

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD OF THE MONITOR

June 14, 2022

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TO: THE SERVICE LIST

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORME DEVELOPMENT GROUP INC.
AND THE OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**NOTICE OF MOTION
(Returnable June 23, 2022)**

KSV Restructuring Inc.¹ ("**KSV**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants in their proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**"), and in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") of 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the "**NOI Entities**"), in proposal proceedings commenced on October 26, 2018 by the NOI Entities under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on June 23, 2022 at 11:00 a.m., or as soon after that time as the motion can be heard.

¹ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference as a result of the COVID-19 pandemic. Please advise if you intend to attend the motion by emailing Aiden Nelms at nelmsa@bennettjones.com.

THE MOTION IS FOR:

1. An order (the "**CCAA Termination and Distribution Order**") substantially in the form of the draft order attached as Tab "3" of this Motion Record, among other things:
 - (a) extending the Stay Period (as defined in paragraph 15 of the Initial Order of the Court made on November 30, 2018, as amended and restated, the "**Initial Order**") from September 30, 2022 to and including the earlier of: (i) December 31, 2022; or (ii) the CCAA Termination Date (as defined below) (the "**Stay Extension**");
 - (b) authorizing and directing the Monitor, on behalf of the Forme Group (as defined below), to make distributions totaling approximately \$5.9 million to unsecured creditors with proven claims against certain Forme Group entities, including approximately \$2.2 million to Pollard & Associates Inc. ("**Pollard**"), in its capacity as Licensed Insolvency Trustee of two (2) Non-Applicants (as defined below), being 186 Old Kennedy Development Inc. ("**186 Old Kennedy**") and 31 Victory Development Inc. ("**31 Victory**") and together with 186 Old Kennedy, the "**Pollard Estates**") from the funds in its and Bennett Jones LLP's ("**Bennett Jones**") trust accounts (collectively, the "**Proposed Distributions**");
 - (c) authorizing the Monitor to make one or more distributions (the "**Proposed First Source Distributions**") to First Source in respect of the First Source Secured Claim (each as defined below);

- (d) authorizing the Monitor to establish, hold and maintain an administrative reserve of \$300,000 (the "**Fee Accrual**") to cover the fees and disbursements incurred or to be incurred by the Monitor and Bennett Jones from May 1, 2022 to the CCAA Termination Date, and to pay such fees and disbursements without further Order of the Court;
- (e) terminating the CCAA proceedings and the Stay Period upon the Monitor's filing of the certificate appended to the CCAA Termination and Distribution Order as Schedule "B" (the "**Discharge Certificate**");
- (f) discharging KSV as the Monitor of the Applicants upon the filing of the Discharge Certificate;
- (g) terminating the Charges upon the filing of the Discharge Certificate; and
- (h) approving the Twenty-First Report of the Monitor and the Seventeenth Report of the Proposal Trustee dated June 14, 2022 (the "**Report**") and the activities of the Monitor and the Proposal Trustee described therein.

2. Such further and other relief as counsel may request and the Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

The Applicants

3. Forme Development Group Inc. and its affiliated companies (collectively, the "**Forme Group**") intended to develop low-rise, high-rise and mixed-use projects in the Greater Toronto Area. Pursuant to the Initial Order, the Applicants were granted protection under the CCAA (the "**CCAA Proceedings**") and KSV was appointed as the Monitor with enhanced powers, including

powers to market for sale and to complete real property sale transactions on behalf of the Applicants.

4. The primary purpose of the CCAA Proceedings was to create a stabilized environment to conduct a Court-approved sale process for the Applicants' real property (the "**Sale Process**"). The Sale Process included all of the Applicants' real estate development projects and 59 and 63 Elm Avenue, being two (2) residential properties owned by Yuan Hua Wang ("**Mr. Wang**"), the principal of the Applicants, and his wife.

5. KSV was also appointed Proposal Trustee of three (3) of the Applicants' affiliated entities – the NOI Entities – in proposal proceedings commenced on October 26, 2018 by the NOI Entities under the BIA (the "**BIA Proceedings**"). The properties owned by the NOI Entities were sold in the BIA Proceedings. On February 13, 2019, each of the NOI Entities filed a proposal (collectively, the "**Proposals**"). The Proposals were unanimously accepted by the creditors on March 6, 2019 and approved by the Court on March 14, 2019.

6. Mr. Wang is the sole shareholder of the Applicants, the NOI Entities and fourteen (14) affiliated real estate development companies which are not debtor companies in the CCAA Proceedings or the BIA Proceedings (each a "**Non-Applicant**" and collectively, the "**Non-Applicants**"). Certain of the Non-Applicants were subject to receivership and other enforcement proceedings - KSV is not, and never was, the receiver nor a Court-appointed officer in any of those proceedings. The Non-Applicants owned 12 properties, all of which have now been sold.

The Undertaking

7. On March 11, 2019, Mr. Wang and the Non-Applicants executed an undertaking which was approved by the Court on March 18, 2019, as amended (the "**Undertaking**"). The purpose of

the Undertaking is to, *inter alia*, provide a mechanism to facilitate the transparent orderly sale of the Non-Applicants' real property and to hold in a trust account the surplus funds realized therefrom for the benefit of all creditors, including those with guarantee claims against Mr. Wang.

8. The Undertaking also provides that the Monitor is to conduct a claims process for the Applicants, the NOI Entities, the Non-Applicants, the directors and officers of the Applicants, the NOI Entities and the Non-Applicants and certain claims against Mr. Wang.

9. As of the date of this Report, the Surplus totals approximately \$6.7 million (the "**Surplus**"), of which approximately \$3.3 million remains in trust with Bennett Jones and approximately \$3.4 million is in trust accounts maintained by the Proposal Trustee and the Monitor.

Mr. Wang's Bankruptcy

10. On January 24, 2020, Mr. Wang filed a Notice of Intention to Make a Proposal under the BIA and filed a proposal on March 27, 2020 (the "**Proposal**"). The Proposal was contested by the Monitor and several other creditors.

11. On April 15, 2020, the Court made an order whereby the Proposal was deemed to be rejected by Mr. Wang's creditors, Mr. Wang was deemed to have made an assignment in bankruptcy at that time, and KSV substituted the licensed insolvency trustee that had been appointed in Mr. Wang's bankruptcy (in such capacity, the "**Trustee**"). KSV was affirmed as Trustee at the first meeting of creditors convened on May 6, 2020.

12. Mr. Wang's bankruptcy discharge hearing is expected to be scheduled at a case conference on July 20, 2022.

*The Claims Procedure*²

13. On October 22, 2019, the Monitor sought and obtained an Order (the "**Claims Procedure Order**") authorizing it to administer a claims procedure (the "**Claims Procedure**") to solicit and identify any and all Pre-Filing Claims, D&O Claims, NOI Claims, Non-Applicants Claims, Wang Claims and/or Restructuring Claims (each as defined in the Claims Procedure Order).

14. On or prior to the Claims Bar Date, being January 10, 2020, approximately 125 creditors filed Claims totaling approximately \$89 million. Pursuant to an order of the Court dated February 20, 2020, creditors who filed Wang Claims in the Claims Procedure did not need to file claims in Mr. Wang's bankruptcy.

15. Of the Claims filed, the Claims Procedure identified eight (8) secured claims totaling approximately \$12 million (with interest and costs continuing to accrue) (collectively, the "**Secured Claims**" and each a "**Secured Claim**"). Pursuant to Court orders made on August 27, 2020, November 12, 2020 and February 25, 2021, the Court authorized the Monitor to make distributions from the Surplus in respect of certain of the Secured Claims up to the full amount owing.

16. In connection with the foregoing, and as further detailed below, the Monitor is looking to make a distribution to First Source on account of its Secured Claim. The Monitor also intends to make a further distribution to the remaining Secured Creditors totaling approximately \$612,000.

17. Notices of Revision or Disallowance or Notices of Acceptance of Claim have been issued to all claimants who filed Claims in the Claims Procedure against the Forme Group entities with surplus funds (the "**Surplus Entities**") and 250 Danforth Development Inc. ("**250 Danforth Inc.**")

² Terms in this section not otherwise defined herein have the meanings ascribed to them in the Claims Procedure Order dated October 22, 2019.

other than in respect of Claims filed by Tarion Warranty Corporation's ("**Tarion**"), the Birchmount Purchasers and the Condo Corporation (each as defined below). All Notices of Dispute received from claimants have all now been resolved.

18. In accordance with the Claims Procedure, the Monitor has not reviewed, and does not intend to review, claims file against Forme Group entities with no funds available for distribution.

19. The Monitor has completed its administration of the Claims Procedure and, subject to Court approval, is now in a position to make the Proposed Distributions.

(i) First Source Secured Claim

20. First Source Financial Management Inc. ("**First Source**") filed certain Proofs of Claim in the Claims Procedure against each of 250 Danforth Inc., 3310 Kingston Development Inc. and 1296 Kennedy Development Inc. ("**1296 Kennedy Inc.**"). First Source also filed claims against Mr. Wang, including one on a secured basis. In connection with the foregoing, the Monitor issued Notices of Revision or Disallowance. In response, First Source filed Notices of Dispute, but only in connection with its claims against Mr. Wang. First Source also provided evidence of its security in connection with its claim against Mr. Wang involving 1296 Kennedy Inc. (the "**1296 Wang Secured Claim**").

21. Following the Monitor's review of the additional materials provided by First Source, as well as discussions with First Source's counsel, the Monitor and First Source settled the 1296 Wang Secured Claim for \$75,000.

22. The Monitor is now seeking authorization to make a distribution to First Source in the amount of approximately \$51,000 (the "**Proposed First Source Distribution**"), which is the same pro-rata distribution being made to the other claimants holding Secured Claims.

(ii) *Unsecured Claims*

23. The following sections contain summaries of certain significant unsecured creditors and other issues to be addressed in the Claims Procedure.

A. Intercompany Claims:

24. As contemplated by paragraph 52 of the Claims Procedure Order, the Monitor completed an intercompany claims analysis of the Forme Group entities' transaction, which resulted in approximately \$8.5 million of claims filed against the Surplus Entities (the "**Intercompany Claims**").

B. CRA Claims:

25. Prior to the Claims Bar Date, Canada Revenue Agency ("**CRA**") filed placeholder claims in the Claims Procedure. On November 10, 2020, CRA filed amended Proofs of Claim against several entities in the Forme Group. These Claims were incorrect given that the Forme Group had filed very few tax returns since inception. The Monitor worked with KMPG LLP, the tax advisor retained by the Forme Group, to complete and file over 140 tax returns in order to bring the Forme Group's tax filings current. Following the filing of these tax returns, it took several months for CRA to issue Notices of Assessment. On March 22, 2022, CRA filed further amended Proofs of Claim against the Forme Group entities – the Monitor intends to admit CRA's unsecured claims based on these amended Proofs of Claim.

C. Birchmount Purchasers and Tarion Claims

26. Since the Claims Bar Date, the Monitor and Bennett Jones have been encouraging Tarion's legal counsel and Koskie Minsky LLP, representative counsel (in such capacity, "**Representative Counsel**") to a group of purchasers of condominium units (the "**Birchmount Purchasers**") at a

condominium project owned by 2358825 Ontario Inc. (the "**Birchmount Applicant**"), to resolve the issues in respect of the Claims filed by their clients. The issues included quantification of the contingent element of their Claims and certain aspects of their Claims which appeared to be duplicative, including with the Claim filed by the condominium corporation of the Birchmount Applicant (the "**Condo Corporation**").

27. The Monitor, Bennett Jones, Representative Counsel and Tarion's legal counsel have engaged in discussions that have resulted in a settlement of their Claims. The Monitor believes the settlement is reasonable and appropriate.

Fee Allocation, Proposed Distributions and the Fee Accrual

28. Determining the funds available for distribution to unsecured creditors of each of the Surplus Entities required an allocation of professional fees incurred throughout the proceedings (the "**Fee Allocation**"), which total approximately \$5.9 million.³ The Monitor performed a fee allocation exercise that considered several factors and used its business judgment with respect to the Fee Allocation and believes the fee allocation to be fair, reasonable and equitable in the circumstances.

29. In connection with the Proposed Distributions, the Monitor is proposing to make a distribution to Pollard in its capacity as Licensed Insolvency Trustee of the Pollard Estates. Pollard, in its capacity as Licensed Insolvency Trustee of the Pollard Estates, will resolve any claims and make distributions to creditors of the Pollard Estates. To assist Pollard in its administration, the Monitor has provided it with copies of all Proofs of Claim, Notice of Revision or Disallowance

³ This includes the fees incurred by the Monitor, Bennett Jones, the Applicants' counsel (Goldman Sloan Nash Haber), KPMG and Representative Counsel.

and Notices of Dispute related to the Pollard Estates that were filed or issued in the Claims Procedure.

30. The Monitor believes that the Proposed Distributions are appropriate given that:
- (a) the Proposed Distributions have been determined in accordance with the Claims Procedure Order;
 - (b) the Proposed Distributions are being distributed in accordance with the Undertaking; and
 - (c) the Proposed Distributions are net of the Monitor's allocation of professional fees incurred in these proceedings (the Monitor believes that the allocation methodology is fair, reasonable and is consistent with the priorities set out in the Initial Order, the Proposals and as contemplated in the Undertaking).

31. The Fee Accrual represents a holdback for the fees and disbursements of the Monitor and Bennett Jones from May 1, 2022 to the CCAA Termination Date. The Monitor believes the Fee Accrual is reasonable and appropriate in the circumstances.

The Releases and the Monitor's Proposed Discharge

32. The proposed CCAA Termination and Distribution Order releases the Monitor and counsel to the Monitor and each of their respective affiliates and officers, directors, partners, employees and agents during these CCAA Proceedings (collectively, the "**Released Parties**" and each a "**Released Party**") from the Released Claim (as defined in the CCAA Termination and Distribution Order).

33. The Released Claims do not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the applicable Released Party.

34. Since completing the transactions for the Forme Group's real property, the gating issue in the proceedings has been completing the Monitor's administration of the Claims Procedure. At this time, subject to Court approval of the relief the Monitor is seeking in connection with the within motion, the Monitor's administration of the Claims Procedure is complete.

35. In light of the foregoing, the Monitor is recommending that it be discharged upon the filing of the Discharge Certificate (the "**CCAA Termination Date**") as, subject to completing the outstanding sundry matters detailed below, its duties and responsibilities under the Initial Order and other orders granted in these proceedings will have been completed.

36. Prior to filing the Discharge Certificate, the Monitor intends to, subject to Court approval:

- (a) facilitate payment of the Proposed Distributions to unsecured creditors on behalf of the Forme Group, including the distribution to Pollard;
- (b) make final distributions on account of the Secured Claims;
- (c) pay any final professional fees from the Fee Accrual;
- (d) deal with any sundry issues that may arise following the motion returnable June 23, 2022; and
- (e) facilitate any further distributions to creditors from: (i) the Fee Accrual if the actual fees are less than the Fee Accrual; and/or (ii) any additional funds come into the Monitor's possession.

Stay Extension

37. The Stay Period currently expires on September 30, 2022.

38. The Monitor is seeking the Stay Extension so that it is able to complete its administration of these proceedings on an orderly basis prior to filing the Discharge Certificate.

39. As "super" Monitor in these proceedings, it is the Monitor's view, which was affirmed by the Court in an endorsement dated February 20, 2020, that the good faith and due diligence standard should focus on the Monitor's conduct. In discharging its enhanced duties and obligations under the Initial Order in these proceedings, the Monitor has acted and continues to act in good faith and with due diligence.

40. The Fee Accrual is meant to provide the Monitor with sufficient funding to complete its administration during the proposed Stay Extension.

41. The Monitor is not aware of any stakeholder that would be prejudiced by the granting of the Stay Extension.

General

42. The provisions of the CCAA, as amended, section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the inherent and equitable jurisdiction of this Court.

43. *Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37 and 72.03 of the Rules of Civil Procedure*, R.R.O. 1990 Reg. 194, as amended.

44. Such further and other grounds as counsel may advise and the Court may permit.

DOCUMENTARY EVIDENCE

45. The following documentary evidence will be used at the hearing of the motion:

- (a) the Report;
- (b) the Factum of the Monitor, to be filed; and

(c) such further and other material as counsel may advise and the Court may permit.

June 14, 2022

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Counsel to KSV Restructuring Inc., solely in
its capacity as Court-appointed monitor, and
not in its personal capacity

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE
OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

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

Proceeding commenced at Toronto

NOTICE OF MOTION

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Counsel to KSV Restructuring Inc., solely in its capacity as
Court-appointed monitor and not in its personal capacity

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**Twenty-First Report of
KSV Restructuring Inc.
as CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix "A"**

June 14, 2022

and

**Seventeenth Report of
KSV Restructuring Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

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COURT FILE NO.:CV-18-608313-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES
LISTED ON APPENDIX "A"**

**APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

ESTATE FILE NO.: 31-2436568

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

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

**TWENTY-FIRST REPORT OF KSV RESTRUCTURING INC. AS
MONITOR AND SEVENTEENTH REPORT OF KSV
RESTRUCTURING INC. AS PROPOSAL TRUSTEE**

June 14, 2022

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 30, 2018, as amended and restated on December 6, 2018 (the "Initial Order"), Forme Development Group Inc. and the affiliated entities listed on Appendix "A" (collectively, the "Applicants") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Restructuring Inc. ("KSV")¹ was appointed monitor (in such capacity, the "Monitor"). A copy of the Initial Order is attached as Appendix "B".

¹ On August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

2. The principal purpose of these proceedings (the "CCAA Proceedings") was to create a stabilized environment to conduct a Court-approved sale process (the "Sale Process") for the Applicants' real property. The Initial Order approved, *inter alia*, a Sale Process for the Applicants' real estate development projects and for two residential homes located at 59 and 63 Elm Avenue (jointly, the "Elm Properties") which were owned by Yuan Hua Wang ("Mr. Wang"), the principal of the Applicants, and his wife.
3. KSV was also appointed proposal trustee (in such capacity, the "Proposal Trustee") of three of the Applicants' affiliates, being 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the "NOI Debtors") in proceedings commenced on October 26, 2018 by the NOI Debtors under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings" and together with the CCAA Proceedings, the "Proceedings").
4. The properties owned by the NOI Debtors were sold in the NOI Proceedings. On February 13, 2019, the NOI Debtors each filed a proposal (collectively, the "Proposals"). The Proposals provide that any monies available for distribution from the sale of the NOI Debtors' properties are to be paid to creditors in accordance with priorities, after the payment of all professional fees associated with the NOI Proceedings. The Proposals were unanimously accepted by creditors at creditors' meetings held on March 6, 2019. The Proposals were approved by the Court on March 14, 2019.
5. Mr. Wang is the sole shareholder of the Applicants, the NOI Debtors and 14 affiliated real estate development companies which are not debtor companies in the CCAA Proceedings or the NOI Proceedings (the "Non-Applicants", and together with the Applicants and the NOI Debtors, the "Forme Group"). A list of the Non-Applicants is attached as Appendix "C". The Non-Applicants owned 12 properties, all of which have now been sold.
6. Pursuant to a Court Order dated March 18, 2019, the net proceeds from the Non-Applicants' real property (approximately \$10.9 million) were transferred from the bank account of the Non-Applicants' legal counsel to Bennett Jones LLP ("Bennett Jones"), the Monitor's legal counsel. As discussed further below, the Undertaking resulted from, *inter alia*, steps taken by Mr. Wang to sell certain of the Non-Applicants' properties without disclosure to KSV as CCAA Monitor, as was required at the time.
7. The Non-Applicants do not have the benefit of the CCAA stay of proceedings (the "Stay of Proceedings"), and certain Non-Applicants ultimately became subject to receivership or enforcement proceedings (including power of sale proceedings) where KSV is not and never was the court officer.
8. Pursuant to a Court order made on October 22, 2019 (the "Claims Procedure Order"), the Monitor carried out a claims procedure (the "Claims Procedure") to solicit and determine claims against the Applicants, the Non-Applicants, the NOI Debtors, the directors and officers of the Applicants, the Non-Applicants and the NOI Debtors, and Mr. Wang, solely in his capacity as a guarantor, surety or indemnitor of any obligation of any of the Applicants, the NOI Debtors or the Non-Applicants, and in his capacity as an owner of the Elm Properties, and not in any other capacity.

9. On April 15, 2020, Mr. Wang was deemed to have made an assignment in bankruptcy. Pursuant to the Bankruptcy Order (as defined below) issued on that date, KSV (the "Trustee") replaced Grant Thornton Limited ("GTL") as Mr. Wang's Licensed Insolvency Trustee.
10. KSV is filing this report ("Report") in its capacities as Monitor and Proposal Trustee.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Proceedings;
 - b) provide an update on the Claims Procedure, including resolution of the final outstanding issue in the Claims Procedure, which relates to claims filed by (i) Tarion Warranty Corporation ("Tarion"), (ii) Koskie Minsky LLP ("Koskie Minsky"), representative counsel (in such capacity, "Representative Counsel") to a group of purchasers (the "Birchmount Purchasers") of condominium units at a condominium project owned by 2358825 Ontario Inc. (the "Birchmount Applicant") known as Birchmount Gardens, and (iii) the condominium corporation of the Birchmount Applicant (the "Condo Corporation");
 - c) seek approval to make distributions totalling approximately \$5.9 million to unsecured creditors, including approximately \$2.2 million to Pollard & Associates Inc. ("Pollard"), in its capacity as Licensed Insolvency Trustee of two Non-Applicants, being 186 Old Kennedy Development Inc. ("186 Old Kennedy") and 31 Victory Development Inc. ("31 Victory" and jointly with 186 Old Kennedy, the "Pollard Estates") (collectively, the "Proposed Distributions") and approximately \$3.7 million to unsecured creditors with proven claims against certain other Forme Group entities;
 - d) seek approval of a distribution to First Source Financial Management Inc. ("First Source"), a secured creditor of Mr. Wang, from the surplus generated by the NOI Debtors;
 - e) summarize the methodology used by the Monitor to allocate the fees incurred during these Proceedings to the Forme Group entities;
 - f) discuss the reasons to extend the Stay of Proceedings from September 30, 2022 to the earlier of December 31, 2022 or the CCAA Termination Date (as defined below);
 - g) discuss the reasons the Monitor is proposing that it be discharged of its duties and obligations under the Initial Order and other Court orders made in these CCAA Proceedings, subject to filing a certificate with this Honourable Court (the "Discharge Certificate");
 - h) discuss the need for an administrative reserve of \$300,000 (the "Fee Accrual") to cover the fees and disbursements incurred and to be incurred by the Monitor and Bennett Jones from May 1, 2022 to the CCAA Termination Date, and seek approval of same;

- i) recommend that the Court issue an order (the "Order"), among other things:
 - i. approving the Proposed Distributions, and directing and authorizing the Monitor, on behalf of the Forme Group, to facilitate those payments from the funds in its trust accounts and in Bennett Jones' trust accounts;
 - ii. approving the Proposed First Source Distribution (as defined below);
 - iii. extending the Stay of Proceedings from September 30, 2022 to the earlier of December 31, 2022 or the CCAA Termination Date;
 - iv. authorizing the Monitor to establish, hold and maintain the Fee Accrual and to pay any additional professional fees from the Fee Accrual without further order of the Court;
 - v. approving this Report and the Monitor's activities described herein;
 - vi. discharging the Monitor upon the filing of the Discharge Certificate;
 - vii. terminating these CCAA Proceedings and the Stay of Proceedings effective on the CCAA Termination Date; and
 - viii. releasing the Monitor from any and all liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting as Monitor, save and except for its gross negligence or wilful misconduct on the Monitor's part.

1.2 Restrictions

1. In preparing this Report, KSV, as Monitor and Proposal Trustee, has relied upon the Forme Group's unaudited financial information. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that complies with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. KSV expresses no opinion or other form of assurance with respect to the Forme Group's financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on such financial information is required to perform its own due diligence and to perform such additional investigations as it requires. KSV makes no representation or warranty as to the accuracy, completeness or fitness for purpose of the Forme Group's financial and other information.

2.0 Background

1. The Forme Group was a commercial and residential real estate group of over 30 companies which sought to develop low-rise, high-rise and mixed-use projects largely in the Greater Toronto Area.

2. In advance of the CCAA Proceedings, KSV filed a report to Court dated November 6, 2018 in its capacity as proposed CCAA monitor (the "Proposed Monitor's Report"). KSV also filed three supplements to the Proposed Monitor's Report (the "Supplemental Reports"). Detailed information regarding the Forme Group and the commencement of the CCAA Proceedings is set out in the Proposed Monitor's Report and the Supplemental Reports and, accordingly, that information is not repeated in this Report.
3. Copies of Court materials filed in the CCAA Proceedings and the NOI Proceedings are available on KSV's website (the "Website"), <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc>.

2.1 The Undertaking

1. On March 11, 2019, Mr. Wang and the Non-Applicants executed an undertaking (the "Undertaking") in favour of the Court. The Undertaking was approved pursuant to a Court order made on March 18, 2019. A copy of the Undertaking is provided in Appendix "D". The issues which caused the Undertaking to be put in place are detailed in the Monitor's Supplement to its Third Report to Court dated March 12, 2019, which is available on the [Website](#); however, a short summary of those events is as follows:
 - a) on February 21, 2019, in response to an inquiry from the Monitor, the Applicants' management inadvertently sent the Monitor copies of four cheques payable to the Forme Group's real estate lawyer, Yi Zhou. The cheques referenced Non-Applicant real properties;
 - b) as a result of the name of the payors (which was known to KSV as it was the purchaser of a transaction completed by the NOI Debtors), and the Non-Applicants' real property referenced on the cheques, it appeared to the Monitor that Mr. Wang was attempting to complete transactions for the real property owned by Non-Applicants referenced on the cheques;
 - c) Mr. Wang did not disclose these transactions to the Monitor as he was required to do given, *inter alia*, Mr. Wang had the benefit of a stay of proceedings in respect of certain claims against him pursuant to the Initial Order; and
 - d) the Monitor was concerned that it would not have found out about the proposed transactions of the Non-Applicants' real property until after those transactions had closed if the cheques were not inadvertently sent to it.
2. The purpose of the Undertaking is to, *inter alia*, facilitate the orderly sale of the Non-Applicants' real property with full transparency and to have Bennett Jones hold in trust any surplus funds realized therefrom for the benefit of creditors, including those with guarantee claims against Mr. Wang.
3. The Undertaking provides that the Monitor is to conduct a claims process for the Applicants, NOI Debtors, Non-Applicants, the Directors and Officers of each of those entities and for certain claims against Mr. Wang.

4. As at the date of this Report, the surplus totals approximately \$6.7 million (the "Surplus"), of which approximately \$3.3 million is in trust with Bennett Jones and approximately \$3.4 million is in trust accounts maintained by the Proposal Trustee and the Monitor.
5. The portion of the Surplus held by Bennett Jones represents the funds available for distribution from the sale of properties owned by the Non-Applicants, net of repayment of all mortgages on those properties and distributions to creditors with secured claims against Mr. Wang (as detailed in Section 3.1 below). The distributions to secured creditors were approved pursuant to Court orders issued on August 27, 2020, November 12, 2020 and February 25, 2021 (collectively, the "Distribution Orders"). These distributions are discussed in further detail in Section 3.1 below.
6. The portion of the Surplus held by the Monitor and the Proposal Trustee represents the funds available for distribution from the sale of properties owned by the NOI Debtors, 5507 River Development Inc., 4439 John Development Inc. and the Birchmount Applicant, net of fees and costs of these Proceedings and distributions to Secured Creditors approved pursuant to the Distribution Orders. The other Applicants did not generate recoveries sufficient to fully repay the mortgages on their respective properties.
7. Prior to the commencement of these Proceedings, the Forme Group routinely transferred monies from one entity to another. As of the date that the Proceedings commenced, the Forme Group did not keep its books and records current and it had filed very few tax returns.
8. Pursuant to the Claims Procedure Order, the Monitor performed a comprehensive intercompany analysis to determine and file claims in the Claims Procedure against the transferee entities², which amounts are unsecured claims. Prior to completing the intercompany analysis, substantial time³ and cost was incurred to identify and account for intercompany transactions, which included dealing with the Forme Group's bank, Royal Bank of Canada ("RBC"), to acquire several years of bank statements for Forme Group entities, without which the Monitor could not have performed the intercompany analysis.
9. In accordance with the Undertaking, to the extent any Forme Group entity has sufficient proceeds to pay in full its unsecured claims (including its tax obligations and intercompany claims) such that there are monies available for distribution to Mr. Wang as shareholder of a Forme Group entity, the remaining surplus will be distributed by the Monitor to creditors of Mr. Wang, in accordance with priorities⁴.

2.2 Bankruptcy of Mr. Wang

1. On January 24, 2020, Mr. Wang filed a Notice of Intention to Make a Proposal pursuant to Section 50.4 of the BIA, and on March 27, 2020, Mr. Wang filed a proposal (the "Wang Proposal"). The Wang Proposal was contested by the Monitor and several creditors, which resulted in a motion heard by the Court on April 15, 2020.

² These amounts are calculated on a net basis (i.e. net of transfers to and from related entities in the Forme Group).

³ It took approximately a year to obtain these statements.

⁴ This is required pursuant to the Undertaking.

2. On April 15, 2020, the Court made an order (the "Bankruptcy Order") pursuant to subsection 50(12) of the BIA, declaring that the Wang Proposal was deemed to be refused by his creditors. As a result, Mr. Wang was deemed to have made an assignment in bankruptcy on that date.
3. Pursuant to the Bankruptcy Order, KSV replaced GTL as Trustee of Mr. Wang's bankrupt estate. The Trustee's appointment was affirmed at the first meeting of creditors held on May 6, 2020.
4. Mr. Wang's bankruptcy discharge hearing is expected to be scheduled at a case conference on July 20, 2022.

3.0 Claims Procedure⁵

1. The Claims Procedure has been administered in accordance with the Claims Procedure Order to determine claims against the Surplus. A copy of the Claims Procedure Order is attached as Appendix "E".
2. Pursuant to a Court order made on February 20, 2020, creditors who filed claims against Mr. Wang in the Claims Procedure were not required to file claims in Mr. Wang's bankruptcy.
3. On or prior to the claims bar date (January 10, 2020), approximately 125 creditors filed claims totaling approximately \$89 million.
4. Refiled claims, revised claims and new claims were received from creditors prior to the "Sale Triggered Dates", being the closing dates for the sale of Non-Applicants' properties sold after the initial claims bar date in the Claims Procedure Order.
5. Notices of Revision or Disallowance ("NORDs") or Notices of Acceptance have been issued to all claimants who filed claims in the Claims Procedure against the Forme Group entities with surplus funds (the "Surplus Entities")⁶ other than in respect of claims filed by Tarion, the Birchmount Purchasers and the Condo Corporation. In accordance with the Claims Procedure Order, the Monitor has not reviewed, and does not intend to review, claims filed against Forme Group entities with no funds available for distribution.
6. With the recent resolution of the claims filed by Tarion, the Birchmount Purchasers and the Condo Corporation, as discussed in Section 3.2.3 below, the Monitor has completed its administration of the Claims Procedure.

⁵ Terms not otherwise defined in this section have the meaning ascribed to them in the Claims Procedure Order dated October 22, 2019.

⁶ The Surplus Entities are 4550 Steeles Development Inc., 22 Old Kennedy Development Inc., the Birchmount Applicant, 250 Danforth Development Inc., 5507 River Development Inc., 4439 John Development Inc. and the NOI Debtors.

3.1 Secured Claims

1. The creditors listed in the table below (the "Secured Creditors") filed secured claims in the Claims Procedure totaling approximately \$12 million (with interest and costs continuing to accrue). The Secured Creditors' claims and distributions paid to-date are detailed below⁷.

Secured Creditor	Claim Against	Amount Accepted (\$000s)	Distributions To-Date (\$000s)
2557725 Ontario Inc.	22 Old Kennedy	3,086	3,086
2603616 Ontario Inc.	Mr. Wang	3,108	1,906
2611622 Ontario Inc.	Mr. Wang	2,390	1,466
Ferina Construction Ltd.	Mr. Wang	2,284	1,401
2612316 Ontario Inc.	Mr. Wang	614	376
Steve Papaikonomou	Mr. Wang	427	262
2592898 Ontario Inc.	Mr. Wang	13	8
First Source	Mr. Wang	75	-
Total		11,997	8,505

2. Pursuant to the Distribution Orders, the Court authorized the Monitor to make distributions to the Secured Creditors (other than to First Source, for which relief is being sought in this motion) up to the full amount of their secured claims. As reflected in the table above, as at the date of this Report, the Monitor has distributed approximately \$8.5 million from the Surplus, comprised of: (a) repayment in full to 2557725 Ontario Inc., a mortgagee of the real property owned by 22 Old Kennedy Development Inc.; and (b) approximately \$5.4 million, representing 61% of the amounts owing to the other Secured Creditors listed in the table above, excluding amounts owing to First Source.
3. As detailed in Section 4 below, and subject to Court approval, the Monitor intends to make further (and likely final) distributions to the Secured Creditors totaling approximately \$612,000.

3.1.1 First Source Secured Claim

1. First Source filed proofs of claim in the Claims Procedure (the "First Source Proofs of Claim") against each of 250 Danforth Development Inc. ("250 Danforth"), 3310 Kingston Development Inc. and 1296 Kennedy Development Inc. ("1296 Kennedy"). First Source also filed claims against Mr. Wang. The Monitor issued Notices of Revision or Disallowance (the "First Source NORDs") in connection with First Source's claims against the Forme Group and Mr. Wang.
2. In response, First Source filed Notices of Dispute, but only in connection with its claims against Mr. Wang. In connection with the Notices of Dispute, First Source provided evidence of security for its claim against Mr. Wang involving 1296 Kennedy (the "FS Secured Wang Claim"). Following the Monitor's review of the additional materials provided by First Source (including the evidence of security for its claim against Mr. Wang), as well as discussions with First Source's counsel, the Monitor and First Source settled the FS Secured Wang Claim against Mr. Wang for \$75,000.

⁷ Bennett Jones issued opinions with respect to the validity and enforceability of each Secured Creditor's security prior to making these distributions.

3. The Monitor believes settlement of the FS Secured Wang Claim is an appropriate and fair resolution, and notes that the settlement will avoid further costs and delay related to adjudication of these claims.
4. Based on the above, the Monitor is seeking authorization and direction from the Court to make a distribution to First Source in the amount of approximately \$51,000 on its accepted secured claim of \$75,000 (the "Proposed First Source Distribution"), which is the pro-rata distribution that the other secured creditors of Mr. Wang will receive.

3.2 Unsecured Claims

1. The table below summarizes the unsecured claims filed against the Surplus Entities and 250 Danforth, being the only non-Surplus Entity with funds available for distribution to its unsecured creditors.

Unsecured Creditor	Surplus Entities (\$000s)	250 Danforth (\$000s)
Intercompany Claims (defined in Section 3.2.1)	8,486	-
Canada Revenue Agency ("CRA") (See Section 3.2.2)	6,901	80
Syndicated and other Mortgagees of 250 Danforth	-	9,038
Tarion	3,500	- ⁸
Birchmount Purchasers / Condo Corporation	3,500	-
Other unsecured creditors	325	3,732
Total	22,712	12,850

2. A summary of the significant claims in the table is provided below.

3.2.1 Intercompany Claims

1. The Monitor's intercompany claims analysis resulted in approximately \$8.5 million of claims filed against the Surplus Entities (the "Intercompany Claims").
2. A summary of the procedures performed by the Monitor to determine the Intercompany Claims, as contemplated by paragraph 52 of the Claims Procedure Order, was provided in the Monitor's Fifteenth Report to Court dated November 19, 2020 (the "Fifteenth Report"), a copy of which is attached as Appendix "F", without appendices.
3. The Monitor's intercompany analysis was a comprehensive workstream given the poor state of the Forme Group's books and records and the extensive intercompany transfers among entities in the Forme Group. The Monitor's analysis included reconciling incomplete general ledgers to several years of bank statements for approximately 30 entities, which statements first had to be obtained directly from RBC. This analysis resulted in certain of the Applicants and Non-Applicants being the beneficiaries of recoveries from their Intercompany Claims that otherwise would not have been determinable, including several of the Non-Applicants, such as 186 Old Kennedy and 31 Victory.

⁸ Tarion's legal counsel has recently confirmed that Tarion would not be seeking additional relief in connection with 250 Danforth as any issues or claims have been resolved in accordance with a protocol approved by the Court previously in these CCAA Proceedings.

4. No stakeholder opposed the Monitor's Intercompany Claims analysis, and the Intercompany Claims were therefore deemed to be accepted pursuant to the Claims Procedure Order.

3.2.2 CRA Claims

1. Prior to the Claims Bar Date, CRA filed placeholder claims in the Claims Procedure. On November 10, 2020, CRA filed amended proofs of claim against several entities in the Forme Group notwithstanding that the Forme Group had filed very few tax returns since inception. Accordingly, CRA's amended proof of claims were incorrectly filed.
2. In order to determine CRA's claims, the Monitor worked with the Forme Group's representatives to provide KPMG LLP ("KPMG"), the tax advisor retained by the Forme Group, with the information KPMG required to complete and file over 140 tax returns in order to bring the Forme Group's tax filings current. All Forme Group tax returns were filed by June 30, 2021.
3. Following the filing of the tax returns by KPMG, it took several months for CRA to issue Notices of Assessment. The Monitor received the last of the issued Notices of Assessment in January, 2022.
4. On March 22, 2022, CRA filed amended proofs of claim against the Forme Group entities based on the tax returns prepared by KPMG and the Notices of Assessment issued by CRA. The Monitor intends to admit CRA's unsecured claims based on CRA's amended proofs of claim.

3.2.3 Birchmount Purchasers and Tarion Claims

1. Since the Claims Bar Date, the Monitor and Bennett Jones have been encouraging Tarion's legal counsel and Representative Counsel to resolve the issues in respect of the claims filed by their clients in the Claims Procedure. The issues included quantification of the contingent element of these claims and certain aspects of these claims which appear to be duplicative.
2. Since the hearing on May 27, 2022, the Monitor, Bennett Jones, Representative Counsel and Tarion's legal counsel have engaged in discussions that have resulted in the following settlement:
 - a) Tarion's claim against the Birchmount Applicant will be admitted in the amount of \$3.5 million. The original proof of claim filed was for approximately \$12.5 million;
 - b) the claims of the Birchmount Purchasers and the Condo Corporation will also be admitted in an aggregate amount of \$3.5 million, to be allocated by Representative Counsel between the Birchmount Purchasers and the Condo Corporation. (The Monitor is indifferent as to the allocation between the Condo Corporation and the Birchmount Purchasers as there is no impact on distributions to the other creditors of the Birchmount Applicant.) The original proofs of claim filed by the Birchmount Purchasers and the Condo Corporation were approximately \$16.1 million and \$12 million, respectively; and

- c) Tarion, the Birchmount Purchasers and the Condo Corporation will withdraw their claims against all entities in the Forme Group, other than the Birchmount Applicant and Mr. Wang. These parties originally filed proofs of claim against each entity in the Forme Group and Mr. Wang.
3. The Monitor believes the settlement is reasonable and appropriate for the following reasons:
- a) it considers both the legal complexities of the claims and the hardship incurred by the Birchmount Purchasers as a result of construction delays and deficiencies at Birchmount Gardens, including the Birchmount Purchasers being displaced from their homes during the winter months while a boiler could be replaced which was needed to heat the development;
 - b) the Monitor has first-hand knowledge of the hardships suffered by the Birchmount Purchasers as it was extensively involved resolving the deficiencies and addressing an outstanding work order issued by the City of Toronto, which was required before condominium unit sales could close;
 - c) the issues giving rise to these claims were significant, costly, delayed closings and were brought to the Court’s attention in prior reports filed by the Monitor; and
 - d) portions of these claims have not yet been quantified – the costs will not be known for some time as repairs continue. Resolving the claims on the basis discussed herein allows the Monitor to complete the Claims Procedure without any further delay and avoids a protracted process that could hold up distributions to creditors.

4.0 Recommendation re Remaining Funds

1. The Monitor recommends that the balance of the Surplus (presently approximately \$6.8 million) be distributed on the following basis:

Description	Amount (\$000s)
Surplus held by the Monitor and Bennett Jones	6,763
Less: Fee Accrual	(300)
Less: Amounts below (which rank equally):	
Proposed Distributions (other than to Pollard)	(3,684)
Proposed distribution to Pollard	(2,167)
Balance available to Mr. Wang’s Secured Creditors	612

2. The following sections of this Report provide details of each distribution, as well as a summary of the Monitor’s professional fee allocation methodology.

4.1 Allocation of Professional Fees

1. Determining the funds available for distribution to creditors required an allocation to the Forme Group entities of professional fees (totalling \$5.9 million) incurred during these Proceedings, which includes the fees of the Monitor, Bennett Jones, Goldman Sloan Nash & Haber LLP⁹ ("GSNH"), KPMG and Representative Counsel to the Birchmount Purchasers¹⁰. All of these fees are secured by the Administration Charge.
2. All fees incurred by the Monitor and Bennett Jones to April 30, 2022 have been approved by the Court.
3. The Monitor's fee allocation methodology considered the following factors:
 - a) the super-priority of the Administration Charge granted under the Initial Order, as it relates to the Applicants;
 - b) the terms and provisions of the Undertaking as it relates to the Non-Applicants, which contemplated that the professional fees incurred by the Monitor and its legal counsel would be paid from the surplus proceeds generated from the sale of Non-Applicant properties;
 - c) the extensive duties and obligations required of the Monitor in respect of the Non-Applicants, including, but not limited to, carrying out the Claims Procedure, performing the intercompany analysis, dealing with the completion of tax returns, dealing with the events leading to the Undertaking, dealing with the Non-Applicants' legal counsel (GSNH, Cassels Brock & Blackwell LLP ("CBB") and Gardiner Roberts LLP¹¹), monitoring the Non-Applicants' sale processes and dealing with prospective purchasers who contacted the Monitor to acquire certain real property owned by Non-Applicants, including 186 Old Kennedy;
 - d) the equal allocation of fees and costs across all Forme Group entities where the related activity was on behalf of all entities in the Forme Group (for example, dealing with contested motions in these Proceedings, developing and administering the Claims Procedure and performing the intercompany analysis);
 - e) the allocation of fees and costs to a specific Forme Group entity where those fees and costs are directly attributable to a specific entity (for example, carrying out or monitoring the sale process for a specific Forme Group entity, dealing with creditors of each Forme Group entity and dealing with entity specific issues (for example, the large number of issues specific to the Birchmount project); and

⁹ GSNH was the first set of counsel retained by Mr. Wang on behalf of the Non-Applicants. The fees of CBB and Gardiner Roberts LLP were paid prior to the Non-Applicants' portion of the Surplus being transferred from CBB's trust account to Bennett Jones.

¹⁰ Koskie Minsky.

¹¹ Mr. Wang caused the Non-Applicants to retain CBB after GSNH. Gardiner Roberts LLP replaced CBB.

- f) a reallocation of fees and costs¹² incurred by non-Surplus Entities to those Forme Group entities that have funds available for distribution (i.e. the Surplus Entities) or will have funds available for distribution after receiving their intercompany claim distribution (i.e. including 250 Danforth and the Pollard Estates), based on the time and complexity of dealing with the entities that have or will have funds available for distribution.
4. Due to the nature of some of the activities performed by the Monitor, the Monitor exercised its judgement in determining the allocation having regard to its extensive involvement in every aspect of these Proceedings over nearly four years. After considering all of the issues in these proceedings, the Monitor is of the view that the allocation is fair, reasonable and equitable in the circumstances.

4.2 Proposed Distributions

1. The Proposed Distributions to each unsecured creditor is provided in the schedule in Appendix "G".
2. The Monitor intends to distribute to Pollard the funds available for distribution to creditors of the Pollard Estates. Pollard, as Licensed Insolvency Trustee of the Pollard Estates, is responsible for making distributions to creditors of the Pollard Estates.
3. To assist Pollard in its administration, the Monitor has provided it with copies of all Proofs of Claim, NORDs and Notices of Dispute related to the Pollard Estates.
4. Subject to Court approval, the Monitor is proposing to distribute approximately \$2.2 million to Pollard, which reflects recoveries on Intercompany Claims net of the fees allocated to the Pollard Estates.

4.3 Distributions to Mr. Wang's Secured Creditors

1. Subject to Court approval as it relates to the Proposed First Source Distribution, the Monitor intends to distribute the balance of funds available to Mr. Wang's Secured Creditors as follows:

Secured Creditor	Final Distribution (\$000s)	Total Recovery After Distribution
2603616 Ontario Inc.	197	68%
2611622 Ontario Inc.	151	68%
Ferina Construction Ltd.	145	68%
2612316 Ontario Inc.	39	68%
Steve Papaikonomou	27	68%
2592898 Ontario Inc.	2	68%
First Source	51	68%
Total	612	68%

¹² Certain Forme Group entities did not have sufficient recoveries to fund their allocation of professional fees. In those instances, the Monitor exercised its judgement based on the factors discussed herein to allocate costs to those entities which were most active and had the most complexity over the course of these Proceedings.

4.4 Recommendation re: Distributions

1. The Monitor believes the Proposed Distributions are appropriate for the following reasons:
 - a) the Proposed Distributions have been determined in accordance with the Claims Procedure Order, including the Court-approved Intercompany Claims;
 - b) the Proposed Distributions are being distributed in accordance with the Court-approved Undertaking;
 - c) the proposed distribution to Pollard will enable it to administer claims and make distributions to creditors of the Pollard Estates; and
 - d) the Proposed Distributions are net of the Monitor's allocation of professional fees incurred in these Proceedings, which fees have been approved by the Court (in the case of the Monitor and Bennett Jones) and, in the Monitor's view, the allocation methodology is fair, reasonable and equitable and consistent with the priorities set out in the Initial Order, the Proposals and as contemplated in the Undertaking.
2. In connection with the Proposed Distributions, or any distribution to the Secured Creditors, including the Proposed First Source Distribution, the Monitor is seeking an order that in making any of those distributions it is not "distributing" in its personal or corporate capacity, nor shall it be considered to have "distributed" any funds or assets for the purposes of any of the Statutes (as that term is defined in the Order), and the Monitor shall not incur any liability for making any distributions, payments or deliveries or failing to withhold amounts, and the Monitor shall not have any liability for any of the Applicants', Non-Applicants', NOI Entities' or Mr. Wang's tax liabilities regardless of how or when such liabilities may have arisen. The Monitor believes this protection is reasonable and appropriate in the circumstances given that, *inter alia*, it is facilitating these payments on behalf of the Forme Group in its capacity as "super" Monitor and any known tax obligations and CRA claims are being addressed in the context of the Claims Procedure based on the tax returns prepared and filed by KPMG based on the Forme Group's books and records, CRA's amended proofs of claim and the Notices of Assessment issued by CRA.

5.0 The Releases and the Monitor's Proposed Discharge

1. The proposed Order releases the Monitor and counsel to the Monitor and each of their respective affiliates and officers, directors, partners, employees and agents during the CCAA Proceedings (collectively, the "Released Parties" and each a "Released Party") from the Released Claims (as defined in the Order).
2. The Released Claims do not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.
3. The Monitor is recommending that it be discharged upon the filing of the Discharge Certificate (the "CCAA Termination Date") as, subject to completing the outstanding sundry matters detailed below, its duties and responsibilities under the Initial Order and other orders granted in these proceedings will have been completed or substantially completed.

4. Prior to filing the Discharge Certificate, the Monitor intends to, subject to Court approval:
 - a) facilitate the Proposed Distributions on behalf of the Forme Group, including the distribution to Pollard;
 - b) make final distributions to Mr. Wang's Secured Creditors;
 - c) pay any final professional fees from the Fee Accrual;
 - d) deal with any sundry issues that may arise following the motion returnable June 23, 2022; and
 - e) facilitate any further distributions to creditors from (i) the Fee Accrual if the actual fees are less than the accrual or (ii) if any additional funds come into the Monitor's possession.

6.0 Stay Extension

1. The Monitor supports an extension of the Stay Period from September 30, 2022 to: (i) the earlier of December 31, 2022; or (ii) the CCAA Termination Date, for the following reasons:
 - a) as "super" Monitor in these CCAA Proceedings, it is the Monitor's view that the good faith and due diligence standard should focus on the Monitor's conduct. This was affirmed by Mr. Justice Hailey in his endorsement dated February 20, 2020, which included the following comment:

"References to 'Applicants' acting in good faith in this context refers to the Monitor, as it is a super-monitor in these CCAA proceedings."

In this regard, the Monitor is of the view that it is discharging its duties and obligations under the CCAA, the Initial Order and other orders made in the CCAA Proceedings in good faith and with due diligence;
 - b) subject to Court approval, it will enable the Monitor to complete its administration of these Proceedings on an orderly basis prior to filing the Discharge Certificate;
 - c) the Fee Accrual is meant to provide the Monitor with sufficient funding to complete its administration during the proposed extension to the Stay Period until the Discharge Certificate is filed; and
 - d) no creditor will be prejudiced if the proposed extension to the Stay of Proceedings is granted.

7.0 Fee Accrual

1. The Fee Accrual represents a holdback for the fees and disbursements of the Monitor and Bennett Jones from May 1, 2022 to the CCAA Termination Date. The Monitor believes the Fee Accrual is reasonable and appropriate in the circumstances and should be sufficient to cover the professional costs since May 1, 2022 and those associated with addressing miscellaneous issues that arise after the date of this motion.
2. To the extent the Fee Accrual exceeds the further costs of the Monitor and Bennett Jones, the Monitor is seeking authority to distribute the difference to unsecured creditors on the same basis that the Proposed Distributions are to be paid to unsecured creditors of the Surplus Entities.

8.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITIES AS MONITOR OF
FORME DEVELOPMENT GROUP INC. AND
THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
AND AS PROPOSAL TRUSTEE OF
58 OLD KENNEDY DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC. AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 30TH
JUSTICE HAINEY) DAY OF NOVEMBER, 2018

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORME DEVELOPMENT GROUP INC.
AND THE OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO

APPLICATION UNDER THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Forme Development Group Inc. and those other parties listed on Schedule "A" (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Yuan Hua Wang sworn November 5, 2018 and the Exhibits thereto (the "**Wang Affidavit**"), the affidavit of Katie Parent sworn November 6, 2018 and the Exhibit thereto (the "**Parent Affidavit**"), and on reading the consent of KSV Kofman Inc. ("**KSV**") to act as the Monitor (in such capacity, the "**Monitor**"), and upon reading the pre-filing report of KSV dated November 6, 2018 (the "**Report**"), in its capacity as Proposal Trustee and the proposed Monitor, the supplemental report of KSV dated November 7, 2018 (the "**Supplemental Report**"), the second supplemental report of KSV dated November 7, 2018 (the

“**Second Supplemental Report**”), and the third supplemental report of KSV dated November 29, 2018 (the “**Third Supplemental Report**”), and on hearing the submissions of counsel for the Applicants, the proposed Monitor and those other parties present, no one appearing for any other party although duly served as appears from the affidavits of service of Katie Parent sworn November 6, 2018, November 7, 2018 and November 29, 2018.

SERVICE

1. **THIS COURT ORDERS** that the time for service of each of the Notice of Application, the Application Record, the Parent Affidavit, the Report, the Supplemental Report, the Second Supplemental Report and the Third Supplemental Report is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

3. **THIS COURT ORDERS AND DECLARES** that the proposal proceedings (the “**Proposal Proceedings**”) of each of 9500 Dufferin Development Inc. (Estate No. 31-2438977), 250 Danforth Development Inc. (Estate No. 31-2439433), 3310 Kingston Development Inc. (Estate No. 31-2439448), 1296 Kennedy Development Inc. (Estate No. 31-2439440), ¹⁵⁹ and Carrville Development Inc. (Estate No. 31-2440234) ~~and 58 Old Kennedy Development Inc. (Estate No. 31-2436538)~~ (collectively the “**NOI Entities**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), be taken up and continued under the CCAA and that the provisions of Part III of the BIA shall have no further application to the NOI Entities.

TITLE OF PROCEEDINGS

4. **THIS COURT ORDERS** that the title of proceedings in this matter be amended as follows:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that, subject to paragraph 24 of this Order, the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the "**Plan**" or "**Plans**").

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (including, without limitation, those properties listed on Schedule "B" hereto, which together with the Elm Avenue Properties (defined below) are hereinafter referred to as the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order. For greater certainty, the retention of TD Cornerstone Commercial Realty Inc. ("**TD**") is hereby approved substantially on the terms of the listing agreement appended to the Third Supplemental Report.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; provided that no such amounts shall be paid to Mr. Wang (as defined below) or any known relative of Mr. Wang without further Order of this Court; and
- (b) subject to paragraph 30 below, the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of
 - (i) employment insurance, (ii) Canada Pension Plan and (iii) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that, subject to paragraph 24 of this Order, the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding, in the aggregate \$200,000, in any one or more transactions; and
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate,

provided however, and without limiting the provisions of paragraphs 24 and 25, all disbursements shall require the advance consent of the Monitor, and all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice, and (b)

at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including December 28, 2018 or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, no stay shall apply to Forme Development Group Inc. with respect to the enforcement of mortgages on properties not included in these CCAA proceedings.

16. **THIS COURT ORDERS** that during the Stay Period, except with the written consent of the Applicants and the Monitor, or with leave of this Court, no Proceedings shall be commenced or continued against or in respect of Yuan Hua Wang (“**Mr. Wang**”) or any of his current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Wang Property**”), arising upon or as a result of any default under the terms of any document entered into in connection with any of Mr. Wang’s guarantees of any of the commitments or loans of any of the Applicants or default by Mr. Wang or Hua Zhang (collectively, the “**Wangs**”) on the mortgage obligations on the Elm Avenue Properties (collectively, the “**Wang Default Events**”). Without limitation, the operation of any provision of a contract or agreement between Mr. Wang and any other Person (as hereinafter defined) that purports to effect or cause a termination or cessation of any rights of Mr. Wang, or to accelerate, terminate, discontinue, alter, interfere with, repudiate, cancel, suspend, amend or modify such contract or agreement, in each case as a result of one or more Wang Default Events, is hereby stayed and restrained during the Stay Period.

16A. THIS COURT ORDERS that during the Stay Period, except with the written consent of the Wangs and the Monitor, no Proceedings shall be commenced or continued against or in respect of Mr. Wang or Hua Zhang in connection with the properties known as 59 Elm Avenue and 63 Elm Avenue (the “**Elm Avenue Properties**”).

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any Person against or in respect of the Wangs, or affecting the Elm Avenue Properties or Wang Property, as a result of a Wang Default Event are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Wangs to carry on any business which the Wangs are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

20. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any other party as a result of a Wang Default Event, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

22. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall not take any steps with respect to the Applicants, the Business or the Property save and except at the direction of the Monitor pursuant to paragraph 25 of this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) cause the Applicants, or any one or more of them, to exercise rights under and observe its obligations under this Order;
- (b) cause the Applicants to perform such functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property;

- (c) monitor the Applicants' receipts and disbursements, and if necessary or convenient, in the Monitor's sole discretion, take control of the Applicants' receipts and disbursements;
- (d) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) if applicable, reporting to the DIP Lender (as defined below) on a basis to be agreed with the DIP Lender;
- (f) report to and advise mortgagees and other stakeholders of the Applicants as to the status of the sale process and, to the extent requested by mortgagees, convene a bi-weekly conference call with mortgagees, to report on the status of the Property;
- (g) advise the Applicants in its preparation of the Applicants' cash flow statements;
- (h) borrow funds in accordance with the terms of this Order;
- (i) conduct and carry out a sale process or sales processes for all of the Applicants' Property in accordance with the sale process described in the Third Supplemental Report provided that, in the case of the Elm Avenue Properties, the listing agent shall be chosen in consultation with the first mortgagee on those Properties, and retain or consult with the agents, consultants or other parties;
- (j) propose or cause the Applicants to propose one or more Plans in respect of the Applicants or any one or more of them;
- (k) provide any consents that are contemplated by this Order;
- (l) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (m) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (n) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (o) perform such other duties as are required by this Order or by this Court from time to time.

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

27. **THIS COURT ORDERS** that without limiting the provisions herein, each employee of an Applicant shall remain an employee of that Applicant until such time as the applicable Applicant may terminate the employment of such employee. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including,

without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

28. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender (if applicable) with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants' counsel, the Monitor and the Monitor's counsel shall be entitled to invoice on a monthly or other periodic basis in their discretion provided that such fees and disbursements shall be paid out of sale proceeds of the Property in accordance with the priority set out below.

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

32. **THIS COURT ORDERS** that as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings ("**Administration Fees**"), the Monitor, counsel to the Monitor and

the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Property on the following terms:

- (a) the maximum amount of the Administration Charge per Property shall only be for security of the applicable Administration Fees that constitute Property Specific Costs (as defined below) for that particular Property and any pro rata portion of General Costs (as defined below) attributable to such Property in accordance with paragraph 34(b) below; and
- (b) the Administration Charge shall automatically attach to any Property that is unencumbered or not fully secured.

33. **THIS COURT ORDERS** that the Administration Charge shall rank in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, other than (a) any first mortgagee on a Property (in respect of the first mortgage registered on the Property only); (b) the DIP Lender's Charge (as defined below, and to the extent applicable); and (c) the second mortgagee on the Property owned by 2358825 Ontario Ltd. (1483 Birchmount Road).

FUNDING

34. **THIS COURT ORDERS** that these CCAA Proceedings shall be funded in the following manner:

- (a) With respect to costs related to a specific Property (a "**Property Specific Cost**"),
 - (i) the first mortgagee on such Property will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears;
 - (ii) if the first mortgagee does not fund such amount, the second mortgagee will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the of the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears. The amount advanced will have a first-ranking super-priority charge over the applicable Property only. If necessary, this process

will continue until all mortgagees on a Property have been given the opportunity to fund;

- (iii) where no mortgagee funds such amount, the Monitor shall draw such amount on the Standby DIP (defined below);
- (b) with respect to costs not specific to a particular Property (“**General Costs**”) in an amount up to \$400,000 in the aggregate, if there is not sufficient funding through the Applicant’s cash on hand or cash immediately available generated by the sale of any Properties (after repayment of all known debts):
- (i) each first mortgagee shall have the right (but not the obligation) to fund its pro-rated estimated share of such funding based on the principal amount of its first mortgage as an advance under its mortgage at an interest rate accruing at a rate that is the of the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears;
 - (ii) if the first mortgagee does not fund such amount, the second mortgagee will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the of the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears. The amount advanced will have a first-ranking super-priority charge over the applicable Property only. If necessary, this process will continue until all mortgagees on a Property have been given the opportunity to fund;
 - (iii) where no mortgagee funds such amount, the Monitor shall draw such amount on the Standby DIP.

35. **THIS COURT ORDERS** that the Monitor shall be at liberty and it is hereby empowered to cause any Applicant to borrow by way of a revolving credit or otherwise (the “**Standby DIP**”) from such lender as it may arrange in accordance with paragraph 34 (whether an existing mortgagee or otherwise, a “**DIP Lender**”), such monies from time to time as it may consider necessary or desirable to fund Project Specific Costs and General Costs in accordance with paragraph 34.

36. **THIS COURT ORDERS** that the Monitor is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “C” hereto (the “**DIP Certificates**”) for any amount borrowed pursuant to paragraph 35 and, for greater certainty, each DIP

Certificate shall indicate the Property to be charged and the amount to be charged pursuant to the DIP Certificate.

37. **THIS COURT ORDERS** that any DIP Lender shall be entitled to the benefit of and is hereby granted a fixed and specific charge on the Property identified in a DIP Certificate (the “**DIP Lender's Charge**”) as security for the payment of the principal amount set out in any DIP Certificate, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, including, without limitation, the Administration Charge, provided however, that the amount of any DIP Lender’s Charge shall attach only to the Property identified in a DIP Certificate with respect to that borrowing.

38. **THIS COURT ORDERS** that the monies from time to time borrowed pursuant to paragraph 35 and any and all DIP Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis per Property, unless otherwise agreed to by the holders of any prior issued DIP Certificates.

VALIDITY OF CHARGES CREATED BY THIS ORDER

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge and DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the beneficiaries of the applicable Charges or further Order of this Court.

41. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way

by (a) the pendency of these proceedings and the declarations of insolvency made herein or by the Proposal Proceedings and the declarations of insolvency made therein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance in connection thereof shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

SALE PROCESS

43. **THIS COURT ORDERS** that the sale process (the “**Sale Process**”), as described in Section 3.0 of the Third Supplemental Report be and is hereby approved.

44. **THIS COURT ORDERS** that the Monitor and TD be and are hereby authorized and directed to perform their obligations under and in accordance with the Sale Process, and to take such further steps as they consider necessary or desirable in carrying out the Sale Process as described in the Third Supplemental Report, subject to prior approval of this Court being obtained before completion of any transactions under the Sale Process.

45. **THIS COURT ORDERS** that without limiting the terms of the Sale Process as set out in the Third Supplemental Report, to the extent that a mortgagee will not be paid in cash in full through bids received through the Sale Process, such mortgagee will be entitled to credit bid its indebtedness and purchase the Property over which it has a mortgage provided that such mortgagee pays any prior ranking indebtedness in full in cash (or such other arrangement to which a prior ranking creditor may in its sole discretion agree).

46. **THIS COURT ORDERS** that the Monitor, and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of performing its obligations under the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor in performing its obligations under the Sale Process (as determined by this Court).

47. **THIS COURT ORDERS** that in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act (Canada)*, the Monitor, the Applicants and TD are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a "**Transaction**"). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Monitor, the Applicants or TD, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to any Property shall be entitled to continue to use the Personal Information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor, the Applicants, or TD, as applicable, or ensure that all other personal information is destroyed.

48. **THIS COURT ORDERS** that to the extent there is equity available in any project of the Applicants (each of the projects is set out in Section 3.0(3) of the Report) or either or both of the Elm Avenue Properties after payment of all debts, fees and costs owing or incurred in respect of that project or either or both of the Elm Avenue Properties (in each case, the “**Project Equity**”), each mortgagee of that project will be entitled to receive in cash an amount equal to 10% of the principal amount of its mortgage prior to any payment to the project's or either or both of the Elm Avenue Properties' shareholder (the “**Equity Kicker**”); provided that to the extent there is insufficient Project Equity to pay the Equity Kicker in full, each such mortgagee shall be entitled to its *pro-rata* share of the Equity Kicker based on the principal amount of its mortgage; and further provided that any mortgagee with a collateral mortgage will be entitled to collect its Equity Kicker in respect of any Property where it has a mortgage, provided that (i) in no event will such mortgagee receive in the aggregate an Equity Kicker that is greater than 10% of the principal amount of its mortgage owed by the primary mortgagor, and (ii) the advances it provided were used either for the property subject to the mortgage or for another property in the same project.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to

Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.ksvadvisory.com/insolvency-cases/forme-development-group/>'.

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

GENERAL

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

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

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

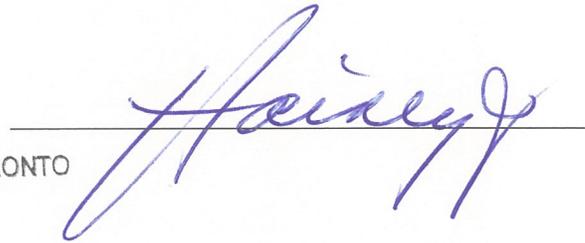
57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 06 2018

PER / PAR:

UM



Schedule "A" – List of Applicants

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

376 Derry Development Inc.

5507 River Development Inc.

4439 John Development Inc.

9500 Dufferin Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

~~58 Old Kennedy Development Inc.~~



SCHEDULE "B" – LIST OF PROPERTIES

250 Danforth Rd. E Block 55 - Dairy Dr., Toronto, ON (PIN 06449-0741) Block 53 - Bamblett Dr., Toronto, ON (PIN 06449-0739) Block 54 - Bamblett Dr., Toronto, ON (PIN 06449-0740)
3314 Kingston Rd., Toronto, ON
1296 Kennedy Rd., Toronto, ON
1326 Wilson Ave, Toronto, ON
1328 Wilson Ave, Toronto, ON
376 Derry Rd. W., Mississauga, ON
4439 John St., Niagara Falls, ON
4407 John St., Niagara Falls, ON
4413 John St., Niagara Falls, ON
4427 John St., Niagara Falls, ON
5507 River Rd. Niagara Falls, ON
5471 River Rd., Niagara Falls, ON
5491 River Rd., Niagara Falls, ON
9500 Dufferin St., Maple, ON
1483 Birchmount Rd., Toronto, ON
159 Carrville Road, Richmond Hill, ON
169 Carville Road, Richmond Hill, ON
177 Carrville Road, Richmond Hill, ON
181 Carrville Road, Richmond Hill, ON

189 Carrville Road, Richmond Hill, ON
27 Anglin Drive, Richmond Hill, ON
29 & 31 Anglin Drive, Richmond Hill, ON
58 Old Kennedy Road and 20 Thelma Ave., Markham, ON



SCHEDULE "C" – FORM OF DIP CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

AFFECTED PROPERTY _____ (the "**Charged Property**")

1. THIS IS TO CERTIFY that KSV Kofman Inc., the monitor (the "**Monitor**") in the CCAA proceedings of Forme Development Group Inc. and certain of its affiliates (the "**Applicants**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2018 (the "**Initial Order**") made in an action having Court file number CV-18-608313-00CL, has received as such Monitor from the holder of this certificate (the "**DIP Lender**") the principal sum of \$ _____.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the first day of each month after the date hereof at a notional rate of _____ per annum equal.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Monitor pursuant to the Initial Order or to any further order of the Court, a charge upon the Charged Property which charge shall have the priority set out in the Initial Order.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate on the Charge Property shall be issued by the Monitor to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

KSV KOFMAN INC., solely in its capacity
as Monitor in the CCAA proceedings of Forme
Development Group Inc. and the other parties
therein, and not in its personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-18-608313-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME
DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE
"A" HERETO

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

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

Jennifer Stam (LSUC#: 46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicants

Appendix “C”

Appendix “C” – Non-Applicants

4 Don Hillock Development Inc.
7397 Islington Development Inc.
101 Columbia Development Inc.
4208 Kingston Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
186 Old Kennedy Development Inc.
31 Victory Development Inc.
22 Old Kennedy Development Inc.
35 Thelma Development Inc.
19 Turff Development Inc.
4550 Steeles Development Inc.
9500 Dufferin Development Inc.
2495393 Ontario Inc.

Appendix “D”

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF FORME DEVELOPMENT
GROUP INC. AND THE OTHER COMPANIES LISTED
ON SCHEDULE "A" HERETO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

UNDERTAKING OF THE FORME GROUP

TO: THIS HONOURABLE COURT
FROM: THE CORPORATIONS LISTED ON SCHEDULE "B" HERETO
AND FROM: YUAN HUA WANG (a/k/a MIKE WANG) ("Principal")

WHEREAS:

- (a) the Principal is the sole shareholder, director and directing mind of the corporations listed on Schedule "B" hereto (collectively the "Forme Group")
- (b) the entities in the Forme Group own real property on which the Forme Group intended to develop various real estate projects ("Projects");
- (c) the entities in the Forme Group have granted mortgages ("Mortgages") to the parties listed on Schedule "C" hereto ("Mortgagees");
- (d) the Principal has guaranteed the obligations of the entities of the Forme Group to certain of the Mortgagees ("Guarantees");
- (e) the Applicants are subject to proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA"). The Applicants are represented by Goldman, Sloan, Nash & Haber LLP ("GSNH");
- (f) the Initial Order granted in the CCAA proceedings provides the Monitor (as defined below) with powers and duties beyond those contemplated by the model Initial Order;

- (g) within the CCAA proceedings, a sale process is being conducted by KSV Kofman Inc. ("KSV"), as Monitor ("Monitor"), under the supervision of this Honourable Court pursuant to which the Projects owned by the Applicants will be sold;
- (h) three entities of the Forme Group, 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. (collectively, the "NOI Entities"), filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") and transactions were completed for the sale of the real properties owned by the NOI Entities. The NOI Entities are represented by GSNH;
- (i) the proceeds from the sale of the property owned by the NOI Entities are being held by KSV as Proposal Trustee ("Trustee");
- (j) the remaining members of the Forme Group other than the Applicants and the NOI Entities ("Non-Applicants") are not subject to proceedings under the CCAA or the BIA. The Non-Applicants are represented by Cassels Brock & Blackwell LLP ("CBB");
- (k) the Non-Applicants are in default of certain of the mortgages granted by them to their respective Mortgagees;
- (l) the Non-Applicants are marketing their respective Projects for sale in order to generate funds to pay their respective creditors;
- (m) certain of the Mortgagees of the Non-Applicants have commenced power of sale proceedings;
- (n) the Principal anticipates that the sale of certain entities or their real property will generate more than sufficient funds to pay the creditors of those entities in full;
- (o) the Principal also anticipates that the sale of certain other entities or their real property will not generate sufficient funds to pay the creditors of those entities in full;
- (p) the Principal anticipates that the proceeds of the sale of those entities or real property that are sold or refinanced will generate sufficient proceeds to pay all secured claims and guarantee obligations of the Forme Group and the Principal;
- (q) for greater certainty, absent an agreement or other entitlement to the contrary, the unsecured creditors of each Non-Applicant shall only have recourse to the sale proceeds of that Non-Applicant's property, net of the claims of secured creditors of that Non-Applicant, and not to any sale proceeds generated by the sale of other Non-Applicants' property;
- (r) a claims process is required to determine all of the claims that may exist against the Forme Group and the Principal in order to determine whether

the proceeds are sufficient to satisfy the amount owing to creditors, including creditors with guarantee claims;

- (s) the Principal has advised this Honourable Court that he intends to ensure that the funds received from the sale of the Projects (including those owned by the Non-Applicants) are used to repay the creditors of the Forme Group and of the Principal, in accordance with the intentions expressed above, before any amounts are distributed to the Principal; and
- (t) the Forme Group and the Principal are giving this Undertaking to this Honourable Court in order to effectuate such intention.

The Non-Applicants and the Principal hereby undertake to this Honourable Court as follows:

1. Subject to paragraph 9 below or any earlier sale by a Mortgagee pursuant to its enforcement rights, they will sell the Projects owned by the Non-Applicants ("**NA Projects**", and each a "**NA Project**") in a commercially reasonable fashion with the intention of maximizing the sale proceeds;
2. They will work cooperatively and transparently with the Monitor/Trustee in all respects, including, without limitation, by providing all information required or requested of them on a timely basis and by providing and executing such documents as are required to close the sale of the Birchmount condominiums;
3. Without limiting the generality of the foregoing, they will (A) keep the Monitor/Trustee apprised, on a confidential basis, of their efforts to sell the NA Projects (including, without limitation, providing a weekly written update each Tuesday by noon detailing the status of each NA Project, with the first update to be provided on March 19, 2019), (B) forthwith provide copies of all offers (whether binding or otherwise) to purchase the NA Projects to the Monitor/Trustee on a confidential basis, and (C) advise the Monitor/Trustee in advance of any expecting closing dates;
4. The purchase price (including any deposits) in respect of the sale of any NA Project will be delivered by the purchaser(s) to CBB. Upon the closing of such sale, the Non-Applicants and the Principal will cause to be repaid the amounts owing to the Mortgagees of that NA Project. If there are funds remaining after repayment of the Mortgagees ("**Balance**"), the Balance will be held by CBB in trust for that entity's remaining creditors. For greater certainty, the Balance shall not be provided to any member of the Forme Group or the Principal without further Order of this Honourable Court. CBB will maintain separate trust accounts and will account separately for each NA Project, and will provide the Monitor with updates concerning the account balances and the accounting for same from time to time upon request by the Monitor;
5. Notwithstanding paragraph 4, above, it is understood and agreed that the Balance may be accessed for the following purposes and on the following terms:

- a. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to maintain mortgages of other Non-Applicants in good standing and thereby attempt to avoid power of sale proceedings; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid. In the event any such advance of funds is made as between Non-Applicant entities, any such advance will be made on a priority basis ranking immediately subordinate to any mortgages of the receiving Non-Applicant;
 - b. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay other expenses of the Non-Applicants that are conducive to maintaining and maximizing the value of their assets for creditors; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid;
 - c. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay ordinary course creditors with outstanding claims against the relevant Non-Applicant; and
 - d. the Non-Applicants may pay the reasonable professional fees and disbursements of CBB, provided that the Monitor shall receive an accounting of all amounts so paid forthwith following payment;
6. Each Non-Applicant with a Balance shall participate in a Court-approved claims process conducted by the Monitor pursuant to which the claims of creditors of the Non-Applicant will be proven and quantified and the Balance distributed to those creditors, provided that no claims will be accepted without the consent of the Non-Applicants or order of the Court. Such proceedings include the BIA proceedings already underway;
 7. In the event that the creditors of a Non-Applicant are paid in full and there are funds remaining ("**Surplus**"), CBB shall continue to hold the Surplus in trust until the conclusion of the claims process and no amounts will be distributed to the Forme Group, the Principal or any other entity without the consent of the Monitor/Trustee or an order of the Court;
 8. Any Surplus, after payment of all claims guaranteed by the Principal and payment of all professional fees of KSV, its counsel Bennett Jones LLP, CBB, and GSNH, shall be distributed to or at the direction of the Principal. For greater certainty, absent an agreement or other entitlement to the contrary, there is no requirement to use the Surplus to fund any unsecured deficiency in an entity of the Forme Group where unsecured creditors are not paid in full;
 9. Subject to the rights and remedies of any applicable Mortgagee, the Non-Applicants reserve the right to retain such Projects as need not be sold to repay Forme Group creditors; provided, however, that in the event of a

deficiency to creditors of the Forme Group, as many Projects as is necessary will be sold or refinanced until sufficient proceeds are available to repay the creditors of the Forme Group as detailed above;

10. It is understood and agreed that the professional fees and disbursements of Cassels Brock & Blackwell LLP, counsel for the Non-Applicants, will be paid from the proceeds of sale of the NA Projects;
11. Any distributions to be made will be made net of any tax liabilities that may exist;
12. GSNH and KSV shall discharge their mortgage registrations as against each of the Non-Applicant properties upon Court approval of this Undertaking;
13. Any dispute arising out of this Undertaking shall be determined by this Honourable Court by way of a motion in the CCAA proceeding;
14. If the Forme Group or its Principal breaches the terms of this Undertaking and fails to remedy such breach within three business days, the Monitor/Trustee shall forthwith bring a motion seeking such relief as it deems appropriate;
15. The Monitor/Trustee reserves the right to seek an order of the Court compelling the sale of a property for any Non-Applicant's real property that the Forme Group and/or the Principal wishes to refinance if the proceeds from the refinancing are not expected to be sufficient to repay in full the guarantee claims;
16. None of the Principal, Jessica Wang, Aimie Yang or any their respective relatives or proxies shall, directly or indirectly, purchase or acquire any interest in any of the Applicants' properties;
17. The Monitor shall provide timely disclosure of any and all offers received for the purchase of the Applicants' properties ("Offers") to the Principal or his representatives, and will meet with them to discuss the Offers; and
18. The Principal, Jessica Wang and Aimie Yang, and their agents, advisors and representatives, shall keep the terms of the Offers strictly confidential.

DATED at Toronto this 11th day of March, 2019

101 Columbia Development Inc.

By:



Name: Yuan Hua Wang

Title: President

186 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

19 Turff Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

22 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

31 Victory Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

35 Thelma Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

376 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

390 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

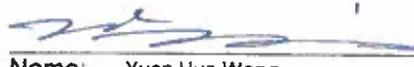
4 Don Hillock Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

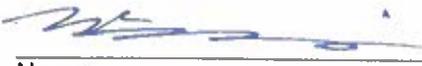
4208 Kingston Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

4550 Steeles Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

7397 Islington Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

Witness


Name: Jessica Wang

Yuan Hua Wang (a/k/a Mike Wang)



SCHEDULE "A"

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc

SCHEDULE "B"

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.
Forme Development Group Inc.
4 Don Hillock Development Inc.
7397 Islington Development Inc.
101 Columbia Development Inc.
4208 Kingston Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
186 Old Kennedy Development Inc.
31 Victory Development Inc.
76 Old Kennedy Development Inc.
82 Old Kennedy Development Inc.
58 Old Kennedy Development Inc.
22 Old Kennedy Development Inc.

35 Thelma Development Inc

19 Turff Development Inc.

4550 Steeles Development Inc.

9500 Dufferin Development Inc.

SCHEDULE "C"

Forme Group Entity	Municipal Address(es)	Mortgagees
3310 Kingston Development Inc.	3314 Kingston Rd., Toronto, ON	First Source Financial Management Inc.
		Ferina Construction Limited
		Yuce Baykara & Olympia Trust Company
		Yi Zhou, Jack Ya Jyue Chen, Wei Zhu, Yu Wang, Hong Xie, Zhengxie Yu, Vera Kevic, Community Trust Company, Shuxin Liu, & Li Hu
1296 Kennedy Development Inc.	1296 Kennedy Rd., Toronto, ON	First Source Financial Management Inc.
		Yi Zhou, Community Trust Company, Yu Kai Wong, & Lenny Wong
1326 Wilson Development Inc.	1326-1328 Wilson Ave., Toronto, ON	Morrison Financial Mortgage Corporation
		2586614 Ontario Inc.
		2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation
5507 River Development Inc.	5471, 5491 & 5507 River Rd., Niagara Falls, ON	Home Trust Company
		Niagara Falls Pointe General Partner, Inc.
4439 John Development Inc.	4439 John St., Niagara Falls, ON, 4407 John St., Niagara Falls, ON, 4413 John St., Niagara Falls, ON & 4427 John St., Niagara Falls, ON	Home Trust Company
		Sentrix Financial Corporation
2358825 Ontario Ltd. (Birchmount)	1483 Birchmount Rd., Toronto, ON	MCAP Financial Corporation
		HMT Holdings Inc.
		Trisura Guarantee Insurance Company
250 Danforth Development Inc.	250 Danforth Rd. E., Toronto, ON, Three Parcels (Block 53, 54, 55), 0 Dairy Dr., Toronto, ON, 0 Bamblett Dr., Toronto, ON, & 23 Bamblett Dr., Toronto, ON	First Source Financial Management Inc. & Community Trust Company
		Yuce Baykara, Olympia Trust Company, & Community Trust Company
		Yi Zhou, Dunliang Zhang, Liying Zhao, Yong Jiang, Rensong Dou, Xuefen Song, Jinxi Liu, Min He, Lin Li, CX Financial Investing Inc., Wen

		Wei Zhang, Jun Wang, Zhengxie Yu, Hsing Ching Fan, Kung Chan Fan, Martin Zamora, Hao Li, Lijie Wang, Yifei Wang, and Xuemei Yuan
		Trisura Guarantee Insurance Company
159 Carrville Development Inc.	159 Carrville Rd., Richmond Hill, ON	2611809 Ontario Inc. 2611622 Ontario Inc. 2612316 Ontario Inc.
169 Carrville Development Inc.	169 Carrville Rd., Richmond Hill, ON	Home Trust 2557725 Ontario Inc. 10226190 Canada Ltd 2611622 Ontario Inc. 2612316 Ontario Inc.
189 Carrville Development Inc.	177 Carrville Rd., Richmond Hill, ON, 181 Carrville Rd., Richmond Hill, ON & 189 Carrville Rd., Richmond Hill, ON	Home Trust 2557725 Ontario Inc. 10226190 Canada Ltd 2611622 Ontario Inc. 2612316 Ontario Inc.
27 Anglin Development Inc.	27 Anglin Dr., Richmond Hill, ON	Home Trust Company 2603616 Ontario Inc.
29 Anglin Development Inc.	29 Anglin Dr., Richmond Hill, ON & 31 Anglin Dr., Richmond Hill, ON	Home Trust Company 2603616 Ontario Inc.
4 Don Hillock Development Inc.	4 Don Hillock Dr., Aurora, ON	Perdy Building Corporation Canada Access Capital Ltd.
7397 Islington Development Inc.	7397 Islington Ave., Vaughan, ON	739572 Ontario Limited Empirical Capital Corp. Yuce Baykara & Computershare Trust Company of Canada
101 Columbia Development Inc.	93-101 Columbia St. W., Waterloo, ON	Foremost Mortgage Holding Corporation Ivy Hong Chih-Huang Lin
4208 Kingston Development Inc.	4206-4208 Kingston Rd., Toronto, ON & 4212 Kingston Rd., Toronto, ON	Foremost Mortgage Holding Corporation Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Hongbing Xie, Linghong Kong & Shepherd Estate Limited Partnership
		Royal Bank of Canada

376 Derry Development Inc.	376 Derry Rd. W., Mississauga, ON	2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation
		2348793 Ontario Ltd., 5F Secondary Investment Group Inc. & JYR Real Capital MIC
390 Derry Development Inc.	390 Derry Rd. W., Mississauga, ON	Firm Capital Mortgage Fund Inc.
		Lora & Steve Papaikonomou
		2592898 Ontario Inc. 2620094 Ontario Inc.
186 Old Kennedy Development Inc.	186 Old Kennedy Rd., Markham, ON & 51 Victory Ave., Markham, ON	Krashnik Investments Limited & Gabel Investments Limited
		2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc. 2638796 Ontario Inc., & 2646429 Ontario Inc.
		Yi Zhou, Jin Fen Zheng, Xiang Hong Zheng, BAI (Bild Alternative Investment) Corporation, Dong Hui Wang, Guifang Wang & Community Trust Company
		Matthew Franklin Santiso
31 Victory Development Inc.	31 Victory Ave., Markham, ON	Vector Financial Services Limited
		10226190 Canada Ltd.
76 Old Kennedy Development Inc.	64-76 Old Kennedy Rd., Markham, ON	Matthew Castelli
82 Old Kennedy Development Inc.	82 Old Kennedy Rd., Markham, ON	Matthew Castelli
82 Old Kennedy Development Inc.	82 Old Kennedy Rd., Markham, ON	Wu's International Group Inc.
		Matthew Castelli
58 Old Kennedy Development Inc.	58 Old Kennedy Rd., Markham, ON & 20 Thelma Ave., Markham, ON	All Season Recycle Inc. & Sasikala Sivasorusban
		Matthew Castelli
22 Old Kennedy Development Inc.	16 & 22 Old Kennedy Rd., Markham, ON	Vector Financial Services Limited
		Wenguang Liu & Yan Yan
35 Thelma Development Inc. & 19 Turff Development Inc.	35 Thelma Ave., Markham, ON & 19 Turff Ave., Markham, ON	U-Feel Inc.
		Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Honbing Xie, Linghong Kong, & Shepherd Estate Limited Partnership
4550 Steeles Development Inc.	4550 Steeles Ave. E., Markham, ON & 31 Old Kennedy Rd., Markham, ON	Windsor Family Credit Union Limited
		2586614 Ontario Inc.

		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.
Yuan Hua Wang & Hua Qin Zhang (in their personal capacity)	59 Elm Ave., Richmond Hill, ON	Home Trust Company, 348 Mortgage Investments Ltd., & 2603616 Ontario Inc.
Yuan Hua Wang & Hua Qin Zhang (in their personal capacity)	63 Elm Ave., Richmond Hill, ON	Home Trust Company, 348 Mortgage Investments Ltd., & 2603616 Ontario Inc.

Appendix “E”

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

THE HONOURABLE MR.

)

TUESDAY, THE 22nd

JUSTICE HAINEY

)

DAY OF OCTOBER, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORME DEVELOPMENT GROUP INC.
AND THE OTHER COMPANIES LISTED ON SCHEDULE "A"
HERE TO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED



CLAIMS PROCEDURE ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor of the Applicants (the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order approving a procedure for the identification, delivery and determination of claims against the Applicants, the NOI Entities (as defined below), the Non-Applicant Entities (as defined below) and Mr. Wang (as defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor's Tenth Report dated October 10, 2019 and the exhibits thereto, and on hearing the submissions of counsel for the Monitor, the Applicants, the NOI Entities, the Non-Applicants, Mr. Wang, and those other counsel listed on the sign-in sheet, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Aiden Nelms sworn October 11, 2019 and filed:

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "**Claims Procedure Order**"), in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
- (b) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) "**CCAA Proceedings**" means the proceedings commenced by the Applicants in this Court under Court File No.: CV-18-608313-00CL;
- (d) "**Claimant**" means any Person having or asserting a Claim;
- (e) "**Claims**" means Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims, Wang Claims, and Restructuring Claims, provided that "Claims" shall not include Excluded Claims (each a "**Claim**", and collectively, the "**Claims**");
- (f) "**Claims Bar Date**" means: (i) with respect to a Pre-filing Claim, a D&O Claim, a NOI Claim, a Non-Applicant Claim and a Wang Claim, 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale

Triggered Claims Bar Date; and (ii) with respect to a Restructuring Claim, the Restructuring Claims Bar Date;

- (g) "**Claims Package**" means a document package that contains a copy of the Instruction Letter, the Notice Letter, a Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable (each a "**Claims Package**" and collectively the "**Claims Packages**");
- (h) "**Claims Procedure**" means the procedures outlined in this Claims Procedure Order in connection with the identification, delivery and determination of Claims, as amended or supplemented by further order of the Court;
- (i) "**Claims Officer**" means the individuals designated by the Court pursuant to paragraph 53 of this Order;
- (j) "**Court**" means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto, in the Province of Ontario;
- (k) "**D&O Claimant**" means a Person asserting a D&O Claim;
- (l) "**D&O Claim**" means any existing or future right or claim of any Person against one or more of the Directors and/or Officers of the Applicants, the NOI Entities or the Non-Applicant Entities which arose or arises as a result of such Director's or Officer's position, supervision, management, activities or involvement as a Director or Officer of the Applicants, the NOI Entities or the Non-Applicant Entities, as applicable, up to and including the later of (A) the date of this Claims Procedure Order, and (B) if applicable, the applicable Sale Triggered Date, and whether enforceable in any civil, administrative or criminal proceeding (each a "**D&O Claim**" and collectively, the "**D&O Claims**"), including any right:
 - a. in respect of which a Director or Officer may be liable in his or her capacity as such concerning employee entitlements to wages or other debts for services rendered to the Applicants, the NOI Entities or the Non-Applicant Entities, as applicable, or for vacation pay, pension contributions, benefits

or other amounts related to employment or pension plan rights or benefits or for taxes owing by the Applicants, the NOI Entities or the Non-Applicant Entities or amounts which were required by law to be withheld by the Applicants, the NOI Entities or the Non-Applicant Entities;

- b. in respect of which a Director or Officer may be liable in his or her capacity as such as a result of any act, omission, or breach of a duty (statutory or otherwise); or
 - c. that is or is related to a penalty, fine or claim for damages or costs, provided that for greater certainty "D&O Claims" shall not include Wang Claims or Excluded Claims;
- (m) "**Directors**" means Mr. Wang (as such term is defined herein) in his capacity as a director of the Applicants, the NOI Entities or the Non-Applicant Entities, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise Directors (each a "**Director**" and collectively, the "**Directors**");
- (n) "**Equity Claim**" has the meaning set forth in Section 2(1) of the CCAA;
- (o) "**Excluded Claims**" means:
- a. claims secured by any of the Charges (as that term is defined in the Initial Order or any subsequent or amended orders of the Court);
 - b. any claim against Yuan (Mike) Hua Wang other than: (i) a claim against him as a result of actions, omissions or breaches of duty in his role as Director or Officer, (ii) a claim against him in his capacity as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties (as defined in the Initial Order) and not in any other capacity;
 - c. subject to paragraph 52 of this Order, any Intercompany Claims;

- d. with the exception of Restructuring Claims, any right or claim of any Person against any of the Applicants or the Elm Avenue Properties, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Applicants or Elm Avenue Properties arising on or after the Filing Date; and
 - e. for greater certainty, shall include any Excluded Claim arising through subrogation.
- (p) "**Filing Date**" means November 30th, 2018;
 - (q) "**Initial Order**" means the Initial Order under the CCAA dated November 30th, 2018, as amended, restated or varied from time to time;
 - (r) "**Instruction Letter**" means the document substantially in the form attached hereto as Schedule "B";
 - (s) "**Intercompany Claim**" means any claims of the subsidiaries or affiliates of any of the Applicants, the NOI Entities and the Non-Applicant Entities against Mr. Wang, the Applicants, the NOI Entities or the Non-Applicant Entities or any claim of Mr. Wang, the Applicants, the NOI Entities and the Non-Applicant Entities against each other (each a "**Intercompany Claim**" and collectively, the "**Intercompany Claims**");
 - (t) "**Intercompany Claims Report**" means a supplemental report of the Monitor referred to in paragraph 52 of this Order providing, *inter alia*, the Monitor's recommendation and proposed resolution process in respect of the Intercompany Claims;
 - (u) "**Known Creditors**" means with respect to the Applicants, the NOI Entities, the Non-Applicant Entities or any of their Directors or Officers, as applicable, or Mr. Wang:
 - a. any Person that the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang disclose is owed monies by the

Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, as applicable, as of the later of (A) the date of this Claims Procedure Order, and (B) if applicable, the applicable Sale Triggered Date, and for greater certainty, including any trustee acting on behalf of syndicated mortgage investors (each an "SMI" and collectively, "SMIs");

- b. any Person who commenced a legal proceeding against the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, or one or more of their Directors or Officers, as applicable, in respect of a Claim, which legal proceeding was commenced and served prior to the date of this Claims Procedure Order or, if applicable, the applicable Sale Triggered Date, provided that the Monitor has notice of such legal proceeding; and
 - c. any other Person of whom the Monitor has knowledge as at the date of this Claims Procedure Order or, if applicable, the applicable Sale Triggered Date, as being owed monies by the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, as applicable, and for whom the Monitor has a current address or other contact information;
- (v) "**Meeting**" means a meeting of the creditors of any or all of the Applicants and related parties called for the purpose of considering and voting in respect of a Plan;
- (w) "**Monitor**" has the meaning set out in the recitals hereto;
- (x) "**Monitor's Website**" means the webpages operated by the Monitor for the purpose of these CCAA Proceedings, which can be found at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc>;
- (y) "**Mr. Wang**" means Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity; and (iii) in his capacity as an owner of the Elm Avenue Properties, and not in any other capacity;

- (z) "**NOI Claim**" means any right or claim of any Person against any of the NOI Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the NOI Entities in existence on the NOI Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the NOI Date and any other claims that would have been claims provable in bankruptcy had such NOI Entities become bankrupt on the NOI Date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the NOI Entities for indemnification by any Director or Officer in respect of a D&O Claim, in each case, where such monies remain unpaid as of the date hereof (each, a "**NOI Claim**" and collectively, the "**NOI Claims**");
- (aa) "**NOI Date**" means October 26, 2018;
- (bb) "**NOI Entities**" means 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc (each an "**NOI Entity**", and collectively, the "**NOI Entities**");
- (cc) "**Non-Applicant Claims**" means any right or claim of any Person against any of the Non-Applicant Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Non-Applicant Entities in existence on the later of (A) the date of this Order and (B) if applicable, the applicable Sale Triggered Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured,

disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the date of this Order or if applicable, the applicable Sale Triggered Date, and any other claims that would have been claims provable in bankruptcy had such Non-Applicant Entities become bankrupt on such date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the Non-Applicant Entities for indemnification by any Director or Officer in respect of a D&O Claim, in each case, where such monies remain unpaid as of the later of (A) the date hereof and (B) if applicable, the applicable Sale Triggered Date (each a "**Non-Applicant Claim**" and collectively, the "**Non-Applicant Claims**");

- (dd) "**Non-Applicant Entities**" means 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc. (each an "**Non-Applicant Entity**" and collectively, the "**Non-Applicant Entities**");
- (ee) "**Notice Letter**" means the document substantially in the form attached hereto as Schedule "C";
- (ff) "**Notice of Dispute**" means the notice that may be delivered by a Claimant who received a Notice of Revision or Disallowance disputing such Notice of Revision

or Disallowance, which notice shall be substantially in the form attached hereto as Schedule "F";

- (gg) "**Notice of Revision or Disallowance**" means the notice that may be delivered to a Claimant revising or rejecting such Claimants' Claim as set out in its Proof of Claim in whole or in part, which notice shall be substantially in the form attached hereto as Schedule "E";
- (hh) "**Officers**" means all current and former officers (or their estates) of the Applicants, the NOI Entities or the Non-Applicant Entities in such capacity, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise, Officers, and "**Officer**" means any one of them;
- (ii) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever designated or constituted, including, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sublandlord, tenant, sub-tenant, licensor, licensee, partner or advisor;
- (jj) "**Plan**" means any plan of compromise or arrangement or plan of reorganization filed by or in respect of any or all of the Applicants and related parties (other than in respect of any Wang Claims), as may be amended, supplemented or restated from time to time in accordance with the terms thereof;
- (kk) "**Pre-filing Claim**" means any right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Applicants in existence on the Filing Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or

anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had the Applicants become bankrupt on the Filing Date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the Applicants for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order), in each case, where such monies remain unpaid as of the date hereof (each, a "**Pre-filing Claim**" and collectively, the "**Pre-filing Claims**");

(ll) "**Proof of Claim**" means a Proof of Claim form in substantially the form attached hereto as Schedule "D";

(mm) "**Proposed Intercompany Resolution Process**" means the process to resolve Intercompany Claims set out in the Intercompany Claims Report;

(nn) "**Proven Claim**" means the amount, status and/or validity of the Claim of a Claimant finally determined in accordance with this Claims Procedure Order which shall be final and binding for all applicable purposes, including any future proceedings to determine the quantum or validity of the Claim;

(oo) "**Restructuring Claim**" means any existing or future right or claim by any Person against any of the Applicants or Elm Avenue Properties in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicants or Elm Avenue Properties to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicants or the Elm Avenue Properties on or after the Filing Date of any contract, lease or other agreement or arrangement whether written or oral (each, a "**Restructuring Claim**", and collectively, the "**Restructuring Claims**");



- (pp) "**Restructuring Claims Bar Date**" means, with respect to a Restructuring Claim, the later of (i) 5:00 p.m. (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order;
- (qq) "**Sale Triggered Claims Bar Date**" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) advising of the Sale Triggered Date;
- (rr) "**Sale Triggered Date**" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed;
- (ss) "**Service List**" means the service list maintained by the Monitor in respect of these CCAA Proceedings; and
- (tt) "**Wang Claims**" means any right or claim of any Person against Mr. Wang (as such term is defined herein), whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of Mr. Wang in existence on the later of (A) the date of this Claims Procedure Order and (B) if applicable, the applicable Sale Triggered Date, whether or not such right or claim is the subject of a demand for payment, is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to

advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the later of (A) the date of this Claims Procedure Order and (B) if applicable, the applicable Sale Triggered Date, and any other claims that would have been claims provable in bankruptcy had Mr. Wang become bankrupt on such date; including for greater certainty any costs, damages, or other obligations arising from litigation or legal proceedings, in each case, where such monies remain unpaid as of the date hereof (each, a "**Wang Claim**" and collectively, the "**Wang Claims**"), but for greater certainty, does not include the Excluded Claims;

INTERPRETATION

3. **THIS COURT ORDERS** that all references to time herein shall be measured in the Eastern Time Zone, specifically the City of Toronto, Ontario, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular and any gender includes the other gender(s).

GENERAL

6. **THIS COURT ORDERS** that the Claims Procedure and the forms attached as schedules to the Claims Procedure Order are hereby approved and, if determined to be advisable by the Monitor, arrangements shall be made for Mandarin translations of any or all of such forms. Notwithstanding the foregoing, the Monitor may, from time to time, make non-substantive changes to the forms as the Monitor, in its sole discretion, may consider necessary or desirable.

7. **THIS COURT ORDERS** that the Monitor is hereby authorized to (a) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered

hereunder are completed and executed, and may waive strict compliance with the requirements of the Claims Procedure Order as to completion, execution and submission of such forms; and (b) request any such further documentation from a Claimant that the Monitor may reasonably require in order to enable the Monitor to determine the validity and amount of a Claim; provided, however, that the Monitor shall not have any discretion to accept any Claim submitted subsequent to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable.

8. **THIS COURT ORDERS** that Representative Counsel to the Birchmount Purchasers (as those terms are defined in the May 24, 2019 Order of Hainey J.) is entitled to file Claims in the Claims Process on behalf of each ~~Birchmount~~ ^{Birchmount} Purchaser.

9. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date.

10. **THIS COURT ORDERS** that amounts claimed in Assessments, regardless of when issued, shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

11. **THIS COURT ORDERS** that the books and records of the Non-Applicant Entities, the Elm Avenue Properties and Mr. Wang necessary or desirable to administer the Claims Process are to be delivered to the Monitor promptly upon request by the Monitor.

12. **THIS COURT ORDERS** that where a consent is required of the Non-Applicants or Mr. Wang under this Order, the Non-Applicants' or Mr. Wang's decision to consent must be provided by the Non-Applicants or Mr. Wang, as applicable, to the Monitor within three (3) Business Days of the Monitor so advising the Non-Applicants or Mr. Wang, as applicable, in writing, failing which the Monitor may seek such relief against the Non-Applicants and/or Mr. Wang as it considers necessary or appropriate. Similarly, where the consent is required of the Monitor in relation to the Wang Claims as set out below, the Monitor's decision to consent shall not be unreasonably withheld and must be provided to Mr. Wang within three (3) Business Days.

ROLE OF THE MONITOR

13. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other Orders of the Court in the CCAA Proceedings, shall conduct the Claims Procedure provided for herein in accordance with the terms hereof, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

14. **THIS COURT ORDERS** that the Monitor shall (a) have all protections afforded to it by the CCAA, this Claims Procedure Order, the Initial Order, any other Orders of the Court in the CCAA Proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order, including the stay of proceedings in its favour provided pursuant to the Initial Order; and (b) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or willful misconduct.

15. **THIS COURT ORDERS** that the Applicants, the NOI Entities, the Non-Applicant Entities and their respective Officers, Directors and employees, agents, counsel and representatives and any other Person given notice of this Claims Procedure Order, including Mr. Wang, shall fully cooperate with the Monitor in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

CLAIMS PROCEDURE

Notice to Claimants

16. **THIS COURT ORDERS** that, in respect of the Claims, including the Wang Claims:

- (a) the Monitor shall cause to be published on or before November 1, 2019, the Notice Letter in The Globe and Mail (National Edition) and a Toronto-based Mandarin publication to be selected by the Monitor in its sole discretion;
- (b) the Monitor shall post a copy of this Claims Procedure Order, the Monitor's Motion Record in respect of this Claims Procedure Order and the Claims Package on the Monitor's Website as soon as practicable;

- (c) the Monitor shall, within five (5) Business Days following the granting of the Claims Procedure Order send a Claims Package to each Known Creditor by regular prepaid mail, facsimile or email to the address of such Known Creditor;
- (d) the Monitor shall, within five (5) Business Days following each Sale Triggered Date send a Claims Package to each applicable Known Creditor by regular prepaid mail, facsimile or email to the address of such Known Creditor;
- (e) the Monitor shall post on the Monitor's Website a notice of each Sale Triggered Claims Bar Date forthwith after the applicable Sale Triggered Date;
- (f) with respect to the SMIs, only the applicable trustees, or such person or persons designated in writing by the applicable trustees, shall be entitled to file Claims on their behalf. Any Claims filed by an individual SMI will be deemed rejected for the purposes of this Claims Procedure; and
- (g) with respect to Restructuring Claims arising from the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation, on or after the date of this Claims Procedure Order, the Monitor shall send to the counterparty(ies) to such lease, contract or other agreement or obligation a Claims Package no later than five (5) Business Days following the date of the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation.

17. **THIS COURT ORDERS** that upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Claims Bar Date, as applicable, the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

18. **THIS COURT ORDERS** that the Monitor shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities and Mr. Wang regarding the Known Creditors. For greater certainty, the Monitor shall have no liability in respect of the information provided to it or

otherwise obtained by it regarding the Known Creditors and shall not be required to conduct any independent inquiry and/or investigation with respect to that information.

Deadlines for Submitting Claims

19. **THIS COURT ORDERS** that any Person that wishes to assert a Pre-filing Claim, a NOI Claim, a Non-Applicant Claim, a Wang Claim or a D&O Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Claims Bar Date.

20. **THIS COURT ORDERS** that any Person that wishes to assert a Restructuring Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Restructuring Claims Bar Date.

21. **THIS COURT ORDERS** that any Person that does not file a Proof of Claim with respect to a Claim in the manner required by this Claims Procedure Order such that it is actually received by the Monitor on or before the Claims Bar Date or such other date as may be ordered by the Court, as applicable:

- (a) shall not be entitled to attend or vote at a Meeting in respect of such Claim, as applicable;
- (b) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise, as applicable;
- (c) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the service list); and
- (d) shall be and is hereby forever barred from making or enforcing such Claim against the Applicants, the NOI Entities or the Non-Applicant Entities, their Directors or Officer, or Mr. Wang, as applicable, and such Claim shall be and is hereby extinguished without any further act or notification.

For greater certainty, this paragraph shall not apply to Excluded Claims and the rights of any Person (including the Applicants, the NOI Entities, the Non-Applicant Entities and Mr. Wang) with respect to Excluded Claims are expressly reserved.

TRANSFER OF CLAIMS

22. **THIS COURT ORDERS** that if, after the Filing Date, the NOI Date or the date of this Claims Procedure Order, as applicable, the holder of a Claim transfers or assigns the whole of such Claim to another Person, the Monitor shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing to the assignee and the assignor and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" or "D&O Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receipt and acknowledgment by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any defences and rights of set-off to which the Applicants, the NOI Entities, the Non-Applicant Entities, or Mr. Wang may be entitled to with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

23. **THIS COURT ORDERS** that if a Claimant or D&O Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding

such Claim, provided such Claimant or D&O Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or D&O Claimant in accordance with the provisions of this Order.

24. **THIS COURT ORDERS** that the Monitor is not under any obligation to give any notice hereunder to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim.

SERVICE AND NOTICES

25. **THIS COURT ORDERS** that the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered any letters, notices or other documents to Claimants, D&O Claimants or any other interested Person by forwarding copies by ordinary mail, courier, personal delivery, facsimile or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang or as set out in such Claimant's Proof of Claim or D&O Claimant's Proof of Claim.

26. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant or D&O Claimant to the Monitor under this Claims Procedure Order shall be delivered in writing in substantially the form, if any, provided for in this Claims Procedure Order, shall be deemed to be received on the date that the Monitor actually receives such notice or communication, and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile or email addressed to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe and David Sieradzki
Tel: (416) 932-6030 / (416) 932-6253 /
Email: jjoffe@ksvadvisory.com/dsieradzki@ksvadvisory.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. (Eastern Time) on a Business Day or if delivered outside of normal business hours, the next Business Day.

27. **THIS COURT ORDERS** that service and delivery by the Monitor of notices or communications contemplated in this Order shall be deemed to have been received: (a) if sent by ordinary mail, on the third (3) Business Day after mailing within Canada, and the fifth (5) Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile or email by 5:00 p.m. (Eastern Time) on a Business Day, on such Business Day, or if delivered after 5:00 p.m. (Eastern Time) or on a day other than on a Business Day, on the following Business Day.

28. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile or email in accordance with this Claims Procedure Order.

29. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is amended by further Order of the Court, the Monitor shall post such further Order on the Monitor's Website and such posting shall constitute adequate notice to all Persons of such amended claims procedure.

30. **THIS COURT ORDERS** that the posting of materials on the Monitor's Website pursuant to paragraph 16, the publication of the Notice to Creditors and the mailing of the Claim Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Creditors of the Claims Bar Date, the Restructuring Period Claims Bar Date and the other deadlines and procedures set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the claims procedure described herein.

31. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Claims Bar Date and the Restructuring Period Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

DETERMINATION OF CLAIMS AND RESTRUCTURING CLAIMS

Review of Proofs of Claim Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

32. **THIS COURT ORDERS** that the Monitor shall review each Proof of Claim received by the Claims Bar Date and the Restructuring Claims Bar Date, as applicable, as follows:

- (a) With respect to Pre-Filing Claims and Restructuring Claims, the Monitor shall either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan;
- (b) With respect to NOI Claims, the Monitor shall either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan; and
- (c) With respect to Non-Applicant Claims, the Monitor shall, with the consent of the Non-Applicant Entities, either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan.

33. **THIS COURT ORDERS** that if the Monitor disputes the amount of a Claim set forth in a Proof of Claim related to Pre-Filing Claims, Restructuring Claims and NOI Claims for voting and/or distribution purposes, the Monitor may attempt to consensually resolve the nature and amount of the Claim for voting and/or distribution purposes under the Plan. The Monitor shall consult with the Non-Applicant Entities regarding Non-Applicant Claims provided, however, that the Non-Applicant Entities shall provide their input within three (3) Business Days from the date it is sought by the Monitor, failing which, the Monitor may seek such relief as it considers necessary or appropriate.

34. **THIS COURT ORDERS** that if the Monitor and the Non-Applicant Entities are unable to reach a mutually agreeable determination of the nature and/or amount of a Claim or Claims for voting and/or distribution purposes under the Plan, then the Monitor shall bring a motion before the Court or the Claims Officer (at the Monitor's sole discretion) as soon as reasonably practicable, to determine the nature and/or amount of the Claim or Claims for voting and/or distribution purposes under the Plan. The applicable Claimant shall be entitled to participate in any such motion in respect of its Claim.

35. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, accepts the Claim for voting and/or distribution purposes under the Plan, then such Claim shall be a Proven Claim for voting and/or distribution purposes under the Plan.

36. **THIS COURT ORDERS** that notwithstanding anything else herein, where a Proof of Claim is filed related to a Non-Applicant Claim wherein the applicable Non-Applicant Entity does not (or will not) have a surplus of funds after repaying all valid mortgagees of such Non-Applicant Entity, the Monitor is under no obligation to respond to or do anything with such Proof of Claim.

Notices of Revision or Disallowance of Proofs of Claim Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

37. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, determines to revise or disallow a Claim for voting and/or distribution purposes under the Plan, the Monitor shall send a Notice of Revision or Disallowance of the Claim to the Claimant.

Review of Proofs of Claim Related to Wang Claims

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, nothing in this Order (including the identification, delivery and determination of Wang Claims hereunder) shall have the effect of derogating from any of the provisions of the CCAA. For greater certainty, nothing in this Order shall constitute or be deemed to provide authorization for the compromise of any claims which cannot be compromised pursuant section 5.1(2) of the CCAA.

39. **THIS COURT ORDERS** that the Monitor shall provide Mr. Wang with copies of all Proofs of Claim received in respect of Wang Claims within two (2) Business Days of the Monitor's receipt of the same.

40. **THIS COURT ORDERS** that Mr. Wang shall review each Proof of Claim related to Wang Claims received by the Claims Bar Date, and shall, with the consent of the Monitor, either accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim by the later of (i) 15 days of the Claims Bar Date or (ii) 15 days of the date on which the Monitor provides Mr. Wang with the Proof of Claim, failing which, within an additional 15 days thereafter, the Monitor shall, without consultation with Mr. Wang, accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim.

41. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, disputes the amount of a Claim set forth in a Proof of Claim relating to a Wang Claim, Mr. Wang may, with the consent of the Monitor, attempt to consensually resolve the nature and amount of the Wang Claim with the Claimant.

42. **THIS COURT ORDERS** that if Mr. Wang and the Monitor are unable to reach a mutually agreeable determination of the nature and/or amount of a Wang Claim, then Mr. Wang shall bring a motion for the final determination of such Wang Claim before the Court or the Claims Officer, in accordance with the provisions in paragraphs 53-58 (with the agreement of the parties, including the Claimant, or at the Monitor's sole discretion) within 10 Business Days, of the date on which Mr. Wang must either accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim as

43. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, accepts a Wang Claim, then such Claim shall be a Proven Claim, and shall be binding on Mr. Wang for all purposes and in any future proceedings.

Notices of Revision or Disallowance of Proofs of Claim Related to Wang Claims

44. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, determines to revise or disallow a Wang Claim, Mr. Wang shall send a Notice of Revision or Disallowance of the Claim to the Claimant within 15 days of the applicable Claims Bar Date, with a contemporaneous copy to the Monitor. The Notice of Revision or Disallowance shall be dated the

date on which the Notice of Revision or Disallowance is sent to the applicable Claimant and the Monitor.

Notice of Dispute Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims, Non-Applicant Claims and Wang Claims

45. **THIS COURT ORDERS** that any Claimant who disputes the nature or amount of its Claim for voting and/or distribution purposes under the Plan or, in the case of Wang Claims, for the determination of such Wang Claim, as set forth in a Notice of Revision or Disallowance shall deliver a Notice of Dispute to the Monitor by registered mail, personal delivery, courier, email (in PDF format) or facsimile transmission by 5:00 p.m. (Eastern Time) on the day which is fourteen (14) days after the date of the Notice of Revision or Disallowance. The Monitor shall forthwith provide counsel to Mr. Wang with copies of all Notices of Dispute received in respect of Wang Claims.

46. **THIS COURT ORDERS** that the Monitor shall post a blank Notice of Dispute Form on the Monitor's Website as soon as practicable, and deliver same to any Claimant who requests a copy.

47. **THIS COURT ORDERS** that any Claimant who fails to deliver a Notice of Dispute by the deadline set forth in paragraph 45 hereof shall be deemed to accept the nature and the amount of its Claim as such Claim is revised, disallowed or set out in the Notice of Revision or Disallowance, and such Claim shall constitute a Proven Claim for voting and/or distribution purposes under the Plan or, in the case of Wang Claims, for the determination of such Wang Claim.

Resolution of Claims Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

48. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, the Monitor may, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims: (i) attempt to consensually resolve the nature and amount of the Claim with the Claimant for voting and/or distribution purposes, or (ii) bring a motion before the Court or the Claims Officer (at the Monitor's sole discretion) in these proceedings to determine the nature and/or amount of the Claim for voting and/or distribution purposes under the Plan.

49. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, and the Claimant consensually resolve the nature and amount of the Claim, the Monitor may accept a revised Claim, and any such revised Claim will constitute a Proven Claim for voting and/or distribution purposes under the Plan.

Resolution of Claims Related to Wang Claims

50. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, Mr. Wang may, with the consent of the Monitor: (i) attempt to consensually resolve the nature and amount of the Wang Claim with the Claimant, or (ii) refer the Notice of Dispute to the Court or the Claims Officer (with the agreement of all parties, including the Claimant, or at the Monitor's sole discretion) in these proceedings, within 15 days of the receipt of the Notice of Dispute, to determine the nature and/or amount of the Wang Claim, failing which the Claimant or the Monitor may, in its sole discretion, refer the Notice of Dispute to the Court or the Claims Officer to determine the nature and/or amount of the Wang Claim.

51. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, and the Claimant consensually resolve the nature and amount of the Claim, Mr. Wang may accept a revised Wang Claim, and any such revised Wang Claim will constitute a Proven Claim.

Resolution of Intercompany Claims

52. **THIS COURT ORDERS** that the Monitor may, in its sole discretion, serve on the Service List and file with the Court the Intercompany Claims Report setting out the Proposed Intercompany Resolution Process. If any interested party wishes to object to the Proposed Intercompany Resolution Process, such interested party must serve on the Service List a notice of objection within seven (7) days of the date upon which the Monitor serves the Intercompany Claims Report. If a notice of objection is received in accordance with the terms hereof, such objection may be resolved consensually between the Monitor and the objecting party, or by further Order of this Court upon a motion to be brought by the Monitor. If no notice of objection is received in accordance with the terms hereof, the Proposed Intercompany Resolution Process shall be implemented without any need for a further Order of this Court. For greater certainty, if the

Monitor does not serve and file an Intercompany Claims Report, Intercompany Claims will be Excluded Claims under this Order.

CLAIMS OFFICER

53. **THIS COURT ORDERS** that Matthew P. Gottlieb, and such other Persons as may be appointed by the Court from time to time on application of the Monitor, in consultation with the Non-Applicants and Mr. Wang, be and are hereby appointed as Claims Officers for the Claims Procedure.

54. **THIS COURT ORDERS** that the Claims Officer shall determine the validity and amount of disputed Claims, when applicable, in accordance with this Order and shall provide written reasons. The Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. The Claims Officer, upon submissions of the parties (including for greater certainty the Monitor to the extent the Monitor deems it necessary or appropriate in its sole discretion) shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid. Subject to a further Order of the Court, any costs that are determined to be payable by the Claims Officer by Mr. Wang shall not be paid from any accounts, cash or assets that are subject to the Undertaking attached as Schedule "B" to the Order of this Court dated March 18, 2019, or from any amounts held by the Monitor, or paid from any charge that may exist.

55. **THIS COURT ORDERS** that, with respect to any hearing or procedure before the Claims Officer or the Court in respect of a Wang Claim, Mr. Wang will be the responding party with standing to adduce evidence and make submissions. The Monitor may participate in any such hearing or procedure to the extent the Monitor deems necessary or appropriate in its sole discretion.

56. **THIS COURT ORDERS** that a Claimant, the Monitor, Mr. Wang, the Applicants, the NOI Entities, or the Non-Applicant Entities, or their applicable Directors and Officers in respect of any D&O Claim, as applicable, may, within ten (10) days of such party receiving notice of the Claims Officer's determination of the value of a Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 54 or otherwise to the Court

by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

57. **THIS COURT ORDERS** that, in the event of an appeal of a determination in respect of a Wang Claim, the parties shall be the Claimant, Mr. Wang and, to the extent the Monitor deems it necessary or appropriate in its sole discretion, the Monitor.

58. **THIS COURT ORDERS** that, if no party appeals the determination of value of a Claim by the Claims Officer in accordance with the requirements set out in paragraph 56, the decision of the Claims Officer in determining the value of the Claim shall be final and binding upon, as applicable, the Monitor, Mr. Wang, the Applicants, the NOI Entities, the Non-Applicant Entities and their applicable Directors and Officers in respect of a D&O Claim, and the Claimant, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

59. **THIS COURT ORDERS** that the Claims Officer shall incur no liability or obligation as a result of his or her appointment or in acting as a Claims Officer pursuant to the provisions of this Order. No proceeding or enforcement process in any court or tribunal shall be commenced against or in respect of a Claims Officer, except with the prior leave of this Court granted in the within proceedings.

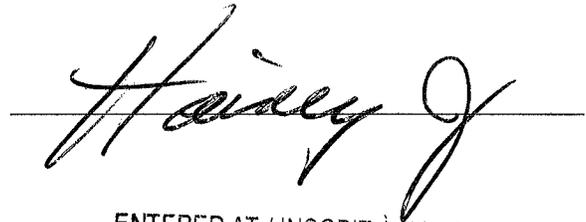
MISCELLANEOUS

60. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Monitor of Proofs of Claim, the delivery of a Claim Package to a Known Creditor, and the filing by any Person of any Proof of Claim shall not, for that reason only, grant any Person any standing in the CCAA Proceedings or rights under a Plan.

61. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claim Procedure Order, the solicitation by the Monitor of Claims and the filing by any Claimant or D&O Claimant of any Claim shall not, for that reason only, grant any Person any standing in these proceedings.

62. **THIS COURT ORDERS** that, notwithstanding the terms of this Claims Procedure Order, the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

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

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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 22 2019

PER / PAR: JP

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

SCHEDULE "B"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORMER DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

INFORMATION LETTER FOR THE CLAIMS PROCEDURE

PARAGRAPH I OF THE PROOF OF CLAIM AND GENERAL COMMENTS

The Claimant must state the full and complete legal name of the Claimant.

- The Claimant must give the complete address (including the postal code) where all notices and correspondence are to be forwarded. In addition, the Claimant and/or the authorized representative must indicate its telephone number, its facsimile and its e-mail address.
- The Claimant must advise as to whether or not the claim was acquired by assignment and, if so, provide full particulars/support evidencing assignment and provide the full legal name of the original creditor(s).

PARAGRAPH II OF THE PROOF OF CLAIM

- If the individual completing the Proof of Claim is not itself the Claimant, he/she must state his/her position or title.
- The Claimant must provide its Claim amount in the appropriate table, indicate whether it is secured, priority unsecured (under section 136 of the *Bankruptcy and Insolvency Act* (Canada)) or unsecured, and provide the value of any security it claims to have.

PARAGRAPH III OF THE PROOF OF CLAIM

- A detailed, complete statement of account must be attached to the Proof of Claim. Provide all particulars of the Claim and supporting documents, including the amount and description of transaction(s) or agreements(s) giving rise to the Claim. The amount on the statement of account must correspond with the amount claimed on the Proof of Claim. The detailed statement of account must show the date, the invoice number(s) and the amount of all invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. If the Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit providing all particulars of the Claim, together with all supporting documents.

- With respect to priority claims under section 136 of the *Bankruptcy and Insolvency Act* (Canada), please attach a detailed explanation supporting any priority claim.
- With respect to secured claims, please provide a detailed, complete statement of any particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.
- If the Claim is in a foreign currency, it shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate for November 30, 2018: CDN\$1.00/USD\$1.3301.

PARAGRAPH IV OF THE PROOF OF CLAIM

- The Proof of Claim must be received by the Monitor before 5:00 p.m. (Eastern Time), on the Claims Bar Date. For Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims, the Claims Bar Date is 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date¹. For Restructuring Claims, the Claims Bar Date is the Restructuring Claims Bar Date, that being the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.
- Completed forms must be delivered to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below:

KSV Kofman Inc.

150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

- Claimants are responsible for proving receipt of documents by the Monitor.

PLEASE NOTE THAT Mr. Wang has the meaning ascribed to it in the Claims Procedure Order, which for greater certainty means "Yuan (Mike) Hua Wang, but solely in his capacity as (i) a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity". Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

¹ "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

SCHEDULE "C"

NOTICE TO CLAIMANTS FOR THE CLAIMS PROCEDURE OF:

Forme Development Inc., 3310 Kingston Development Inc., 1296 Kennedy Development Inc., 1326 Wilson Development Inc., 5507 River Development Inc., 4439 John Development Inc., 2358825 Ontario Ltd., 250 Danforth Development Inc., 159 Carrville Development Inc., 169 Carrville Development Inc., 189 Carrville Development Inc., 27 Anglin Development Inc. and 29 Anglin Development Inc.

(collectively, the "Applicants"), 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the "NOI Entities"), 59 Elm Avenue, Richmond Hill, Ontario and 63 Elm Avenue, Richmond Hill, Ontario (together, the "Elms Avenue Properties"), 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc. (collectively, the "Non-Applicant Entities"), Yuan (Mike) Hua Wang solely in his capacity as a Director and Officer, as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity and in his capacity as an owner of the Elm Properties and not in any other capacity ("Mr. Wang") and their former and current Directors (the "Directors") or Officers (the "Officers")

RE: NOTICE OF CLAIMS PROCEDURE, CLAIMS BAR DATE and RESTRUCTURING CLAIMS BAR DATE

NOTICE IS HEREBY GIVEN that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made October 22, 2019 (the "**Claims Procedure Order**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Claims Procedure Order. The Court has authorized the Court-appointed Monitor of the Applicants, KSV Kofman Inc. (in such capacity, the "**Monitor**"), to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang and/or any of their Directors and Officers in accordance with the terms of the Claims Procedure Order.

PLEASE TAKE NOTICE that the Claims Procedure applies only to the Claims described in the Claims Procedure Order. Reference should be made to the Claims Procedure Order for the complete definition of "**Pre-filing Claim**", "**NOI Claim**", "**Non-Applicant Claim**", "**Wang Claim**", "**D&O Claim**" and "**Restructuring Claim**". The Claims Procedure Order and related materials and forms may be accessed from the Monitor's Website at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc>.

If you believe that you have a Claim against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang and/or any of their Directors and Officers, as applicable, you must file a Proof of Claim with the Monitor by completing the Proof of Claim form, a copy of which can be obtained from the Monitor's website or by contacting 416-932-6253 (phone) or jjoffe@ksvadvisory.com. All Claimants must submit their Claim to the Monitor (at the address noted below) by the Claims

Bar Date or the Restructuring Claims Bar Date, as applicable, as defined in the Claims Procedure Order.

THE CLAIMS BAR DATE with respect to a Pre-filing Claim, NOI Claim, Non-Applicant Claim, Wang Claim and D&O Claims is 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date². The Claims Bar Date with respect to a Restructuring Claim is the Restructuring Claims Bar Date.

THE RESTRUCTURING CLAIMS BAR DATE is the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, NOI Claims, Non-Applicant Claims, Wang Claims and D&O Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

PROOFS OF CLAIM MUST BE COMPLETED AND RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

HOLDERS OF CLAIMS who do not file a Proof of Claim with respect to a Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

PLEASE NOTE THAT Mr. Wang has the meaning ascribed to it in the Claims Procedure Order which for greater certainty means "Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity". Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

The Monitor can be contacted at the following address to request relevant documents or for any other notices or enquiries with respect to the Claims Procedure:

KSV Kofman Inc.

150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

DATED at Toronto, Ontario this ____th day of _____, 2019.

² "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

SCHEDULE "D"

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORMER DEVELOPMENT GROUP
INC. AND THE OTHER COMPANIES LISTED ON
SCHEDULE "A" HERETO (the "Applicants")**

**APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

PROOF OF CLAIM

**Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.
All capitalized terms not defined herein have the meanings given to such terms in the
Claims Procedure Order dated October 22, 2019.**

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

_____ (the "Claimant")

2. Full Mailing Address of the Claimant:

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (*Contact Person*): _____

7. Have you acquired this Claim by assignment?

Yes: No: (*if yes, attach documents evidencing assignment*)

If Yes, Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

8. I, _____
(name of Claimant or representative of the Claimant), of _____

_____ do hereby certify:
(city and province)

(a) that I [*check (✓) one*]

am the Claimant; OR

am _____ (state position or title) of _____;
(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that one or more of the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang, and/or their Directors or Officers, if applicable, were and still are indebted to the Claimant as follows:³

Applicant	Pre-filing Claim Amount	Restructuring Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
3310 Kingston Development Inc.				
1296 Kennedy Development Inc.				
1326 Wilson Development Inc.				
5507 River Development Inc.				
4439 John Development Inc.				
2358825 Ontario Ltd.				
250 Danforth Development Inc.				

³ Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate for November 30, 2018. The Canadian Dollar/U.S. Dollar daily average exchange rate on that date was CAD\$1/ USD\$1.3301.

159 Carrville Development Inc.				
169 Carrville Development Inc.				
189 Carrville Development Inc.				
27 Anglin Development Inc.				
29 Anglin Development Inc.				
59 Elm Avenue, Richmond Hill, Ontario				
63 Elm Avenue, Richmond Hill, Ontario				
Directors and Officers of the _____ (insert appropriate Applicant)				

<i>(insert names above)</i>				

NOI Entity	NOI Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
58 Old Kennedy Development Inc.			
76 Old Kennedy Development Inc.			
82 Old Kennedy Development Inc.			
Directors and Officers of the _____ (insert appropriate NOI Entity)			

<i>(insert names above)</i>			

Non-Applicant Entity	Non-Applicant Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
101 Columbia Development Inc.			
186 Old Kennedy Development Inc.			
19 Turff Development Inc.			
22 Old Kennedy Development Inc.			
31 Victory Development Inc.			
35 Thelma Development Inc.			
376 Derry Development Inc.			
390 Derry Development Inc.			
4 Don Hillock Development Inc.			
4208 Kingston Development Inc.			
4550 Steeles Development Inc.			
7397 Islington Development Inc.			
9500 Dufferin Development Inc.			
2495393 Ontario Inc.			
Directors and Officers of the _____ (insert appropriate Non-Applicant Entity) _____ <i>(insert names above)</i>			

	Wang Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Mr. Wang ⁴			

III. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Pre-filing Claims, NOI Claims, Non-Applicant Claims, Wang Claims, D&O Claims and Restructuring Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit attesting to the particulars of the Claim, together with all supporting documents. If a claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)

IV. FILING OF CLAIM

This Proof of Claim must be received by the Monitor on or before the Claims Bar Date.

With respect to Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims, the Claims Bar Date means 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date⁵. With respect to Restructuring Claims, the Restructuring Claims Bar Date means the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

In both cases, completed forms must be delivered by prepaid ordinary mail, courier, personal delivery or electronic transmission at the following address:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

⁴ "Mr. Wang" means Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity. Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

⁵ "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and the 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

Failure to file your Proof of Claim as directed by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang or any of their Directors and Officers, as applicable.

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

I require hardcopy correspondence.

DATED at _____ this ____ day of _____, 2019.

(Signature of Witness)

(Signature of Claimant or its authorized representative)

(Please print name)

(Please print name)

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim per Proof of Claim	Amount of Claim per Proof of Claim	Type of Claim per this Notice of Revision or Disallowance	Amount of Claim per this Notice of Revision or Disallowance
[Insert name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$

If you intend to dispute this Notice of Revision or Disallowance, you must, **no later than 5:00 p.m. (Eastern Time) on the day that is fourteen (14) Calendar Days after the date of the Notice of Revision or Disallowance**, deliver a Notice of Dispute by registered mail, personal delivery, e-mail (in PDF format), courier or facsimile transmission to the following address:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

Any Claimant who fails to deliver a Notice of Dispute by the date and time set out above shall be deemed to accept the classification and the amount of its Claim as set out in this Notice of Revision or Disallowance and such Claim as set out herein shall constitute a Proven Claim and the Claimant will have those rights set out in the Claims Procedure Order with respect to such Proven Claim.

If you do not deliver a Notice of Dispute of Revision or Disallowance by the deadline stated above, you:

- (a) shall be forever barred from making or enforcing any Claim against any of the Applicants, NOI Entities, Non-Applicant Entities, Mr. Wang and/or any of their Directors and their Officers (other than with respect to such Claim as has been allowed in this Notice of Revision or Disallowance), as applicable, and all such Claims will be forever extinguished; and
- (b) as applicable, shall not be entitled to vote on (and/or receive any distribution under) any Plan of Arrangement or entitled to any further notice or distribution under such

a Plan, if any (other than with respect to such Claim as has been allowed in this Notice of Revision or Disallowance).

Dated at Toronto, Ontario, this _____ day of _____, 2019.

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

SCHEDULE "F"

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORME DEVELOPMENT GROUP
INC. AND THE OTHER COMPANIES LISTED ON
SCHEDULE "A" HERETO (the "Applicants")**

**APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE OF THE CLAIMANT
LISTED HEREIN**

By order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 22, 2019 (as may be amended, restated or supplemented from time to time (the "**Claims Procedure Order**")), in the proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the Monitor has been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order, with all schedules, may be found on the Monitor's website at: <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc> (the "**Monitor's Website**"). Capitalized terms used in this Notice of Dispute not otherwise defined herein shall have the meaning ascribed to them in the Claims Procedure Order.

Claim Reference Number:

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number:

Facsimile Number:

Email Address:

Attention (*Contact Person*):

PLEASE TAKE NOTICE THAT, pursuant to the Claims Procedure Order, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance dated _____, 2019 issued by KSV Kofman Inc., in its capacity as Court-appointed Monitor, in respect of our Claim as set out in the following table:

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim in Notice of Revision or Disallowance	Amount of Claim in Notice of Revision or Disallowance	Type of Claim as per this Notice of Dispute	Amount of Claim as per this Notice of Dispute
[Insert name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$

Reason for the dispute (attach copies of any supporting documentation):

Address for Service of Notice of Dispute of Revision or Disallowance:

KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE MONITOR BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL (IN PDF FORMAT) OR COURIER TO THE ADDRESS INDICATED ABOVE AND MUST BE ACTUALLY RECEIVED BY THE MONITOR BY 5:00 P.M. (EASTERN TIME) ON THE DAY WHICH IS FOURTEEN (14) CALENDAR DAYS AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE.

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

*If Claimant is other than an individual, print name
and title of authorized signatory*

Name: _____

Title: _____

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.
1296 Kennedy Development Inc.
1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.
250 Danforth Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
27 Anglin Development Inc.
29 Anglin Development Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

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

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

BENNETT JONES LLP
3400 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean H. Zweig (LSO #57307D)
Tel: (416) 777-6253
Fax: (416) 863-1716

Aiden Nelms (LSO#74170S)
Tel:(416) 777-4642
Fax: (416) 863-1716

Counsel to KSV Kofman Inc., solely in its capacity as Court-appointed monitor and not in its personal capacity

Appendix “F”



**Fifteenth Report of
KSV Restructuring Inc.
as CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix “A”**

November 19, 2020

and

**Eleventh Report of
KSV Restructuring Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

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COURT FILE NO.:CV-18-608313-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES
LISTED ON APPENDIX "A"**

**APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

ESTATE FILE NO.: 31-2436568

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

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

**FIFTEENTH REPORT OF KSV RESTRUCTURING INC. AS
MONITOR AND ELEVENTH REPORT OF KSV
RESTRUCTURING INC. AS PROPOSAL TRUSTEE**

November 19, 2020

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 30, 2018, as amended and restated on December 6, 2018 (the "Initial Order"), Forme Development Group Inc. and the affiliated entities listed on Appendix "A" (collectively, the "Applicants") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA"), and KSV Restructuring Inc. ("KSV")¹ was appointed monitor (in such capacity, the "Monitor"). A copy of the Initial Order is attached as Appendix "B".

¹ On August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

2. The principal purpose of these proceedings (the “CCAA Proceedings”) was to create a stabilized environment to conduct a Court-approved sale process (“Sale Process”) for the Applicants’ real property. The Initial Order approved, *inter alia*, a Sale Process for the Applicants’ real estate development projects and for two residential homes located at 59 and 63 Elm Avenue (jointly, the “Elm Properties”) which were owned by Yuan Hua Wang (“Mr. Wang”), the principal of the Applicants, and his wife.
3. KSV was also appointed proposal trustee (in such capacity, the “Proposal Trustee”) of three of the Applicants’ affiliates, being 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the “NOI Debtors”) in proceedings commenced on October 26, 2018 by the NOI Debtors under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “BIA”) (the “NOI Proceedings”).
4. The properties owned by the NOI Debtors were sold in the NOI Proceedings. On February 13, 2019, the NOI Debtors each filed a proposal (collectively, the “Proposals”). The Proposals provide that any monies available for distribution from the sale of the NOI Debtors’ properties will be paid to creditors in accordance with priorities. The Proposals were unanimously accepted by creditors at creditors’ meetings held on March 6, 2019. The Proposals were approved by the Court on March 14, 2019.
5. Mr. Wang is the sole shareholder of the Applicants, the NOI Debtors and 14 affiliated real estate development companies which are not subject to the CCAA Proceedings or the NOI Proceedings (the “Non-Applicants”, and together with the Applicants and the NOI Debtors, the “Forme Group”). A list of the Non-Applicants is attached as Appendix “C”. The Non-Applicants own or owned 12 properties, of which 11 have been sold as of the date of this Report. The Non-Applicants do not have the benefit of the CCAA stay of proceedings, and certain Non-Applicants are (or were) subject to separate receivership or enforcement proceedings, including power of sale proceedings.
6. Pursuant to a Court order made on October 22, 2019 (the “Claims Procedure Order”), the Monitor is carrying out a claims procedure (the “Claims Procedure”) to solicit and determine claims against the Applicants; the Non-Applicants; the NOI Debtors; the directors and officers of the Applicants, the Non-Applicants and the NOI Debtors; and Mr. Wang, solely in his capacity as a guarantor, surety or indemnitor of any obligation of any of the Applicants, the NOI Debtors or the Non-Applicants, and in his capacity as an owner of the Elm Properties and not in any other capacity.
7. KSV is filing this report (“Report”) in its capacities as Monitor and Proposal Trustee.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the CCAA Proceedings and the NOI Proceedings;
 - b) summarize the status of the Claims Procedure;

- c) summarize the procedures performed by the Monitor to reconcile and determine intercompany claims as between the Forme Group entities (the “Intercompany Claims”), as contemplated by paragraph 52 of the Claims Procedure Order;
- d) set out the results of the Monitor’s review of intercompany transactions among the various entities in the Forme Group (the “Intercompany Analysis”), including the amount of the claims among the Forme Group entities, which claims are to be admitted as Claims in the Claims Procedure;
- e) provide a high-level estimate of funds available for distribution to creditors of the Forme Group and Mr. Wang, which remains dependent on the claims of Canada Revenue Agency (“CRA”) and certain claims which have yet to be finalized, as detailed further below;
- f) report on the Applicants’ cash flow projection for the period November 22, 2020 to February 26, 2021 (the “Cash Flow Forecast”);
- g) discuss the reasons to extend the stay of proceedings from November 30, 2020 to February 26, 2021;
- h) detail the fees and disbursements of the Monitor from May 1, 2020 to October 31, 2020 and its counsel, Bennett Jones LLP (“Bennett Jones”), from April 13, 2020 to October 31, 2020, and seek approval of same; and
- i) recommend that the Court issue an order:
 - i. extending the stay of proceedings from November 30, 2020 to February 26, 2021;
 - ii. approving the Monitor’s Fourteenth Report to Court dated August 19, 2020 (the “Fourteenth Report”), this Report and the Monitor’s activities described in both reports; and
 - iii. approving the fees and disbursements of the Monitor and Bennett Jones as detailed herein.

1.2 Restrictions

1. In preparing this Report, KSV, as Monitor and Proposal Trustee, has relied upon the Applicants’ and the NOI Debtors’ unaudited financial information, information provided by the Non-Applicants and their legal counsel, Yi Zhou Law Firm (“Yi Zhou”) and bank statements and supporting documentation provided by the Forme Group’s bank, Royal Bank of Canada (“RBC”), which were required to perform the Intercompany Analysis. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that complies with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.

2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the financial information contained herein should perform its own due diligence and any reliance placed by any party on such information shall not be sufficient for any purpose whatsoever. KSV accepts no reliance to any party based on the information in this Report.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Background

1. The Forme Group is a commercial and residential real estate group of over 30 companies which sought to develop low-rise, high-rise and mixed-use projects in the Greater Toronto Area.
2. In advance of the CCAA Proceedings, KSV filed a report to Court dated November 6, 2018 in its capacity as proposed CCAA monitor (the “Proposed Monitor’s Report”). KSV also filed three supplements to the Proposed Monitor’s Report (the “Supplemental Reports”). Detailed information about the Forme Group and the commencement of the CCAA Proceedings is set out in the Proposed Monitor’s Report and the Supplemental Reports and, accordingly, that information is not repeated in this Report.
3. Copies of the Court materials filed in the CCAA Proceedings and the NOI Proceedings are available on the Monitor’s website (the “Website”) at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc> and the Proposal Trustee’s website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

2.1 The Undertaking

1. On March 11, 2019, Mr. Wang and the Non-Applicants executed an undertaking (the “Undertaking”) in favour of the Court. The Undertaking was approved pursuant to a Court order made on March 18, 2019. The issues which caused the Undertaking to be put in place are detailed in the Monitor’s Supplement to its Third Report to Court dated March 12, 2019 (the “Supplemental to the Third Report”). A copy of the Supplemental to the Third Report is attached as Appendix “D”, without attachments. A copy of the Undertaking, as amended, is attached as Appendix “E”.
2. The purpose of the Undertaking is to, *inter alia*, provide mechanisms to facilitate the orderly sale of the Non-Applicants’ real property and to hold in a trust account any surplus funds realized therefrom for the benefit of creditors, including those with guarantee claims against Mr. Wang.

3. The Undertaking provides that the Monitor is to conduct a claims process for the Applicants, NOI Debtors, Non-Applicants and for certain claims against Mr. Wang, before any portion of the Surplus (as defined below) can be distributed to Mr. Wang in his capacity as shareholder.
4. As at the date of this Report, there is approximately \$8.34 million held in trust with Bennett Jones and in trust accounts being maintained by the Proposal Trustee and the Monitor (the "Surplus"). Of the Surplus, approximately \$3.36 million is held by Bennett Jones and approximately \$4.98 million is held by the Monitor and the Proposal Trustee.
5. The amount held by Bennett Jones represents the net proceeds realized from the sale of the Non-Applicants' real property after distributions to secured creditors, which distributions were approved by the Court on August 27, 2020 and November 12, 2020. The secured distributions repaid in full the amount owing to a mortgagee of the real property owned by 22 Old Kennedy Development Inc. and 50% of the amounts owing to several mortgagees whose obligations were personally guaranteed by Mr. Wang. The amounts owing to secured creditors with claims against Mr. Wang is presently approximately \$4.4 million.
6. The amount held by the Monitor and the Proposal Trustee largely represents the net proceeds of sale from properties owned by the NOI Debtors, 5507 River Development Inc., 4439 John Development Inc. and 2358825 Ontario Ltd. ("Birchmount Gardens"). The other Applicants did not generate recoveries sufficient to fully repay all of the mortgages on their properties.
7. The Surplus represents the sum of the monies remaining from the sale of all properties owned by the Forme Group, net of the repayment of all mortgages on those properties, as well as the fees and costs of these proceedings. The Surplus is prior to the payment of the unsecured claims against those entities. Unsecured claims have been submitted to the Monitor in accordance with the Claims Procedure Order. Because the Forme Group routinely transferred monies from one entity to the other, the Claims Procedure Order required the Intercompany Analysis to be performed so that transferor entities would have claims against transferee entities (which amounts are unsecured claims). To the extent that any Forme Group entity has sufficient proceeds to pay in full its unsecured claims (including its tax obligations), the remaining surplus will be distributed to creditors of Mr. Wang by the Monitor (as required by the Undertaking), in accordance with the priority of their claims.

2.2 Bankruptcy of Mr. Wang

1. On January 24, 2020, Mr. Wang filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the BIA, and on March 27, 2020, Mr. Wang filed a proposal.
2. On April 15, 2020, the Court made an order (the "Bankruptcy Order") pursuant to subsection 50(12) of the BIA, declaring that the proposal filed by Mr. Wang was deemed to be refused by his creditors. As a result, Mr. Wang was deemed to have made an assignment in bankruptcy on that date.
3. Pursuant to the Bankruptcy Order, KSV was appointed as the licensed insolvency trustee (the "Trustee") of Mr. Wang's bankrupt estate. The Trustee's appointment was affirmed at the first meeting of creditors held on May 6, 2020.

3.0 Claims Procedure

1. The Claims Procedure is being administered in accordance with the Claims Procedure Order to determine claims against the Surplus. A copy of the Claims Procedure Order is attached as Appendix “F”.
2. Pursuant to a Court order made on February 20, 2020, creditors who filed claims against Mr. Wang in the Claims Procedure do not need to file claims in Mr. Wang’s bankruptcy.
3. On or prior to the claims bar date (January 10, 2020), 125 creditors filed claims totaling approximately \$89 million, including six secured claims which were accepted at approximately \$11.9 million (with interest and costs continuing to accrue). The secured claims are detailed below.

Creditor	Claim Against	Amount Accepted (\$000s)	Distributions to Date (\$000s)
2557725 Ontario Inc.	22 Old Kennedy	3,086	3,086
2603616 Ontario Inc.	Mr. Wang	3,108	1,554
2611622 Ontario Inc.	Mr. Wang	2,390	1,195
Ferina Construction Ltd.	Mr. Wang	2,284	1,142
2612316 Ontario Inc.	Mr. Wang	614	307
Steve Papaikononou	Mr. Wang	427	214
Total		11,909	7,498

4. Bennett Jones reviewed the security of each of the secured creditors and confirmed its enforceability and validity. Bennett Jones’ opinions were discussed in the Fourteenth Report, a copy of which can be found on the Website.
5. Pursuant to Court orders made on August 27, 2020 and November 12, 2020, the Court authorized the Monitor to make distributions to the secured creditors up to the full amount of their secured claims. As reflected in the table above, as at the date of this Report, the Monitor has distributed from the Surplus: (a) the full amount owing to 2557725 Ontario Inc.; and (b) approximately \$4.4 million, representing 50% of the amounts owing to the other secured creditors.
6. The status of the Claims Procedure as it relates to unsecured claims filed against the Forme Group and/or Mr. Wang is summarized below:
 - a) Notices of Revision or Disallowance (“NORDs”) and Notices of Acceptance have been issued to nearly all claimants who filed claims in the Claims Procedure against Forme Group entities with surplus funds (the “Surplus Entities”). The Monitor has not reviewed, and does not intend to review, claims filed against Forme Group entities for which there are unlikely to be funds available for distribution;
 - b) prior to issuing NORDs and Notices of Acceptance in respect of claims against the Non-Applicants, the Monitor consulted with Mr. Wang on behalf of the Non-Applicants, as required by the Claims Procedure Order. Mr. Wang consented to the NORDs and Notices of Acceptance for claims against the Non-Applicants;
 - c) the Monitor has received nine Notices of Dispute. The Monitor has resolved one of the Notices of Dispute and is attempting to resolve the remaining eight without the involvement of a Claims Officer or the Court;

- d) the Monitor has completed the Intercompany Analysis, the results of which are discussed in Section 4.2 below; and
 - e) there are several significant claims that are in the process of being resolved. Certain of these claims appear to be duplicative. The Monitor has encouraged legal counsel to the applicable creditors, including a group of purchasers of Birchmount Gardens, the Birchmount Condominium Corporation and Tarion Warranty Corporation, to attempt to resolve the apparent duplication. The Monitor has been advised that those discussions are ongoing. The Monitor has also recently advised these parties that, based on the results of the Intercompany Analysis, there are expected to be nominal amounts available for distribution to unsecured creditors of Birchmount Gardens and Mr. Wang and, accordingly, their respective claims should be resolved as efficiently and expeditiously as possible.
7. In addition to finalizing the outstanding claims against the Surplus Entities in the Claims Procedure, the following matters must be resolved before distributions can be made to unsecured creditors:
- a) the amount of CRA's claims. CRA filed placeholder claims in the Claims Procedure and, on November 10, 2020, filed amended proofs of claim against several entities in the Forme Group. The amended claims do not appear to reflect the current tax positions of the Forme Group entities as tax returns have yet to be filed. KPMG LLP ("KPMG") was retained originally by the NOI Debtors. KSV, as Monitor and Proposal Trustee, consented to KPMG's continued retention for the balance of the Forme Group's tax work given the inter-related operations of the Forme Group. KPMG is continuing to finalize its work, following which the tax returns can be filed and the tax claims can be finalized²; and
 - b) the Non-Applicants' remaining property is to be sold so creditors of that entity can quantify and file claims in the Claims Procedure³. The Monitor's Fourteenth Report referenced two remaining Non-Applicant properties to be sold. An update concerning these properties is provided below.

Property	Status
101 Columbia Street	The sale of this property closed on September 28, 2020, resulting in a shortfall to the second mortgagee. As at the date of this Report, there have been no claims filed following the completion of the transaction for the Columbia Street property, including by the second mortgagee which the Monitor understands does not have a secured claim against Mr. Wang. There were only two mortgagees on this property.
376 Derry Road	The Monitor has been advised by counsel to the first mortgagee that the property is subject to an Agreement of Purchase and Sale and the parties are working to close the transaction on or before December 31, 2020. Any deficiency resulting from this property is expected to only result in an unsecured claim against Mr. Wang.

² The Monitor understands that none of the entities in the Forme Group has ever filed a tax return. There are apparently over 120 tax returns that need to be filed in order to bring its tax filings current. The Monitor is considering how to address this issue.

³ The Claims Procedure contemplates that properties would be sold following the claims bar date and addresses this by the concept of a "Sale Triggered Claims Bar Date".

Should all other outstanding issues in the Claims Procedure be resolved prior to the sale of the Derry Road property, the Monitor intends to make an interim distribution subject to reserving for the claims against Surplus Entities or Mr. Wang, if any, resulting from the sale of that property.

4.0 Intercompany Claims

4.1 Procedures

1. A schedule of the Surplus by entity is provided in Appendix “G”. The Surplus is subject to adjustment among Forme Group entities for the fees and costs in these proceedings, to the extent possible. This allocation does not affect the Intercompany Claims.
2. As contemplated in the Claims Procedure Order and discussed in the Monitor’s prior reports to Court, the Monitor has been performing the Intercompany Analysis for several months in order to determine all claims against the Surplus. Prior to the CCAA Proceedings, the Forme Group commonly transferred monies between entities; however, its books and records did not account for all such transactions and to the extent it did account for transactions, the books and records were incomplete and/or inconsistent.
3. As a result of the state of the Forme Group’s books and records, the Monitor required bank statements and supporting documents from RBC to perform the Intercompany Analysis. Certain information was initially received from RBC in November 2019; however, it was insufficient to complete the Intercompany Analysis. Following multiple requests to RBC, the Monitor received additional information in late July 2020. The Fourteenth Report advised that the Monitor would report on the intercompany claims prior to the stay expiry date of November 30, 2020.
4. The following steps were taken by the Monitor to determine the Intercompany Claims.
 - a) the Monitor obtained from RBC copies of:
 - i. bank statements for 32 bank accounts⁴ (collectively the “Bank Accounts” and each a “Bank Account”) maintained at RBC by the Forme Group (collectively, the “RBC Bank Statements”); and
 - ii. supporting documentation for transactions recorded in the RBC Bank Statements, which was required to determine the source of all inflows and identification of all payees for the outflows.
 - b) following receipt from RBC of the RBC Bank Statements and supporting documentation:
 - i. the Monitor recreated the transaction activity detailed in the RBC Bank Statements for each Bank Account (the “Bank Statement Analysis”);

⁴ The RBC Bank Accounts were opened between 2013 and 2018 and, in most cases, reflected hundreds of transactions.

- ii. the Monitor determined, from the supporting documentation provided by RBC, the counterparties to the transactions reflected on the RBC Bank Statements and recorded that information in the Bank Statement Analysis;
- iii. for each transfer between Forme Group entities, the Monitor reconciled the disbursement from one of the Bank Accounts to the receipt in the other;
- iv. to the extent that RBC’s supporting documentation was not available to identify the payee/source of a particular transaction, the Monitor reviewed the Forme Group’s general ledgers for those details. This was the case for a limited number of transactions – the RBC supporting documentation was sufficient for most activity reflected on the RBC Bank Statements;
- v. the Monitor prepared summaries of receipts and disbursements by counterparty for each of the Bank Accounts and from this analysis, isolated the intercompany transactions; and
- vi. the Monitor identified and accounted for intercompany transactions that were not in the form of direct transfers from one entity in the Forme Group to another. These would have arisen as a result of:
 - payments by one entity of the Forme Group to a third party on behalf of a different entity in the Forme Group. In these instances, the Monitor reviewed the supporting documentation provided by RBC and the Forme Group’s records to determine the entity on whose behalf the payment was being made; and
 - disbursements on behalf of entities in the Forme Group made directly from trust accounts of Yi Zhou. Prior to the CCAA Proceedings, Yi Zhou acted as legal counsel to the Forme Group on several real estate transactions and made disbursements from his trust accounts to and on behalf of various entities. The Monitor reviewed trust account ledgers provided by Yi Zhou as well as supporting documentation Yi Zhou provided in order to determine the affected Forme Group entities.

4.2 Results of the Intercompany Analysis

1. For each of the Surplus Entities, the Monitor identified and summarized the net intercompany payable/receivable balances from the procedures outlined in 4.1(4)(b) above. The receivable balances represent the Intercompany Claims against the Surplus Entities and have been summarized in the table below and detailed by entity in Appendix “G”.

Claimant	Claims Against Surplus Entities (\$000s)
Non-Applicants	4,927
Applicants	3,153
NOI Entities	516
Total	8,596

- The most significant Intercompany Claims against the Surplus Entities (as detailed in Appendix “G”) are reflected in the table below. The payee entity is also reflected in Appendix “G”.

Claimant	Amount (\$000s)
186 Old Kennedy Development Inc.	2,948
250 Danforth Development Inc.	1,813
376 Derry Development Inc.	673
1296 Kennedy Development Inc.	475
58 Old Kennedy Development Inc.	444
Other (20 Forme Group entities)	2,243
Total	8,596

- As illustrated in Appendix “G”, certain of the Surplus Entities do not have proceeds sufficient to satisfy all of their unsecured claims, including their Intercompany Claims.
- Based on the results of the Claims Procedure and the Intercompany Analysis, it appears that Mr. Wang’s unsecured creditors will not have any recoveries.
- Once the Claims Procedure is finalized, the Monitor will report to Court on the timing and amount of further distributions in these proceedings, including to Mr. Wang’s secured creditors.

4.3 Proposed Treatment of Intercompany Claims⁵

- The determination of Intercompany Claims by the Monitor and the filing of an Intercompany Claims Report is contemplated by paragraph 52 of the Claims Procedure Order which provides that, *inter alia*, any interested party has seven days from the date the Monitor serves the Intercompany Claims Report to file a notice of objection to the Monitor’s Proposed Intercompany Resolution Process, failing which the Proposed Intercompany Resolution Process shall be implemented without the need of a further Court order.
- Based on the foregoing, the Monitor intends to admit the Intercompany Claims in accordance with the Claims Procedure Order, subject to any notices of objection. The Monitor will advise the Court at the return of this motion if any party has filed a notice of objection to the Monitor’s Proposed Intercompany Resolution Process.

5.0 Cash Flow Forecast

- The Cash Flow Forecast for the period November 22, 2020 to February 26, 2021 and the Applicants’ statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix “H”. As reflected in the Cash Flow Forecast, there is presently approximately \$4.98 million in the trust accounts of the Monitor and the Proposal Trustee. Bennett Jones is holding the balance of the Surplus, which was generated from the sale of the Non-Applicants’ real property.

⁵ Defined terms in this section have the meanings provided to them in the Claims Procedure Order.

2. As “super” Monitor in these proceedings, and consistent with prior cash flow forecasts in these proceedings, the Monitor has executed the Applicants’ statutory report on the Cash Flow Forecast. The Monitor believes this is appropriate given that, *inter alia*, the principals of the Applicants did not prepare the Cash Flow Forecast nor were they required to assist with its preparation given their limited involvement in the proceedings at this stage.
3. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “I”.

6.0 Stay Extension

1. The Monitor supports an extension of the Stay Period from November 30, 2020 to February 26, 2021 for the following reasons:
 - a) as “super” Monitor in these CCAA Proceedings, it is the Monitor’s view that the good faith and due diligence standard should focus on the Monitor’s conduct. This view was affirmed by Justice Haaney in his endorsement dated February 20, 2020, which included the following comment:

“References to “Applicants” acting in good faith in this context refers to the Monitor, as it is a super-monitor in these CCAA proceedings.”

In this regard, the Monitor is discharging its duties and obligations under the Initial Order and other orders made in these CCAA Proceedings in good faith and with due diligence;
 - b) it will enable the Monitor to continue its administration of the Claims Procedure and perform its obligations pursuant to the Undertaking, including monitoring the sale of the remaining Non-Applicant property;
 - c) the Cash Flow Forecast reflects that there is sufficient funding in place for the extension period; and
 - d) no creditor will be prejudiced if the extension is granted.

7.0 Professional Fees

1. The fees and disbursements of the Monitor and Bennett Jones from the commencement of these proceedings to April 30, 2020 were approved pursuant to a Court order made on May 27, 2020. The Monitor’s fees (excluding disbursements and HST) from May 1, 2020 to October 31, 2020, and those of its legal counsel, Bennett Jones, from April 13, 2020 to October 31, 2020, total approximately \$301,000 and \$187,500, respectively.
2. The average hourly rates for KSV and Bennett Jones for the referenced billing periods were \$558.34 and \$510.07, respectively.
3. Detailed invoices in respect of the fees and disbursements of the Monitor and Bennett Jones are provided in appendices to the affidavits (the “Fee Affidavits”) filed by KSV and Bennett Jones attached as Appendices “J” and “K”, respectively.

4. As set out in the Fee Affidavits, the fees of the Monitor and Bennett Jones for the referenced billing periods include those incurred to perform the following activities:
 - a) completing the Intercompany Analysis detailed in this Report, including reconciling the Forme Group's 32 Bank Accounts;
 - b) drafting the Monitor's thirteenth report to Court, the Fourteenth Report and this Report and dealing with the issues detailed therein;
 - c) carrying out the Monitor's obligations under the Undertaking and all Court orders issued over the course of these proceedings;
 - d) staying apprised of the sale of Non-Applicant properties; and
 - e) carrying out the Claims Procedure in accordance with the Claims Procedure Order.
5. The Monitor is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Bennett Jones and the Monitor are reasonable and appropriate in the circumstances.

8.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITIES AS MONITOR OF
FORME DEVELOPMENT GROUP INC. AND
THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
AND AS PROPOSAL TRUSTEE OF
58 OLD KENNEDY DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC. AND NOT IN ITS PERSONAL CAPACITY**

Appendix “G”

Forme Development Group et al
Summary of Proposed Distributions to Unsecured Creditors
As at June, 2022

Forme Entity	Creditor	Proposed Distribution (\$)	Recovery (%)
4550 Steeles Development Inc.			
	Canada Revenue Agency	393,085.45	
	Weston Consulting Group Inc.	251.64	
		<u>393,337.08</u>	15%
22 Old Kennedy Development Inc.			
	Canada Revenue Agency	1,287,427.75	
	Royal Bank of Canada, c/o Grant Thornton LLP	54.63	
	Weston Consulting Group Inc.	1,938.98	
		<u>1,289,421.35</u>	61%
2358825 Ontario Inc. (Birchmount Applicant)			
	Canada Revenue Agency	81,361.66	
	Tarion Warranty Corporation	239,605.64	
	Birchmount Condo Corporation	239,605.64	
	Rongyan (Lucy) Shao	504.30	
	Coutts Crane	3,110.78	
	Ding Ding Co. Ltd.	569.65	
	Century 21 Leading Edge Realty Inc.	748.07	
	Tharmini Thevakumar	540.82	
	Bisschop Landscaping Ltd.	1,199.83	
	Century 21 Innovative Realty Inc.	1,038.80	
	Century 21 Regal Realty Inc.	1,035.07	
	Master's Choice Realty Inc.	1,228.70	
	ReMax Realtron Realty Inc.	392.92	
	R.J. Burnside & Associates Limited	419.49	
	Royal Bank of Canada, c/o Grant Thornton LLP	6.16	
		<u>571,367.55</u>	7%
Niagara Falls			
	Canada Revenue Agency	3,217.69	
	Royal Bank of Canada, c/o Grant Thornton LLP	112.48	
	Tregebov Cogan Architects Ltd.	3,589.14	
	AJ Tregebov, Architect	74,535.81	
	Royal Bank of Canada, c/o Grant Thornton LLP	74.99	
	Cole Engineering Group Ltd.	18,526.67	
	Weston Consulting Group Inc.	25,875.69	
		<u>125,932.47</u>	83%
NOI Debtors			
	Canada Revenue Agency	944,226.26	
	Weston Consulting Group Inc.	4,413.70	
	Royal Bank of Canada, c/o Grant Thornton LLP	90.00	
	Ding Ding Co. Ltd.	11,049.14	
		<u>959,779.10</u>	100%

Forme Development Group et al
Summary of Proposed Distributions to Unsecured Creditors
As at June, 2022

Forme Entity	Creditor	Proposed Distribution (\$)	Recovery (%)
250 Danforth Development Inc.			
	AJ Tregebov, Architect	1,427.04	
	Bousfields Inc.	170.75	
	Cam Hao Trieu	1,582.26	
	Canada Revenue Agency	2,118.81	
	CX Financial Investing Inc.	1,584.56	
	Danning Cheng	726.51	
	Dunliang Zhang	6,461.94	
	First Source Financial Management Inc. c/o Paliare R	4,689.86	
	Hai Ming Long	2,661.39	
	Hao Li	698.95	
	Hsing Ching Fan	2,119.23	
	Hsing Ching Fan	2,698.09	
	Jie Hong Zeng	726.51	
	Jinxi Liu	1,570.74	
	Jinxi Liu	1,701.63	
	Jun Wang	1,664.41	
	Kung Chan Fan	2,250.74	
	Kung Chan Fan	2,698.09	
	Kung Chan Fan	10,597.95	
	Li Wang	986.36	
	Lijie Wang	1,219.20	
	Liyong Zhao	1,071.24	
	Martin Zamora	726.51	
	Mei Long	1,453.02	
	Milborne Real Estate Inc.	9,859.22	
	Min He and Lin Li	8,267.64	
	Nadlan-Harris Property Management Inc.	319.81	
	Qing Ying Lou	829.74	
	Rensheng Dou & Xuefen Song	4,879.49	
	Thivakari Appala Naidu	953.78	
	Tregebov Cogan Architects Ltd.	151.52	
	Wei Wen Zhang	3,339.04	
	Xeufen Song	1,524.04	
	Xeumei Yuan	11,624.20	
	Yifei Wang	968.01	
	Yong Jiang	2,142.48	
	Yong Yu	726.51	
	Yongchun Hu	726.51	
	Yuce Baykara	240,879.07	
	Zhengxie Yu	1,654.19	
		342,451.05	3%
186 Old Kennedy Development Inc. and 31 Victory Development Inc.			
	Pollard & Associates Inc.	2,167,294.26	
Summary			
	Total distributions to Pollard & Associates	2,167,294.26	
	Total distributions to other unsecured creditors	3,682,288.59	
	Total distributions to unsecured creditors	5,849,582.86	

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

THE HONOURABLE)	THURSDAY, THE 23 rd
)	
[●])	DAY OF JUNE, 2022

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND
THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO
(the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**ORDER
(CCAA Termination and Distribution Order)**

THIS MOTION, made by KSV Restructuring Inc.¹ ("**KSV**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants in their proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended, and in its capacity as proposal trustee of 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (in such capacity, the "**Proposal Trustee**"), for an Order, *inter alia*: (i) extending the Stay Period; (ii) terminating the proceedings of the Applicants under the CCAA (the "**CCAA Proceedings**") upon the filing of the Discharge Certificate (as defined below), (iii) authorizing and directing the Monitor to make the Proposed Distributions; (iv) authorizing and directing the Monitor to make the Proposed First Source Distribution; (v) approving certain of the Monitor's reports and the activities of the Monitor described therein; (vi) authorizing and directing the Monitor to establish, hold and maintain the Fee Accrual; and (vii)

¹ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

discharging KSV as Monitor at the CCAA Termination Time (as defined below), was heard this day by videoconference by the Ontario Superior Court of Justice (Commercial List).

ON READING the Notice of Motion of the Monitor and the Proposal Trustee and the Twenty-First Report of the Monitor and the Seventeenth Report of the Proposal Trustee dated June 14, 2022 (the "**Report**"), together with the appendices thereto, and on hearing the submissions of counsel for the Monitor, and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of Aiden Nelms, sworn;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record be and is hereby abridged, if necessary, so that the Motion is properly returnable today, and that further service thereof be and it is hereby dispensed with, and that service of the aforementioned materials be and is hereby validated in all respects.
2. **THIS COURT ORDERS** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Report or the Initial Order, as the case may be.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended up to and including the earlier of: (i) December 31, 2022; and (ii) the CCAA Termination Time.

FEE ACCRUAL, THE PROPOSED FIRST SOURCE DISTRIBUTION AND THE PROPOSED DISTRIBUTIONS

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to establish, hold and maintain the Fee Accrual, and to pay any additional fees of the Monitor and its counsel from the Fee Accrual without further Order of this Court.
5. **THIS COURT ORDERS** that the Monitor is authorized to make one or more distributions from the Surplus to First Source, or as it may direct, up to the amount owing to it in connection with the Proposed First Source Distribution, provided that the distributions to First Source will result in the same percentage for First Source on its accepted claim as the other secured creditors of Mr. Wang will receive.
6. **THIS COURT ORDERS** that the Proposed Distributions to be made under this Order, and any subsequent distributions that may be made using the same distribution methodology from any additional

funds that may become available, including from any remaining balance of the Fee Accrual, if any, are hereby approved.

7. **THIS COURT ORDERS** that the Monitor is authorized and directed to make any distribution contemplated in the Report to be made in connection with 186 Old Kennedy Development Inc. and 31 Victory Development Inc. (the "**Pollard Estates**") to Pollard & Associates Inc., in its capacity as licensed insolvency trustee of the Pollard Estates.

8. **THIS COURT ORDERS** that Bennett Jones is authorized to transfer any amounts it is presently holding in trust in connection with the Surplus to the Monitor.

9. **THIS COURT ORDERS** that the Monitor, on behalf of the Applicants, Non-Applicants, NOI Entities and Mr. Wang, as the case may be, is hereby authorized, directed and empowered to make the cash distributions in connection with the Proposed Distributions and the Proposed First Source Distribution.

10. **THIS COURT ORDERS** that all distributions shall be made in Canadian dollars, regardless of the currency indicated in the Proof of Claim, calculated by the Monitor, as set out in the Claims Procedure Order.²

11. **THIS COURT ORDERS** that the Monitor is hereby authorized, directed and empowered to take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

12. **THIS COURT ORDERS** that the Monitor shall not incur any liability in connection with the Proposed Distributions, the Proposed First Source Distribution and any other distribution contemplated herein or any distribution contemplated by other orders in these CCAA Proceedings, whether in its personal capacity or in its capacity as the Monitor.

13. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor, whether in its personal capacity or in its capacity as the Monitor:

- (a) shall have all the protections provided to it as an officer of the Court, including the protections granted pursuant to the CCAA and other orders granted in these CCAA Proceedings, including the stay of proceedings; and

² November 30, 2018 – USD 1.3301:CAD 1.

- (b) shall incur no liability or obligation as a result of carrying out any duties or work in connection with this Order, save and except for any gross negligence or willful misconduct on its part.

14. **THIS COURT ORDERS** that by making the Proposed Distributions and the Proposed First Source Distribution, or in making any payments or distributions hereunder or contemplated by other orders in these CCAA Proceedings, on behalf of the Applicants, Non-Applicants, NOI Entities and Mr. Wang, as the case may be, the Monitor shall not constitute a "legal representative" or "representative" of the Applicants or "other person" for the purposes of Section 159 of the *Income Tax Act* (Canada), Section 270 of the *Excise Tax Act* (Canada), Section 46 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation in the Provinces or Territories that the Applicants, Non-Applicants, NOI Entities or Mr. Wang conducted business in (collectively, the "**Statutes**"), and the Monitor in making any such payment or deliveries of funds in accordance with this Order is not "distributing", nor shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for making any distributions, payments or deliveries in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants', Non-Applicants', NOI Entities' or Mr. Wang's tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against either the Monitor under or pursuant to the Statutes or otherwise at law, arising as a result of the distributions and deliveries in accordance with this Order or other orders in these CCAA Proceedings, and any claims of such nature are hereby forever barred.

15. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings or the termination of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985 c. B-3, as amended (the "**BIA**") in respect of any of the Applicants, Non-Applicants, NOI Entities or Mr. Wang, and any bankruptcy order issued pursuant to any such application; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants, Non-Applicants, NOI Entities or Mr. Wang, any distributions made pursuant to this Order are final and irreversible and shall be binding upon any licensed insolvency trustee that may be, or are now, appointed in respect of the Applicants, Non-Applicants, NOI Entities and Mr. Wang,

and shall not be void or voidable by creditors of such entities, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to the Applicants, Non-Applicants, NOI Entities or Mr. Wang.

APPROVAL OF THE REPORT AND ACTIVITIES

16. **THIS COURT ORDERS** that the Report and the activities of the Monitor and the Proposal Trustee referred to therein be and are hereby approved; provided, however, that only the Monitor and the Proposal Trustee, in their personal capacities and only with respect to their own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DISCHARGE OF THE MONITOR

17. **THIS COURT ORDERS** that upon the Monitor filing a certificate substantially in the form attached at Schedule "B" (the "**Discharge Certificate**") certifying that all matters to be attended to in connection with the CCAA Proceedings have been completed to the satisfaction of the Monitor, KSV shall be discharged as Monitor effective immediately and shall have no further duties, obligations, or responsibilities as Monitor (the "**CCAA Termination Time**").

18. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with any actions taken by KSV following the CCAA Termination Time with respect to the Applicants or these proceedings.

19. **THIS COURT ORDERS** that, notwithstanding the discharge of KSV as Monitor and the termination of the CCAA Proceedings, KSV shall have the authority from and after the CCAA Termination Time to complete any matters that may be incidental to the termination of the CCAA Proceedings. In completing any such incidental matters, KSV shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings and all protections under the CCAA, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as the Monitor, and nothing in this

Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in the CCAA Proceedings.

RELEASES

20. **THIS COURT ORDERS** that upon the CCAA Termination Time, the Monitor, counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the CCAA Termination Time in any way relating to, arising out of, or in respect of, the CCAA Proceedings or with respect to their respective conduct in the CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.

21. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the CCAA Proceedings, except with prior leave of this Court on at least seven (7) days' prior written notice to the applicable Released Parties.

TERMINATION OF CCAA PROCEEDINGS AND STAY PERIOD

22. **THIS COURT ORDERS** that upon the CCAA Termination Time, the CCAA Proceedings and the Stay Period are hereby terminated without any other act or formality.

23. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time.

GENERAL

24. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable, notwithstanding the pendency of the CCAA Proceedings or other restructuring, insolvency, receivership, bankruptcy or other similar proceedings, or the commencement of other restructuring, insolvency, receivership, bankruptcy or other similar proceedings.

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

26. **THIS COURT ORDERS** that this Order, and all of its provisions, are effective as of 12:01 a.m. EDT on the date hereof without the need for filing.

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

SCHEDULE "B"

Court File No.: CV-18-608313-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "**Applicants**")

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MONITOR'S DISCHARGE CERTIFICATE

RECITALS

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 30, 2018, as amended, KSV Restructuring Inc.³ ("**KSV**") was appointed as the Monitor (in such capacity, the "**Monitor**") of the Applicants.
2. Pursuant to an Order of the Court dated June 23, 2022 (the "**CCAA Termination Order**"), KSV was to be discharged as Monitor of the Applicants to be effective upon the filing by the Monitor with the Court of a certificate confirming that all matters to be attended to in connection with the CCAA Proceedings have been completed to the satisfaction of the Monitor.
3. Capitalized terms not otherwise defined herein have the meanings set out in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

1. All matters to be attended to in connection with the CCAA Proceedings have been completed to the satisfaction of the Monitor.
2. This Certificate was filed by the Monitor with the Court on the [●] day of [month], 2022 at [time].

³ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

KSV RESTRUCTURING INC., solely in its capacity as the Monitor of the Applicants and not in its personal or corporate capacity

Per:

Name: [●]

Title: [●]

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE
OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

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

Proceeding commenced at Toronto

**Order
(CCAA Termination and Distribution Order)**

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Counsel to KSV Restructuring Inc., solely in its capacity as
Court-appointed monitor and not in its personal capacity

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE OTHER
COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

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

Proceeding commenced at Toronto

MOTION RECORD OF THE MONITOR

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