
- Receiver's written response to follow up questions - June 19
- Factum of Mr. Nezami-Nia - June 23
- Reply factum of the Receiver, if any - June 27
- Hearing of motion for Adjourned Relief – **July 27 at 10 am (2 hours)**; provided that if that date is not acceptable to the parties, they may reach out to the trial coordinator to reschedule.

[36] Orders attached.



Madam Justice STEELE

Date: May 29, 2023

Appendix “B”

First Swiss Mortgage Corp.

**Financial Statements
August 31, 2014**



March 16, 2015

Independent Auditor's Report

**To the Shareholders of
First Swiss Mortgage Corp.**

We have audited the accompanying financial statements of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2014 and the statements of operations and deficit and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
North American Centre, 5700 Yonge Street, Suite 1900, North York, Ontario, Canada M2M 4K7
T: +1 416 218 1500, F: +1 416 218 1499*



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp. as at August 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

First Swiss Mortgage Corp.

Balance Sheet

As at August 31, 2014

	2014	2013
	\$	\$
Assets		
Current assets		
Accounts receivable	16,822	8,706
Security deposit (note 3)	25,000	25,000
Prepaid expenses and sundry assets	3,657	4,799
	<u>45,479</u>	<u>38,505</u>
Liabilities		
Current liabilities		
Bank indebtedness (note 4)	4	12,937
Accounts payable and accrued liabilities (note 5)	127,569	127,685
	<u>127,573</u>	<u>140,622</u>
Loan payable (note 6)	<u>21,819</u>	<u>61,271</u>
	<u>149,392</u>	<u>201,893</u>
Shareholders' Deficiency		
Capital stock (note 7)	310,100	310,100
Deficit	<u>(414,013)</u>	<u>(473,488)</u>
	<u>(103,913)</u>	<u>(163,388)</u>
	<u>45,479</u>	<u>38,505</u>
Contingent liabilities (note 10)		

Approved on Behalf of the Board

..... Director

The accompanying notes are an integral part of these financial statements.

First Swiss Mortgage Corp.

Statement of Earnings and Deficit

For the year ended August 31, 2014

	2014	2013
	\$	\$
Revenue		
Mortgage interest	1,596	148
Fees and other income	778,565	574,104
	<hr/> 780,161	<hr/> 574,252
Expenses		
General and administration	128,000	127,267
Rent	102,064	89,236
Wages and benefits	347,706	351,250
Loss on loan guarantee	58,916	-
	<hr/> 636,686	<hr/> 567,753
Earnings before undernoted items	143,475	6,499
Loss on misappropriation of assets (note 11)	84,000	-
	<hr/> 59,475	<hr/> 6,499
Net earnings for the year	59,475	6,499
Deficit - Beginning of year	(473,488)	(479,987)
	<hr/> (414,013)	<hr/> (473,488)
Deficit - End of year		

The accompanying notes are an integral part of these financial statements.

First Swiss Mortgage Corp.

Statement of Cash Flows

For the year ended August 31, 2014

	2014 \$	2013 \$
Cash provided by (used in)		
Operating activities		
Net earnings for the year	59,475	6,499
Changes in working capital items		
Accounts receivable	(8,116)	(4,464)
Prepaid expenses and sundry assets	1,142	(1,626)
Accounts payable and accrued liabilities	(116)	31,792
	<u>52,385</u>	<u>32,201</u>
Investing activities		
Security deposit	-	(25,000)
	<u>-</u>	<u>(25,000)</u>
Financing activities		
Bank indebtedness	(12,933)	12,937
Loan payable	(39,452)	(23,503)
	<u>(52,385)</u>	<u>(10,566)</u>
Change in cash during the year	-	(3,365)
Cash - Beginning of year	-	3,365
Cash - End of year	<u>-</u>	<u>-</u>
Non-cash transactions		
Cancellation of common shares	-	(470,000)
Sale of interest in subsidiary	-	470,000
	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

First Swiss Mortgage Corp.

Notes to Financial Statements

August 31, 2014

1 Nature of operations

First Swiss Mortgage Corp. (the company) was incorporated on September 16, 2004 under the Canada Business Corporations Act. The company is registered under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (the Act). The company is a non-bank lender providing residential real estate finance and also administers mortgages on behalf of its investors.

2 Summary of significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

Mortgage investments

The company measures its investment in mortgages at fair value in accordance with Accounting Guideline 18, Investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrower without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgages are loans secured by a first priority mortgage charge with loans to values not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to values exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the estimated net realizable recovery from the collateral securing the mortgage loans related to mortgage investments where collection of principal is no longer assured.

Where appropriate, management makes a specific provision for loan losses.

Revenue recognition

Interest income is accounted for on an accrual basis.

Mortgage administration fees for administering the mortgages on behalf of the investors are accounted for on an accrual basis.

First Swiss Mortgage Corp.

Notes to Financial Statements

August 31, 2014

Mortgage arrangement fees are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

Financial instruments

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

3 Security deposit

	2014 \$	2013 \$
Represents funds held in trust by lawyer	25,000	-
Represents guaranteed investment certificate for regulatory compliance purposes with a yield of 1.75% per annum maturing February 9, 2014	-	25,000
	<u>25,000</u>	<u>25,000</u>

4 Bank indebtedness

The amount represents a bank overdraft (2013 - represents a book overdraft).

First Swiss Mortgage Corp.

Notes to Financial Statements

August 31, 2014

5 Government remittances

Government remittances consist of amounts such as property taxes, sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$5,854 (2013 - \$7,598) is included in accounts payable and accrued liabilities.

6 Loan payable

	2014 \$	2013 \$
Payable to a company having significant influence, non-interest bearing with no specific terms of repayment; the holders of the debt have agreed in writing not to demand payment over the next fiscal year	21,819	61,271

7 Capital stock

Authorized
Unlimited common shares

Issued

	2014 \$	2013 \$
310 000 common shares	310,100	310,100

8 Related party transactions

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	2014 \$	2013 \$
General and administration	22,331	67,998
Rent	102,064	89,236
Wages and benefits	48,000	41,000

First Swiss Mortgage Corp.

Notes to Financial Statements

August 31, 2014

9 Risk management

Credit risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honour their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2014 is the fair value of its mortgage investments, which totals \$nil (2013 - \$nil).

Liquidity risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

10 Contingent liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to unadvanced funds. The unadvanced funds under the existing mortgage portfolio amounted to \$nil (2013 - \$nil). No provision for this obligation has been recorded in the financial statements.

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment is over 90 days past due, the company will offer the investor one of three options, at the company's discretion: (i) to replace the mortgage with a performing one; (ii) to buy back the mortgage; or (iii) default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recuperate these costs from the excess proceeds of the property sale after the investor has received the funds owed to them. As at August 31, 2014, the company recorded \$15,000 as a provision against potential costs that may arise from investors exercising this option. As at August 31, 2014, the cumulative provision carried in the books was in the amount of \$65,000.

First Swiss Mortgage Corp.

Notes to Financial Statements

August 31, 2014

11 Loss on misappropriation of assets

During the year, the Chief Financial Officer transferred \$84,000 to a personal bank account without authorization. This person is no longer with the company.

12 Income taxes

The company has non-capital losses for income tax purposes as at August 31, 2014 of \$329,578 (2013 - \$404,221), which are available to reduce taxable income in future years. These losses expire as follows:

	\$
2031	182,192
2032	147,386

The potential benefit relating to the available losses has not been recorded in the financial statements.

13 Mortgages under administration

	2014 \$	2013 \$
Principal due from borrowers	11,256,636	6,729,924
Assets held in trust	312,985	296,561
	<u>11,569,621</u>	<u>7,026,485</u>
Investors' funds	11,256,636	6,729,924
Monies in trust due to investors	312,985	296,561
	<u>11,569,621</u>	<u>7,026,485</u>

14 Comparative figures

Certain accounts in the prior year's financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.



**First Swiss
Mortgage Corp.**

5775 Yonge St. Suite 525
Toronto, ON M2M 4J1
Tel: (416) 227-2000
Fax: (416) 227-2008
Lic10550/11956

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MAR 18 2016

**LICENSING & MARKET CONDUCT
DIVISION**

March 17, 2016

To whom it may concern,

Attached please find an audited report and financial statements for First Swiss Mortgage Corp. (Lic:11956).

Should you have any questions regarding the attached report please contact me at (416) 227-2000

Best regards,

Reza Nezami
Broker of Record
First Swiss Mortgage Corp.



**Certified General
Accountants
Name Your Need**



Syed A. Raza Professional Corporation Licensed Public Accountant

March 9, 2016

Registrar of Mortgage Brokers
Suite 2800, Box 12116
555 1st Hasting Street
Vancouver BC V6B 4N6
Canada.

Telephone: + 1 604 660 3555
Email: ficom@ficombc.ca

Toll Free: + 1 866 206 3030
Website: www.fic.gov.bc.ca

From 15 – Accountant Report

To: The Registrar of Mortgage Brokers:

At the request of **Reza Nezami** being the Designated Individual for **First Swiss Mortgage Corp.** (the mortgage broker), I have conducted certain procedures on the books, records, and accounts maintained by the mortgage broker for the fiscal year ended **August 31, 2015**

In preparing this report, I have:

1. Read Section 6 of the **Mortgage Brokers Act Regulations and the Conditions of Registration,**
2. Obtained a signed copy of the **Mortgage Broker's Representation** to the Register of Mortgage Brokers, and
3. Signed an **Engagement Letter between Auditor's and Client,** dated February 5, 2016

My examination was guided by the criteria established by the Mortgage Brokers, Lenders and Administrators Act 2006, applicable to mortgage administrators with trust funds as noted in the engagement letter dated February 5, 2016 (attached) and with respect to the work performed, First Swiss Mortgage Corp. was not in compliance with Section 3 of Ontario Regulation 193/08 (Reporting Requirements for Licensees).

I have forwarded a copy of the report to the Designated Individual and have discussed the contents of the report with the Designated Individual.

Registrar of Mortgage Brokers
March 9, 2016

This report is prepared solely for submission to the Registrar of Mortgage Brokers and is not to be referred to or distributed to any person other than in accordance with the Mortgage Brokers Act.



Syed A. Raza Professional Corporation

Licensed Public Accountant

(Authorized to practice public accounting by the Institute of
Chartered Professional Accountants of Ontario)

Suite # 803- 250 Consumers Road, Toronto, Ontario M2J 4V6, Canada
Tel: (647)499-6636 Fax: 1888 611-8836 E-mail: raza@accountantcpa.ca
www.accountantcpa.ca



Syed A. Raza Professional Corporation **Licensed Public Accountant**

March 09, 2016

To the Financial Services Commission of Ontario

I have audited First Swiss Mortgage Corp.'s compliance with the standards in the Mortgage Brokerages, Lenders and Administrators Act, 2006 (the Act) applicable to mortgage administrators with trust funds. These standards are contained in Ontario Regulation 189/08 (Mortgage Administrators: Standards of Practice) and Ontario Regulation 193/08 (Reporting Requirements for Licensees). Compliance with the standards established in the Act is the responsibility of the management of First Swiss Mortgage Corp. Our responsibility is to express an opinion on this compliance based on our audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. These standards require that I plan and perform an audit to obtain reasonable assurance whether First Swiss Mortgage Corp. complied with the provisions of the Act and standards referred to above. Such an audit includes examining on a test basis evidence supporting compliance, evaluating the overall compliance with the requirements of the Act, and where applicable, assessing the accounting principles used and significant estimates made by management.

First Swiss Mortgage Corp. was not in compliance with section 3 of Ontario Regulation 193/08 (Reporting Requirements for Licensees), the details of which are the following:


Within 90 days after the end of every fiscal year, every mortgage administrator shall given the superintendent:

Page 1/2

- a) A copy of its audited financial statements for the year:
- b) A copy of a report by the auditor about the books, records and accounts of the mortgage administrator for the year, in a form approved by the Superintendent: and
- c) A copy of a report by the auditor about the mortgage administrator's trust account and the assets and liabilities under administration for the year, in a form approved by the Superintendent. Reg. 193/08, s.3 (1)

Based on the non-compliance issue referred to in the preceding paragraph, in my opinion, for the period ended August 31, 2015 First Swiss Mortgage Corp. was not in compliance with the requirements and standards under the Act with respect to mortgage administrators managing and keeping records for trust accounts and trust funds.

Yours very truly,



Syed A. Raza Professional Corporation CPA, CGA

Licensed Public Accountant

(Authorized to practice public accounting by The Institute
Of Chartered Professional Accountants of Ontario)

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First Swiss Mortgage Corp

Financial Statement

August 31, 2015

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Statement of Cash Flow	5
Notes to Financial Statements	6 to 11

SMC



Syed A. Raza Professional Corporation Licensed Public Accountant

Independent Auditor's Report

To the shareholders of

First Swiss Mortgage Corp

I have audited accompanying financial statement of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2015 and the statements of earnings and deficit and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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SA*



Syed A. Raza Professional Corporation
Licensed Public Accountant

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

March 9, 2016

Toronto, Ontario

Syed A. Raza Professional Corporation

Licensed Public Accountant

(Authorized to practice public accounting by The Institute
Of Chartered Professional Accountants of Ontario)

SR

First Swiss Mortgage Corp.

Balance Sheet

As at August 31, 2015

	2015 \$	2014 \$
<u>Assets</u>		
Current Assets:		
Cash and Bank	622	-
Account Receivable	10,311	16,822
Security Deposit (note 3)	-	25,000
Other receivable- related company (Note 6)	92,728	
Prepaid Expense and Sundry Assets	3,000	3,657
Total Assets	106,661	45,479
<u>Liabilities</u>		
Current Liabilities:		
Bank Indebtedness (Note 4)	-	4
Payroll Liabilities (Note 5)	24,687	5,854
Accounts Payable & Accrued Liabilities	47,789	121,715
	72,476	127,573
Loan Payable-Related company (Note 6)	-	21,819
	72,476	149,392
Shareholder's Deficiency		
Capital Stock (note 7)	310,100	310,100
Deficit	(275,915)	(414,013)
	34,185	(103,913)
Total Liabilities and Equities	106,661	45,479

Approved on Behalf of the Board

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The accompanying notes are an integral part of these financial statements.

SK

First Swiss Mortgage Corp.

Statement of Earnings and Deficit

As at August 31, 2015

	2015 \$	2014 \$
Revenue		
Fees & Other Income	667,506	778,565
Mortgage Interest	1,752	1,596
	669,258	780,161
Expenses		
General and administration	61,142	128,000
Rent	104,095	102,064
Wages and benefits	365,923	347,706
Loss on loan guarantee	-	58,916
	531,160	636,686
Earning before undernoted items	138,098	143,475
Loss on misappropriation of assets (Note 11)	-	84,000
Net Earnings for the year	138,098	59,475
Deficit-Beginning of the year	(414,013)	(473,488)
Deficit-End of year	(275,915)	(414,013)

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The accompanying notes are an integral part of these financial statements.

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First Swiss Mortgage Corp.

Statement of Cash Flow

As at August 31, 2015

	2015 \$	2014 \$
Cash Provided by (used in)		
Operating Activities		
Net earnings of the year	138,098	59,475
Changes in working capital items		
(Increase) decrease in Account Receivable	6,511	(8,116)
(Increase) decrease in Other Account Receivable	(92,728)	-
(Increase) Decrease Prepaid Expense and sundry assets	657	1,142
Increase (Decrease) in Payroll liabilities	18,833	(1,744)
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(73,926)	1,628
	(2,555)	52,385
Investing activities		
Security Deposit	25,000	-
Financing Activities		
Bank indebtedness	(4)	(12,933)
Loan Payable	(21,819)	(39,452)
	(21,823)	(52,385)
Change in cash during the year	622	-
Cash-Beginning of year	-	-
Cash-End of year	622	-
Non-Cash Transaction		
Cancellation of common shares	-	-
Sales of interest in subsidiary	-	-
	-	-

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The accompanying notes are an integral part of these financial statements.

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First Swiss Mortgage Corp.

Notes for Financial Statements

August 31, 2015

1. Nature of Operations

First Swiss Mortgage Corp. (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (the Act). The company is a non-bank lender providing residential real estate finance and also administers mortgages on behalf of its investors.

2. Summary of Significant accounting policies

Basis of presentation

These Financial statements are prepared in accordance with Canadian accounting standards for private enterprise (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

Mortgage investments

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction betlen knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrolrs without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall of the mortgage investment principal balances and the investments where collection of principal is no longer assured.

Where appropriate, management makes a specific provision for loans losses.

First Swiss Mortgage Corp.

Notes for Financial Statements

August 31, 2015

Revenue recognition

Interest income is accounted for on an accrual basis.

Mortgage administration fees for administering the mortgages on behalf of the investors are accounted for on an accrual basis.

Mortgage arrangement fees are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

Financial Instruments

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

First Swiss Mortgage Corp.

Notes for Financial Statements

August 31, 2015

3. Security Deposit

Represent funds held in trust by lawyer

2015 \$	2014 \$
-	-
-	25,000
-	-
-	25,000

4. Bank indebtedness

The amount represents a bank overdraft (2014-\$ 4 represents a book overdraft).

5. Government remittance

Government remittance consist of amounts such as property taxes, sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$24,687 (2014-\$5,854) is included in accounts payable and accrued liabilities.

6. Loan Payable/Other Receivable

Payable/(Receivable) to/from a company having significant influence, non-interest bearing with no specific terms of repayment; the holders of the debt have agreed in writing not to demand payment over the next fiscal year.

Holder, receivable (\$92,728) will be paid within a year time

2015 \$	2014 \$
(92,728)	-
-	21,819

7. Capital Stock

Authorized

Unlimited common shares

Issued

	2015 \$	2014 \$
310,000 Common Shares	310,100	310,100

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First Swiss Mortgage Corp.

Notes for Financial Statements

August 31, 2015

8. Related Party transaction

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	2015	2014
	\$	\$
General and administration	61,142	128,000
Rent	104,095	102,064
Wages and benefits	365,923	347,706

9. Risk management

Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2015 is the fair value of its mortgage investments, which total \$nil (2014-\$Nil).

Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow and requirements to ensure cash is efficiently utilized.

First Swiss Mortgage Corp.

Notes for Financial Statements
August 31, 2015

10. Contingent liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to unadvanced funds. The unadvanced funds under the existing mortgage portfolio amounted to \$nil (2014-\$nil). No provision for this obligation has been recorded in the financial statements.

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment is over 90 days past due, the company will offer the investor one of three options, at the company's discretion: (i) to replace the mortgage with performing one; (ii) to buy back the mortgage; or (iii) default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recuperate these costs from the excess proceeds of the property sale after the investor has received the funds due to them. As at August 31, 2014, the company recorded \$Nil as a provision against potential costs that may arise from investors exercising this option. As at August 31, 2015, the cumulative provision carried in the books was in the amount of \$Nil

11. Loss on misappropriation of assets

During the year 2014, the Chief Financial Officer transferred \$84,000 to a personal bank account without authorization. This person is no longer with the company.

12. Income Taxes

The company has non-capital losses for income tax purpose as at August 31, 2015 of \$176,380 (2014-\$314,478), which are available to reduce taxable income in future years. These losses expire as follows:

	\$
2031	28,994
2032	147,386

The potential benefits relating to the available losses have not been recorded in the financial statements.

First Swiss Mortgage Corp.

Notes for Financial Statements

August 31, 2015

13. Mortgage under administration

	2015 \$	2014 \$
Principle due from borrolrs	9,514,321	11,256,636
Assets held in trust	21,998	312,985
	<u>9,536,319</u>	<u>11,569,621</u>
Investor Fund	9,514,321	11,256,636
Monies in trust due to investors	21,998	312,985
	<u>9,536,319</u>	<u>11,569,621</u>

14. Comparative figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform with the presentation in the current year's financial statements.

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First Swiss Mortgage Corp.

Financial Statements

August 31, 2017

First Swiss Mortgage Corp

Year Ended August 31, 2017

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Syed A. Raza Professional Corporation

Licensed Public Accountant

Independent Auditor's Report

**To the shareholders of
First Swiss Mortgage Corp**

I have audited accompanying financial statement of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2017, the statements of Income (loss) and retained earnings (deficit) and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Syed A. Raza Professional Corporation, CPA, CGA
Licensed Public Accountant

Authorized to practice public accounting by the
Chartered Professional accountants of Ontario

Toronto, Ontario
April 04, 2018

FIRST SWISS MORTGAGE CORP.

BALANCE SHEET
AS AT 31 August 2017

	2017	2016
ASSETS		
CURRENT		
Cash & Cash Equivalent	2,934	1,646
Receivable	13,158	26,699
Loan Receivable - Related Party (Note 10)	113,563	98,124
Prepaid Expenses	3,150	3,098
Security Deposit	25,000	-
	\$ 157,805	\$ 129,567
Total Assets	\$ 157,805	\$ 129,567
LIABILITIES & SHAREHOLDER'S EQUITY		
CURRENT		
Accounts Payable & Accrued Liabilities	117,670	59,870
Due to Government Agencies (Note 3)	62,948	53,393
	\$ 180,618	\$ 113,263
Shareholder's Equity		
Capital Stock (Note 04)	310,100	310,100
Deficit	(332,913)	(293,796)
Total Shareholder's Equity	(22,813)	16,304
Total Liabilities & Shareholder's Equity	\$ 157,805	\$ 129,567

Contingent Liabilities (Note 08)
Commitment (Note 12)

Approved on Behalf of the Board

Director

Director

FIRST SWISS MORTGAGE CORP.
STATEMENT OF INCOME(LOSE) AND RETAINED EARNINGS (DEFICIT)
For the year end August 31, 2017

	2017		2016
INCOME			
Fees	386,940		465,150
Other Income	821		1,886
Total Income	\$ 387,761	\$	467,035
EXPENSES			
Bad Debts (Note 7)	21,545		-
General and administration	81,967		73,715
Rent Expense	27,000		91,314
Wages and benefits	296,366		319,888
Total Expense	\$ 426,878	\$	484,917
Net Income (Loss) for the year	(39,117)		(17,882)
Retained earnings, (Deficit) beginning of the year	(293,796)		(275,914)
Retained earnings, (Deficit) end of the year	\$ (332,913)	\$	(293,976)

FIRST SWISS MORTGAGE CORP.**STATEMENT OF RETAINED EARNINGS (DEFICIT)**

For the year end August 31, 2017

		2017	2016
		\$	\$
Retained Earnings (Deficit), Beginning of the year	\$	(293,796)	(275,914)
Net Income (Loss), for the year (Page 04)	\$	(39,117)	(17,882)
Retained Earnings (Deficit), End of the Year	\$	(332,913)	(293,796)

The accompanying notes are an integral part of these financial statements

SR

FIRST SWISS MORTGAGE CORP.

STATEMENT OF CASH FLOW

For the year end August 31, 2017

	2017	2016
	\$	\$
Cash Provided by (used in)		
Operating Activities		
Net income (Loss) of the year	(39,117)	(17,882)
Changes in working capital items		
Increase (decrease) in Account Receivable	13,541	(16,388)
(Increase) decrease in Loan Receivable – Related Party	(15,439)	(5,395)
(Increase) decrease in Prepaid Expense and Sundry Assets	(52)	(98)
(Increase) decrease in Payroll Liabilities	9,555	28,705
(Increase) decrease in Accounts Payable & Accrued Liabilities	57,800	12,081
	26,288	1,024
Investing Activities		
Security Deposit	(25,000)	-
	(25,000)	
Financing Activities		
Bank indebtedness / Borrower's	-	-
Loan Payable	-	-
	-	-
Change in cash & Cash Equivalent during the year		
Cash & Cash Equivalent Beginning of year	1,646	622
Cash & Cash Equivalent End of year	2,934	1,646

The accompanying notes are an integral part of these financial statements

SR

First Swiss Mortgage Corp

Notes for Financial Statements

As of August 31, 2017

1. Nature of Operations:

FIRST SWISS MORTGAGE CORP (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (the Act). The company is a non-bank lender providing residential real estate finance and also administers mortgages on behalf of its investors.

2. Summary of Significant accounting policies

Basis of presentation

These Financial statements are prepared in accordance with Canadian accounting standards for private enterprise (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

Mortgage investments

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrowers without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the investments where collection of principal is no longer assured.

Revenue recognition

Interest income is accounted for on an accrual basis.

Mortgage administration fees for administering the mortgages on behalf of the investors are accounted for on an accrual basis.

Mortgage arrangement fees are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known

Financial Instruments

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

3. Government remittance

Government remittance consist of amounts such as property taxes, sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$62,948 (2016-\$53,393) is included in accounts payable and accrued liabilities

4. Capital Stock

Authorized

Unlimited common shares Issued

	2017	2016
	\$	\$
310,000 Common Shares	310,100	310,100

5. Related Party transaction

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	2017	2016
	\$	\$
Occupancy Cost	27,000	91,314

6. Risk management

Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2017 is the fair value of its mortgage investments, which total \$nil (2016-\$Nil).

Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

7. Bad Debts

First Swiss Mortgage incurred bad debts expenses due to recovery of loan on behalf of lenders that were under the contractual agreement of self insurance for an amount of \$41,545 less last year provision of \$20,000 that is equal to \$21,545.

8. Contingent liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to unadvanced funds. The unadvanced funds under the existing mortgage portfolio amounted to \$nil (2016-\$nil).

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment is over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- (i) to replace the mortgage with performing one;
- (ii) to buy back the mortgage ; or
- (iii) default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded \$53,400 (2016- 20000) as a provision against potential costs that may arise from investors exercising this position.

9. Income Taxes

The company has non-capital losses for income tax purpose as at August 31, 2017 of \$214,250 (2016-\$194,262), which are available to reduce taxable income in future years. These losses expire as follows:

	\$
2031	28,994
2032	147,386
2036	17,882
2037	19,988

The potential benefits relating to the available losses have not been recorded in the financial statements.

10. Mortgage under administration

	2017 \$	2016 \$
Principle due from borrowers	2,725,777	7,602,154
Assets held in trust	414,630	246,517
	<u>3,140,407</u>	<u>7,848,671</u>
Investor Fund	2,725,777	7,602,154
Monies in trust due to investors	401,472	235,532
Payable to FSM	13,158	10,985
	<u>3,140,407</u>	<u>7,848,671</u>

11. Loan Receivable-Related Party:

	2016	2017
	\$	\$
Receivable from a company having significant influence, non-interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand.	113,563	98,124

12. Commitment

As part of this office sharing agreement First Swiss Mortgage has paid the sum of 27,000 for the period Sep-2016 to August 2017 as cost of the office sharing to First Swiss Mortgage Corp.

There is long term commitment with related company First Swiss Mortgage. Parties have agreed to share costs on a month to month basis plus applicable taxes.

	\$
2018	27,000
2019	27,000
2020	27,000
2021	27,000

13. Comparative figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform with the presentation in the current year's financial statements.

FIRST SWISS MORTGAGE CORP.
FINANCIAL STATEMENTS

AUGUST 31, 2018

FIRST SWISS MORTGAGE CORP.

Year Ended August 31, 2018

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Syed A. Raza Professional Corporation

Licensed Public Accountant

Independent Auditor's Report

To the shareholders of
First Swiss Mortgage Corp.

I have audited accompanying financial statement of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2018, the statements of Income (loss) and retained earnings (deficit) and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Suite # 803- 250 Consumers Road, Toronto, Ontario M2J 4V6, Canada

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Syed A. Raza Professional Corporation **Licensed Public Accountant**

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

A handwritten signature in black ink, appearing to read "Syed A. Raza". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

Syed A. Raza Professional Corporation, CPA
Licensed Public Accountant
Authorised to practice public accounting by the
Chartered Professional Accountants of Ontario

Toronto, Ontario
April 14, 2019

First Swiss Mortgage Corp.
Balance Sheet
As at 31 August, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,629	\$ 2,934
Accounts receivable	-	13,158
Loan receivable - Related party (Note - 10)	58,486	113,563
Prepaid expenses	17,250	3,150
Security deposit	25,000	25,000
Employee Loan (Note - 11)	98,436	-
Director's Advances	30,500	-
TOTAL CURRENT ASSETS	\$ 231,301	\$ 157,805
TOTAL ASSETS	\$ 231,301	\$ 157,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities	122,291	117,670
Due to government agencies (Note - 03)	90,905	62,948
TOTAL CURRENT LIABILITIES	\$ 213,196	180,618
TOTAL LIABILITIES	\$ 213,196	180,618
SHAREHOLDERS' EQUITY		
Capital Stock (Note - 04)	310,100	310,100
Deficit (page 5)	(291,995)	(332,913)
	\$ 18,105	(22,813)
TOTAL LIABILITY & SHAREHOLDER'S EQUITY	\$ 231,301	\$ 157,805

Contingent Liabilities (Note-07)

Approved on Behalf of the Board



Director

First Swiss Mortgage Corp.
Statement of Income
For the year ended 31 August, 2018

	2018	2017
INCOME		
Fees	\$ 588,191	\$ 386,940
Other Income	137	821
TOTAL INCOME	\$ 588,328	\$ 387,761
EXPENSES		
Bad Debts Expenses	-	21,545
General and Administration	77,643	81,967
Rent Expenses	27,000	27,000
Wages and Benefits	442,767	296,366
Total Expense	\$ 547,410	\$ 426,878
Net Income (loss) for the year	\$ 40,918	\$ (39,117)

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.
Statement of Retained Earning
For the year ended 31 August, 2018

	2018	2017
Retained Earnings (Deficit), Beginning of the year	\$ (332,913)	\$ (293,796)
Net income (Loss), for the year (Page 4)	40,918	(39,117)
Retained earnings (Deficit), End of the year	\$ (291,995)	\$ (332,913)

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.
Statement of Cash Flow
For the year ended 31 August, 2018

	2018	2017
Cash Provided by (used in)		
OPERATING ACTIVITIES		
Net income (Loss) for the year	\$ 40,918	\$ (39,117)
CHANGES IN WORKING CAPITAL ITEMS		
Increase (Decrease) in Accounts receivable	13,158	13,541
Increase (Decrease) in Loan receivable - Related party	55,077	(15,439)
(Increase) Decrease in Prepaid expenses	(14,100)	(52)
(Increase) Decrease in Loan and advances	(98,436)	-
(Increase) Decrease in Director's advances	(30,500)	-
(Increase) Decrease in Payroll liabilities	27,957	9,555
Increase (Decrease) in Accounts payable & accrued liabilities	4,621	57,800
	\$ (1,305)	\$ 26,288
INVESTING ACTIVITIES		
Security deposits	-	(25,000)
	\$ -	\$ (25,000)
FINANCING ACTIVITIES		
Bank indebtedness / Borrower's	-	-
Loan Payable	-	-
Net cash from financing activities	\$ -	\$ -
Changes in cash & cash equivalents during the year		
Cash & cash equivalents beginning of year	2,934	1,646
Cash & cash equivalents end of year	\$ 1,629	\$ 2,934

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.

Notes for Financial Statements

As of August 31, 2018

1. Nature of operation

FIRST SWISS MORTGAGE CORP (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerage, Lenders and Administrators Act, 2006 (the Act.). The company is a non-bank lender providing residential real estate finance and also administers mortgage on behalf of its investors.

2. Summary of Significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

Mortgage investments

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrowers without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the investments where collection of principal is no longer assured.

Revenue recognition

Interest income is accounted for on an accrual basis.

Mortgage administration fees for administering the mortgages on behalf of the investors are accounted for on an accrual basis.

Mortgage arrangement fees are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2018

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

Financial instruments.

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

3. Government Remittance

Government remittance consist of amounts such as property taxes, sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$90,905 (2017 - \$62,948) were outstanding as at August 31, 2018

4. Capital Stock

Authorized
Unlimited common shares Issued

	2018	2017
	\$ 310,100	\$ 310,100
310,000 Common Shares	\$ 310,100	\$ 310,100

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2018

5. Related Party Transaction

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	2018	2017
Occupancy Cost	\$ 27,000	\$ 27,000
	\$ 27,000	\$ 27,000

6 Risk Management

Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2018 is the fair value of its mortgage investments, which total \$nil (2017-\$13,158).

Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

7. Contingent Liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to unadvanced funds. The unadvanced funds under the existing mortgage portfolio amounted to \$nil (2017-\$nil).

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2018

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment is over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- (i) to replace the mortgage with performing one;
- (ii) to buy back the mortgage ; or

(iii) default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded \$80,800 (2017- \$53,400) as a provision against potential costs that may arise from investors exercising this position.

8. Income taxes

The company has non-capital losses for income tax purpose as at August 31, 2018 of \$190,547 (2017- \$233,379), which are available to reduce taxable income in future years. These losses expire as follows:

<u>Year</u>	<u>\$</u>
2032	\$ 133,548
2036	\$ 17,882
2038	\$ 39,117

The income tax provision recorded differs from the income taxes obtained by applying the statutory income tax rate of 14% (2017-15.5%) to the income in the year and is reconciled as follows,

	<u>2018</u>	<u>2017</u>
Income (Loss) before income taxes	\$ 40,918	\$ (39,117)
Tax (recoverable) expense at the combined basic federal and provincial tax rate (2018- 14%, 2017-15.5%)	\$ 5,730	\$ (6,063)
Increase (decrease) resulting from:		
Capital cost allowance in excess of amortization	\$ -	\$ -
Non-deductible expenses	\$ 268	\$ -
Non-capital loss carried forward (applied)	\$ (5,998)	\$ 6,063
Income tax expenses	\$ -	\$ -

The potential benefits relating to the available losses have not been recorded in the financial statements.

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2018

9. Mortgage under Administration

	2018	2017
Principle due from borrowers	\$ 1,870,200	\$ 2,725,777
Assets held in trust	\$ 13,103	\$ 414,630
	\$ 1,883,303	\$ 3,140,407
Investor Fund	\$ 1,870,200	\$ 2,725,777
Monies in trust due to investors	\$ 13,103	\$ 401,472
Payable to FSM	\$ -	\$ 13,158
	\$ 1,883,303	\$ 3,140,407

10. Loan Receivable - Related party

	2018	2017
Receivable from a company having significant influence, non interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand.	\$ 58,486	\$ 113,563

11. Employee Loan

First Swiss Mortgage Corp has extended an employee loan in the amount of \$98,436. The term of the loan is for 24-month period and the interest rate is 4.50% annual payable at maturity.

12. Commitment

As part of this office sharing agreement First Swiss Mortgage has paid the sum of \$27,000 for the period Sep-2017 to August 2018 as cost of the office sharing to First Swiss Mortgage Corp.

There is long term commitment with related company First Swiss Mortgage. Parties have agreed to share costs on a month to month basis plus applicable taxes.

Year	\$
2019	\$ 27,000.00
2020	\$ 27,000.00
2021	\$ 27,000.00
2022	\$ 27,000.00

13 Comparative Figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform with the presentation in the current year's financial statements.

FIRST SWISS MORTGAGE CORP.
FINANCIAL STATEMENTS

AUGUST 31, 2019

FIRST SWISS MORTGAGE CORP.

Year Ended August 31, 2019

INDEX

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Syed A. Raza Professional Corporation

Licensed Public Accountant

Independent Auditor's Report

To the shareholders of
First Swiss Mortgage Corp.

I have audited accompanying financial statement of First Swiss Mortgage Corp., which comprise the balance sheet as at December 31, 2019, the statements of Income (loss) and retained earnings (deficit) and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

I have conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate or cease operations, or has no reasonable alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.



Syed A. Raza Professional Corporation

Licensed Public Accountant

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- * Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Syed A. Raza Professional Corporation

Licensed Public Accountant

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Toronto, Ontario
April 07, 2021

Suite # 803- 250 Consumers Road, Toronto, Ontario M2J 4V6, Canada

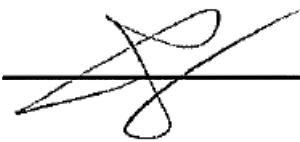
Tel: (647)499-6636 Cell: (647) 999-5536 Fax: 1888 611-8836 E-mail: raza@accountantcpa.ca Website: www.accountantcpa.ca

First Swiss Mortgage Corp.
Balance Sheet
As at 31 August, 2019

	\$	2019	\$	2018
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		66		1,629
Loan receivable - Related party (Note - 10)		22,682		58,486
Prepaid expenses		3,150		17,250
Security deposit		25,000		25,000
Employee Loan		-		98,436
Director's Advances		-		30,500
TOTAL CURRENT ASSETS	\$	50,898	\$	231,301
TOTAL ASSETS	\$	50,898	\$	231,301
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable & accrued liabilities		91,049		122,291
Due to government agencies (Note - 03)		162,176		90,905
TOTAL CURRENT LIABILITIES	\$	253,225	\$	213,196
TOTAL LIABILITIES	\$	253,225	\$	213,196
SHAREHOLDERS' EQUITY				
Capital Stock (Note - 04)		310,100		310,100
Deficit (page 5)		(512,427)		(291,995)
	\$	(202,327)	\$	18,105
TOTAL LIABILITY & SHAREHOLDER'S EQUITY	\$	50,898	\$	231,301

Contingent Liabilities (Note-07)

Approved on Behalf of the Board



Director

Director

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.
Statement of Income
For the year ended 31 August, 2019

	<u>\$</u>	<u>2019</u>	<u>\$</u>	<u>2018</u>
INCOME				
Fees		381,559		588,191
Other Income		-		137
TOTAL INCOME	<u>\$</u>	<u>381,559</u>	<u>\$</u>	<u>588,328</u>
EXPENSES				
General and Administration		88,603		77,643
Rent Expenses		27,000		27,000
Wages and Benefits		486,388		442,767
Total Expense	<u>\$</u>	<u>601,991</u>	<u>\$</u>	<u>547,410</u>
Net Income (loss) for the year	<u>\$</u>	<u>(220,432)</u>	<u>\$</u>	<u>40,918</u>

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.
Statement of Retained Earning
For the year ended 31 August, 2019

	<u>\$</u>	<u>2019</u>	<u>\$</u>	<u>2018</u>
			.	
Retained Earnings (Deficit), Beginning of the year		(291,995)		(332,913)
Net income (Loss), for the year (Page 4)		(220,432)		40,918
Retained earnings (Deficit), End of the year	<u>\$</u>	<u>(512,427)</u>	<u>\$</u>	<u>(291,995)</u>

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.
Statement of Cash Flow
For the year ended 31 August, 2019

	\$ 2019	\$ 2018
Cash Provided by (used in)		
OPERATING ACTIVITIES		
Net income (Loss) for the year	(220,432)	40,918
CHANGES IN WORKING CAPITAL ITEMS		
Increase (Decrease) in Accounts receivable	-	13,158
Increase (Decrease) in Loan receivable - Related party	35,804	55,077
(Increase) Decrease in Prepaid expenses	14,100	(14,100)
(Increase) Decrease in Loan and advances	98,436	(98,436)
(Increase) Decrease in Director's advances	30,500	(30,500)
(Increase) Decrease in Government Remittance	71,271	27,957
(Increase) Decrease in Accounts payable & accrued liabilities	(31,242)	4,621
	\$ (1,563)	\$ (1,305)
INVESTING ACTIVITIES		
Security deposits	-	-
	\$ -	\$ -
FINANCING ACTIVITIES		
Bank indebtedness / Borrower's	-	-
Loan Payable	-	-
Net cash from financing activities	\$ -	\$ -
Changes in cash & cash equivalents during the year		
Cash & cash equivalents beginning of year	1,629	2,934
Cash & cash equivalents end of year	\$ 66	\$ 1,629

The accompanying notes are an integral part of these statements.

First Swiss Mortgage Corp.

Notes for Financial Statements

As of August 31, 2019

1. Nature of operation

FIRST SWISS MORTGAGE CORP (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerage, Lenders and Administrators Act, 2006 (the Act.). The company is a non-bank lender providing residential real estate finance and also administers mortgage on behalf of its investors.

2. Summary of Significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

Mortgage investments

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrowers without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the investments where collection of principal is no longer assured.

Revenue recognition

Interest income is accounted for on an accrual basis.

Mortgage administration fees for administering the mortgages on behalf of the investors are accounted for on an accrual basis.

Mortgage arrangement fees are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2019

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

Financial instruments.

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

3. Government Remittance

Government remittance consist of amounts such as property taxes, sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$162,175 (2018 - \$90,905) were outstanding as at August 31, 2019

4. Capital Stock

Authorized

Unlimited common shares Issued

310,000 Common Shares

	2019		2018
	\$ 310,100	\$	310,100
	\$ 310,100	\$	310,100

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2019

5. Related Party Transaction

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	2019	2018
Occupancy Cost	\$ 27,000	\$ 27,000
	\$ 27,000	\$ 27,000

6 Risk Management

Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2019 is the fair value of its mortgage investments.

Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

7. Contingent Liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to unadvanced funds. The unadvanced funds under the existing mortgage portfolio.

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2019

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment in over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- (i) to replace the mortgage with performing one;
- (ii) to buy back the mortgage ; or
- (iii) default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded \$53,600 (2018- \$80,800) as a provision against potential costs that may arise from investors exercising this position.

8. Income taxes

The income tax provision recorded differs from the income tax obtained by applying the Statutory income tax rate of (2018 - 14%), to the income in the year and is reconciled as follows:

The company has non-capital losses for income tax purpose as at August 31, 2019 of \$415,824 (2018-\$190,547), which are available to reduce taxable income in future years. These losses expire as follows:

	Year	\$
	2030	\$ 225,277
	2032	\$ 133,548
	2036	\$ 17,882
	2038	\$ 39,117

The income tax provision recorded differs from the income taxes obtained by applying the statutory income tax rate of (2018 - 14%) to the income in the year and is reconciled as follows:

	2019	2018
Income (Loss) before income taxes	\$ 220,432	\$ 40,918
(Loss) income tax (recoverable) expense at the combined basic federal and provincial tax rate (2018-14%)	\$ (30,860)	\$ 5,730
Increase (decrease) resulting from:		
Capital cost allowance in excess of amortization	xx	xx
Non-deductible expenses	xx	\$ 268
Non-capital loss carried forward (applied)	\$ (30,860)	\$ (5,998)
Income tax expenses	\$ -	\$ -

The potential benefits relating to the available losses have not been recorded in the financial statements.

First Swiss Mortgage Corp.

Notes to the Financial Statements - Continued As of August 31, 2019

9. Mortgage under Administration

	2019	2018
Principle due from borrowers	\$ 4,016,829	\$ 1,870,200
Assets held in trust	\$ 931	\$ 13,103
	\$ 4,017,760	\$1,883,303
Investor Fund	\$ 4,016,829	\$ 1,870,200
Monies in trust due to investors	\$ 931	\$ 13,103
	\$ 4,017,760	\$1,883,303

10. Loan Receivable - Related party

	2019	2018
Receivable from a company having significant influence, non-interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand.	\$ 22,682	\$ 58,486

11. Employee Loan

First Swiss Mortgage Corp has extended an employee loan in the amount of \$98,436. The term of the loan is for 24-month period and the interest rate is 4.50% annual payable at maturity.

12. Commitment

As part of this office sharing agreement First Swiss Mortgage has paid the sum of \$27,000 for the period Sep-2018 to August 2019 as cost of the office sharing to First Swiss Mortgage Corp.

There is long term commitment with related company First Swiss Mortgage. Parties have agreed to share costs on a month to month basis plus applicable taxes.

Year	\$
2020	\$ 27,000
2021	\$ 27,000
2022	\$ 27,000

13 Comparative Figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform with the presentation in the current year's financial statements.

First Swiss Mortgage Corp.

Financial Statements

August 31, 2020

First Swiss Mortgage Corp.

August 31, 2020

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Syed A. Raza Professional Corporation, CPA

Independent Auditor's Report

To the Shareholders of First Swiss Mortgage Corp.

I have audited accompanying financial statements of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2020, the statements of loss and deficit and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

I have conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate or cease operations, or has no reasonable alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.



Syed A. Raza Professional Corporation, CPA

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Syed A. Raza Professional Corporation, CPA,
Licensed Public Accountant

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Markham, Ontario
February 14, 2022

First Swiss Mortgage Corp.

Balance Sheet

As of August 31, 2020

	2020	2019
Assets		
Current Assets		
Cash and Bank	3,354	66
Prepaid expenses	3,510	3,150
Due from Related Party (Note - 5)	57,199	22,682
Security deposit	25,000	25,000
Other Receivable - Government Assistance (Note - 4)	18,739	-
Total Current Assets	\$ 107,802	\$ 50,898
Total Assets	\$ 107,802	\$ 50,898
Liabilities & Shareholder's Equity		
Current Liabilities		
Accounts Payable & Accrued Liabilities	59,932	91,049
Government Remittances (Note - 7)	294,557	162,176
Total Current Liabilities	\$ 354,489	\$ 253,225
Non Current Liabilities		
Government Assistance Loan (Note - 11)	30,000	-
Total Non Current Liabilities	\$ 30,000	\$ -
Shareholder's Equity		
Share Capital (Note - 3)	310,100	310,100
Deficit (Page - 5)	(586,787)	(512,427)
Total Shareholder's Equity	\$ (276,687)	\$ (202,327)
Total Liabilities & Shareholder's Equity	\$ 107,802	\$ 50,898

Related Party Transaction (Note - 13)

Contingent Liabilities (Note - 9)

Commitments (Note - 14)

Approved on Behalf of the Board

 Director

Director

First Swiss Mortgage Corp.

Statement of Loss

As of August 31, 2020

	2020	2019
Fees	282,773	381,559
Total Fees	\$ 282,773	\$ 381,559
Expenses		
General and Administration Expenses	80,839	88,603
Rent Expenses	27,000	27,000
Wages and Benefits	259,294	486,388
Total Expenses	\$ 367,133	\$ 601,991
Income before Income Tax	(84,360)	(220,432)
Government Assistance (Note - 11)	10,000	-
Net Loss	\$ (74,360)	\$ (220,432)

First Swiss Mortgage Corp.

Statement Of Deficit

As of August 31, 2020

	2020	2019
Deficit, beginning of the year	\$ (512,427)	\$ (291,995)
Net Loss during the year (Page 4)	\$ (74,360)	\$ (220,432)
Deficit, end of the year	\$ (586,787)	\$ (512,427)

First Swiss Mortgage Corp.

Statement Of Cash Flow

As of August 31, 2020

	2020	2019
Cash Flow Provided By (Used In) Operating Activities:		
Net Loss for the period	\$ (74,360)	\$ (220,432)
Items Not Requiring An Outlay Of Funds		
Depreciation	\$ -	\$ -
Gain on sale of assets	\$ -	\$ -
Government Assistance -Debt Forgiveness	\$ (10,000)	\$ -
	\$ (84,360)	\$ (220,432)
Net Changes In Non-Cash Working Capital		
(Decrease) Increase Prepaid Expenses	\$ (360)	\$ 14,100
Decrease (Increase) Loan and Advances	\$ -	\$ 98,436
Decrease (Increase) Director Advances	\$ -	\$ 30,500
(Decrease) Increase Other Receivable - Government Assistance	\$ (18,739)	\$ -
(Increase) Decrease Accounts Payable & Accrued Liabilities	\$ (31,117)	\$ (31,242)
Increase (Decrease) in Government Remittances	\$ 132,381	\$ 71,271
	\$ (2,195)	\$ (37,367)
Cash Flow Provided By (Used In) Investing Activities:		
Disposition (Acquisition) of Property, plant and equipment	\$ -	\$ -
(Decrease) Increase Due from Related Party	\$ (34,517)	\$ 35,804
	\$ (34,517)	\$ 35,804
Cash Flow Provided By (Used In) Financing Activities:		
Increase (Decrease) in loan Payable-Shareholder	\$ -	\$ -
Increase(Decrease) in Government Assistance Loan	\$ 40,000	\$ -
	\$ 40,000	\$ -
Increase (Decrease) In Cash And Cash Equivalents	\$ 3,288	\$ (1,563)
Cash & Cash Equivalents, Beginning Of The Year	\$ 66	\$ 1,629
Cash & Cash Equivalents, End Of The Year	\$ 3,354	\$ 66

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2020

1. Nature of Operations

First Swiss Mortgage Corp. (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerage, Lenders and Administrators Act, 2006 (the Act.). The company is a non-bank lender providing residential real estate finance and also administers mortgage on behalf of its investors.

2. Summary Of Significant Accounting Policies

a. Basic of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

b. Mortgage Investment

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrowers without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the investments where collection of principal is no longer assured.

c. Revenue Recognition

Interest income is accounted for on an accrual basis.

The Company's revenue is generated from arrangement and administration fees. Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered, the rate of services to the client is fixed or is determinable and collection of the resulting receivable is reasonably assured. Based on these criteria, the Company's revenue is generally recognized as follows:

- i) Arrangement fees are recognized when fund are disbursed to the borrowers and are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.
- ii) Administration fees are recognized when the services are performed.

d. Income Taxes

The Company uses the taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense (income) of the period only the cost (benefit) of current income taxes payable determined in accordance with the rules established by tax authorities.

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2020

e. Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

f. Financial Instrument

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

g. Financial Instrument

Related party transactions occurred during the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed by the related parties.

3. Share Capital

Authorized
Unlimited common shares - Class A

	<u>2020</u>		<u>2019</u>
310,100 Common Shares	\$ 310,100	\$	310,100
	<u>\$ 310,100</u>	<u>\$</u>	<u>310,100</u>

4. Other Receivable – Government Assistance

Receivable from Canada Emergency Business Account against government assistance, which is receivable on subsequent months after closing of year as on August 31, 2020

Government Assistance detail is as under:

	<u>2020</u>		<u>2019</u>
Other Receivable – Government Assistance	\$ 18,739	\$	-
	<u>\$ 18,739</u>	<u>\$</u>	<u>-</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2020

5. Due from Related Party

Amounts due from related party 6807771 Canada Inc. having significant influence, non-interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand. Since 6807771 Canada Inc. also on rental property therefore there is no doubt that would not be collectable.

		<u>2020</u>		<u>2019</u>
Due from Related Party	\$	57,630	\$	22,682
	\$	<u>57,630</u>	\$	<u>22,682</u>

6. Account Payable & Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

		<u>2020</u>		<u>2019</u>
Accounts Payable	\$	2,424	\$	5,989
Accrued Liabilities	\$	57,508		85,060
	\$	<u>59,932</u>	\$	<u>91,049</u>

7. Government Remittance

Government remittance consists of amounts such as payroll liabilities required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, were outstanding as at August 31, 2020

		<u>2020</u>		<u>2019</u>
Payroll Liabilities	\$	294,557	\$	162,176
	\$	<u>294,557</u>	\$	<u>162,176</u>

8. Risk Management

i) Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2020

- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2020 is the fair value of its mortgage investments.

ii) Regulatory Risk

Regulatory risk is that the company must carry on its lending and syndication activities under the auspices of a regulatory body. The Company manages this risk by strictly adhering to the requirement of the Mortgage Brokerage, Lenders and Administration Act, 2006 and Regulations.

iii) Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

9. Contingent Liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to un-advanced funds. The un-advanced funds under the existing mortgage portfolio

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment in over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- i. to replace the mortgage with performing one;
- ii. to buy back the mortgage ; or
- iii. Default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded as a provision against potential costs that may arise from investors exercising this position.

		<u>2020</u>		<u>2019</u>
Contingent Liabilities	\$	30,690	\$	53,600
	\$	<u>30,690</u>	\$	<u>53,600</u>

10. Income Taxes

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of (2019-12.50%) to the income in the year and is reconciled as follows:

The company has non-capital losses for income tax purpose as at August 31, 2020 of \$394,623 (2019-\$415,824) which are available to reduce taxable income in future years. These losses expire as follows:

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2020

Year	Amount
2040	\$ 74,360
2030	\$ 220,432
2032	\$ 42,832
2036	\$ 17,882
2038	\$ 39,117

The reconciliation of income taxes is as follows:

	2020	2019
Income (Loss) before income taxes	\$ (74,360)	\$ (220,432)
Statutory Rates	12.20%	12.50%
(Loss) income tax (recoverable) expense at the combined basic federal and provincial tax rate (2019-12.50%)	\$ (9,072)	\$ (27,554)
Non-deductible expenses		
Non-capital loss carried forward (applied)	9,072	27,554
Income Tax Expense	-	-

The potential benefits relating to the available losses have not been recorded in the financial statements.

11. Government Assistance Loan

The Company have been provided Canada Emergency Business Account (CEBA) loan amounting to total of \$40,000 which is interest-free loan until December 31, 2023. It is to help eligible businesses to pay for operating expenses, payroll and other no deferrable expenses which are critical to sustain business continuity due to special circumstances of COVID-19.

Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25 percent (Up to \$10,000). Commencing on January 1, 2024, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.

Since there is reasonable assurance that the company will repay \$30,000 by December 31, 2023, \$10,000 forgivable amount is recorded as government assistance in the year ended August 31, 2020 and \$10,000 forgivable amount is recorded as government assistance year ended.

The company has also received \$111,674 against wage subsidy from government for the fiscal year ended Aug 31, 2020

12. Fees

Fees consist of the following:

	2020	2019
Self-Insurance Default Fee	\$ 169,418	\$ 263,191
Administration Fee	\$ 35,910	28,200
Loan Servicing Fee	77,445	90,168
	\$ 282,773	\$ 381,559

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2020

13. Related Party Transactions

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	<u>2020</u>	<u>2019</u>
Occupancy Cost	\$ 27,000	\$ 27,000
	<u>\$ 27,000</u>	<u>\$ 27,000</u>

14. Commitment

As part of this office sharing agreement 6807771 Canada Corp. has paid the sum of \$27,000 for the period Sep-2019 to August 2020 as cost of the office sharing to First Swiss Mortgage Corp.

There is long term commitment with related company First Swiss Mortgage. Parties have agreed to share costs on a month to month basis plus applicable taxes.

15. Mortgage and Administration

	<u>2020</u>	<u>2019</u>
Principle due from borrowers	\$ 2,266,043	\$ 4,016,829
Assets held in administrative trust bank account	\$ 57,699	\$ 931
Assets held in brokerage trust bank account	\$ 36,340	\$ -
	<u>\$ 2,360,082</u>	<u>\$ 4,017,760</u>
Investor Fund	\$ 2,266,043	\$ 4,016,829
Monies in trust due to investors	\$ 94,039	\$ 931
	<u>\$ 2,360,082</u>	<u>\$ 4,017,760</u>

16. Comparative Figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform to the presentation in the current year's financial statements.

First Swiss Mortgage Corp.

Financial Statements

August 31, 2021

First Swiss Mortgage Corp.

August 31, 2021

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Syed A. Raza Professional Corporation, CPA

Independent Auditor's Report

To the Shareholders of First Swiss Mortgage Corp.

I have audited accompanying financial statements of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2021, the statements of loss and deficit and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

I have conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate or cease operations, or has no reasonable alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.



Syed A. Raza Professional Corporation, CPA

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events of conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Syed A. Raza Professional Corporation, CPA,
 Licensed Public Accountant
 Authorized to practice public accounting by the
 Chartered Professional Accountants of Ontario

Markham, Ontario
 June 9, 2022

First Swiss Mortgage Corp.

Balance Sheet

As of August 31, 2021

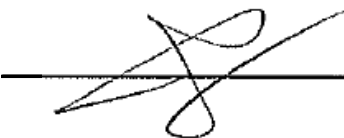
	2021	2020
Assets		
Current Assets		
Cash and Bank	1,693	3,354
Prepaid expenses	4,117	3,510
Due from Related Party (Note 5)	91,642	57,199
Security deposit	25,000	25,000
Other Receivables (Note 4)	10,958	18,739
Total Current Assets	\$ 133,410	\$ 107,802
Total Assets	\$ 133,410	\$ 107,802
Liabilities & Shareholder's Equity		
Current Liabilities		
Accounts Payable & Accrued Liabilities (Note 6)	44,305	59,932
Government Remittance (Note 7)	375,026	294,557
Total Current Liabilities	\$ 419,331	\$ 354,489
Non Current Liabilities		
Government Assistance Loan (Note 11)	30,000	30,000
Total Non Current Liabilities	\$ 30,000	\$ 30,000
Shareholder's Equity		
Share Capital (Note 3)	310,100	310,100
Deficit (Page 5)	(626,021)	(586,787)
Total Shareholder's Equity	\$ (315,921)	\$ (276,687)
Total Liabilities & Shareholder's Equity	\$ 133,410	\$ 107,802

Related Party Transaction (Note 13)

Contingent Liabilities (Note 9)

Commitments (Note 14)

Approved on Behalf of the Board



Director

First Swiss Mortgage Corp.

Statement of Loss

As of August 31, 2021

	2021	2020
Fees (Note 12)	146,120	282,773
Total Fees	\$ 146,120	\$ 282,773
Expenses		
General and Administration Expenses	44,659	80,839
Rent Expenses	27,000	27,000
Wages and Benefits	142,443	259,294
Total Expenses	\$ 214,102	\$ 367,133
Income before Income Tax	(67,982)	(84,360)
Government Assistance (Note 11)	28,748	10,000
Net Loss	\$ (39,234)	\$ (74,360)

First Swiss Mortgage Corp.

Statement Of Deficit

As of August 31, 2021

	2021	2020
Deficit, beginning of the year	\$ (586,787)	\$ (512,427)
Net Loss during the year (Page 4)	\$ (39,234)	\$ (74,360)
Deficit, end of the year	\$ (626,021)	\$ (586,787)

First Swiss Mortgage Corp.

Statement Of Cash Flow

As of August 31, 2021

	2021	2020
Cash Flow Provided By (Used In) Operating Activities:		
Net Loss for the period	\$ (39,234)	\$ (74,360)
Items Not Requiring An Outlay Of Funds		
Government Assistance -Debt Forgiveness	\$ -	\$ (10,000)
	\$ (39,234)	\$ (84,360)
Net Changes In Non-Cash Working Capital		
(Decrease) Increase Prepaid Expenses	\$ (607)	\$ (360)
(Decrease) Increase Other Receivable - Government Assistance	\$ -	\$ (18,739)
(Increase) Decrease Accounts Payable & Accrued Liabilities	\$ (15,627)	\$ (31,117)
Increase (Decrease) in Government Remittances	\$ 80,469	\$ 132,381
	\$ 25,001	\$ (2,195)
Cash Flow Provided By (Used In) Investing Activities:		
(Decrease) Increase Due from Related Party	\$ (34,443)	\$ (34,517)
	\$ (34,443)	\$ (34,517)
Cash Flow Provided By (Used In) Financing Activities:		
Increase (Decrease) in loan Payable-Shareholder	\$ 7,781	\$ -
Increase(Decrease) in Government Assistance Loan	\$ -	\$ 40,000
	\$ 7,781	\$ 40,000
Increase (Decrease) In Cash And Cash Equivalents	\$ (1,661)	\$ 3,288
Cash & Cash Equivalents, Beginning Of The Year	\$ 3,354	\$ 66
Cash & Cash Equivalents, End Of The Year	\$ 1,693	\$ 3,354
Cash And Cash Equivalents Are Represented By:		
Cash and Bank	\$ 1,693	\$ 3,354
	\$ 1,693	\$ 3,354

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2021

1. Nature of Operations

First Swiss Mortgage Corp. (the company) was incorporated on September 16, 2004 under the Canada Business Corporation Act. The company is registered under the Mortgage Brokerage, Lenders and Administrators Act, 2006 (the Act.). The company is a non-bank lender providing residential real estate finance and also administers mortgage on behalf of its investors.

2. Summary Of Significant Accounting Policies

a. Basic of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and applied consistently. Outlined below are those policies considered particularly significant.

b. Mortgage Investment

The company its investment in mortgage at fair value in accordance with Accounting Guideline 18, investment Companies, with any changes in the fair value of a mortgage recorded in the statement of earnings and deficit. Fair value is the amount of consideration that would be agreed on in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of the mortgages approximates their carrying value given the mortgage loan portfolio consists of short-term loans (typically maturing within 24 months or less) that are repayable at the option of the borrowers without penalty or yield maintenance, and any renewal of the existing portfolio of mortgages would be made at the same or similar terms based on the fund manager's assessment of the current mortgage market. When collection of the principal on a mortgage is no longer reasonably assured, the fair value of the mortgage is reduced to the estimated net realizable value of the underlying security.

Conventional first mortgage are loans secured by a first priority mortgage charge with loans to value not exceeding 75%. Conventional non-first mortgages are loans secured by either a second or third priority charge with loans to value exceeding 75%. Mortgages are stated at fair value in accordance with Accounting Guideline 18. Fair value is based on discounted cash flows. The fair value adjustment represents the total amount of management's estimate of the shortfall between the mortgage investment principal balances and the investments where collection of principal is no longer assured.

c. Revenue Recognition

Interest income is accounted for on an accrual basis.

The Company's revenue is generated from arrangement and administration fees. Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered, the rate of services to the client is fixed or is determinable and collection of the resulting receivable is reasonably assured. Based on these criteria, the Company's revenue is generally recognized as follows:

- i) Arrangement fees are recognized when fund are disbursed to the borrowers and are amortized over the expected term of the mortgage. If a mortgage is sold, any remaining fee is recognized as revenue in the period of sale.
- ii) Administration fees are recognized when the services are performed.

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2021

d. **Income Taxes**

The Company uses the taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense (income) of the period only the cost (benefit) of current income taxes payable determined in accordance with the rules established by tax authorities.

e. **Use of estimates**

The preparation of financial statements in accordance with ASPE requires management to make estimate and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the accrual of interest income and completeness of accounts payable and accrued liabilities. Significant changes in assumptions could materially change the recorded carrying value. These estimates are reviewed periodically and as adjustments become necessary they are represented in earnings in the period in which they become known.

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, which caused a major health crisis worldwide that affects the global economy and financial markets. Federal, provincial and municipal governments introduced numerous measures to protect the public. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Given the outcome and time-frame to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect on future operations at this time.

f. **Financial Instrument**

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

g. **Financial Instrument**

Related party transactions occurred during the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed by the related parties.

h. **Government Assistance**

Government assistance toward current expenses, including salaries, is recognized as other income at the time the corresponding expenses are incurred, provided there is reasonable assurance that the company has complied and will continue to comply with all the conditions of the government assistance.

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2021

3. Share Capital

Authorized
Unlimited common shares - Class A

		<u>2021</u>		<u>2020</u>
310,100 Common Shares	\$	310,100	\$	310,100
	\$	<u>310,100</u>	\$	<u>310,100</u>

4. Other Receivables

		<u>2021</u>		<u>2020</u>
Canada Emergency Wage Subsidy (CEWS) Receivable	\$	10,958	\$	18,739
	\$	<u>10,958</u>	\$	<u>18,739</u>

During the year ended August 31, 2020, the Government of Canada announced the Canada Emergency Wage Subsidy (“CEWS”) for Canadian employers whose businesses were affected by the COVID-19 pandemic. The CEWS provides a subsidy towards eligible employees’ remuneration, subject to certain criteria. Accordingly, the Company applied for the CEWS to the extent it met the requirements to receive the subsidy and \$152,201 in 2021 which includes receivable of \$10,958 (2020- \$102,783 which includes receivable of \$18,739) was recognized in the statement of loss as a government assistance.

5. Due from Related Party

Amounts due from related party 6807771 Canada Inc. having significant influence, non-interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand.

		<u>2021</u>		<u>2020</u>
Due from 6807771 Canada Inc.	\$	91,642	\$	57,199
	\$	<u>91,642</u>	\$	<u>57,199</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2021

6. Account Payable & Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	<u>2021</u>		<u>2020</u>
Accounts Payable	\$ 2,983	\$	2,424
Accrued Liabilities	\$ 41,322		57,508
	<u>\$ 44,305</u>	\$	<u>59,932</u>

7. Government Remittance

Government remittance consists of amounts such as payroll liabilities required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, were outstanding as at August 31, 2021

	<u>2021</u>		<u>2020</u>
Payroll tax payable	\$ 375,026	\$	294,557
	<u>\$ 375,026</u>	\$	<u>294,557</u>

8. Risk Management

i) Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2021 is the fair value of its mortgage investments.

ii) Regulatory Risk

Regulatory risk is that the company must carry on its lending and syndication activities under the auspices of a regulatory body. The Company manages this risk by strictly adhering to the requirement of the Mortgage Brokerage, Lenders and Administration Act, 2006 and Regulations.

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2021

iii) Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

9. Contingent Liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to un-advanced funds. The un-advanced funds under the existing mortgage portfolio

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment in over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- i. to replace the mortgage with performing one;
- ii. to buy back the mortgage ; or
- iii. Default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded as a provision against potential costs that may arise from investors exercising this position.

	<u>2021</u>	<u>2020</u>
Contingent Liabilities	\$ 15,840	\$ 30,690
	<u>\$ 15,840</u>	<u>\$ 30,690</u>

10. Income Taxes

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of (2020-12.20%) to the income in the year and is reconciled as follows:

The company has non-capital losses for income tax purpose as at August 31, 2021 of \$524,573 (2020-\$485,339) which are available to reduce taxable income in future years. These losses expire as follows:

<u>Year</u>	<u>Amount</u>
2026	\$ 39,234
2028	\$ 74,360
2030	\$ 220,432
2032	\$ 39,117
2036	\$ 17,882
2038	\$ 133,548

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2021

The reconciliation of income taxes is as follows:

	<u>2021</u>	<u>2020</u>
Income (Loss) before income taxes	\$ (39,234)	\$ (74,360)
Statutory Rates	12.20%	12.20%
(Loss) income tax (recoverable) expense at the combined basic federal and provincial tax rate (2020-12.20%)	\$ (4,787)	\$ (9,072)
Non-deductible expenses	-	-
Non-capital loss carried forward (applied)	<u>4,787</u>	<u>9,072</u>
Income Tax Expense	<u>-</u>	<u>-</u>

The potential benefits relating to the available losses have not been recorded in the financial statements.

11. Government Assistance Loan

- a. The Company have been provided Canada Emergency Business Account (CEBA) loan amounting to total of \$40,000 which is interest-free loan until December 31, 2023. It is to help eligible businesses to pay for operating expenses, payroll and other no deferrable expenses which are critical to sustain business continuity due to special circumstances of COVID-19.

Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25 percent (Up to \$10,000). Commencing on January 1, 2024, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.

Since there is reasonable assurance that the company will repay \$30,000 by December 31, 2023, \$10,000 forgivable amount is recorded as government assistance in the year ended August 31, 2020.

- b. The company has also received Ontario Small Business Support Grant amounting to \$28,748 against COVID-19 from government for the year ended Aug 31, 2021.

12. Fees

Fees consist of the following:

	<u>2021</u>	<u>2020</u>
Self-Insurance Default Fee	\$ 78,406	\$ 169,418
Administration Fee	\$ 20,000	35,910
Loan Servicing Fee	47,714	77,445
	<u>\$ 146,120</u>	<u>\$ 282,773</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2021

13. Related Party Transactions

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity 6807771 Canada Corp.

The following expense items are represented by transactions with a significantly influenced entity:

	<u>2021</u>	<u>2020</u>
Occupancy Cost	\$ 27,000	\$ 27,000
	<u>\$ 27,000</u>	<u>\$ 27,000</u>

14. Commitment

First Swiss Mortgage Corp. has paid the sum of \$27,000 for the period Sep-2020 to August-2021 as the part of this sharing agreement to 6807771 Canada Corp.

There is no long term commitment with related company. Parties have agreed to share costs on a month to month basis plus applicable taxes.

15. Mortgage and Administration

	<u>2021</u>	<u>2020</u>
Principle due from borrowers	\$ 2,035,926	\$ 2,266,043
Assets held in administrative trust bank account	\$ 19,449	\$ 57,699
Assets held in brokerage trust bank account	\$ 1,646	\$ 36,340
	<u>\$ 2,057,021</u>	<u>\$ 2,360,082</u>
Investor Fund	\$ 2,035,926	\$ 2,266,043
Monies in trust due to investors	\$ 21,095	\$ 94,039
	<u>\$ 2,057,021</u>	<u>\$ 2,360,082</u>

16. Comparative Figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform to the presentation in the current year's financial statements.

First Swiss Mortgage Corp.

Financial Statements

August 31, 2022

First Swiss Mortgage Corp.

August 31, 2022

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Syed A. Raza Professional Corporation, CPA

Independent Auditor's Report

To the Shareholders of First Swiss Mortgage Corp.

I have audited accompanying financial statements of First Swiss Mortgage Corp., which comprise the balance sheet as at August 31, 2022, the statements of loss and deficit and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of First Swiss Mortgage Corp., as at August 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

I have conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate or cease operations, or has no reasonable alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.



Syed A. Raza Professional Corporation, CPA

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Syed A. Raza Professional Corporation, CPA,
Licensed Public Accountant

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Markham, Ontario
December 05, 2022

First Swiss Mortgage Corp.

Balance Sheet

As of August 31, 2022

	2022	2021
Assets		
Current Assets		
Cash and Bank	955	1,693
Prepaid expenses	6,076	4,117
Due from Related Party (Note 5)	28,664	91,642
Temporary Investment (Note 6)	25,000	25,000
Other Receivables (Note 4)	-	10,958
Total Current Assets	\$ 60,695	\$ 133,410
Total Assets	\$ 60,695	\$ 133,410
Liabilities & Shareholder's Equity		
Current Liabilities		
Accounts Payable & Accrued Liabilities (Note 8)	44,749	44,305
Government Remittance (Note 9)	249,827	375,026
Total Current Liabilities	\$ 294,576	\$ 419,331
Non Current Liabilities		
Government Assistance Loan (Note 13)	30,000	30,000
Shareholder's Loan (Note 7)	182,000	-
Total Non Current Liabilities	\$ 212,000	\$ 30,000
Shareholder's Equity		
Share Capital (Note 3)	310,100	310,100
Deficit (Page 3)	(755,981)	(626,021)
Total Shareholder's Equity	\$ (445,881)	\$ (315,921)
Total Liabilities & Shareholder's Equity	\$ 60,695	\$ 133,410


Related Party Transaction (Note 15)

Contingent Liabilities (Note 11)

Commitment (Note 17)

Going Concern (Note 18)

Approved on Behalf of the Board



 _____ Director

First Swiss Mortgage Corp.

Statement of Loss As of August 31, 2022

	2022	2021
Fees (Note 13)	147,793	146,120
Total Fees	\$ 147,793	\$ 146,120
Expenses		
General and Administration Expenses	56,268	44,659
Rent Expenses	27,000	27,000
Wages and Benefits	194,485	142,443
Total Expenses	\$ 277,753	\$ 214,102
Income before Income Tax	(129,960)	(67,982)
Government Assistance Loan (Note 14)	-	28,748
Net Loss	\$ (129,960)	\$ (39,234)

First Swiss Mortgage Corp.

Statement Of Deficit

As of August 31, 2022

	2022	2021
Deficit, beginning of the year	\$ (626,021)	\$ (586,787)
Net Loss during the year (Page 4)	\$ (129,960)	\$ (39,234)
Deficit, end of the year	\$ (755,981)	\$ (626,021)

First Swiss Mortgage Corp.

Statement Of Cash Flow

As of August 31, 2022

	2022	2021
Cash Flow Provided By (Used In) Operating Activities:		
Net Loss for the period	\$ (129,960)	\$ (39,234)
	\$ (129,960)	\$ (39,234)
Net Changes In Non-Cash Working Capital:		
(Decrease) Increase Prepaid Expenses	\$ (1,959)	\$ (607)
(Decrease) Increase Other Receivable - Government Assistance	\$ 10,958	\$ -
(Increase) Decrease Accounts Payable & Accrued Liabilities	\$ 444	\$ (15,627)
Increase (Decrease) in Government Remittances	\$ (125,199)	\$ 80,469
	\$ (245,716)	\$ 25,001
Cash Flow Provided By (Used In) Investing Activities:		
(Decrease) Increase Due from Related Party	\$ 62,978	\$ (34,443)
	\$ 62,978	\$ (34,443)
Cash Flow Provided By (Used In) Financing Activities:		
Increase (Decrease) in loan Payable-Shareholder	\$ 182,000	\$ 7,781
	\$ 182,000	\$ 7,781
Increase (Decrease) In Cash And Cash Equivalents:	\$ (738)	\$ (1,661)
Cash & Cash Equivalents, Beginning Of The Year	\$ 1,693	\$ 3,354
Cash & Cash Equivalents, End Of The Year	\$ 955	\$ 1,693
Cash And Cash Equivalents Are Represented By:		
Cash and Bank	\$ 955	\$ 1,693
	\$ 955	\$ 1,693

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

1. Nature of Operations

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Interest income is accounted for on an accrual basis.

The Company's revenue is generated from arrangement and administration fees. Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered, the rate of services to the client is fixed or is determinable and collection of the resulting receivable is reasonably assured. Based on these criteria, the Company's revenue is generally recognized as follows:

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- ii) Administration fees are recognized when the services are performed.

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

d. **Income Taxes**

The Company uses the taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense (income) of the period only the cost (benefit) of current income taxes payable determined in accordance with the rules established by tax authorities.

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In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, which caused a major health crisis worldwide that affects the global economy and financial markets. Federal, provincial and municipal governments introduced numerous measures to protect the public. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Given the outcome and time-frame to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect on future operations at this time.

f. **Financial Instrument**

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The company subsequently measures all of its financial instruments at amortized cost, less any impairment, except for cash, accounts receivable, deposit regulatory financial guarantee, bank indebtedness, and accounts payable and accrued liabilities. These amounts are recorded at fair value each year-end. Amortization is recorded on a straight-line basis.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in net earnings up to the amount of the previously recognized impairment.

g. **Related Party Transactions**

Related party transactions occurred during the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed by the related parties.

h. **Government Assistance**

Government assistance toward current expenses, including salaries, is recognized as other income at the time the corresponding expenses are incurred, provided there is reasonable assurance that the company has complied and will continue to comply with all the conditions of the government assistance.

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

3. Share Capital

Authorized
Unlimited common shares - Class A

	<u>2022</u>	<u>2021</u>
310,100 Common Shares	\$ 310,100	\$ 310,100
	<u>\$ 310,100</u>	<u>\$ 310,100</u>

4. Other Receivable – Government Assistance

Other Receivables - Government Assistance consist of the following:

	<u>2022</u>	<u>2021</u>
Canada Emergency Wage Subsidy (CEWS) Receivable	\$ -	\$ 10,958
	<u>\$ -</u>	<u>\$ 10,958</u>

During the year ended December 31, 2020, the Government of Canada announced the Canada Emergency Wage Subsidy (“CEWS”) for Canadian employers whose businesses were affected by the COVID-19 pandemic. The CEWS provides a subsidy towards eligible employees' remuneration, subject to certain criteria. Accordingly, the Company applied for the CEWS to the extent it met the requirements to receive the subsidy and \$7,773 in 2022 (2021- \$152,201 which includes receivable of \$10,958) was recognized in the statement of loss as a government assistance.

5. Due from Related Party

Amounts due from related party 6807771 Canada Inc. having significant influence, non-interest bearing with no specific terms of repayment; the holder of the debt have agreed in writing to be paid on demand. Since 6807771 Canada Inc. also on rental property therefore there is no doubt that would not be collectable.

	<u>2022</u>	<u>2021</u>
6807771 Canada Inc.	\$ 28,664	\$ 91,642
	<u>\$ 28,664</u>	<u>\$ 91,642</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2022

6. Temporary Investment

The following GIC amounting to \$25,000 is for the purpose of satisfying the minimum \$25,000 regulatory capital requirement.

	<u>2022</u>		<u>2021</u>
GIC due August 30, 2023, 3.75% per annum	\$ 25,000	\$	25,000
	<u>\$ 25,000</u>	<u>\$</u>	<u>25,000</u>

7. Shareholder's Loan

Loan payable consists of loan from the shareholder. It is unsecured, non-interest bearing and does not have any specific terms of repayments. The shareholder has agreed in writing not to demand repayments of the loan within the next twelve months subsequent to the year-end.

	<u>2022</u>		<u>2021</u>
Shareholder's Loan	\$ 182,000	\$	-
	<u>\$ 182,000</u>	<u>\$</u>	<u>-</u>

8. Account Payable & Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	<u>2022</u>		<u>2021</u>
Accounts Payable	\$ 4,705	\$	2,983
Accrued Liabilities	\$ 40,044	\$	41,322
	<u>\$ 44,749</u>	<u>\$</u>	<u>44,305</u>

9. Government Remittance

Government remittance consists of amounts such as payroll liabilities required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, were outstanding as at August 31, 2022

	<u>2022</u>		<u>2021</u>
Payroll Liabilities	\$ 249,827	\$	375,026
	<u>\$ 249,827</u>	<u>\$</u>	<u>375,026</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements

For the year ended August 31, 2022

10. Risk Management

i) Credit Risk

Credit risk is the risk of loss due to the possibility that borrowers may be unable to honor their mortgage commitments because of instability in the real estate sector and an adverse change in economic conditions in Canada could result in declines in the value of real property securing the company's mortgage investments. The company mitigates its risk by the following:

- Ensuring a comprehensive due diligence process is conducted on each mortgage investment prior to funding; this generally includes, but is not limited to, engaging professional independent consultants, lawyers and appraisers, and performing credit checks on prospective borrowers;
- Ensuring its mortgage portfolio is diversified among various properties and borrowers; and
- Actively monitoring the mortgage portfolio and initiating recovery procedures where required.

The maximum exposure to credit risk as at August 31, 2022 is the fair value of its mortgage investments.

ii) Regulatory Risk

Regulatory risk is that the company must carry on its lending and syndication activities under the auspices of a regulatory body. The Company manages this risk by strictly adhering to the requirement of the Mortgage Brokerage, Lenders and Administration Act, 2006 and Regulations.

iii) Liquidity Risk

Liquidity risk is the risk the company will encounter difficulty in meeting its financial obligations as they come due. This risk arises in normal operations from fluctuations in cash flows as a result of the timing of mortgage investment funding and repayments. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

11. Contingent Liabilities

In the ordinary course of business, the company has entered into agreements related to lending agreements with borrowers for fulfillment of certain obligations on the part of the borrowers for their entitlement to un-advanced funds. The un-advanced funds under the existing mortgage portfolio amounted to \$25,011 (2021-15,840)

The company offers a default option to investors who purchase the mortgages. In the event a mortgage payment is over 90 days past due, the company will offer the investor one of three options, at the company's discretion:

- i. to replace the mortgage with performing one;
- ii. to buy back the mortgage ; or
- iii. Default management services whereby the company will pay for the legal costs and real estate commissions related to default management and will have the right to recapture these costs from the excess proceeds of the property sale after the investor has received the funds owed to them.

The company recorded a provision against potential costs that may arise from investors exercising this position.

		<u>2022</u>		<u>2021</u>
Contingent Liabilities	\$	25,011	\$	15,840
	\$	<u>25,011</u>	\$	<u>15,840</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

12. Income Taxes

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of (2022-12.20%) to the income in the year and is reconciled as follows:

The company has non-capital losses for income tax purpose as at August 31, 2022 of \$654,533 (2021-\$524,573) which are available to reduce taxable income in future years. These losses expire as follows:

Year	Amount
2024	\$ 129,960
2026	\$ 39,234
2028	\$ 74,360
2030	\$ 220,432
2032	\$ 39,117
2036	\$ 17,882
2038	\$ 133,548

The reconciliation of income taxes is as follows:

	2022	2021
Loss before income taxes	\$ (129,960)	\$ (39,234)
Statutory Rates	12.20%	12.20%
(Loss) income tax (recoverable) expense at the combined basic federal and provincial tax rate (2022-12.20%)	\$ (15,855)	\$ (4,787)
Non-deductible expenses	-	-
Non-capital loss carried forward (applied)	15,855	4,787
Income Tax Expense	-	-

The potential benefits relating to the available losses have not been recorded in the financial statements.

13. Fees

Fees consist of the following:

	2022	2021
Self-Insurance Default Fee	\$ 88,473	\$ 78,406
Administration Fee	\$ 11,800	\$ 20,000
Loan Servicing Fee	\$ 47,520	\$ 47,714
	\$ 147,793	\$ 146,120

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

14. Government Assistance Loan

a. The Company have been provided Canada Emergency Business Account (CEBA) loan amounting to total of \$40,000 which is interest-free loan until December 31, 2023. It is to help eligible businesses to pay for operating expenses, payroll and other no deferrable expenses which are critical to sustain business continuity due to special circumstances of COVID-19.

Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25 percent (Up to \$10,000). Commencing on January 1, 2024, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.

Since there is reasonable assurance that the company will repay \$30,000 by December 31, 2023, \$10,000 forgivable amount is recorded as government assistance in the year ended August 31, 2021

b. The company has also received government grant \$18,748 against COVID-19 support from government for the fiscal year ended Aug 31, 2021

15. Related Party Transactions

The following transactions and balances with a related entity are included in the corresponding accounts in these financial statements. These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related entity.

The following expense items are represented by transactions with a significantly influenced entity:

	<u>2022</u>	<u>2021</u>
Occupancy Cost	\$ 27,000	\$ 27,000
	<u>\$ 27,000</u>	<u>\$ 27,000</u>

16. Mortgage and Administration

	<u>2022</u>	<u>2021</u>
Principle due from borrowers	\$ 1,869,632	\$ 2,035,926
Assets held in administrative trust bank account	\$ 3,937	\$ 19,449
Assets held in brokerage trust bank account	\$ 2,401	\$ 1,646
	<u>\$ 1,875,970</u>	<u>\$ 2,057,021</u>
Investor Fund	\$ 1,869,632	\$ 2,035,926
Monies in trust due to investors	\$ 6,338	\$ 21,095
	<u>\$ 1,875,970</u>	<u>\$ 2,057,021</u>

First Swiss Mortgage Corp.

Notes to the Financial Statements For the year ended August 31, 2022

17. Commitment

First Swiss Mortgage Corp. has paid the sum of \$27,000 for the period Sep 2021 to August 2022 as the part of this sharing agreement to 6807771 Canada Corp.

There is no long term commitment with related company. Parties have agreed to share costs on a month to month basis plus applicable taxes.

18. Going Concern

These financial statements have been prepared on the going concern basis which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. There is significant doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses over the past three years. The application of the going concern basis is dependent on the continued support of the shareholders and the Company's ability to sustain future profitable operations.

Management is of the opinion that sufficient working capital will be obtained from future cash flows to meet the Company's liabilities and commitments as they become payable. Revenues will be increased gradually as management has secured new contracts and is in negotiation with others for additional contracts. Thereafter. Further, management secured additional shareholder funding to meet short term cash needs in the prior year and is currently generating sufficient cash flow to extinguish short-term obligations as they arise.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate, adjustments would be necessary to the carrying value of assets, the reported revenues and expenses, and the balance sheet classifications used.

19. Comparative Figures

Certain accounts in the prior year's financial statement have been reclassified for comparative purpose to conform to the presentation in the current year's financial statement.

Appendix “C”

June 16, 2023

VIA EMAIL
zweigs@bennettjones.com

Sean Zweig
Bennett Jones
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

**Re: Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (“FSRA”)
v. First Swiss Mortgage Corp. (“First Swiss”)
Court File No. CV-23-00696362-00CL**

Dear Mr. Zweig,

We have reviewed the Affidavit of Reza Nezami-Nia sworn June 9, 2023 (the “**RNN Affidavit**”). The RNN Affidavit contains statements that are false, much of its contents are irrelevant to the pending motion to which it has been delivered in response, and various statements made in it seek to collaterally attack the Order of Justice Steele dated March 17, 2023 (as later amended).

We have summarized below certain comments with respect to statements made in the RNN Affidavit, listed by reference to the relevant paragraph number in the RNN Affidavit. This summary is not intended to be exhaustive and should not be taken to confirm agreement with respect to statements in the RNN Affidavit not specifically addressed herein, including due to the lack of relevance with respect to the pending motion.

Para 4: “Since 1998, I have been licensed and registered with the FSRA and its predecessor, the Financial Services Commission of Ontario (“FSCO”). Throughout this time, I have never experienced any regulatory or compliance issues and I have never had any complaints against me by anyone.”

Comment: This statement is false. Among other things, there was a compliance issue with Mr. Nezami-Nia’s continuing education requirements as Insurance Agent licensee in 2013, and warning letters were sent to First Swiss in 2022 and 2023 respectively regarding the company’s financial guarantee requirement and late filing of audited financial statements.

Para 8: “When a mortgage application was approved by FSM, FSM would utilize funds from a pool of investors, advance the funds to the borrower and register a second mortgage on the residential property.”

Comments: Annual Information Returns filed by First Swiss as mortgage administrator indicated that First Swiss did not administer syndicated mortgages. First Swiss was not registered as a Mortgage Investment Corporation. The mortgage agreement documents filed with the Court in connection with the receivership application indicated that investors fully funded specific mortgages rather than a pool.

Para 9: “I verily believe FSM has been involved with, originated, serviced and administered well over \$100 million in mortgages throughout its operational history...”

Comments: Annual Information Returns filed by First Swiss did not disclose this level of mortgage administration activity.

Para 15: “All FSM financial statements and reports were approved by the FSRA and prepared by FSRA approved auditors and accountants, in accordance with all applicable FSRA regulations, guidance and requirements.”

Comments: FSRA specifically communicated to First Swiss via email on November 9, 2021 that its 2017, 2018, 2019 Independent Auditor’s Reasonable Assurance Report on Compliance was not in FSRA’s approved format.

Para 17: “FSM employed close to 300 staff and brokers...”

Comments: FSRA has not seen evidence supporting this level of staffing.

Para 20: “While I was initially more involved in the general business activities of FSM, I took a step back roughly ten years ago to focus on other aspects of my life.”

Comments: Mr. Nezami-Nia has continued to be designated as the Principal Broker for First Swiss to date for the purpose of its mortgage brokerage business. The Principal Broker is ultimately responsible for compliance within the mortgage brokerage entity - maintaining this status is not consistent with a “step back”. See O.Reg 410/07 under the *Mortgage Brokerages, Lenders and Administrators Act* (“**MBLAA**”), particularly sections 2 and 3. Note also that while Mr. Nezami-Nia claims to be disengaged from the activities of First Swiss, he also alleges that he actively responded to FSRA’s inquiries, including detailed questions about the business activities of First Swiss (e.g., para 16 of the RNN Affidavit).

Para 45: “I verily believe that the FSRA only suspended my broker’s license, with no effect on any other officers, brokers or agents at FSM, including Dookram.”

Comments: Mr. Dookram and other First Swiss licensees were suspended when the First Swiss brokerage licence was suspended because First Swiss was their sponsoring brokerage (see s. 17(3) of the MBLAA: “(3) A mortgage broker’s or agent’s licence is suspended, ... (b) if the brokerage’s licence is suspended, surrendered or revoked.”). It was not necessary therefore to take separate action to suspend the licences of agents sponsored by First Swiss.

Para 49: “Attached hereto and marked as Exhibit “D” to this my Affidavit is a copy of the email correspondence from Ms. Mirhassanivahed dated March 6, 2023.”

Comments: Mr. Nezami-Nia included only a partial copy of the correspondence. He omits an email he sent to FSRA on March 6, 2023 where he stated:

“In follow up with our phone conversation here are the answer to your questions,

- 8 transactions for 2022

- Mortgages are offered only through third party mortgage brokers who will do all documentation and disclosures.”

Para 55: “Paragraph 18 of the Notice of Proposal to Revoke Licenses also sets out that I am the ‘principal broker’ of FSM. This is incorrect and misleading. FSRA was fully aware that there were multiple principal brokers at FSM and that another individual at FSM named Eugene Trounev was in charge of mortgage administration for the company.”

Comments: A mortgage brokerage can have only one Principal Broker (see MBLAA, s. 7(6)). Mr. Nezami-Nia is registered as the Principal Broker of First Swiss. According to First Swiss’s Annual Information Returns, Mr. Nezami-Nia was the Principal Broker commencing in 2015. Mr. Trounev was the Principal Broker from 2010-2014.

O. Reg. 410/07, s. 1 requires that, if the brokerage is a corporation, the Principal Broker must be a director or officer of the corporation. Mr. Nezami-Nia is currently the sole director of First Swiss.

Para 61: “I did call Dmitrii Mazur within an hour of receiving his email and left a voicemail at the phone number he provided.”

Comments: Mr. Mazur (Technical Lead, Complaints and Risk Assessment, Market Conduct with FSRA) has reviewed his records, including his phone logs, and has confirmed that he did not receive a call or voicemail from Mr. Nezami-Nia on March 15, 2023.

Para 63: “All information regarding mortgage portfolio, mortgages under administration, investor information and all other related data were provided by Mr. Dookram at FSM”.

Comments: Mr. Nezami-Nia, as Principal Broker, submitted the Mortgage Brokerage Annual Information Returns for First Swiss. The attestation in these returns (i.e., that the information submitted is true) was provided by Mr. Nezami-Nia.

Yours truly,
CHAITONS LLP



George Benchetrit
PARTNER*

*Denotes Professional Corporation

GB/ac

c. Joseph Blinick, Bennett Jones
blinickj@bennettjones.com

Appendix “D”

6807771 Canada Corp

COMPANY MINUTE BOOK

6807771 Canada Corp
COMPANY MINUTE BOOK CONTENT

Organizational Resolutions
Resolution Of The Directors
Organizational Resolutions Of The Shareholder(S)
Register Of Directors
Resignation Of Director
Appointment Of Corporate Officers
Resignation Of Officer
Subscription Of Shares
Share Certificate
Register Of Shareholders
Consent And Waiver For Allotment Of Shares
Directors Resolution Approving Allotment Of Shares
Consent And Waiver For Transfer Of Shares
Share Transfer Form
Directors' Resolution Approving The Transfer Of Shares
Bylaws
Notice Of Organization Meeting Of Incorporators And Directors
Waiver Of Notice Of Meeting Of Incorporators And Directors
Minutes Of Organization Meeting Of the Board Of Directors
Waiver Of Notice First Meeting Of Shareholders
Minutes, First Meeting Of Shareholders
Minutes, Shareholders' Annual Meeting
Minutes, Regular Board Meeting
Notice To Directors Of Regular Board Meeting
Minutes, Directors' Regular Meeting

6807771 Canada Corp
ORGANIZATIONAL RESOLUTIONS

Resolutions of the Director(s) of 6807771 Canada Corp

The undersigned, being the director(s) of **6807771 Canada Corp** hereby sign(s) the following resolutions:

Designation of Officers

Resolved that the Corporation shall have:

Director
President
Vice President
Secretary

Duties and Powers of Officers

Resolved that the officers of the Corporation shall exercise the following duties and powers:

1. The Chair of the Board shall when present, preside at all meetings of the board of directors.
2. The President shall, when present, preside at all meetings of the board of directors in the absence of the Chair of the Board and at all meetings of shareholders and shall be responsible for the management of the business and affairs of the Corporation.
3. The Vice President, or, if more than one, the Vice Presidents, shall assist the President in the performance of the President's duties and, in order of seniority as determined by the board of directors, may perform the duties and exercise the powers of the President during the absence or inability to act of the President. If a Vice President performs any such duty or exercises any such power, the absence or inability of the President shall be presumed with respect thereto.
4. The Secretary shall give, or cause to be given, all notices required to be given to shareholders, directors, auditors, and members of committees of the board of directors. The Secretary shall attend meetings of the board of directors and the shareholders and shall enter or cause to be entered in books kept for that purpose minutes of all

proceedings at such meetings. The Secretary shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation, if any.

5. The Treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the board of directors, shall control the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The Treasurer shall render an account of the financial position of the Corporation to the board of directors at each meeting of the board of directors, or whenever otherwise required by the board of directors.

6. Officers shall, in addition to those prescribed by this resolution, perform such duties and exercise such powers of management of the business and affairs of the Corporation as may from time to time be prescribed by the board of directors. An assistant to any officer shall assist such officer in the performance of such officer's duties and may perform the duties and exercise the powers of such officer during the absence or inability to act of such officer. If an assistant performs any such duty or exercises any such power, the absence or inability to act of such officer shall be presumed with respect thereto.

Appointment of Officers

Resolved that:

Reza Nezami is appointed Director of the Corporation

Execution of Documents

Resolved that deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by (any director or officer/any two directors or officers) of the Corporation. In addition, the directors may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

Company Powers

The following powers are hereby expressly conferred upon the Company: a. Sell or dispose of its undertaking or a substantial part thereof; b. Subject to the provision of the Act with respect to the reduction of capital, distribute any of its property in species among its members; and c. Amalgamate with any company or other body of persons. The liability of the members is limited.

Share Certificates

Resolved that the form of certificate annexed hereto is approved and adopted as the form of certificate for the (name of the class) shares in the capital of the Corporation.

Shares

(i) An unlimited number of Common Shares;

Share Rights, privileges, restrictions and conditions

Holders of Common Shares have rights to vote at all the meetings of shareholders, receive the remaining property of the corporation upon dissolution and, receive the dividends as and when declared by the sole director of the corporation.

All of the issued and outstanding Common Shares of the corporation shall be legally and beneficially owned, directly and indirectly by a single individual shareholder only, i.e. the controlling shareholder.

Banking Resolution

Resolved that the banking resolution, in the form required by the (name of bank), a copy of which is annexed hereto as Schedule "B," is hereby approved.

Financial Year End

Resolved that the financial year of the Corporation shall end (d/m) in each year.

Appointment of Auditors

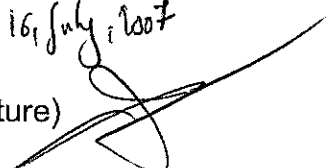
Resolved that (name), Chartered Accountants, are appointed auditors of the Corporation to hold office until the first annual general meeting of shareholders at such remuneration as may be fixed by the directors.

Corporate Seal

Resolved that the corporate seal of the Corporation is in the form impressed here on. There is no requirement for a corporation to have a corporate seal. If you decide not to have one, you should omit this resolution.

Dated: (d/m/y) 16 July 2007

Director: (signature)



**RESOLUTION OF THE DIRECTOR OF
6807771 Canada Corp**

The undersigned, being the directors of **6807771 Canada Corp**, hereby signs the following resolution:

Allotment and issuance of shares to (name)

Resolved that:

1. The subscription of _____Reza Nezami_____ for one hundreds Common Shares in the capital of the Corporation, which subscription is annexed hereto, is accepted.
2. The consideration for the allotment and issue of the said Common Shares subscribed for as aforesaid is fixed at \$____100.00_____.
3. One hundreds Common Shares in the capital of the Corporation is allotted to Reza Nezami.
4. The Corporation has received the sum of \$__100.00___ in full payment of the subscription price for the said Common Shares, such share is issued and shall be held as a fully paid and non-assessable share and a certificate, therefore, shall be issued to Reza Nezami.

Dated: (d/m/y) 16, July, 2007

Director: (signature)

Director: (signature)

**ORGANIZATIONAL RESOLUTIONS OF THE SHAREHOLDER(S) OF
6807771 Canada Corp**

Election of Director(s)

Resolved that the following person(s) are hereby elected directors of the Corporation for the ensuing year or until their successors have been duly elected:

Reza Nezami

(name) _____

Appointment of Accountants

Resolved that:

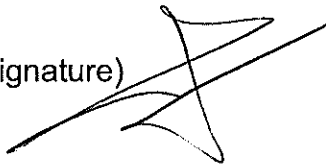
1. Pursuant to the Business Corporations Act, an auditor of the Corporation shall not be appointed; and

2. Any general accountant(s) are hereby appointed accountants of the Corporation to hold office until the first annual general meeting of the shareholders or until their successors have been duly appointed at such remuneration as may be fixed by the directors, the directors being hereby authorized to fix such remuneration.

The undersigned, being all the shareholders of the Corporation, hereby consent, by their signatures, to the foregoing resolutions pursuant to the provisions of the Business Corporations Act.

Dated: (d/m/y) 16 July 2007

Shareholder: (signature)

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

6807771 Canada Corp
REGISTER OF DIRECTORS

The following persons were appointed Director(s) on July 16, 2007

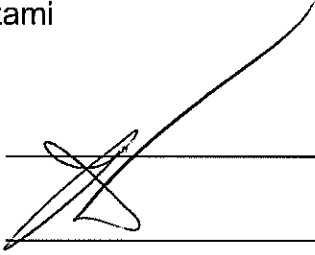
Name of Director (Last, First, Second)	Resident Address	Date Appointed or Elected	Date Cease
Reza Nezami	5255 Yonge street, Toronto, Ontario	July 16, 2007	

6807771 Canada Corp
SUBSCRIPTION OF SHARES

To: **6807771 Canada Corp**
AND TO The Directors thereof

The undersigned subscribe for and agree to take Common Shares without par value in the capital of the above-named company set opposite our respective names at the price of: \$ 1.00 per share and enclose the sum of \$ 100.00 each payable to the company in full payment of the aggregate price of said shares.

DATED this 16 day of July, 2007

Name:	Number of Shares:
Reza Nezami	<u>100</u> Common Shares
Signature 	
Signature _____	
Signature _____	

6807771 Canada Corp
SHARE CERTIFICATE

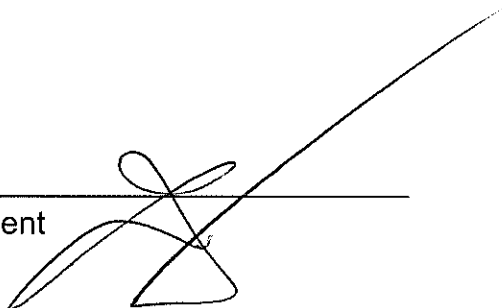
Incorporated Federally in Canada, with a registered address in
the Province Of Ontario, Canada

Certificate No. 01, Class of Shares: Common Shares, Par value : \$1.00 Each

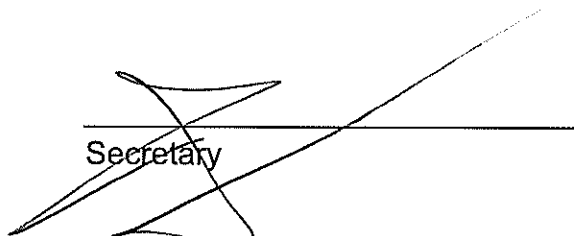
This Certificate, certifies that **Reza Nezami** is the true and lawful owner and holder of
100 Common Shares of 6807771 Canada Corp, a Canada Federal corporation.

This Certificate is issued by the Corporation by its duly authorized officers of the
Corporation this **_16_ day of _July_ , _2007_**

President

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a horizontal line.

Secretary

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a horizontal line.

6807771 Canada Corp
REGISTER OF SHAREHOLDERS

Name of Shareholder <i>(Last, First, Second)</i>	Date Became Shareholder	Date Ceased to be Shareholder	Class & Kind Of Shares	Par Value	Considerations Paid to Company
Reza Nezami	July 16, 2007		Common	\$1.00	\$100.00

Appendix “E”

6807771 Canada Corp

Balance Sheet

As of 30 June 2017

30 June 17

ASSETS

Current Assets

Chequing/Savings

Bank Of Montreal 2429 1044.279	4,900.93
US Account 2429 4701-106	5,161.77

Total Chequing/Savings	10,062.70
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Other Current Assets

Investment with Fund	115,000.00
Loan Receivable-Investment Co.	206,998.34
Loan Receivable (Farm Expenses)	
Aircraft	116,962.65
Auto Lease (Ford)	12,526.15
Auto Lease (Posche Financial)	25,329.00
Credit Card 4866	254,800.06
Farm - Dodge Challenger	47,000.00
Farm Equipment	42,000.00
Feeders wagon	16,800.00
Fencing Farm	43,457.00
Ford Truck	24,920.00
Legal Expenses - Farm	418,553.15
Livestock	276,620.83
Tractor	277,419.65
Loan Receivable (Farm Expenses) - Other	378,469.12

Total Loan Receivable (Farm Expenses)	1,934,857.61
--	---------------------

Loan Receivable (FSM Expenses)	3,161.54
---------------------------------------	-----------------

Total Other Current Assets	2,260,017.49
-----------------------------------	---------------------

Total Current Assets	2,270,080.19
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Other Assets

Deposit from Aeronautical Title	50,000.00
---------------------------------	-----------

Total Other Assets	50,000.00
---------------------------	------------------

TOTAL ASSETS	2,320,080.19	2,310,017.49
---------------------	---------------------	---------------------

LIABILITIES & EQUITY

Liabilities

Shareholder Loan

Reza Nezami (Shareholder)	3,505,577.00
---------------------------	--------------

Total Shareholder Loan	3,505,577.00
-------------------------------	---------------------

Total Long Term Liabilities	3,505,577.00
------------------------------------	---------------------

Total Liabilities	3,505,577.00
--------------------------	---------------------

Equity

Capital Stock	100.00
---------------	--------

Opening Balance Equity	-1,179,607.00
------------------------	---------------

Net Income	-5,990.00
------------	-----------

Total Equity	-1,185,497.00
---------------------	----------------------

TOTAL LIABILITIES & EQUITY	2,320,080.00
---------------------------------------	---------------------

Appendix “F”




Government
of Canada

Gouvernement
du Canada

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)

→ [Search for a Federal Corporation](#)

Federal Corporation Information - 980688-1

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

980688-1

Business Number (BN)

763621695RC0001

Corporate Name

9806881 CANADA CORP.


Status

Active

Governing Legislation

Canada Business Corporations Act - 2016-06-24

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) 

Registered Office Address

7191 Yonge Street, Suite 911
Thornhill ON L3T 0C4

Canada

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 10

F Yavari
911- 7191 Yonge Street
Thornhill ON L3T 0C4
Canada

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

06-24

Date of Last Annual Meeting

2022-06-30

Annual Filing Period (MM-DD)

06-24 to 08-23

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2023 - Not due

2022 - Filed

2021 - Filed

Corporate History

Corporate Name History

2016-06-24 to Present

9806881 CANADA CORP.

Certificates and Filings

Certificate of Incorporation

2016-06-24

[Order copies of corporate documents](#)

[Start New Search](#)

[Return to Search Results](#)

Date Modified:

2023-06-12



Profile Report

9806881 CANADA CORP. as of June 15, 2023

Act	Corporations Information Act
Type	Extra-Provincial Federal Corporation with Share
Name	9806881 CANADA CORP.
Ontario Corporation Number (OCN)	3135853
Governing Jurisdiction	Canada - Federal
Incorporation/Amalgamation Date	June 24, 2016
Registered or Head Office Address	7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4
Status	Refer to Governing Jurisdiction
Date Commenced in Ontario	June 24, 2016
Principal Place of Business	7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Chief Officer or Manager

Name

R N

Address for Service

7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Refer to Governing Jurisdiction

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: R N - DIRECTOR	June 27, 2016

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Appendix “G”

9806881 Canada Corp.

FINANCIAL STATEMENTS

Unaudited - See Notice to Reader

June 30, 2020

9806881 Canada Corp.
INDEX TO FINANCIAL STATEMENTS
Unaudited - See Notice to Reader

	Page
NOTICE TO READER	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Net Income (Loss) and Deficits	3



Syed A. Raza Professional Corporation **Licensed Public Accountant**

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of 9806881 Canada Corp. as at June 30, 2020 and the statement of income (loss) and retained earnings (Deficits) for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Toronto, Ontario
19-November-2021

Syed A. Raza Professional Corporation, CPA
Licensed Public Accountant

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

9806881 Canada Corp.

BALANCE SHEET

Unaudited - See Notice to Reader

AS AT 30 June 2020

	2020	2019
ASSETS		
CURRENT		
Cash & Bank	78,572	89,753
GST/HST Receivable	452,356	292,945
Inventory	771,833	838,890
Other Receivables	76,964	54,231
Prepaid Expenses	2,000	3,000
Total Current Assets	\$ 1,381,725	\$ 1,278,819
CAPITAL AND INTANGIBLE ASSETS		
Fixed Assets	1,591,700	683,137
Total Assets	\$ 2,973,425	\$ 1,961,956
LIABILITIES & SHAREHOLDER'S EQUITY		
CURRENT		
Accounts Payable	307,149	-
Payroll Liabilities	758	-
Shareholder's Loan	691,983	638,582
Total Current Liabilities	\$ 999,890	\$ 638,582
LONG TERM DEBT		
Long Term Loan Payable	244,687	240,624
Intercompany Payable	5,923,396	3,793,865
Total Liabilities	\$ 6,168,083	4,034,489
Shareholder's Equity		
Issued Capital	10	10
Deficit	(4,194,558)	(2,711,125)
Total Shareholder's Equity	\$ (4,194,548)	\$ (2,711,115)
Total Liabilities & Shareholder's Equity	\$ 2,973,425	\$ 1,961,955

Approved on Behalf of the Board

_____ Director

_____ Director

9806881 Canada Corp.

STATEMENT OF INCOME (LOSS) AND RETAINED EARNINGS (Deficits)

Unaudited - See Notice to Reader

For the year end June 30, 2020

	2020	2019
Sales	68,085	85,092
Less: Cost of Sales	93,290	112,999
Gross Profit	\$ (25,205)	\$ (27,907)
EXPENSES		
Advertising Expense	185,926	141,441
Amortization	448,970	226,879
Automobile Expense	49,563	18,990
Farm Expense	604,490	184,789
Insurance Expense	38,583	26,128
Interest on Long Term Debt	10,580	17,572
Office Expense	39,605	76,949
Travel Expense	50,121	89,541
Professional Fees	12,890	20,048
Salaries & Wages	8,654	-
License & Permits	-	1,954
Rent Expense	11,654	5,400
Telephone Expense	2,278	-
Total Expense	1,463,312	809,691
Gain/Loss on Sales of Assets	5,084	9,661
Income (loss) before income tax	(1,483,433)	(847,260)
Income Tax Expense	-	-
Net income (Loss)	(1,483,433)	(847,260)
Retained Earning (Deficit), beginning of the year	(2,711,125)	(1,863,865)
Retained Earning (Deficit), end of the year	\$ (4,194,558)	\$ (2,711,125)

Appendix “H”



Syed Raza <syedrazacga@gmail.com>

FW: Farm Company

1 message

Nazir Alibhai <nalibhai@yahoo.com>
To: umer husain <mohdumer@accountantcpa.ca>
Cc: Syed Raza <raza@accountantcpa.ca>

Sat, Sep 8, 2018 at 11:28 PM

A. Following changes requires as per discussions with Mr. Syed:

1. On Feb 8th 2017 there were credit transactions with Best Buy

\$3631.65

\$226.00 Credit - already recorded as Computer purchase

\$119.78 Credit – computer purchase

\$700 was paid cash

Except for credit of \$226 other 3 have been recorded as Admin expenses – these need to be re-allocated.

Copy of the bill from Best Buy is with you

Balance Sheet and Income Statement as at June 30th 2017

1. Cash & Bank – there will be no bank balances as there is no bank account. All funds are provided by the Cash Management Company.
2. There will be Cash Balance on Andrew's account of \$17,042.53
3. Inventory – The attached **revised Livestock summary reflects a balance of \$571,919.72**. We have to incorporate the opening balance which reflects purchase of 344 heads of cattle. Reza said he has documentation but has not yet provided. There is also a reduction of \$87,000 in respect of 87 deaths during the Fiscal year as confirmed by Reza.
4. Dodge Challenger – transfer \$48,000 from Liabilities account to Asset Account
5. There not be any credit card payable
6. Dodge Challenger Loan – transfer \$653.38 for Feb 2017/Mar 2017/Apr 2018 each from Farm Expenses to Loan Dodge Challenger - to reduce loan amount
- 6)Leasehold Improvements –There will be no leasehold Improvements
- 7) In the Income Statement the amount for professional Fees should be Auto Lease – this was for Porsche Financial

B. At the meeting with Mr. Syed it was noted that the Farm Company does not have a Bank Account all funds are provided by the Cash Management Company.

Therefore, I have now analysed the Banking Activity to reflect this change. **PLEASE NOT THAT ALL ANALYSIS HAS BEEN BASED ON INFORMATION PROVIDED BY THE OWNER. MANY ITEMS OF EXPENDITURE ARE NOT SUPPORTED BY SUPPORTING DOCUMENTS. HOWEVER, ALL CAPITAL EXPENDITURE ITEMS HAVE BEEN CAPTURED AND SUPPORTED BY BILLS. LEGAL EXPENSES ARE NOT SUPPORTED BY BILLS. THESE ALLOCATION ARE PROVIDED BY THE OWNER.**

In the revised Bank Analysis only the Farm Company activity will need to be posted.

The following items do not belong to the Farm Company in the analysis:

Personal

FSM TRANSFER/EXPENDITURE

HOLDING COMPANY

BMO 4866

BMO 7166

Attached is the revised Bank Account Analysis and Livestock summary.

For Bank account transaction please capture HST from April 19th 2017.

Regards

Nazir

PS

I will be out of town from 10th to 17th September but will try and answer my emails.

2 attachments



Bank Account Analysis - 680771 Canada Corp - June 2016-June-2017 Updtaed Sept 8 2018.xlsx
145K



Livestock 30th June 2017 - Revised - Sept 8 2018.xlsx
15K

Appendix “I”

**Agreement of Purchase and Sale
 Condominium Resale - Commercial**



This Agreement of Purchase and Sale dated this 13 day of June, 2016

BUYER, Reza Nezami-Nia Or Company To Be Incorporated, agrees to purchase from
(Full legal names of all buyers)

SELLER, Behrouz Ehsani-Yeganeh, the following
(Full legal names of all Sellers)

PROPERTY:
 a unit in the condominium property known as Suite No. 911
(Apartment/Townhouse/Suite/Unit)

located at #911 - 7191 YONGE ST

in the Municipality of Markham

being YRSCC Condominium Plan No. 1285
(Legal Name of Condominium Corporation)

Unit Number 911 Level No. 9 Building No. 7191 together with ownership

or exclusive use of Parking Space(s) N/A together with ownership or exclusive use of
(Number(s), Level(s))

Locker(s) N/A together with Seller's proportionate undivided tenancy-in-common interest
(Number(s), Level(s))

In the common elements appurtenant to the Unit as described in the Declaration and Description including the exclusive right to use such other parts of the common elements appurtenant to the Unit as may be specified in the Declaration and Description; the Unit, the proportionate interest in the common elements appurtenant thereto, and the exclusive use portions of the common elements, being herein called the "Property",

PURCHASE PRICE: Eighty Dollars (CDN\$) 580,000.00
Five Hundred Seventy Thousand Dollars
(M) (BEY) (M) (BEY)

DEPOSIT: Buyer submits Upon acceptance Dollars (CDN\$) 50,000.00
(Herein/Upon Acceptance/as otherwise described in this Agreement)
Fifty Thousand Dollars (CDN\$)

by negotiable cheque payable to RE/MAX RIGHT CHOICE INC., BROKERAGE "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A B/C/D Seller attached hereto form(s) part of this Agreement.
(BEY) (M)

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 11:00 p.m. on 14th day of June, 2016 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.
(BEY) (M) (BEY) (M)

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 28th day of February, 2016. Upon completion, vacant possession of the Property shall be given to the Buyer unless otherwise provided for in this Agreement.
(M) (BEY) (M) (BEY)

INITIALS OF BUYER(S): (M) (BEY) **INITIALS OF SELLER(S):** (BEY)

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(M) (BEY)

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 905 886 7556
(For delivery of Documents to Seller)

FAX No.: 416-221-6464
(For delivery of Documents to Buyer)

Email Address: psancikashani@gmail.com
(For delivery of Documents to Seller)

Email Address: psancikashani@gmail.com
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**

All Existing Kitchen cabinet with mini fridge. All electric light fixtures and all other permanent fixtures now attached or on to the property and belonging to the seller and deemed to be free of all encumbrances. Also, The Seller agrees to leave the property in a broom swept condition, free of any debris & any personal belongings.

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

N/A

6. **RENTAL ITEMS (including Lease, Lease to Own):** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

N/A

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **COMMON EXPENSES:** Seller warrants to Buyer that the common expenses presently payable to the Condominium Corporation in respect of the Property are approximately \$ 913.85 per month, which amount includes the following: Maintenance

(Monthly Common Expenses) and Use of Parkings are Including plus HST (Utility are excluded)

8. **PARKING AND LOCKERS:** Parking and Lockers are as described above or assigned as follows: Use of Office parking is included in the maintenance fee at an additional cost of:

9. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):

M

INITIALS OF SELLER(S):

BEY
M



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8
BEY

(M)

(BEY)

(BEY)

(M)

2016 (BEY)

10. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the ~~15th~~ 6th December ~~February~~ day of February, 2014, (Requisition Date) to examine the title to the Property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that

there are no outstanding work orders or deficiency notices affecting the Property, and that its present use (Professional Office Use)

may be lawfully continued. If within that time any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain Insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the Property. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the Property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

11. **TITLE:** Buyer agrees to accept title to the Property subject to all rights and easements registered against title for the supply and installation of telephone services, electricity, gas, sewers, water, television cable facilities and other related services; provided that title to the Property is otherwise good and free from all encumbrances except: (a) as herein expressly provided; (b) any registered restrictions, conditions or covenants that run with the land provided such have been complied with; (c) the provisions of the Condominium Act and its Regulations and the terms, conditions and provisions of the Declaration, Description and By-laws, Occupancy Standards By-laws, including the Common Element Rules and other Rules and Regulations; and (d) any existing municipal agreements, zoning by-laws and/or regulations and utilities or service contracts.

12. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

13. **STATUS CERTIFICATE AND MANAGEMENT OF CONDOMINIUM:** Seller represents and warrants to Buyer that there are no special assessments contemplated by the Condominium Corporation, and there are no legal actions pending by or against or contemplated by the Condominium Corporation. The Seller consents to a request by the Buyer or his authorized representative for a Status Certificate from the Condominium Corporation. Buyer acknowledges that the Condominium Corporation may have entered into a Management Agreement for the management of the condominium property.

14. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property except such as are in the possession or control of Seller. Seller agrees to deliver to Buyer, if it is possible without incurring any costs in so doing, copies of all current condominium documentation of the Condominium Corporation, including the Declaration, Description, By-laws, Common Element Rules and Regulations and the most recent financial statements of the Condominium Corporation. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

15. **MEETINGS:** Seller represents and warrants to Buyer that at the time of the acceptance of this Offer he has not received a notice convening a special or general meeting of the Condominium Corporation respecting; (a) the termination of the government of the condominium property; (b) any substantial alteration in or substantial addition to the common elements or the renovation thereof; OR (c) any substantial change in the assets or liabilities of the Condominium Corporation; and Seller covenants that if he receives any such notice prior to the date of completion he shall forthwith notify Buyer in writing and Buyer may thereupon at his option declare this Agreement to be null and void and all monies paid by Buyer shall be refunded without interest or deduction.

16. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the Property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

INITIALS OF BUYER(S):

(M)

INITIALS OF SELLER(S):

(BEY)

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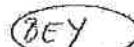
8 (BEY)

- 17. APPROVAL OF THE AGREEMENT:** In the event that consent to this sale is required to be given by the Condominium Corporation or the Board of Directors, the Seller will apply forthwith for the requisite consent, and if such consent is refused, then this Agreement shall be null and void and the deposit monies paid hereunder shall be refunded without interest or other penalty to the Buyer.
- 18. INSURANCE:** The Unit and all other things being purchased shall be and remain at the risk of the Seller until completion. In the event of substantial damage to the Property Buyer may at his option either permit the proceeds of insurance to be used for repair of such damage in accordance with the provisions of the Insurance Trust Agreement, or terminate this Agreement and all deposit monies paid by Buyer hereunder shall be refunded without interest or deduction. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's Interest on completion.
- 19. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer.
- 20. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 21. ADJUSTMENTS:** Common Expenses; realty taxes, including local improvement rates; mortgage interest; rentals; unmetered public or private utilities and fuel where billed to the Unit and not the Condominium Corporation; are to be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to the Buyer. There shall be no adjustment for the Seller's share of any assets or liabilities of the Condominium Corporation including any reserve or contingency fund to which Seller may have contributed prior to the date of completion.
- 22. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the Property, save and except any property taxes that accrued prior to the completion of this transaction.
- 23. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 24. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 25. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
- 26. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the Property, Seller has not caused any building on the Property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the Property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 27. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the Brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 28. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 29. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 30. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the Property is located.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):









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31. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein. SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) Mehrdad (Buyer/Authorized Signing Officer) [Signature] (Seal) DATE June 13/2016
 (Witness) (Buyer/Authorized Signing Officer) (Seal) DATE

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to my payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
 (Witness) San Kashani (Seller/Authorized Signing Officer) B. E. Megam (Seal) DATE June-13-2016
 (Witness) (Seller/Authorized Signing Officer) (Seal) DATE

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 8:30 a.m. this 13th day of June, 2016.

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)	
Listing Brokerage <u>RE/MAX RIGHT CHOICE INC.</u>	Tel.No. <u>(416) 250-6464</u>
<u>PARVIZ SANBI-KASHANI</u>	(Salesperson / Broker Name)
Co-op/Buyer Brokerage <u>ROYAL LEPAGE YOUR COMMUNITY REALTY</u>	Tel.No. <u>(905) 731-2000</u>
<u>MEHRDAD SHIRAZI</u>	(Salesperson / Broker Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) B. E. Megam DATE June-13-2016
 (Seller) DATE
 Address for Service
 Tel.No.
 Seller's Lawyer
 Address
 Email
 Tel.No. TAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) [Signature] DATE July 13, 2016
 (Buyer) DATE
 Address for Service
 Tel.No.
 Buyer's Lawyer
 Address
 Email
 Tel.No. FAX No.

Property Manager: (Name) (Address) (Tel No., FAX No)

FOR OFFICE USE ONLY	COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale: In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust. DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.	
(Authorized to bind the Listing Brokerage) <u>San Kashani</u>	Acknowledged by: <u>Mehrdad</u> (Authorized to bind the Co-operating Brokerage)

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Schedule A

**Agreement of Purchase and Sale -
Condominium Resale - Commercial**



This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Reza Nezami-Nia Or Company To Be Incorporated, and

SELLER, Behrouz Ehsani-Yeganeh

for the purchase and sale of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 13 day of June 2016

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

This Offer is conditional upon the Buyer arranging, at the Buyer's own expense, a new first Charge Mortgage satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller not later than 9:00 PM, on the 29th day of June 2016, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.

This Offer is conditional upon the inspection of the unit and common elements by a qualified Commercial Inspector at the Buyer's own expense and the obtaining of a report satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller not later than 9:00 PM, on the 29th day of June 2016, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. The Seller agrees to co-operate in providing access to the unit for the purpose of this inspection. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.

This Offer is conditional upon satisfactory to the Buyer that the property is zoned in final and binding form under the relevant zoning by-laws and official plan and condominium corporation management office to permit it to use the property for the purpose of Operation of the Buyer's Business. Unless the buyer gives notice in writing to the Seller not later than 9:00 PM, on the 29th day of June 2016, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.

This offer is conditional upon the Buyer's lawyer reviewing the Status Certificate and Attachments and finding the Status Certificate and Attachments satisfactory in the Buyer's Lawyer's sole and absolute discretion. The Seller agrees to request at the Seller's expense, the Status Certificate and Attachments within 10 days after acceptance of this Offer. Unless the buyer gives notice in writing to the Seller not later than 9:00 PM, on the 29th day of June 2016, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

(Handwritten initials)

INITIALS OF SELLER(S):

(Handwritten initials BEY)

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Schedule A

**Agreement of Purchase and Sale -
Condominium Resale - Commercial**



This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Reza Nezami-Nia Or Company To Be Incorporated, and

SELLER, Behrouz Ehsani-Yeganeh

for the purchase and sale of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 13 day of June 2016

Both the Buyer and Seller agree that attached Lease Agreement marked as Schedule C is an integral part of this Agreement of Purchase and Sale and both parties agree to be bound by the terms of said Lease. Should this deal not become firm and binding by the removal of all other conditions contained herein then the attached Lease Agreement marked as Schedule C shall also become null and void and the Seller shall be free to enter into a new Lease Agreement.

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The Buyer shall deliver to the Seller on closing:

1. a statutory declaration that the Buyer is a registrant within the meaning of Part IX of the Excise Tax Act of Canada [the "Act"] and that the Buyer's registration is in full force and effect;
2. reasonable evidence of the Buyer's registration under the Act; and
3. an undertaking by the Buyer to remit any tax eligible under the Act in respect of this transaction and to indemnify the Seller against all loss, cost and damages resulting from the buyer's failure to do so.

The Seller represents and warrants that the chattels and fixtures as included in this Agreement of Purchase and Sale will be in good working order and free from all liens and encumbrances on completion. The Parties agree that this representation and warranty shall survive and not merge on completion of this transaction, but apply only to the state of the property at completion of this transaction.

The Seller shall make available within Two business day after acceptance of this Agreement to the Buyer for his use without costs upon execution of this Agreement, all reports and engineering drawings showing water pipes & drainage, electrical wiring & permit, HVAC permit and drawing, fire sprinkler drawing permit, And connections to all services, proposed building plans, Architectural drawing, and all warranties including and not limited to frame-less glasses doors & etc., copies of the occupancy permit, or any permit from Town of Markham & condo management and payments in possession or control of the Seller including any municipal or other governmental agencies, Such material shall be returned to the Seller should this Agreement, for any reason, not close.

The Buyer shall have the right to visit the property 3 [Three] further time[s] prior to completion, at a mutually agreed upon time. The Seller agrees to provide access to the property for the purpose of this visit.

The Buyer shall have the right at any time prior to closing, to assign the within offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignee's covenant in favor of the Seller to be bound hereby as buyer, the Buyer herein before named shall NOT be released from all further liability hereunder.

Actual Square feet is 1109 as per Statement of Adjustments on Final Closing.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

M

INITIALS OF SELLER(S):

BEY

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Schedule

Form R05 for use in the Province of Ontario

This Schedule A is attached to and forms part of the Agreement between:

Reza Nazemi-Nia or Company to be Incorporated, and
Behrouz Ehsani Yeganeh
for # 911 - 7191 YONGE ST.
Agreement dated June 13, 2016

(M)

Should the Buyer not be able to close this transaction on the scheduled closing date of December ~~20~~ 19, 2016 for any reason whatsoever the Seller shall retain the entire deposit included in this Agreement of Purchase and Sale as damages and this transaction shall become null and void. This clause replaces a mutual release and directs the Deposit Holder to release said deposit to the Seller upon confirmation by the Seller's lawyer that this transaction has not closed by December 15, 2016.

(BE-7)

Initial of Buyer

(N)

Initial of Seller

(BE7)

This page must be initialed by all parties to the Agreement.

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Reza Nezami Nia or company to be incorporated....., and

SELLER, Behrouz Ehsani Koganeh.....

for the property known as #911-7191 Yonge St, Markham, ON, L3T 0C4.....

..... dated the 13..... day of June..... 2016.....

For purposes of this Agreement, the term Seller shall be interchangeable with Sellers, Vendor, Vendors, Landlord, Landlords, Lessor or Lessors. The term Buyer shall be interchangeable with Buyers, Purchaser, Purchasers, Lessee, Lessees, Tenant or Tenants.

The Buyer agrees to provide a certified cheque or bank draft as a deposit payable to Re/Max Right Choice Inc., Brokerage in trust herewith, or within one (1) banking day from acceptance of this Agreement. Unless Re/Max Right Choice Inc., Brokerage (the deposit holder) receives such deposit within the time period stated herein, then this Agreement shall become null and void, and the Seller shall have the right to offer the property for sale/lease again without any consent and/or release from the Buyer, and the Seller shall be at liberty to accept any other offer. The Buyer also acknowledges and fully understands that in such event and without prejudice to, or limiting the rights of the Seller, the Seller may also claim for damages upon the default of the Buyer's covenants and obligations to be performed under this Agreement.

The Buyer and Seller acknowledge and agree that the deposit herein shall be placed in a term deposit note in a Scotia Bank account and held in trust by the deposit holder. Provided that the deposit is held for not less than thirty (30) days that the amount of deposit is not less than \$5,000.00, and the amount of interest calculated is more than \$100.00, all interest earned by the term deposit shall be paid to the Buyer upon the successful completion of this transaction at the rate paid for term deposits by Scotia Bank otherwise the deposit holder will retain the deposit interest. If requested, the Buyer shall be provided with a copy of the deposit interest statement from Scotia Bank. Further, no interest shall be paid to the Buyer unless the Buyer provides the deposit holder with a Social Insurance Number for use as required by Revenue Canada within thirty (30) days from the date of completion of this Agreement. Any interest cheques issued by the deposit holder and not negotiated within six (6) months following completion of this herein transaction shall be forfeited to the deposit holder.

For the purpose of this Agreement, the terms "banking days" or "business days" shall mean any day, other than Saturday, Sunday or a Statutory Holiday in Toronto, Ontario, Canada.

The Seller and the Buyer acknowledge that no information provided by Re/Max Right Choice Inc., Brokerage is to be construed as expert legal, financial, tax, building condition, construction, environmental or other professional advice and that they have had the opportunity to consult with their own professional advisors prior to signing this Agreement.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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Schedule "A"
Agreement to Lease - Commercial

Form 512
for use in the Province of Ontario



This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Reza Nezami-Nia Or Company To Be Incorporated, and

LANDLORD (Lessor), Behrouz Ehsani-Yeganeh

for the lease of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 15 day of June, 2016

LANDLORD'S OBLIGATIONS

Landlord warrants that to the best of his knowledge and belief the property has not been insulated with urea formaldehyde or asbestos and the property contains no noxious substance, P.C.B.'s or contaminant as defined in the Environmental Protection Act of Ontario.

Landlord will approve Tenant's floor plan prior to construction by the Tenant's contractors. Tenant shall apply for any building permits and approvals that may be required from the Town of Markham and Condominium Corporation at the Tenant's expense.

ALTERATIONS BY TENANT

The Tenant may make (with the consent of the Landlord, such consent not to be unreasonably withheld) such changes, alterations, additions and improvements to the premises as will, in the judgment of the Tenant, better adapt them to the purposes of its business provided governmental regulations are complied with and provided, however that no such changes, alterations, additions and improvements shall impair the structural strength of the building. Such alterations shall include be installed at the Tenant's expense in good and workmanlike manner, that any alterations by the Tenant shall comply with requirements of the condominium corporation and the consent of the Board of Directors will be obtained where required.

SUCCESSORS AND ASSIGNS

The Agreement resulting from the acceptance of this Offer to Lease shall be binding upon and ensure to the benefit of the Landlord and Tenant and their respective heirs, successors, administrators and assigns.

ASSIGNMENT AND SUBLETTING

The Tenant shall have the right to assign or sublet the leased premises in whole or in part only be with the prior written approval of the Landlord, which shall not be unreasonably withheld and subject to Landlord's approval of the proposed new Tenant. Upon approval, Landlord's transfer fee for the sublease or assignment is \$1000.00 + HST.

This form must be initialed by all parties to the Agreement to Lease.

INITIALS OF TENANT(S):

(M)

INITIALS OF LANDLORD(S):

BEY

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This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Roza Nezami-Nia Or Company To Be Incorporated and

LANDLORD (Lessor), Behrouz Ehsanj-Yeganeh

for the lease of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 15 day of June, 2016

NOTICE

Any notice to be given either party to the other party shall be given by courier sent (or by personal delivery in a receipt is obtained on delivery) to the address of the party to whom the notice is given as set out herein and such notice shall be deemed to have been received by the party to whom it was sent upon date delivery.

Tenant Address: 31 Platinum Ave, Richmond Hill, ON, L4E 5E2

Landlord Address:

RENTAL AREA

The rental area of the Demised premises shall be Gross Leasable Area of approximately 1109 Square feet, as per statement of adjustment.

REPRESENTATIONS

It is understood and agreed that there are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Agreement express or implied, collateral or otherwise, except as expressly set forth in this Agreement.

INSURANCE

During the term of the lease and any renewals thereof, the Tenant agrees to maintain, at its own expense: (i) Fire insurance with extended coverage, and water damage insurance, in amounts sufficient to fully cover Tenant improvements and all property within the premises which is not owned by the Landlord, and: (ii) Liability insurance, with the Landlord named as an additional insured against claims for death, personal injury, and property damage in or about the premises in amounts which are from time to time acceptable to a prudent Tenant, in the community in which the building is located, but not less than two million dollars (\$2,000,000) for death, illness or injury to one or more persons, and one million dollars (\$1,000,000) for property damage in respect of each occurrence.

LEGAL, TAX AND ACCOUNTING ADVICE

The Parties to this Agreement acknowledge that the Real Estate Brokers and their associates have recommended that only desired legal, tax, accounting and building inspection advice be obtained through their own professional advisors and that no information provided by such Brokers and associates is to be construed or relied upon as legal, tax, accounting or inspection advice.

This form must be initialed by all parties to the Agreement to Lease.

INITIALS OF TENANT(S):

INITIALS OF LANDLORD(S):

Schedule "A"
Agreement to Lease - Commercial

Form 512
for use in the Province of Ontario



This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Reza Nezami-Nia Or Company To Be Incorporated, and

LANDLORD (Lessor), Behrouz Ehsani-Yeganeh

for the lease of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 15 day of June, 2016

GENERAL

It is understood and agreed by the Tenant that it will not be given occupancy of the premises until such a time as it has provided the Landlord with the following:

1. Contents insurance and a Certification of Liability Coverage of not less the \$2,000,000.00, to be renewed annually or as required.
2. Evidence that the utility account has been transferred into its name and all required security deposits have been paid to the utility companies.
3. ~~Seven (7)~~ Four (4) Post-date cheques were given to the Landlord for the remaining months of Lease term;

Account of Deposit:

1. First month's net rent + Additional Rent
2. HST

$$\begin{aligned}
 \$ 2,800 \times 2 &= 5600 \$ \\
 \$ 364 \times 2 &= 728 \$
 \end{aligned}$$

(BEY) Total Deposit

$$\text{Total} = 6328 \$$$

(M)
and
LAST
(A)

CONSENT APPROVAL

Whenever in this Lease, the consent or approval is required of the Landlord, its architects, engineers, auditors or any other persons of a similar nature, such consent or approval shall not be unreasonably withheld or unduly delayed.

BUILDING PERMIT

The Tenant Acknowledges upon obtaining a building permit (and all other applicable approvals) for the construction of the Property, they will promptly provide copies (s) of the permit to the Landlord, failing which the Landlord may terminate this Lease by notice in writing delivered to the Tenant. This obligation has been inserted for the sole benefit of the Landlord.

The Tenant Acknowledges upon completion of all construction, renovation and/or alteration, but no later than Four (4) months from the date of commencement of this lease, to obtain an occupancy permit from the City and to promptly remit a copy of the permit to the Landlord in order to receive the security deposit back to the Landlord which been held by the builder, failing which the Landlord may terminate this Lease by notice in writing delivered to the Tenant.

This form must be initialed by all parties to the Agreement to Lease.

INITIALS OF TENANT(S):

(M)

INITIALS OF LANDLORD(S):

(BEY)

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Schedule "A"
Agreement to Lease - Commercial

Form 512
for use in the Province of Ontario



This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Reza Nozami-Nia Or Company To Be Incorporated and

LANDLORD (Lessor), Behrouz Ehsani-Yeganeh

for the lease of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 15 day of June 2016

MOVE IN

The Tenant is responsible for any move in/out administration/setup fee/elevator (including not limited to construction security deposit) of the building at the Tenant's own expense Charged by the condominium corporation and Management.

RESTORATION

Upon the expiration or sooner termination of the Lease, the Tenant shall deliver to the Landlord vacant possession of the Leased Premises in the same condition as received by the Tenant reasonable wear and tear excepted. The Tenant shall deliver all keys for the Leased Premises to the Landlord and provide the Landlord with the combinations of any locks, in the Leased Premises. Upon the expiration or sooner termination of the Lease, the Tenant shall not remove any leasehold improvements from the Leased Premises but may, if it is not in default under this Lease, remove its trade fixtures, furnishings, equipment and inventory. Notwithstanding the foregoing, the Tenant shall remove such leasehold improvements, trade fixtures, furnishings, equipment and inventory as the Landlord shall require to be removed. All leasehold improvements, trade fixtures, furnishings, equipment and inventory not so removed by the Tenant shall become the property of the Landlord without compensation to the Tenant or any third party. The Tenant shall, in the case of every removal, make good any damage caused to the Building by such removal.

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The Landlord will provide Two keys for each entrance door to the unit, Two keys for each room One parking Tag, Two keys for mailbox, to the Tenant which shall be returned to the Landlord upon expiration/ termination of the lease.

Tenant and landlord agree that an accepted Agreement to Lease shall form a completed lease and no other lease will be signed between the parties.

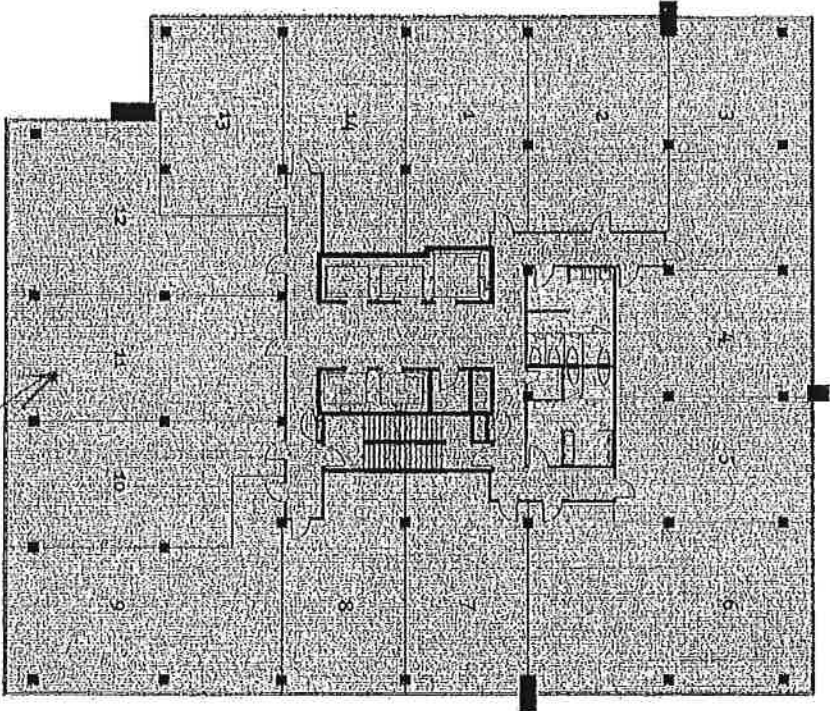
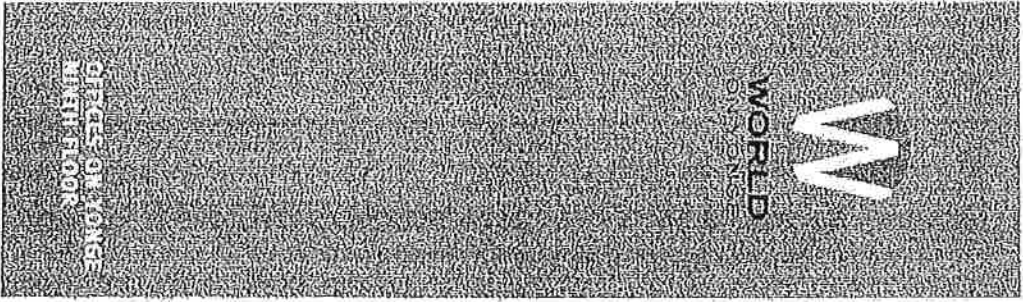
This form must be initialed by all parties to the Agreement to Lease.

INITIALS OF TENANT(S):

INITIALS OF LANDLORD(S):

BEY

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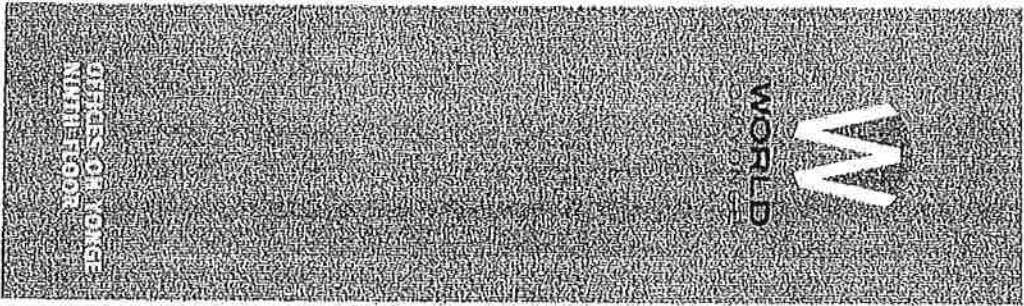


Schedule "C"

YONGE ST.

Unit 911

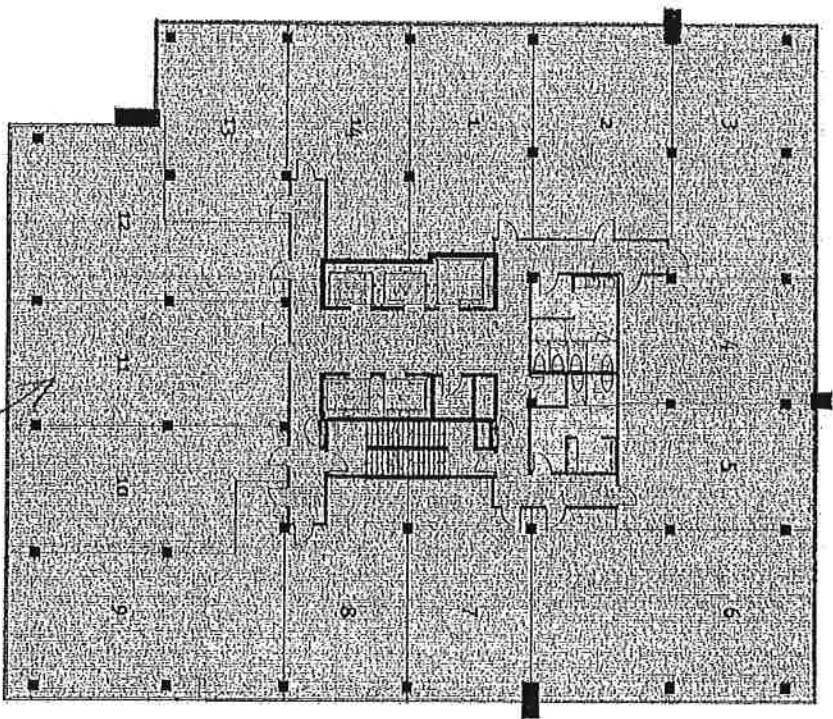
NINTH FLOOR



YONGE ST.

Unit 911

NINTH FLOOR



Schedule 'D'

Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Reza Nezami-Nia Or Company To Be Incorporated

SELLER: Behrouz Ehsani-Yeganeh

For the transaction on the property known as: #911 - 7191 YONGE ST Markham L3T 0C4

For the purposes of this Confirmation of Co-operation and Representation, "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease.

The following information is confirmed by the undersigned salesperson/broker representative(s) of the Brokerage(s). If a Co-operating Brokerage is Involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

1. LISTING BROKERAGE

- a) The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
 - 1) The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
 - 2) The Listing Brokerage is providing Customer Service to the Buyer.
- b) **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:
 - That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
 - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
 - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
 - The price the Buyer should offer or the price the Seller should accept;
 - And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.


Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

- The Brokerage.....represent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid
(does/does not)
- or: by the Seller in accordance with a Seller Customer Service Agreement
- by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)


BUYER


CO-OPERATING/BUYER BROKERAGE


SELLER


LISTING BROKERAGE

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3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) The Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property 2.5% +HST to be paid from the amount paid by the Seller to the Listing Brokerage.
(Commission As Indicated In MLS® Information)
- b) The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

ROYAL LEPAGE YOUR COMMUNITY REALTY
(Name of Co-operating/Buyer Brokerage)
8854 YONGE STREET RICHMOND HILL
Tel: (905) 731-2000 Fax: (905) 886-7556
Date: June 13, 2016
(Authorized to Sign the Co-operating/Buyer Brokerage)
MEHRDAD SHIRAZI
(Print Name of Broker/Salesperson Representative of the Brokerage)

RE/MAX RIGHT CHOICE INC.
(Name of Listing Brokerage)
250-6464 YONGE TORONTO
Tel: (416) 250-6464 Fax: (416) 231-6464
Date: June 13, 2016
(Authorized to Sign the Listing Brokerage)
PARVIZ SANEI-KASHANI
(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)


The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

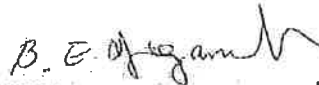

BUYER'S INITIALS



SELLER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

 Date: June 13, 2016
(Signature of Buyer) Date: _____
(Signature of Buyer) Date: _____

 Date: June 13, 2016
(Signature of Seller) Date: _____
(Signature of Seller) Date: _____

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Schedule "C"



Agreement to Lease Commercial - Short Form

Form 511 for use in the Province of Ontario



This Agreement to Lease dated this 15 day of June 2016

TENANT Reza Nezami-Nia Or Company To Be Incorporated (Full legal names of all Tenants)

LANDLORD Behrouz Bhsani-Yeganeh (Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. PREMISES: The "Premises" consisting of approximately 1109 square feet more or less on the Ninth floor of the "Building" known municipally as #911 - 7191 YONGE ST in the Town of Markham, Province of Ontario, as shown outlined on the plan attached as Schedule "C".

2. USE: The Premises shall be used only for Investment and Financial Service & Mortgage and Insurance

3. TERM OF LEASE: The lease shall be for a term of 0 years 6 months commencing on the 15 day of June 2016 and terminating on the 30th day of February 2017 2016

4. RENTAL: At a rental of \$16800.00 per annum, payable \$2,800.00 monthly in advance, on the First day of each month during the said term, plus HST.

5. DEPOSIT AND PREPAID RENT: The Tenant delivers upon acceptance (Here with upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to Landlord in the amount of Five Thousand Six Hundred

Canadian dollars (\$5600.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the First and LAST month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

INITIALS OF TENANTS: (M)

INITIALS OF LANDLORD(S): (BEY)

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6. ADDITIONAL TERMS

An As Per Accounting of Deposit.

7. SCHEDULES: The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s)

"A", "C"  

8. IRREVOCABILITY: This offer shall be Irrevocable by Tenant until 9:00 p.m. on the 15

day of June, 2016 after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

9. NOTICES: The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 416-221-6464
(For delivery of Documents to Landlord)

FAX No.: 905 886 7556
(For delivery of Documents to Tenant)

Email Address: psaneikashani@gmail.com
(For delivery of Documents to Landlord)

Email Address: mehrdadgta@gmail.com
(For delivery of Documents to Tenant)

10. EXECUTION OF LEASE: The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.

11. AGREEMENT IN WRITING: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.


12. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

13. BINDING AGREEMENT: This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

INITIALS OF TENANTS:



INITIALS OF LANDLORD(S):



14. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

.....
 (Witness) (Landlord/Authorized Signing Officer) (Seal) DATE June 13/16
 (Witness) (Tenant/Authorized Signing Officer) (Seal) DATE
 (Witness) (Guarantor) (Seal) DATE

We/ I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

.....
 (Witness) (Landlord/Authorized Signing Officer) (Seal) DATE June-13-2016
 (Witness) (Landlord/Authorized Signing Officer) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 8:30 a.m. on this 13th day of June, 2016.
 (Signature of Landlord or Tenant)

INFORMATION ON BROKERAGE(S)	
Listing Brokerage <u>N/A</u>	Tel.No.
(Salesperson / Broker Name)	
Co-op/Buyer Brokerage <u>N/A</u>	Tel.No.
(Salesperson / Broker Name)	

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.
B. E. Hegeman DATE June 13, 2016
 (Landlord) DATE
 (Landlord) DATE
 Address for Service Tel.No.
 Landlord's Lawyer
 Address
 Email
 Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.
 (Tenant) DATE June 13, 2016
 (Tenant) DATE
 Address for Service Tel.No.
 Tenant's Lawyer
 Address
 Email
 Tel.No. FAX No.

FOR OFFICE USE ONLY	COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement to Lease;	In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement to Lease.	Acknowledged by:
<u>N/A</u>	<u>N/A</u>
(Authorized to bind the Listing Brokerage)	(Authorized to bind the Co-operating Brokerage)

Schedule "A"
Agreement to Lease - Commercial

Form 512
for use in the Province of Ontario



This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Reza Nezami-Nia Or Company To Be Incorporated, and

LANDLORD (Lessor), Behrouz Ehsani-Yeganeh

for the lease of #911 - 7191 YONGE ST Markham

L3T 0C4 dated the 15 day of June, 2016

BEY (circled) (M) (circled)

\$16,800.00

BEY (circled) (M) (circled)

RENT SCHEDULE:

Residual For ~~Eight~~ ^{Six} Months Semi-Gross Rent of ~~\$22,400~~ being \$2,800 per month plus HST

GROSS RENTAL

The Lease shall be a Semi-Gross Rent and notwithstanding the generality of the foregoing is including Net Rent and the share of realty taxes, condominium expenses, excluding utilities, including but not limited to building insurance costs, maintenance and repair costs for the demised premises other than for structural repairs (utilities are Excluded). Said costs include a management and administrative fee common area costs, utilities for common areas, building insurance and any other associated expenses. Said expense (Additional Rent) are estimated to be \$16.00 per square foot, per annum of 2016.

COMMON DRIVEWAY AND PARKING

The Tenant shall have use of all common roadways for the purpose of ingress and egress. Tenant shall have use of common parking spaces at no additional cost. Use of underground parking is included in the maintenance fee (Rental) and customer parking is available in the underground and courtyard. In the event the condominium corporation or management implement a new parking fee structure in the future, the Tenant will be responsible for paying all costs.

Utilities

Tenant agrees to pay the cost of all utilities required on the premises during the term of the lease and any extension thereof, including but not limited to electricity, water, sewer, phone, internet connection, cable and other fuel.

LEASED PREMISES INCLUDES

The leased premises includes all Tenant improvements existing in the leased premises as of the date of this offer. Leased premises will be in Finished condition and everything are in good condition

The Tenant shall keep and maintain the premises in a clean and tidy condition and in good order and state of repair as would a prudent Landlord.

Landlord warrants all existing heating, electrical and mechanical equipment will be in good state of repair and working order at the commencement for the Lease term.

This form must be initialed by all parties to the Agreement to Lease.

INITIALS OF TENANT(S):

(M) (circled)

INITIALS OF LANDLORDS(S):

BEY (circled)

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Offer Summary Document
 For use with Agreement of Purchase and Sale

For Brokerage submitting the offer on behalf of the Buyer:

When sent to the Listing Brokerage this form can be used as evidence that you have a written signed offer from a Buyer to the Seller.

REAL PROPERTY ADDRESS: #911 - 7191 YONGE ST Markham L3T 0C4 (the "property")
(municipal address and/or legal description)

for an Agreement of Purchase and Sale dated: the 13 day of June, 2016 ("offer")

This offer was submitted by: **BROKERAGE: ROYAL LEPAGE YOUR COMMUNITY REALTY**

SALES REPRESENTATIVE/BROKER: MEHRDAD SHIRAZI

I/We, Reza Nezami-Nia Or Company To Be Incorporated, have signed an offer for the property.
Name of Buyer(s)

Buyer signature: _____ Dated: June 13/2016 Buyer signature: _____ Dated: _____

This offer was submitted, by email, to the Listing Brokerage at _____ a.m./p.m. on the 13 day of

June, 2016. Irrevocable until 11:00 p.m. on the 13 day of June, 2016.

(For Buyer counter offer - complete the following)

I/We, Reza Nezami-Nia Or Company To Be Incorporated, have signed an offer for the property.
Name of Buyer(s)

Buyer signature: _____ Dated: June 13, 2016 Buyer signature: _____ Dated: June 13, 2016

An offer was submitted, in person, to the Listing Brokerage at 8:30 a.m./p.m. on the 13 day of

June, 2016. Irrevocable until _____ a.m./p.m. on the _____ day of _____, 20_____.

For Listing Brokerage receiving the offer:

SELLER(S): Behrouz Ehsani-Yeganeh

SELLER(S) CONTACT: _____
(i.e. phone / email / fax)

LISTING BROKERAGE: RE/MAX RIGHT CHOICE INC.

SALES REPRESENTATIVE/BROKER: PARVIZ SANEL-KASHANI

This offer was received, by email, by the Listing Brokerage at 12:12 a.m./p.m. on the 13 day of June, 2016.
(by fax, by email or in person)

This offer was presented, in person, to the Seller(s) at 5:00 a.m./p.m. on the 13 day of June, 2016.
(by fax, by email or in person)

Offer was: Accepted Signed Back/Countered Expired/Declined

Comments: _____

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THE LAW OFFICES OF
KEVIN R. WILSON

December 28, 2016

10013536 CANADA CORP.
7191 Yonge Street
Unit 911
Markham, Ontario
L3T 0C4

Re: 843675 Ontario Inc. first mortgage loan to 10013536 Canada Corp.
7191 Yonge Street, Unit 911, Markham

STATEMENT OF ADVANCE

Principal amount of mortgage		\$400,000.00
Placement fee	\$4,000.00	
Broker fee	6,000.00	
Paid legal fees and disbursements - Law Offices of Kevin R. Wilson	1,500.00	
Paid to you borrower's solicitor in trust	388,500.00	
	<u>\$400,000.00</u>	<u>\$400,000.00</u>

THIS IS MY STATEMENT HEREIN

Kevin R. Wilson

KRW:
E. & O. E.

MOHAJER LAW OFFICE
MARYAM MOHAJER

B. Sc., M. Sc., LL.B.
BARRISTER & SOLICITOR

NORTH YORK CITY CENTRE
5140 YONGE STREET
SUITE 1530
TORONTO, ONTARIO
M2N 6L7
PHONE: (416) 487-8611
FAX: (416) 487-8867

December 28, 2016

Reza Nezami
911 - 7191 Yonge Street
Markham, Ontario
L3T 0C4

Re: Your purchase from Ehsani-Yeganeh
911 - 7191 Yonge Street, Markham
My File No.: 16-4601

TRUST LEDGER STATEMENT

Received from 1st mortgagee - 843675 Ontario Inc.		\$388,500.00
Received from you - 10013536 Canada Corp.		154,187.34
Paid to vendor on closing	\$531,517.21	
Paid Ontario Land Transfer Tax	7,175.00	
Registration Fees	225.81	
Title Insurance Ref#1635600221	644.76	
Paid to City of Markham- Tax Certificate	77.50	
Paid to City of Markham- Property compliance	80.00	
Paid legal fees and disbursements - MARYAM MOHAJER	2,967.06	
	<u>\$542,687.34</u>	<u>\$542,687.34</u>

THIS IS MY STATEMENT HEREIN

Maryam Mohajer

E. & O. E.

Appendix “J”

Your branch address:

5140 YONGE STREET
NORTH YORK, ONTARIO M2N6L7

FIRST SWISS MORTGAGE CORP.
TRUST ACCOUNT
5775 YONGE ST SUITE 525
TORONTO ON M2M 4J1

Business Banking



Your Branch

NORTH YORK CITY CENTRE
Transit number: 2429

For questions about your statement call
(416) 250-2950

Direct Banking

1-877-262-5907
www.bmo.com

Your Plan

Business Builder 1 Plan

Business Banking statement

For the period ending December 30, 2016

Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Dec 30, 2016
Business Account # 2429 1045-335	17,544.86	414,698.27	397,798.20	644.79

Don't become a target this holiday season. Only shop on secure websites, keep tab of your purchases using your mobile banking app and download Trusteer's Rapport software onto your computer. For more security tips, visit bmo.com/security.

Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1045-335				
Dec 01	Opening balance			17,544.86
Dec 01	Direct Deposit, DEFT SETTLEMENT FLE 0114		57,074.36	74,619.22
Dec 01	Transfer, 2429-1045-351 3587	20,000.00		54,619.22
Dec 01	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0165	29,985.73		24,633.49
Dec 02	Deposit at, BR. 2439		26,839.89	51,473.38
Dec 02	Transfer, 2429-1045-351 3587	36,000.00		15,473.38
Dec 02	Pre-Authorized Payment, DEFT RETURNED TXNS 0114	554.58		14,918.80
Dec 05	Pre-Authorized Payment, DEFT RETURNED TXNS 0114	796.97		14,121.83
Dec 06	Direct Deposit, DEFT SETTLEMENT FLE 0115		554.58	14,676.41
Dec 07	Direct Deposit, DEFT SETTLEMENT FLE 0116		510.29	15,186.70

continued



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1045-335				(continued)
Dec 12	Deposit at, BR. 3483		18,698.30	33,885.00
Dec 13	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0166	18,698.30		15,186.70
Dec 15	Deposit at, BR. 2439		1,000.00	16,186.70
Dec 16	INTERAC e-Transfer Received		1,500.00	17,686.70
Dec 16	INTERAC e-Transfer Received		286.68	17,973.38
Dec 16	Deposit at, BR. 2439		84,203.51	102,176.89
Dec 16	Deposit at, BR. 2439		22,616.85	124,793.74
Dec 19	INTERAC e-Transfer Received		773.46	125,567.20
Dec 20	Outgoing Wire Payment, CA, OLYMPIA TRUST COMPANY	9,841.78		115,725.42
Dec 20	Transfer, 2429-1998-179 3587		78,500.00	194,225.42
Dec 20	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0167	179,820.91		14,404.51
Dec 23	Deposit at, BR. 2439		42,170.95	56,575.46
Dec 23	Deposit at, BR. 2439		18,495.50	75,070.96
Dec 23	Deposit at, BR. 2439		44,573.83	119,644.79
Dec 28	Transfer, 2429-1045-351 3587	110,000.00		9,644.79
Dec 28	Transfer, 2429-1045-351 3587	5,000.00		4,644.79
Dec 28	Transfer, 2429-1045-351 3587	2,500.00		2,144.79
Dec 30	Transfer, 2429-1045-351 3587	1,500.00		644.79
Dec 30	Closing totals	414,698.27	397,798.20	

Number of items processed 12..... 15

Please check this statement and report any errors or omissions within 30 days of delivery.

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Registration numbers

GST - R100390095 QST - 1000042494

A member of BMO Financial Group 5001816 (08/03)

Your branch address:

5140 YONGE STREET
NORTH YORK, ONTARIO M2N6L7

**FIRST SWISS MORTGAGE CORP.
TRUST ACCOUNT
5775 YONGE ST SUITE 525
TORONTO ON M2M 4J1**

Business Banking



Your Branch

NORTH YORK CITY CENTRE
Transit number: 2429

For questions about your statement call
(416) 250-2950

Direct Banking

1-877-262-5907
www.bmo.com

Your Plan

Business Builder 1 Plan

Business Banking statement

For the period ending December 30, 2016

Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Dec 30, 2016
Business Account # 2429 1998-179	325,839.34	893,359.13	568,674.30	1,154.51

Don't become a target this holiday season. Only shop on secure websites, keep tab of your purchases using your mobile banking app and download Trusteer's Rapport software onto your computer. For more security tips, visit bmo.com/security.

Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1998-179				
Dec 01	Opening balance			325,839.34
Dec 01	Outgoing Wire Payment, CA, MP LAW IN TRUST	65,000.00		260,839.34
Dec 01	Transfer, 2429-1045-351 3587	50,000.00		210,839.34
Dec 02	Transfer, 2429-1045-351 3587	10,000.00		200,839.34
Dec 02	Transfer, 2429-1045-351 3587	7,500.00		193,339.34
Dec 06	Incoming Wire Payment, CA, DANCAP PRIVATE EQUITY		123,188.80	316,528.14
Dec 06	Transfer, 2429-1044-279 3587	286,000.00		30,528.14
Dec 06	Transfer, 2429-1044-279 3587		286,000.00	316,528.14
Dec 07	Transfer, 2429-1045-351 3587	7,000.00		309,528.14
Dec 07	Outgoing Wire Payment, CA, DAVID WATTS NOTARY IN	110,819.58		198,708.56

continued



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1998-179				(continued)
Dec 12	Transfer, 2429-1045-351 3587	35,450.00		163,258.56
Dec 13	Incoming Wire Payment, CA, DANCAP PRIVATE EQUITY		76,993.00	240,251.56
Dec 16	Transfer, 2429-1045-351 3587	6,900.00		233,351.56
Dec 19	Incoming Wire Payment, CA, DANCAP PRIVATE EQUITY		82,492.50	315,844.06
Dec 20	Outgoing Wire Payment, CA, DONALD L. WOLFE BARRI	49,725.97		266,118.09
Dec 20	Outgoing Wire Payment, CA, DANCAP PRIVATE EQUITY	76,993.00		189,125.09
Dec 20	Transfer, 2429-1045-335 3587	78,500.00		110,625.09
Dec 20	Outgoing Wire Payment, CA, GUNDING AND HANS LLP	74,620.58		36,004.51
Dec 21	Transfer, 2429-1045-351 3587	9,650.00		26,354.51
Dec 22	Transfer, 2429-1045-351 3587	4,200.00		22,154.51
Dec 28	Transfer, 2429-1045-351 3587	20,000.00		2,154.51
Dec 30	Transfer, 2429-1045-351 3587	1,000.00		1,154.51
Dec 30	Closing totals	893,359.13	568,674.30	

Number of items processed 17..... 4

Please check this statement and report any errors or omissions within 30 days of delivery.

Trade-marks

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A member of BMO Financial Group 5001816 (08/03)

Your branch address:

5140 YONGE STREET
NORTH YORK, ONTARIO M2N6L7

FIRST SWISS MORTGAGE CORP.
5775 YONGE ST SUITE 525
TORONTO ON M2M 4J1

Business Banking



Your Branch

NORTH YORK CITY CENTRE
Transit number: 2429

For questions about your statement call
(416) 250-2950

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1-877-262-5907
www.bmo.com

Your Plan

Business Builder 1 Plan

Business Banking statement

For the period ending December 30, 2016

Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Dec 30, 2016
Business Account # 2429 1045-351	7,221.89	361,436.22	354,700.00	485.67

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Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1045-351				
Dec 01	Opening balance			7,221.89
Dec 01	Transfer, 2429-1998-179 3587		50,000.00	57,221.89
Dec 01	Transfer, 2429-1045-335 3587		20,000.00	77,221.89
Dec 01	Transfer, 2429-1044-279 3587	50,000.00		27,221.89
Dec 01	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0089	18,937.86		8,284.03
Dec 02	Pre-Authorized Payment, DEFT SETTLEMENT FLE 0013	6,003.60		2,280.43
Dec 02	Transfer, 2429-1998-179 3587		10,000.00	12,280.43
Dec 02	Transfer, 2429-1045-335 3587		36,000.00	48,280.43
Dec 02	Transfer, 2429-1044-279 3587	43,500.00		4,780.43
Dec 02	Transfer, 2429-1998-179 3587		7,500.00	12,280.43

continued



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1045-351				(continued)
Dec 02	Transfer, 2429-1044-279 3587	5,000.00		7,280.43
Dec 06	Transfer, 2429-1044-279 3587	4,000.00		3,280.43
Dec 07	Transfer, 2429-1998-179 3587		7,000.00	10,280.43
Dec 07	Transfer, 2429-1044-279 3587	6,000.00		4,280.43
Dec 09	Transfer, 2429-1044-279 3587	3,500.00		780.43
Dec 12	Transfer, 2429-1998-179 3587		35,450.00	36,230.43
Dec 12	Transfer, 2429-1044-279 3587	33,000.00		3,230.43
Dec 14	Pre-Authorized Payment No Fee, CASH MGMT FEE BOM/B/M	530.76		2,699.67
Dec 16	Transfer, 2429-1998-179 3587		6,900.00	9,599.67
Dec 16	Transfer, 2429-1044-279 3587	1,500.00		8,099.67
Dec 19	Transfer, 2429-1044-279 3587	2,000.00		6,099.67
Dec 19	Cheque, NO.4917 BR.0098	5,400.00		699.67
Dec 21	Transfer, 2429-1998-179 3587		9,650.00	10,349.67
Dec 21	Transfer, 2429-1044-279 3587	6,500.00		3,849.67
Dec 22	Transfer, 2429-1998-179 3587		4,200.00	8,049.67
Dec 22	Transfer, 2429-1044-279 3587	4,000.00		4,049.67
Dec 23	Transfer, 2429-1044-279 3587	1,000.00		3,049.67
Dec 23	Transfer, 2429-1044-279 2439	2,000.00		1,049.67
Dec 28	Transfer, 2429-1045-335 3587		110,000.00	111,049.67
Dec 28	Transfer, 2429-1998-179 3587		20,000.00	131,049.67
Dec 28	Transfer, 2429-1045-335 3587		5,000.00	136,049.67
Dec 28	Transfer, 2429-1044-279 3587	135,000.00		1,049.67
Dec 28	Deposit at, BR. 2439		28,000.00	29,049.67
Dec 28	Transfer, 2429-1044-279 2439	28,000.00		1,049.67
Dec 28	Transfer, 2429-1045-335 3587		2,500.00	3,549.67
Dec 28	Transfer, 2429-1044-279 3587	3,000.00		549.67
Dec 30	Transfer, 2429-1998-179 3587		1,000.00	1,549.67
Dec 30	Transfer, 2429-1045-335 3587		1,500.00	3,049.67
Dec 30	Transfer, 2429-1044-279 3587	2,500.00		549.67
Dec 30	Plan Fee	20.00		529.67
Dec 30	Statement Fee	2.00		527.67
Dec 30	Plan Fee	20.00		507.67
Dec 30	Statement Fee	2.00		505.67
Dec 30	Plan Fee	20.00		485.67
Dec 30	Closing totals	361,436.22	354,700.00	

Number of items processed 26..... 17

Number of cheques or related items enclosed in your statement..... 1

Please check this statement and report any errors or omissions within 30 days of delivery.

Business Banking statement

FIRST SWISS MORTGAGE CORP.
For the period ending December 30, 2016

Business Banking



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Registration numbers

GST - R100390095 QST - 1000042494

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Business Banking statement

FIRST SWISS MORTGAGE CORP.
For the period ending December 30, 2016

Business Banking



ISN: 1300305518
Cheque #4917

5,400.00

First Swiss Mortgage Corp.
INCORPORATED
**Five Thousand Four Hundred and 00/100 Amount in Canadian Dollars
Canada Revenue Agency

CHEQUE NO. 4917
DATE 16 12 2016
DDMMYYYY
\$5,400.00

BMO - Bank of Montreal
File: BNM3502256761P0001

0201426361 0203004405518 1300304951

Endorsment - Signature or Stamp
Endossement - Signature ou Stamp

2016 12 16
056820764276 01121277 888
RG12223544 0800 015
BANK OF MONTREAL
0201426361 0203004405518 1300304951

Your branch address:

5140 YONGE STREET
NORTH YORK, ONTARIO M2N6L7

Business Banking



6807771 CANADA CORP.
FIRST SWISS TREASURY DEPARTMENT
5775 YONGE ST SUITE 525
TORONTO ON M2M 4J1

Your Branch
NORTH YORK CITY CENTRE
Transit number: 2429

For questions about your statement call
(416) 250-2950

Direct Banking
1-877-262-5907
www.bmo.com

Your Plan
Business Builder 1 Plan

Business Banking statement

For the period ending December 30, 2016

Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Dec 30, 2016
Business Account # 2429 1044-279	2,202.89	619,994.44	622,000.00	4,208.45

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Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1044-279				
Dec 01	Opening balance			2,202.89
Dec 01	Pre-Authorized Payment, TSCC2501 MSP/DIV	862.02		1,340.87
Dec 01	Transfer, 2429-1045-351 3587		50,000.00	51,340.87
Dec 01	Online Bill Payment, BMO MASTERCARD	5,000.00		46,340.87
Dec 01	Branch Bill Payment, BRANCH BILL PAYMENT, BRANCH 2439, U OF T	16,925.00		29,415.87
Dec 01	Branch Bill Payment Fee	1.50		29,414.37
Dec 01	Transfer, 0005587000003978889	20,000.00		9,414.37
Dec 02	Pre-Authorized Payment, FORD CREDIT CA APY/PAA	283.35		9,131.02
Dec 02	Transfer, 2429-1045-351 3587		43,500.00	52,631.02
Dec 02	Canadian Draft, 0459 DRAFT 023444442	10,000.00		42,631.02

continued



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1044-279				(continued)
Dec 02	Draft Fee	7.50		42,623.52
Dec 02	Canadian Draft, 0459 DRAFT 023444433	41,000.00		1,623.52
Dec 02	Draft Fee	7.50		1,616.02
Dec 02	Transfer, 2429-1045-351 3587		5,000.00	6,616.02
Dec 02	Online Bill Payment, BMO MASTERCARD	5,000.00		1,616.02
Dec 05	Pre-Authorized Payment, AVIVA INS/ASS	614.15		1,001.87
Dec 05	Online Bill Payment, TD VISA/GM VIS	250.00		751.87
Dec 06	Transfer, 2429-1045-351 3587		4,000.00	4,751.87
Dec 06	INTERAC e-Transfer Sent	880.00		3,871.87
Dec 06	Online Bill Payment, M/C-CIBC	105.00		3,766.87
Dec 06	Online Bill Payment, MBNA MASTERCARD	150.00		3,616.87
Dec 06	Online Bill Payment, MBNA MASTERCARD	20.00		3,596.87
Dec 06	Online Bill Payment, BMO MASTERCARD	200.00		3,396.87
Dec 06	Online Bill Payment, BMO MASTERCARD	200.00		3,196.87
Dec 06	Online Bill Payment, BMO MASTERCARD	2,000.00		1,196.87
Dec 06	Transfer, 2429-1998-179 3587		286,000.00	287,196.87
Dec 06	Transfer, 2429-1998-179 3587	286,000.00		1,196.87
Dec 07	Transfer, 2429-1045-351 3587		6,000.00	7,196.87
Dec 07	Online Bill Payment, BMO MASTERCARD	5,000.00		2,196.87
Dec 08	Online Bill Payment, BMO MASTERCARD	2,000.00		196.87
Dec 09	Transfer, 2429-1045-351 3587		3,500.00	3,696.87
Dec 12	Transfer, 2429-1045-351 3587		33,000.00	36,696.87
Dec 12	Online Transfer, TF 0005587000003978889	500.00		36,196.87
Dec 12	Error Correction, TF 0005587000003978889		500.00	36,696.87
Dec 12	Transfer, 0005587000003978889	19,000.00		17,696.87
Dec 12	Canadian Draft, 3483 DRAFT 023349802	4,170.00		13,526.87
Dec 12	Draft Fee	7.50		13,519.37
Dec 12	Withdrawal at, BR.3483	3,000.00		10,519.37
Dec 13	Pre-Authorized Payment, EQUITABLE LIFE INS/ASS	308.03		10,211.34
Dec 13	Pre-Authorized Payment, IND ALL LIFE IN INS/ASS	732.60		9,478.74
Dec 14	Pre-Authorized Payment No Fee, CASH MGMT FEE BOM/B/M	17.75		9,460.99
Dec 14	Pre-Authorized Payment No Fee, CASH MGMT FEE BOM/B/M	56.00		9,404.99
Dec 14	Online Bill Payment, BMO MASTERCARD	5,000.00		4,404.99
Dec 15	Cheque	3,125.00		1,279.99
Dec 15	Online Bill Payment, BMO MASTERCARD	500.00		779.99
Dec 16	Pre-Authorized Payment, FORD CREDIT CA APY/PAA	283.35		496.64
Dec 16	Transfer, 2429-1045-351 3587		1,500.00	1,996.64
Dec 16	INTERAC e-Transfer Sent	678.00		1,318.64
Dec 19	Transfer, 2429-1045-351 3587		2,000.00	3,318.64

continued

Business Banking statement

6807771 CANADA CORP.,
FIRST SWISS TREASURY DEPARTMENT
For the period ending December 30, 2016

Business Banking



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Business Account # 2429 1044-279				(continued)
Dec 19	Online Transfer, TF 0005587000003978889	2,000.00		1,318.64
Dec 19	Error Correction, TF 0005587000003978889		2,000.00	3,318.64
Dec 19	Online Bill Payment, BMO MASTERCARD	2,500.00		818.64
Dec 21	Transfer, 2429-1045-351 3587		6,500.00	7,318.64
Dec 21	Online Bill Payment, BMO MASTERCARD	3,000.00		4,318.64
Dec 22	INTERAC e-Transfer Sent	3,000.00		1,318.64
Dec 22	Transfer, 2429-1045-351 3587		4,000.00	5,318.64
Dec 22	Online Bill Payment, BMO MASTERCARD	2,000.00		3,318.64
Dec 23	INTERAC e-Transfer Sent	3,000.00		318.64
Dec 23	Transfer, 2429-1045-351 3587		1,000.00	1,318.64
Dec 23	Transfer, 2429-1045-351 2439		2,000.00	3,318.64
Dec 23	Transfer, 0005587000003978889	1,000.00		2,318.64
Dec 23	Withdrawal at, BR.2439	1,000.00		1,318.64
Dec 28	Transfer, 2429-1045-351 3587		135,000.00	136,318.64
Dec 28	Transfer, 2429-1045-351 2439		28,000.00	164,318.64
Dec 28	Canadian Draft, 2439 DRAFT 024886365	5,000.00		159,318.64
Dec 28	Draft Fee	7.50		159,311.14
Dec 28	Canadian Draft, 2439 DRAFT 024886356	154,187.34		5,123.80
Dec 28	Draft Fee	7.50		5,116.30
Dec 28	Transfer, 0005587000003978889	3,000.00		2,116.30
Dec 28	Transfer, 2429-1045-351 3587		3,000.00	5,116.30
Dec 28	Online Transfer, TF 0005587000003978889	3,000.00		2,116.30
Dec 28	Error Correction, TF 0005587000003978889		3,000.00	5,116.30
Dec 28	Online Bill Payment, BMO MASTERCARD	3,000.00		2,116.30
Dec 30	Pre-Authorized Payment, FORD CREDIT CA APY/PAA	283.35		1,832.95
Dec 30	INTERAC e-Transfer Sent	100.00		1,732.95
Dec 30	Transfer, 2429-1045-351 3587		2,500.00	4,232.95
Dec 30	Plan Fee	20.00		4,212.95
Dec 30	INTERAC e-Transfer Fee, INTERAC E-TRANSFER, 03 AT 1.50	4.50		4,208.45
Dec 30	Closing totals	619,994.44	622,000.00	

Number of items processed 56..... 21

Number of cheques or related items enclosed in your statement..... 1

Please check this statement and report any errors or omissions within 30 days of delivery.

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Business Banking statement

6807771 CANADA CORP.,
FIRST SWISS TREASURY DEPARTMENT
For the period ending December 30, 2016

Business Banking




ISN: 5511733271

Cheque #

3,125.00

*Three Thousand One Hundred Twenty Five and 00/100 Amount in Canadian Dollars		CHEQUE NO. 1608
John Mesalia		DATE 1 5 1 2 2 0 1 6 D D M M Y Y Y Y
BMO - Bank of Montreal		\$**3,125.00
<i>John Mesalia</i>		
⑆1608⑆ ⑆24292⑆00⑆ ⑆1044⑆279⑆		

15122016 04572-001 8044497 3241810 007443		<i>John Mesalia</i> Endorsement - Signature or Stamp Endossement - Signature ou Blason 8044-497
BACKVERSO		



Appendix “K”




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of Canada

Gouvernement
du Canada

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→ [Search for a Federal Corporation](#)

Federal Corporation Information - 1001353-6

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Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

1001353-6

Business Number (BN)

739417293RC0001

Corporate Name

10013536 Canada Corp.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2016-12-07

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

Registered Office Address

7191 Yonge street, suite 911
Thornhill ON L3T 0C4
Canada

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 10

F Yavari
911-7191 Yonge Street
Thornhill ON L3T 0C4
Canada

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

12-07

Date of Last Annual Meeting

2023-02-15

Annual Filing Period (MM-DD)

12-07 to 02-05

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2023 - Not due

2022 - Filed

2021 - Filed

Corporate History

Corporate Name History

2016-12-07 to Present

10013536 Canada Corp.

Certificates and Filings

Certificate of Incorporation

2016-12-07

[Order copies of corporate documents](#)

[Start New Search](#)

[Return to Search Results](#)

Date Modified:

2023-02-10



Profile Report

10013536 CANADA CORP. as of March 23, 2023

Act	Corporations Information Act
Type	Extra-Provincial Federal Corporation with Share
Name	10013536 CANADA CORP.
Ontario Corporation Number (OCN)	3144800
Governing Jurisdiction	Canada - Federal
Incorporation/Amalgamation Date	December 07, 2016
Registered or Head Office Address	7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4
Status	Refer to Governing Jurisdiction
Date Commenced in Ontario	December 07, 2016
Principal Place of Business	7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Chief Officer or Manager

Name

R NEZAMI

Address for Service

7191 Yonge Street, 911, Thornhill, Ontario, Canada, L3T 0C4

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Refer to Governing Jurisdiction

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Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: R NEZAMI - DIRECTOR	December 08, 2016

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

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This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Appendix “L”

Nisan Thurairatnam

From: Nisan Thurairatnam
Sent: June 16, 2023 10:32 AM
To: Nisan Thurairatnam
Subject: FW: First Swiss Mortgage Corp premises at 7191 Yonge street

From: Alex @ <Y7191911@outlook.com>
Sent: Thursday, June 15, 2023 5:40 PM
To: zweigs@bennettjones.com; Robert Karrass <robert@karrasslaw.com>
Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; rgoldhar@goldhar.ca;
Joseph Blinick <BlinickJ@bennettjones.com>
Subject: Re: First Swiss Mortgage Corp premises at 7191 Yonge street

Mr. Zwig

You are not allowed to intimidate and threat and are not above the law.I, this is already harassment.

There is only failure and that is you and all other one involved who have taken the premises to the point of destruction, to the point that now building has to hire air quality control check contractors and we will be charged fir it. I am assuring you we will take right action in our side necessary to recover the damages and losses to us.

I repeat to you one last time mortgage company first Swiss mortgage was not our tenant and we have no contract with them period. We will not provide you private documents related to us or any of our tenants and in this case tenant is not the company you are asking or send the documents.

We need to know who exactly had the keys to our property and who was responsible to look after it . Please provide this information.

You have no order telling any landlord in this city to give you whatever you ask so do not misrepresent the document you sent me.

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: June 15, 2023 12:42 PM
To: Alex @ <Y7191911@outlook.com>; Robert Karrass <robert@karrasslaw.com>
Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; rgoldhar@goldhar.ca <rgoldhar@goldhar.ca>; Joseph Blinick <BlinickJ@bennettjones.com>
Subject: RE: First Swiss Mortgage Corp premises at 7191 Yonge street

Alex,

We understand that First Swiss Mortgage Corp used the premises as its office. Your failure to provide the basic information requested is unhelpful and in breach of the attached Court Order. We reiterate our request for the information requested.

Please note that the Court-appointed Receiver will hold you responsible for any action taken that results in any loss to First Swiss Mortgage Corp, and the Receiver will seek costs against you personally as appropriate.

Sean Zweig

Partner*, Bennett Jones LLP

*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. 416 777 6254 | F. 416 863 1716

BennettJones.com



From: Alex @ <Y7191911@outlook.com>

Sent: Thursday, June 15, 2023 8:59 AM

To: Robert Karrass <robert@karrasslaw.com>; Sean Zweig <ZweigS@bennettjones.com>

Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; rgoldhar@goldhar.ca

Subject: Re: First Swiss Mortgage Corp premises at 7191 Yonge street

All,

We sent the email to everyone that we were able to obtain the contact information so there would not be anyone left out who would say later I had something in that premises and did not know to pick it up, because everything will be discarded as part of cleaning the unit.

The unit has been left with no care, no cleaning, no utility services and is in stage of developing mold, being fire hazard to building and with no insurance.

We do not have to notify or ask anyone; It was simply a courtesy notice.

We do not know who is who and do not want to know.

We do not have to give any agreement or statement to any of you and the mortgage company there wasn't our contracted tenant anyway.

The initial email I sent was clear and we will not be responding to any of the emails any more.

Thank you.

From: Robert Karrass <robert@karrasslaw.com>

Sent: June 14, 2023 12:11 PM

To: Sean Zweig <ZweigS@bennettjones.com>

Cc: Alex @ <Y7191911@outlook.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; rgoldhar@goldhar.ca <rgoldhar@goldhar.ca>

Subject: Re: First Swiss Mortgage Corp premises at 7191 Yonge street

With respect, I don't believe I need to be included on this chain.

Best,

Robert Karrass

Robert Karrass

Principal



7636 Yonge Street, Thornhill, ON L4J 1V9

T. 416-477-6022 ext. 202 | F. 416-477-6033 | www.karrasslaw.com

This email communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return email and delete this communication and any copy immediately. Thank you.

On Jun 14, 2023, at 12:05 PM, Sean Zweig <ZweigS@bennettjones.com> wrote:

Alex,

Just following-up on the chain below. When can we expect to receive the rental agreement and an account statement?

Sean Zweig

*Partner**, Bennett Jones LLP

*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. 416 777 6254 | F. 416 863 1716

BennettJones.com

<image001.png>

From: Sean Zweig

Sent: Monday, June 12, 2023 3:29 PM

To: 'Alex @' <Y7191911@outlook.com>

Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; robert@karrasslaw.com; rgoldhar@goldhar.ca

Subject: RE: First Swiss Mortgage Corp premises at 7191 Yonge street

Alex,

I am legal counsel for KSV Restructuring Inc., the court-appointed receiver of First Swiss.

In my email below, I asked you for two simple things that should be readily available. Both of which the receiver is undoubtedly entitled to. Please provide them forthwith.

Sean Zweig

*Partner**, Bennett Jones LLP

*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. 416 777 6254 | F. 416 863 1716

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<image001.png>

From: Alex @ <Y7191911@outlook.com>
Sent: Monday, June 12, 2023 1:35 PM
To: Sean Zweig <ZweigS@bennettjones.com>
Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>; robert@karrasslaw.com; rgoldhar@goldhar.ca
Subject: Re: First Swiss Mortgage Corp premises at 7191 Yonge street

Sean,

Are you legally in position to represent First Swiss Mortgage Corp in bankruptcy?
Are you willing and able to bring all outstanding amounts to good standing immediately?
Are you going to bring the unit into compliance condition and restore all services immediately?
The outstanding amounts are in excess of \$25,000 as of May 31

Unless you can confirm the above we have no interest or intention to either delay or negotiate anything. Our property has nearly been destroyed and devalued due to all these.

Regard

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: June 12, 2023 11:39 AM
To: Alex - <Y7191911@outlook.com>
Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Thomas Gray <GrayT@bennettjones.com>
Subject: RE: First Swiss Mortgage Corp premises at 7191 Yonge street

Alex,

Can you please provide a copy of the rental agreement and an account statement?

Sean Zweig

*Partner**, Bennett Jones LLP

*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. 416 777 6254 | F. 416 863 1716

BennettJones.com

<image001.png>

From: Alex - <Y7191911@outlook.com>
Sent: Monday, June 12, 2023 10:55 AM
To: rgoldhar@goldhar.ca; robert@karrasslaw.com; Sean Zweig <ZweigS@bennettjones.com>
Subject: First Swiss Mortgage Corp premises at 7191 Yonge street

Dear Sir/ Madam,

Please be advised that we are the landlord and owner of the unit located at 7191 Yonge St, suite 911, The unit was rented and occupied by First Swiss Mortgage Corp which has filed for bankruptcy on March 15, 2023.

- Landlord's rent is past due for significant amount.
- No-one has attended to the unit and maintained the unit.
- Hydro, electricity, water, AC and heat all have been disconnected by utility providers due to none payment.
- The insurance on premises is no longer valid.
- The unit has been a fire hazard in such conditions to the entire building.
- The unit has fallen into the state of disrepair.

According to the bankruptcy laws landlord has full right and ability to take control of its property and secure any remaining assets inside the premises as collateral to recover its damages after 3 months from the date of bankruptcy.

We are intending to take full possession of our property this Friday June 16, 2023. Please remove any belonging prior to that date as any remaining material could be discarded. Any entry unauthorized in writing by landlord to the unit after June 16, 2023 will be considered unlawful and trespassing.

For the past few months no-one has ever contacted the landlord and the email addresses for this notice were provided by the contact at First Swiss Mortgage Corp.

Sincerely,

10013536 Canada Corp.

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**CHIEF EXECUTIVE OFFICER OF THE FINANCIAL
SERVICES REGULATORY AUTHORITY OF ONTARIO**

and **FIRST SWISS MORTGAGE CORP.**

Applicant

Respondent

Court File No.: CV-23-00696362-00CL

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

Proceedings commenced in Toronto

**Second Supplement to the
Second Report of the Receiver**

BENNETT JONES LLP

One First Canadian Place, Suite 3400
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Joseph Blinick (LSO # 64325B)

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Email: blinickj@bennettjones.com

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Tel: (416) 777-7924

Email: grayt@bennettjones.com

Lawyers for the Receiver