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 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 FORME NON APPLICANT COMAPNIES
(returnable February 20, 2020)

February 19 2020

GARDINER ROBERTS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3

Chris Besant LSO#24882O
Tel: (416) 865-6600
Fax: (416) 865-6636
Email: cbesant@grllp.com

Lawyers for the Forme Non Applicant Companies

The FORME Non Applicant Companies (NACs)

The Bankrupt NACs
22 Old Kennedy Development Inc.
35 Thelma Development Inc.
19 Tuff Development Inc.
4550 Steeles Development Inc.

SThe 5 Inactive NACs
4 Don Hillock Development Inc.
4208 Kingston Development Inc.
7397 Islington Development Inc.
9500 Dufferin Development Inc.
2495393 Ontario Inc.

The 5 Active NAC's
31 Victory Development Inc
186 Old Kennedy Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
101 Columbia Development Inc.

TO: THE SERVICE LIST

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NOTICE OF MOTION
(returnable February 20, 2020)

The Forme Development Group Non-Applicant Companies listed on Schedule “B” hereto (the “NACs”) will make a motion to the Ontario Superior Court of Justice sitting at Toronto Ontario on February 20, 2020 or such other time as this Honourable Court may direct at the courthouse at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: Orally.

THE MOTION IS FOR the following relief:

a. An order validating service of this motion;

b. An order terminating the Claims Process established pursuant to the Order of this Honourable Court made October 22, 2019 as amended, and pending the adjudication of that request, an interim order extending the deadline for Mike Wang to review claims under that order until 15 days after this motion is finally disposed of and suspending further activities under the Claims Process by any person party or entity retroactive to January 10, 2020;

c. An order permitting the withdrawal of the Undertaking given to this Honourable Court by Yuan Hua (Mike) Wang and the 14 NACs, and terminating the effect of the Order of March 18, 2019 approving same, and further thereto an order authorizing the assignment of 5 of the 14

NAC companies, namely those listed on Schedule "B.2" hereto, into bankruptcy and nominate Grant Thornton Limited as trustee in each case;

e. An order under the *Companies Creditors Arrangements Act* ("CCAA") terminating this CCAA proceeding and permitting Applicant to make an assignment into bankruptcy nominating Grant Thornton Limited ("GT") as trustee in each case, and further thereto an order discharging the CCAA professionals, directing the passing of their accounts and establishing claims process for claims against the Administrative Charge;

f. An order substituting GT for KSV as proposal trustee of the 3 NOI companies which have proposals already approved by their creditors;

g. An order directing Cassels LLP to pay the funds of the Bankrupt NACs which it holds as follows:

(i) Payment of the outstanding amounts owing by the NACs to Gardiner Roberts LLP (GR);

(iii) Payment of the balance to GT as bankruptcy trustee of the 4 Bankrupt NACs

h. An order authorizing and directing GT to fund from the cash of NACs and CCAA companies:

(i) the reasonable minimum administrative costs and expenses of all bankruptcies of which it is appointed trustee including the cost of filing tax returns and other administrative matters to the extent necessary to complete the administrations

(ii) the costs of conducting claims processes for those bankruptcies, provided that it shall be permitted to treat claims filed in the CCAA process as filed in the BIA process, subject to the right of any claimant to amend or supplement their claim;

(iii) the costs of reviewing intercompany claims to the extent further work is required beyond the work completed on same by the CCAA Monitor;

(iv) the costs of reviewing the tax positions of the CCAA, NAC and NOI companies to evaluate opportunities for tax savings that can improve stakeholder recoveries;

(v) the costs of preparing BIA proposals if it is determined that material stakeholder recoveries can be achieved by same;

(vi) the costs of counsel to the Mike Wang in respect of his BIA Proposal;

(vi) the reasonable costs of the remaining Vendor NAC's not subject to any proceeding to complete their sales processes;

all of which disbursements shall be subject to equiatable allocation between the estates as part of any distribution or proposal;

g. An Order providing directions for the appointment of an examiner to review potential recoveries (excluding tax recoveries) of the CCAA Applicants and the Non Applicant Companies and report to the court thereon;

j. Such further rand other relief as counsel may advise and this Honourable Court permit.

THE GROUNDS FOR THE MOTION ARE:

1. Service of this motion has actually come to the attention of the key interested parties;

2. The principal assets of the companies being sought to be assigned into bankruptcy have already been disposed of and converted to cash;

3. There is no prospect of a reorganization of the CCAA Applicants through the present proceeding, and all that is left to do is review tax and intangible asset realization prospects, determine claims, and distribute funds, a process which can be carried out more efficiently and at less cost in bankruptcy and in ways that can better maximize stakeholder value;

4. The restructuring process of the 30 companies in the Forme Group of Companies was initially intended to be a single process for all of the companies but initially fragmented into a BIA Proposal Component (the 3 companies listed in Schedule “C” hereto) , a CCAA component (the 13 companies listed in Schedule “A” hereto) , and a Non Applicant component which continued to operate outside CCAA (the 14 NAC’s listed in Schedule “B” hereto). That process has now has further fragmented into:

(i) a CCAA component governing 13 companies in CCAA (listed on Schedule “A” hereto) which have all disposed of their principal assets, leaving them with over $6 million in cash and potential intangible assets trapped in them, which in turn is further fragmented into:

Category I CCAA Companies: 8 Inactive CCAA Companies which have no resulting sales proceeds, as listed on Schedule A.1 hereto

Category II CCAA Companies: 4 CCAA Companies which have net sales proceeds, as listed on Schedule A.2 hereto

Category III CCAA Companies: 1 CCAA Company which is seeking approval of the sale of its assets and will thereafter join the ranks of inactive companies above;

(ii) a BIA process governing four (4) Non Applicant Companies (the "4 Bankrupt NAC's, listed in Schedule "C hereto) which have disposed of their principal assets and are now in bankruptcy and have an aggregate of over $10 million in net sales proceeds trapped in them, as well as potential tax and intangible assets which they are not presently able to evaluate as a result of the Undertaking;

(iii) Five (5) inactive Non Applicant companies (the 5 Inactive NAC's listed in Schedule "D hereto") which have disposed of their principal assets and presently have no operating assets or cash but which have potential tax and intangible assets. They are subject to an Undertaking to the CCAA Court covering only covers some aspects of their operation and that structure is proving ineffective to fund the evaluation of their tax and intangible assets to the detriment of stakeholders;

(iv) Five (5) further active Non-Applicant Companies (the 5 Active NAC's listed in listed in Schedule "F hereto) with realty assets with an estimated value of over $70 million which are being marketed for sale, some of which are subject to Agreements of Purchase and Sale, and which also have potential tax and intangible assets. These 5 Non Applicants are also subject to the same Undertaking to the CCAA Court covering only some aspects of their operation, and which is proving ineffective to fund their sales processes and operational needs, to the detriment of stakeholders;

(v) Three (3) companies which completed a proposal in March 2019 (the 3 Companies listed in Schedule "C" hereto), which also hold cash;

(vi) a BIA Proposal Process for the principal of the Forme Group, Mike Wang, which will address his principal assets, being the net distributions to shareholders from the CCAA and NAC companies with surplus assets, his tax and intangible assets, and his mortgage guarantee and other liabilities arising from some of the CCAA and NAC companies;

(vii) a Claims Process Order made in the CCAA process but applying to all of the above, but which is inconsistent with the BIA filings by the Forme Group, which is not binding on the NACs, and which does not have an adequate mechanism to fund the performance of obligations of the under the orders.

5. Bringing all of the entities into bankruptcy proceedings with a single trustee is the most reasonable and cost effective way to bring these proceedings to a close and is the best way to maximize outcomes for the stakeholders, resolve intercompany claims, and to realize on any tax and intangible assets.

6. In addition there is an opportunity to analysis of the intercompany and tax positions of the companies may reveal strategies to materially improve the net realization for stakeholders, which could be implemented cost effectively by BIA Proposals once that analysis is complete

7. As well a unified bankruptcy process can permit accelerated interim distribution of some of the cash in CCAA and the BIA companies through holding proposals;

8. The relationship between the CCAA professionals and the principal of the Forme Group and the other Forme Group professionals has broken down. Process changes are required to assist the companies and their principal to maximize results for stakeholders;

9 The funding process to achieve stakeholder results under CCAA Process and the Undertaking, is no longer functional. Although the Forme Group of Companies has almost $17 Million in net proceeds from completed realizations sitting on the sidelines in trust earning almost nothing, its active processes to dispose of its remaining $70 Million in assets are not being adequately funded even though the costs to do so are relatively modest compared to the value at stake. That has triggered substantial and otherwise avoidable interest and default fees and other costs for the Active NACs, while putting the remaining realty projects being sold unnecessarily into default, in turn creating professional costs and lowering attainable prices by impairing the sales environment in multiple ways. Better outcomes in these processes avoid diluting creditors of all Forme companies where they have deficiency claims in the Mike Wang BIA Proposal process. The ongoing operating and professional expenses of the 5 Active NACs (Schedule B.3) should be paid so they can complete their sales processes in an orderly fashion and thereby maximize stakeholder value;

10. The process of evaluating the tax intercompany and intangible assets of the NACs has been impeded by the unavailability of funding which in turns delays distribution and impairs stakeholder recoveries

11. Gardiner Roberts LLP has assisted the 14 NACs since May 27 2019 on various tasks beyond the scope of the retainer of Cassels LLP as NAC counsel. Gardiner is secured against all of the real and personal assets of the NACs, including the Cash held at Cassels LLP and payment will simplify the NAC estates;

12. GT should be permitted to use the cash of CCAA and NAC entities in bankruptcy which have cash to fund the minimum bankruptcy process needs of the Forme entities such as tax filings, and to fund value maximizing steps to increase stakeholder recovery including conducing

claims processes, intercompany claims analyses and tax asset recovery analyses, and if found to be potentially advantageous to stakeholders, BIA proposals to implement those recoveries;

13. Any adjustments to ensure disbursements of funds of from Forme Group companies with cash are equitably allocated between the Forme entities can be made subsequently as recommended by GT as trustee. Allocation issues should no longer be permitted to paralyze value maximization for the Forme Group;

14. The Forme Group has sold all but its last 3 real estate projects since their restructuring commenced, under arrangements whereby its pays off the projects mortgages on closing with the sales proceeds to the extent possible, thereby paying off tens of millions of debt claims, and creating a surplus for Stakeholders which exceeds $16 million. Despite this, Forme Group personnel and professionals who have contributed materially to producing these results have not yet been paid.

15. The CCAA process has been run by the CCAA professionals instead of by Forme management, which has been completely displaced in the CCAA from the outset. The CCAA process has underperformed the Non Applicant process run by Forme management, even though the CCAA professionals and CCAA operations were fully funded whereas the Non Applicant process was far from fully funded. The only material surplus achieved by the CCAA process resulted from Forme Group management rescuing a failed marketing process by finding a bid from outside the sale process and a price vastly superior to that obtained by the CCAA Process.

16. The CCAA Claims Process under the CPO, which extends to the Forme Group Principal and the Non Applicant Companies, has ceased to be optimal or functional:

(a) The process as it pertains to the 14 NACs is limited to claims that would be filed in a CCAA plan. In contrast, by filing for bankruptcy, the NACs will be able to access a binding predictable and efficient claims process;

(b) Four of the Non Applicants have already filed for bankruptcy, and hence are already in that binding and efficient process, and protected by its stay of proceedings, rendering the CPO not just stayed but superfluous as it pertains to those 4 entities;

(c) The CPO provides the principal of Forme to have personal counsel to perform certain tasks, but his counsel's requests to be paid from the estate to do this work were denied by the CCAA Monitor, leading to their resignation by Court order on January 6, 2019, and leaving no way to complete the tasks under the CPO;

(d) As a result, on January 27, 2020, the Principal of the Forme Group filed for BIA protection by way of a Notice of Intention to make a Proposal, which engages the claims process under the BIA and the stay of proceedings, and renders the Claims process superfluous in respect of the Forme Principal;

(e) The CCAA companies have no active business and are just a pool of cash. A bankruptcy claims process is the fastest and most efficient way forward for the CCAA Companies and their cash pool to get resolved and distributed.

17. The CCAA Process is no longer the right solution even for the companies in CCAA:

(i) No proposed CCAA plan of arrangement has been developed or proposed.

(ii) An analysis of the intercompany claims has not been shared with the Forme Principal or the NACs.

(iii) As the CCAA process is not a comprehensive solution for the whole Forme Group but just pertains to a part of it, it is not an optimal process for the maximization of tax and intangible assets within the Forme Group in a way that is optimal for stakeholders, particularly as optimization may involve considering the group position as a whole, and implementation through a proposal brought forward through a trustee once that analysis is done.

(iv) the process is too costly

(v) the CCAA Professionals have a potential conflict arising from their disputes with the Forme Group principal;

18. Tax Assets of the Non-Applicant Companies may be capable of being used constructively in combination with intercompany claims and tax positions of other parts of the Forme Group, including Mike Wang personally, to enhance the overall distribution to stakeholders in tandem with BIA proposals made out of bankruptcy. Bringing the whole group into BIA filings with a single trustee will allow the most rational maximization of those tax assets.

19. The Forme Group Companies have intangible assets which have not been evaluated for the realization potential yet. In addition to the potential tax assets noted above, areas to be evaluated include:

a. the causes of the original suboptimal fragmentation of the CCAA filing, and the planning of that process
b. the underperformance of the CCAA process compared to the Non Applicant Process;
c. The expenses of the CCAA process to date;
d. the non-funding of the Non Applicant operating needs which put their mortgages in default multiplying interest, mortgage default fees and expenses and professional costs, while impairing their sales processes.

As potential intangible assets may form part of any realization or proposal, preliminary evaluation will assist the expeditious completion of the wind up of the affairs Forme Group.

20. The potential tax assets can be explored by the Forme Group trustee in bankruptcy. A Examiner can be appointed to evaluate the other issues and report back to the court with recommendations as to whether they have potential material value to the estate, and hence a process to appoint an examiner is sought;

21. The CCAA professionals have not yet taxed their fees and should be directed to do so;

22. The moving parties rely on the provisions of the CCAA, the BIA and s. 101 of the Courts of Justice Act; and

23. Such further and other grounds as counsel may advise.

THE FOLLOWING EVIDENCE will be used in support of the motion:

(i) The Affidavit of Mike Wang sworn February 19 , 2019

(ii) Such further and other evidence as counsel may advise;

SCHEDULE "A" THE CCAA Applicants

Schedule A.1 Category I CCAA Companies **(Inactive and No Cash)**

Forme Development Group Inc.
3310 Kingston Development Inc.
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 A.2 Category II CCAA Companies **(Inactive But Hold Cash)**

1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.

Schedule A.3 Category III CCAA Company **(Sale to be approved Feb 20, 2020)**

1296 Kennedy Development Inc.

SCHEDULE "B": The Non Applicant Companies (NACs)

SCHEDULE "B.1": The Bankrupt NACs

22 Old Kennedy Development Inc.
35 Thelma Development Inc.
19 Tuff Development Inc.
4550 Steeles Development Inc.

SCHEDULE "B.2" The 5 Inactive NACs

4 Don Hillock Development Inc.
4208 Kingston Development Inc.
7397 Islington Development Inc.
9500 Dufferin Development Inc.
2495393 Ontario Inc.

SCHEDULE "B.3": The 5 Active NAC's

31 Victory Development Inc
186 Old Kennedy Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
101 Columbia Development Inc.

SCHEDULE "C" The BIA Proposal Companies

<u>NOI Entities</u> (Proposal Approved by Creditors March 2019)
76 Old Kennedy Development Inc.
82 Old Kennedy Development Inc.
58 Old Kennedy Development Inc.

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LISTED ON SCHEDULE "A" HERETO (the "Applicants")

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

AFFIDAVIT OF YUAN HUA (MIKE) WANG
(Sworn February 19, 2020)

I Yuan Hua Wang, also known as Mike Wang, of the City of Markham in the Province of Ontario **MAKE OATH AND SWEAR AS FOLLOWS:**

1. I am the founder, sole shareholder, and at the material times discussed below have been the director and CEO of Forme Development Group of companies ("Forme Group"). As such, I have knowledge of the facts and matters to which I hereinafter depose. Where I do not have direct knowledge or my knowledge is based on information and belief, I have stated the source. Where not defined below the definitions used reference the definitions used in the Notice of Motion.

2. I swear this affidavit:

a) in support of a motion to convert the Forme Development Group restructuring process from its fractured state spanning different incompatible processes into a single BIA based process to maximize returns for stakeholders and related relief discussed below:

b) in opposition to the Monitor motion seeking: the extension of CCAA protection to 13 inactive Forme companies with no operating assets, to try to annul the 4 NAC bankruptcies to the prejudice of creditors of those entities, to amend an undertaking to which it is not party, to take the NAC's money to which it has proven no entitlement, and to impact the funding of the NAC's own counsel of choice.

c) in support of my own separate motion to fund my BIA proposal counsel and

d) in opposition to the motion by a creditor which holds only 1% of the original total mortgage debt of the Forme Group which seeks replace my proposal trustee with a party which is conflicted.

3. Specifically, the motion seeks:

a) termination of the CCAA Process which is spent and no longer serving a useful purpose;

b) termination of the CCAA Claims Process, as the claims process is partially stayed, and is otherwise ineffective, and which process can be more efficiently completed through a BIA claims process;

c) termination of the March 18, 2019 Undertaking presently limiting the ability of the Forme Non Applicant Companies to function, in favour of more effective funding process set out below, and further thereto, directions to Cassels LLP to (i) pay from the remaining funds it holds under the Undertaking outstanding fees of counsel to the NAC, and (ii) pay the balance of the funds to the bankruptcy trustee of the 4 companies to which those funds belong;

d) an order directing the filing of Assignments in Bankruptcy naming Grant Thornton Limited ("GT") as trustee by:

i. the CCAA companies, in order to provide a more suitable and cost effective mechanism for the next phase of the claims and distribution process;
ii. the 5 Inactive NAC companies not already in bankruptcy, in order to bring all the NAC companies which have sold their projects into an aligned BIA administrations;

e) an order directing the bankruptcy trustee of the 4 existing NAC bankruptcy estates to fund from the funds it receives:

i. the necessary minimum administrative costs of all Forme Group bankruptcies;
ii. necessary and reasonable value enhancing steps for the Forme Group or any member thereof in its discretion, in order to enhance the overall value available to the stakeholders and subject to any necessary re-allocation of the costs and additional value between the estates at the time of distribution to ensure fairness is maintained amongst stakeholders;
iii. the reasonable expenses of counsel in my BIA proposal process, so that that process can provide a framework for a restructuring solution for stakeholders;
iv. the reasonable expenses of the remaining 4 Vendor NACs not in a proceeding, in order to facilitate improved stakeholder recoveries in the sale of their remaining real estate estimated to be worth over $70 million dollars;

f) An Order substituting GT for the trustee of the proposals of the NOI entities in order ot bring those processes into alignment with the above;

g) directions as to the process to appoint an examiner of the intangible assets of the Forme Companies for purposes of reviewing whether there is net value for the estates, as such assets may be either a source of recovery for stakeholders, or an asset in any proposal the Forme companies may subsequently initiate;

4. In a nutshell,

a) the restructuring process has fragmented into many inconsistent pieces and the current fragmented process has ceased to work;

b) Moreover the CCAA process is spent and has turned into a de facto liquidation which seems to be driven by an undisclosed subset of the CCAA creditors which is far from representative;

c) All of the CCAA Companies realty has been liquidated but that resulted in a limited cash pool and there is no plan;

d) The CCAA Monitor, which was expected to help management restructure the Forme entities, excluded management from consultation from the outset, while curtailing funding to the larger part of the business which was not in CCAA, impacting its realization processes;

e) The Claims Process and the Undertaking Processes associated with the spent CCAA process are broken;

f) Despite the fact that there is nearly 17 million dollars in realizations sitting is idle split between the NAC and NOI Companies, the process as configured has proven incapable of funding necessary steps in its claims and realization processes or even pay counsel;

g) The CCAA process underperformed, generating limited net proceeds, in contrast to the NAC and NOI run by Forme management, and the existing CCAA administration is not in a position to evaluate that;

g) The CCAA administration is openly adverse to the Non Applicant Companies which are separately administered. The Monitor has filed a intercompany claim against 4 NAC companies on behalf of the CCAA Companies, and commenced a proceeding against them, and seeks to displace their professionals. That creates a conflict between the administrations. KSV and its counsel can't be on both sides of the fence;

5. The dysfunctional existing process led to my BIA Proposal filing and triggered the BIA filings by the 4 NAC Companies at the end of January, and is the rationale for the present motion which completes the process of putting the Forme Companies into a more effective and less expensive BIA regime that will allow them to efficiently complete their remaining tasks in a way that maximizes stakeholder value. The CCAA and Non Applicant Companies have largely self-liquidated, generating cash proceeds in the NACs, but there is no plan. 7 of the 30 Forme Group companies are already in BIA and my own restructuring is via NOI under the BIA. It is a good time to convert the rest of the restructuring to a simple BIA format which provides a fast cost efficient way to complete the remaining tasks and extricate the process from its conflicts.

<u>1. The Forme Group</u>

6. Forme Group is a group of 30 companies which owned various real estate projects in Ontario, mostly in the GTA estimated to be worth over $200 million dollars, which it intended to develop (the "Projects"). Forme Group financed the acquisition and development of the Projects through mortgage loans (the "Mortgages") from various lenders (each a "Mortgagee").

7. Each of its real estate assets was owned through a separate corporate vehicle. In some cases adjoining parcels owned by sister subsidiaries were being developed a s single project.

8. The Forme Group companies carry on business together as a group through a single head office in Markham and share a common administration. While Forme Group projects are each financed separately, some mortgagees on more than one project. Moreover, the Forme Group did not have a lending relationship with a operating lender, and funds were advanced between the companies through intercompany loans. As such each of the group members is a standalone entity with its own project, but they have a number of interests in common as a group which have been funded in common as a group.

9. I am the founder of the Forme Group and have experience in real estate development over 10 years involving over $250 million worth of projects in the GTA and Southwestern Ontario. I have personally guaranteed certain of the Mortgages. My daughter Jessica Wang has been the Director of Development for the Forme Group and has assisted multiple aspects of the developments and the realization processes for the CCAA and NAC companies in the past 15 months, for which she has not yet been paid in over a year. My shares in Forme Group represent my life's work and principal asset and as such this restructuring is vital to me and my family.

2. Overview of the Fractured Forme Restructuring Process.

10. Forme started its restructuring in the fourth quarter of 2018. The group was experiencing a liquidity shortage. The premise of the restructuring was to

a. conduct an orderly disposition of its projects, save for the most financially promising projects which would be retained through a restructuring plan.

b. use sale proceeds to pay down secured debt on each project on the closing of each such sale, with any surpluses to be used to fund operating requirements of the Forme Group during its restructuring plan, or if DIP financing was obtained to repay the DIP financier.

11. Initially a few subsidiaries filed for BIA protection on an urgent basis (via a Notice of Intention to Make a Proposal) while the wider filing was being planned. Then an attempt was made to file a CCAA proceeding for the whole group in November 2018. The filing encountered partial Mortgagee resistance with the result that some companies were granted protection but 14 Forme companies ended up not being granted CCAA protection, and were left to negotiate forbearances with their mortgagees. Various such forbearances were subsequently arranged.

12. While the CCAA proceeding and its stay did not apply to the 14 NACs, the CCAA stay was extended to me personally. The rationale for this was that I was the principal of the Forme Group, as its ultimate shareholder, director President and CEO of each entity in the group and guarantor of certain of its mortgages. Hence the liquidation of the assets of the group would clarify my financial situation and hence any claim should await that process.

13. In March 18, 2018 the 14 companies outside the CCAA process entered into an undertaking to the CCAA Court which governed some aspects of their out of court asset realization process, but otherwise allowed them to conduct their affairs including their assets sales processes outside any formal restructuring framework. A copy of the Undertaking is attached to the Monitor's 12th report.

14. On October 22, 2019, a Claims Process Order ("CPO") was made in the CCAA proceeding. The CPO provided for claims against the NACs to be filed in the Claims Process for purposes of a "CCAA plan" although they are not in a CCAA process. A copy of the claims Porcess Order is attached to the Monitor's 12th report.

15. The CPO also provided for claims to be filed against me personally. The claims filing deadline was initially in December 2019, but by order made in November 2019, a new claims filing of January 10, 2020 was established for some but not all claims against the Forme Group. January 27, 2020 was established as the date by which I, with the benefit of counsel, was to review claims against me personally filed in that process.

16. On January 6, 2020, an order was made permitting my personal counsel in this proceeding to resign as they were unable to obtain permission from the CCAA Monitor to be funded from the over $17 million in sale surpluses on hand in the Forme Group companies. I was not able to arrange alternative counsel by the January 27 Claims Process deadline, as anyone I might try to retain would face the same funding difficulty. On January 27, I filed personally for BIA protection via a Notice of Intention to Make a Proposal in consequence.

17. On January 27, 2020, 4 of the NACs filed for bankruptcy protection as discussed further below. Notwithstanding that they have cash, they were unable to pay their debts as they came due or carry out

necessary functions, because of the Undertaking which has impaired their ability to use their cash for their business and restructuring needs.

18. A summary of the various insolvency processes governing the Forme Group follows below. A list of the companies as categorized below is attached as Exhibit “A”.

BIA NOI Proceedings – 3 Forme Entities

19. The three entities which filed notices of intention to make proposals under the Bankruptcy and Insolvency Act, RSC 1985, c. B-3 (the "BIA") (collectively the "NOI Entities") were:

58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc.,
82 Old Kennedy Development Inc.,

CCAA Proceedings – 13 Forme Entities

20. Forme Development Group Inc. and the 12 other Forme Group entities listed on Schedule A of the title of proceedings (13 companies) are the Applicants in this CCAA proceeding. The CCAA Companies are presently in 3 categories:

(i) **Inactive CCAA Companies** which have sold their main realty asset and paid down their mortgagees but generated a deficiency or no surpluses and hence have no cash;

(ii) **Cash Positive CCAA Companies** which sold their main realty assets, paid off their mortgagees and generated a surplus presently held by the CCAA Monitor;

(iii) **A Vendor CCAA Company,** 1296 Old Kennedy Development Inc. (“1296”) which is about to sell its realty asset (court approval is being sought at the same time as this motion) but Is not expected to generate a material surplus and hence will join the ranks of the Inactive CCAA Companies

NACs – 14 Forme Entities

21. The remaining Projects, aside from the CCAA Applicants and the NOI Entities (variously herein the "Non-Applicants" or “NACs”), are owned by members of the Forme Group that until this week were not initially subject to any proceedings under the CCAA or BIA. Attached hereto and marked as Exhibit “B” is a corporate chart showing the entities in the Forme Group which also indicates which entities filed under the BIA, which filed under CCAA, and which were Non-Applicants. The NACs are presently in 3 categories:

(i) **5 Inactive NAC Companies** which have sold their main realty asset and paid down their mortgagees but generated a deficiency or no surplus and hence have no cash;

(ii) **5 Vendor NAC Companies** which between them own 3 projects worth over $70 million dollars (the Pacific Gardens Derry Road and Columbia Projects discussed further below), which are in various phases of the process of being marketed and sold as further detailed below. One of the NACs which owns a small piece of Pacific Gardens is in a consent receivership further to a forbearance agreement, but the process to date remains cooperative with the NAC which owns the larger part of the project;

(iii) **4 Cash Positive NAC Companies (NAC BIA Companies)** which have sold off their realty, paid their mortgagees and generated surpluses. Each of the 4 made assignments in bankruptcy effective on January 28, 2019 named GT as trustee, namely

19 Turff Development Inc.
22 Old Kennedy Development Inc.
35 Thelma Development Inc.
4550 Steeles Development Inc.

Mike Wang BIA Proposal Process

22. When part of the Forme Group (the 13/30 companies) obtained CCAA protection, the CCAA was extended to me as I was a guarantor of various of the mortgages. The CCAA Claims process extended to me as well, but when my counsel withdrew for lack of funding on January 6 2020, I was not able to complete the required claims review process under the Claims Process Order, and as result filed a BIA Notice of Intention to make a proposal on January 27 2020.

23. In tandem with this motion., I am moving for an extension of the time to make that proposal as the stay expires on February 26, 2020.

The Insolvency Process Fragmentation in a Nutshell

24. As is apparent from the above, the Forme Group was initially split into a BIA process, a CCAA Process and an out of court restructuring process. It has now fragmented into 6 processes, some of which in turn have sub-groups. 8 of the 31 parts of the Forme Group insolvency are goveredn by the BIA already. A principal motivation for this motion is to simplify the administration of the Forme Companies and reduce costs by transitioning the rest of the entities into BIA, as the process has reached a moment where it is opportune to do so. A unified administration in BIA also has the possibility of maximizing the use of group wide tax and intangible assets that could improve the outcomes for stakeholders.

<u>2.1 The Failure of the CCAA Process</u>

Origin and Planning of the CCAA Process

25. Forme Group was experiencing liquidity problems by 2018 and by the late summer of 2018, it was determined that it was necessary to seek restructuring assistance. By mid-October 2018, it was determined necessary to seek financial advice from a Financial Advisor. I looked up insolvency professionals online and found an advertisement for KSV and contacted them.

26. After initial discussions, they advised they could help me file a CCAA which would liquidate much of the assets to pay down mortgage debt, but retain the best properties with future prospects through a CCAA Plan. They advised me to trust their expertise and let them organize it, because they had experience with other real estate developers.

27. They proceeded to assemble a team and brought in Goldman Sloan Nash & Haberman LLP ("GSNH") as Forme Group legal advisors, a realty advisor for the marketing process, a potential DIP lenders. Graham Phoenix of Loopstra Nixon was then added as my personal lawyer. I didn't know or select any of these people when I signed their engagement letters.

28. KSV then proceeding to take the lead to plan and orchestrate the filing. Further thereto, retainer agreements were signed by myself and each of the 30 Forme Group companies with each of KSV and GSNH, a brokerage agreement was signed with the realty advisor, and a DIP Lending commitment was signed with the potential Dip Lender. All of the other steps to orchestrate the filing were organized by KSV. I did not have an active role and was rather advised to go along with what KSV and GSNH recommended.

NOI Filings by 7 Forme Entities

29. As liquidity was short and some mortgagees were pressing but the CCAA was not ready to proceed, on or about October 26, 2018, a number of the Forme Group entities filed Notices of Intention to make proposals under section 50.4 the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**") on October 26, 2018("**NOI Proceedings**") on the recommendation of KSV. KSV was named as proposal trustee. I was informed by GSNH on October 26 2018 that all of the NOI proceedings would later be converted to CCAA as part of a global CCAA filing of the Forme Group.

30. All but 3 of those proposal proceedings (the NOI Entities defined above) were converted to CCAA proceedings on December 6, 2018.

31. The remaining 3 **NOI Entities**, 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. ("**NOI Entities**") held which were part of a single project ("**NOI Project**"). They did not ultimately convert to CCAA because I successfully obtained offers for NOI Project before the NOI sales process commenced. The 3 NOI Entities continued their proposal proceedings and completed the sale of the NOI Project circa January 31, 2019. The NOI entities paid off their mortgagees with the proceeds on closing, leaving a significant surplus to be dealt with in their BIA proposal. A proposal was thereafter filed and accepted by the creditors which is awaiting implementation.

32. According to the Monitors Reports, the surplus proceeds realized by the NOI Entities, presently held by KSV as proposal trustee, are approximately as follows:

NOI ENTITY	Cash on Deposit with Proposal Trustee ($ rounded)
58 Old Kennedy Development Inc.	4125000
76 Old Kennedy Development Inc.	803000
82 Old Kennedy Development Inc.	448000
TOTAL	**$5,376,000**

The CCAA Initial Filing Problems

33. The CCAA filing as planned by KSV was unsuccessful. 23 of the 30 Forme Group companies applied for CCAA protection on November 6, 2018 (as 7 were already in NOI proceedings waiting to be converted to CCAA). KSV recommended that the filing be made without notice to the mortgagees, which was very badly received by the mortgagees, leading some of them to oppose CCAA protection. There were interim stays and adjournments of the request for protection between November 6 and November 22,2018 , before an order was finally made on November 30, 2019, but then that order was further carved back on December 6 2018 due to continuing lender objections. The result was that the scope of protection was carved back an endorsement on November 22, 2028 by excluding 8 companies from CCAA protection, and then further scaled back by an Order on December 6, 2018 limiting protection to 15 Forme Group companies, and restating the CCAA Order as of November 30 2018. Two of those 15 were subsequently removed from CCAA protection. As noted, the 3 NOI Entities did not convert to CCAA because I succeeded in finding a buyer for their assets very quickly.

34. In the end result, only 13 of the 30 Forme Group companies obtained the CCAA protection obtained they originally sought, 3 remained in NOI proceedings, and the other 14 Forme entities - where lenders had reacted badly - were excluded from CCAA protection and left to negotiate privately with

alienated lenders for forbearance in order to try to permit a value maximizing sale process. This was particularly problematic as the excluded NACs including the the Pacific Gardens and Derry projects - Crown Jewels which were intended to be protected and if possible retained through a CCAA Plan. Those orphaned companies left out of the CCAA process became known as the Non Applicant Companies or NACs.

35. While KSV had introduced the proposed CCAA DIP lender and a $50,000 fee was paid to them from Forme funds in KSV's trust account, and provision for DIP Lending was put in the CCAA Order sought, no DIP loan was ever advanced to the CCAA Companies or the NACs.

36. The CCAA Order obtained which was recommended by Forme Group advisors contained in paragraph 24 and 25 provisions which KSV has interpreted as giving KSV the right to exclude management from any decision making in the CCAA Companies affairs and run the company by itself. In short KSV has relied on this clause to act as if they have been appointed the receiver instead of the Monitor. I did not agree to this and did not understand from my advisors when filing that this was intended or even a possible result, nor do I agree that this power has been used appropriately. I had understood KSV would be assisting me, not taking over the company, and that their involvement would lend credibility to managerial decision making in the restructuring by their role in assisting management to come to decisions.

37. KSV's takeover of the 13 companies polarized the relationship from the outset. It got to the point where KSV advised Forme management in a meeting in person that if management did not follow KSV directions that KSV would assign some companies into bankruptcy. Needless to say, I found this behaviour very surprising and distressing and completely outside my expectations when I retained KSV to assist the Forme companies.

38. Once KSV was installed and KSV asserted authority to run the companies, GSNH started taking instructions from KSV rather than the CCAA Companies management. Accordingly from the point of view of management, the Forme CCAA Companies effectively do not have their own lawyer, and the Monitor now effectively has two – GSNH as counsel to the CCAA Companies but who as far as I can tell take instructions from the Monitor, and the Monitor's own counsel Bennett Jones. I do not understand the purpose of this double counsel structure. I did not understand that this bizarre result was intended

to be the effect of the filing, and my consent to actions taken post filing through this arrangement has not been sought from me in any capacity.

39. Since the KSV takeover of managerial authority in the CCAA Companies, I have not been asked to sign any director resolutions by KSV or GSNH.

The Underperformance of the CCAA Sales Process

40. KSV's plan for the CCAA included bringing in a real estate advisor to assist KSV in running a sales process. Further to the Initial Order, the Applicants' projects were sold through a sales process within the CCAA proceedings ("**CCAA Sales Process**").

41. The CCAA Sales Process started on November 30, 2018. The bid deadline in the CCAA Sales Process was March 27, 2019.

42. The CCAA Sales Process obtained offers in several cases which Forme Group management considered to be at an undervalue. In most of those instances, Forme Group management independently sourced better offers which were ultimately completed. Attached here and marked as Exhibit "C" (as it is commercially sensitive will be filed confidentially under seal with the court) is a list of the Sales Prices of CCAA, NOI and Non Applicant projects; the CCAA entries contain a column showing the final accepted offers were sourced by me and the extent to which those were superior to those sourced by the CCAA Sales Process. Confidential Exhibit "D" also marked and to be filed separately under seal for the same reasons, are two letters from mortgagees in the Spring of 2019 expressing concern to the CCAA Monitor about the underperformance of the CCAA process. As a result, Forme Group management reached the opinion that the marketing of the assets of the Non-Applicants could be more effectively accomplished through regular marketing channels outside a formal insolvency process and achieve higher prices with less expense.

43. The values of the highest offers received on certain CCAA projects at the time of the bid march 27 bid deadline were significantly below the value expected by the Forme Group. For example, the highest offer obtained on one of the Applicant projects, if accepted, would have resulted in repayment of less than 15% of the mortgage debt on the project.

44. As a result I organized efforts to solicit interest from potential purchasers that had not previously aware of the CCAA Sales Process. We were ultimately able to bring forward a purchaser ("**New Purchaser**") on the following Applicant projects: Danforth, Kingston, Kennedy and Carrville. The

values of the New Purchaser's offers compared to the highest alternative offer received in the CCAA Sales Process are attached hereto as **Exhibit** "E" (also confidential and hence to be submitted separately under seal for the same reason as Exhibit C).

45. After discussions with the Monitor, the New Purchaser submitted revised unconditional offers on Danforth, Kingston and Kennedy. The values of these offers are described in Confidential Exhibit "E" (Confidential). The New Purchaser's offer on Carville was not approved by the Monitor because the Monitor had already entered into a binding purchase agreement with another purchaser. (The New Purchaser's offer was superior to the offer accepted by the CCAA Monitor). Kingston and Danforth were sold to the New Purchaser and the transactions were approved by the Court on July 2, 2019.

46. These sales created material additional proceeds available for distribution to creditors beyond what would have been received through the KSV process. Confidential Exhibits "C and E" set out the total amount of proceeds in excess to the best alternative offer for these projects in the CCAA Sales Process.

47. The Monitor did not sign back the New Purchaser's unconditional offer on Kennedy, and then invited the mortgagee to credit bid and then failed to resell the property. The Monitor is only now completing a sale of this property 8 months later. I ultimately sourced the deal that is now being closed by presenting it to the mortgagee.

2.2 The Forme Non Applicants and their Restructuring Process.

The NAC Sales Process

48. The 14 NACs owned a portfolio of 9 real estate projects as detailed in Exhibit "F" annexed hereto (a description of all of the Forme Group Projects of all 30 companies).

49. Forme Management ran the marketing and disposition process itself. One of the reasons for this is that the conventional market for mid-market residential development projects was impacted by a temporary retreat by institutional financiers from mid-market development, in large part because an escalation in building costs and availability of construction inputs created perceived execution risks for mid-market projects. Forme Group were not the only mid-market developers impacted by this. As a result it was important to look outside the local market for both finance and purchaser options. The process KSV set up was too constrained to succeed and would have worked better if it had not excluded management.

50. Cushman Wakefield ("Cushman") was retained by the NACs to assist in marketing some of the larger real estate projects in the portfolio. Cushman is a global real estate advisory company and its Canadian arm is a leading commercial real estate brokerage with deep experience in marketing commercial and residential real estate projects, and its Toronto North office, which is the Cushman office engaged by the Non Applicants, is a leading brokerages for the marketing and valuation of residential real estate projects in the GTA. But ultimately even with this expertise, I personally have sourced all of the successful purchasers of the 6 NAC projects sold to date.

NAC Counsel

51. In addition the NACs assembled a legal team. Cassels LLP ("Cassels") had since early last year been counsel to the Non-Applicants but their role did not extend to certain matters as a result of conflicts and other limitations in their retainer. Gardiner Roberts LLP is counsel to the Non-Applicants to deal with certain matters beyond the purview of Cassels' role, including assisting with strategy, litigation, forbearance and sale of the remaining projects since the end of May 2019, and assisting the NACs in their restructuring process.

52. Cassels engagement concluded on January 31, 2020 and Gardiner Roberts LLP is now sole counsel to the NACs. Cassels wished to conclude its engagement owing to the limitations on its role, and because the partner running the file was leaving the firm, and the Forme NACs were content to make the change. By motion, Cassels sought the substitution of Gardiner Roberts for its role under the Undertaking so it could cease its role and hand it over to new counsel. All that was changed was name of the counsel that represents the NACs which was directed to replace Cassels as the holder of the funds under the Undertaking, so that Cassels would be able to completely cease its involvement. No substantive change was made to the Undertaking.

53. Independent counsel to the NACs advances stakeholders interests both by assisting with maximizing value from the remaining assets and their interest in maximizing restructuring outcomes. The Monitor has no say in the NAC's choice of counsel. Contrary to the what is stated in the Monitor's report, the Monitor made no inquiry of Gardiner Roberts at any time concerning how it was getting paid. Gardiner Roberts filed its secured claim for fees in the Claims Process but there was no response. In fact there was no communication by the Monitor or its counsel to Gardiner Roberts until the Zweig email sent in February 2020 after the 4 NACs filed for bankruptcy.

The Non Applicants Undertaking

54. To harmonize the Non Applicants marketing process with value maximization objectives of the me and my personal creditors, the NAC and CCAA Creditors, and the possible reconciliation of the intercompany indebtedness accounts in the Forme Group, an Undertaking filed by the Non Applicants and myself with the court, the implementation of which was approved by a Court Order issued on March 18, 2019.

55. The thrust of the Undertaking was:

(a) to allow the Non Applicants to remain outside CCAA and for Forme Group Management to continue to market such of their properties as they deemed fit;

(b) to provide for weekly reporting to the CCAA Monitor on Non Applicant marketing efforts;

(c) to allow the proceeds of any sales to be used to pay off transactional professional and marketing costs, mortgages and prior it ranking claims;

(d) to provide that the net remaining proceeds after any such payments would be paid into trust at Cassels to be held pending the determination of remaining claims against the relevant non Applicant;

(e) to allow funds at Cassels to be advanced as liquidity to Non Applicants which had not sold their properties, as long as there was a reasonable prospects of same being repaid. The undertaking required the concurrence of KSV to any such advance; and

(f) to develop a claims process against the Non Applicant companies.

56. In short the Undertaking was supposed to allow for efficient sale of the Non-Applicants properties in a normal commercial manner, to provide a potential vehicle for interim liquidity by intercompany loans within the Non Applicant group of companies to maintain properties to be retained in good standing while the rest of the empire was being liquidated, and to ensure that the net proceeds of Non-Applicant sales would be pooled in trust pending the completion of Forme Group dispositions and the conduct of a claims process.

Sales of the Non- Applicants Projects and Resulting Net Proceeds

57. 6 of the Non-Applicants projects (spread across 9 NAC companies) have already been successfully marketed and sold, and the mortgages on those projects have been paid off. The entities which have already sold their projects are as follows:

19 Turff Development Inc.
22 Old Kennedy Development Inc.
35 Thelma Development Inc.
4208 Kingston Development Inc.

4550 Steeles Development Inc.
9500 Dufferin Development Inc.
4 Don Hillock Development Inc.

58. Pursuant to the Undertaking, Cassels received and holds in trust the proceeds of sale of the development projects of the Non-Applicants, after payment of closing costs and the applicable Mortgages. A copy of the Undertaking is appended to the Monitor's 12th report.

59. The Non-Applicants have 3 remaining projects spread across 5 NAC Companies (the 5 Vendor NACs) which are in the process of being marketed and sold, and which are discussed further below.

The NAC Sales Proceeds

60. Marketing commenced and several properties were successfully sold by Non Applicant Management with the assistance of reputable realty brokerages. The Non- Applicants closed $57.6 Million in transactions in 2019 and paid off approximately $45.5 Million in mortgage and other obligations as permitted by the Undertaking. resulting in a net surplus before disbursements to date of over 12.2 million. A portion of that surplus has been used to pay the legal fees invoiced by Cassels to the Non-Applicants, the Non-Applicants head office operating costs, and other amounts, all as permitted by the Undertaking. The total realized by NAC project and the amounts currently held at Cassels are depicted in the chart below.

Forme Development Non- Applicant Entities Net Sales Proceeds

No.	Entity Name	Date of Closing	Purchase Price	Original Surplus @ Cassels	Percentage of the total	Surplus at Cassels as of February 18 2020
1	4208 Kingston Development Inc.	1-Apr-19	$ 8,600,000.00	$ 62,847.44	n/a	**NIL**
2	22 Old Kennedy Development Inc 35 Thelma Development Inc; and 19 Tuff Development Inc.	28-Mar-19	$ 14,000,000.00	$ 7,406,081.06	61%	**$ 6,680,978.15**
3	4550 Steeles Development Inc.	28-Mar-19	$ 21,000,000.00	$ 4,735,306.65	39%	**$4,271,445.05**

4	9500 Dufferin Development Inc.	18-Jan-19	$ 14,000,000.00	NIL	n/a	**NIL**
Total	Gross Proceeds, Net Proceeds and Current Amount at Cassels		$ 57,600,000.00	12,204,235.15	100%	**$10,952,423.20**

61. As the foregoing indicates, of the $57.6 Million in gross proceeds, less than 2.3% has gone to general administrative costs and non-transactional professional fees. That compares very favourably to any conceivable formal insolvency process, because: (i) the Forme Group and its brokerage advisors have deep familiarity with the Non-Applicants projects; (ii) Forme management is sourcing and referring deals without being paid a fee, and (iii) because it does not need the supervisory expense of an overseer as there is a working system in place to report on marketing efforts to the CCAA Monitor and to hold the resulting sales proceeds pending a claims process. In short Forme Group management has proven both effective at sourcing favourable offers for the CCAA process, and is successfully running an effective marketing and disposition prices of the Non-Applicants properties which is nearly complete.

The Broken Undertaking/Funding Process

62. Although the NACs have almost $11 million in cash sitting idle, they have been living hand to mouth because they have not been able to get approval from the Monitor for over a year to pay debt service, forbearance fees, key personnel fees, or full funding of counsel. Starting in March 2019, the Non-Applicants with the assistance of Cassels worked to provide the Monitor with a NAC cashflow, but when requests for funding were made made, they were denied by the Monitor. The NACs specifically requested funding in May and June of 2019 to keep NAC mortgages in good standing and were turned down by KSV. The Monitor has not even funded the CCAA Companies share of the Forme Group shared head office expenses, which had the effect of diverting resources to the CCAA from the NACs.

63. The realization of over $57 million in gross NAC proceeds to date in such underfunded circumstances is a major achievement for the NACs and their stakeholders. This has been achieved by various strategies including the following:

a) I used my wide ranging network of contacts beyond traditional institutional purchase and finance sources to find purchasers.

b) Forme key personnel have worked for over a year without being paid salaries or transaction success fees. My daughter Jessica Wang, Forme's Director of Development has been instrumental in the successes achieved and is owed 16 months salary which the Monitor has not permitted to be funded by the NACs ;

c) Even where brokers were engaged, I was able to avoid many expensive brokerage fees on transactions by working to source the purchasers myself. I have brought in the key offers to the NOI, CCAA and NAC processes totalling over $100 million in gross value, but have been paid no success introduction or any other fees that the company would otherwise have had to pay.

c) The companies have been operated with low operating overhead and few but knowledgeable and efficient staff to keep the operation lean;

d) notwithstanding that the lack of funding pushed the NAC mortgages into default, the NACs have found creative ways to negotiate forbearance agreements with various lenders across multiple NAC projects to buy time to locate the best possible purchasers and sales prices;

e) Gardiner Roberts LLP has acted as NAC counsel on matters outside of the scope of the Cassels role without advance retainers or interim payment on the faith of security over the assets of the NACs; and

f) Litigation was successfully pursued by the NACs to protect the value in the Crown Jewels which together are worth in the range of $70 million or more:

i. A lawsuit and two receivership applications on the Pacific Gardens Project were opposed and then successfully resolved into forbearance arrangements, and when those expired, new arrangements were negotiated.
ii. A sale through power of sale was opposed including via a court proceedings and successfully resolved into a Forbearance arrangement on the Derry Road Project.

64. While great success has been achieved, it has not been possible to avoid all of the value impact that non funding of the NACs caused:

a) Mortgage defaults tend to trigger not just elevated interest payments and default fees as well as lender professional expenses that get added to the mortgages. Forbearance fees also must sometimes be paid. The non-funding of the NACs has as a result caused additional expenses to the NACs which has added as much as 5% to the total mortgage debt in some cases, These costs could end up totalling several million and could have been avoided if modest funding was provided to the NACs;

b) As well, managing defaults caused by non funding consumes precious management time needed for the NAC sales processes. The more time that can be spent sourcing purchases, the more successful the process can be;

c) Operating in a forbearance/pending lender enforcement environment limits the selling time. More time often can translate into higher prices particularly in larger deals where the transactions are more complex for purchasers to finance. To the extent prices achieved were lower as a result of shortened selling time, that is another cost of funding not being provided to the NACs**;**

d) As well, legal cost has to be invested by the NACs into forbearance processes and discouraging early lender enforcement. That can be avoided with funding to avoid triggering defaults; and

e) Defaults on mortgages which are cross collateralized on more than one project, which was the case with some of the NACs, complicate the process of selling the good projects and can affect the options to close a deal with a cross collateralized mortgage.

65. Even where a project has no equity, reducing deficiency claims reduces the claims on my personal estate and thereby improves realizations for many deficiency creditors of both the NAC and CCAA Companies. As the Forme companies operated with a consolidated overhead form a single head office, artificially segmenting the costs of maximizing group value by entity was not necessarily value enhancing, especially when the cash pools could be reallocated through the intercompany claims process so that the ultimate incidence of claims on any cash pool was not fully known. The CCAA process operated by spreading administrative process costs across all 13 entities, and that would have made business sense for the NACs too, especially when the costs of the process were modest compared to a full-fledged insolvency process. The Undertaking as administered has unfortunately has triggered an avoidable loss of value for stakeholders.

BIA Filings by the 4 Cash Positive NACs

66. The NAC entities which filed for BIA protection hold the nearly $11 million in net proceeds from the nearly 58 Million in gross sales. But while they held cash, they were not able to pay their bills as they came due because of the Undertaking, including:

a) They could not fully fund counsel as a result of the Undertaking and have not paid Gardiner Roberts LLP any of the amounts they owe;

b) The CCAA Monitor was working on an intercompany analysis to assert status as a creditor of the 4 NACs, which exercise appears to be aimed at trying to claw back assets from the NAC and Wang creditors to benefit certain CCAA creditors. The 4 NACs needed professional advice they were unable to retain to review and determine whether that is a proper liability of the 4 NACs.

c) The four NACs have potentially significant tax liabilities as a result of their property sales, but without quantifying them, they are unable to pay them. They needed professional advice they were unable to retain as a result of the Undertaking to quantify and pay their tax liabilities.

67. In addition to their liquidity crunch, the 4 NACs were subject to a claims process that was no longer consistent with their needs. The CCAA Claims Process to the extent it applies to the NACs only purports to quantify claims for purposes of voting under a CCAA Plan. No Plan exists. The NACs are not even in CCAA.

68. In contrast, the BIA offered important advantages:

a) It offers a well understood comprehensive and inexpensive claims process for the 4 entities which hold cash.

b) It requires the CCAA Monitor trying to assert claims against the cash through a process it is controlling to prove its claims against the NACs and have those claims independently reviewed from the point of view of the NACs and their stakeholders. This is the a sensible solution as the Monitor is conflicted on this issue by its representation of one part of the Forme Group against another part of the Forme Group with different creditors.

c) It poses no risk of duplication as the BIA filing created a stay, and the trustee can consider the materials already filed in the CCAA process.

NAC Remaining Projects Status (Pacific Gardens, Derry and Columbia)

69. The sales processes for the 5 Vendor NACs which are still marketing the remaining 3 projects of the NACs are important, as they include the Crown Jewels of the group. These process should be funded correctly as that can benefit the stakeholders. A sale had been arranged for all three projects each of which was scheduled to close on January 28 2020 sufficient to pay out the mortgages and produce some surpluses for the NACs. Their current status is as follows.

Pacific Gardens Project

70. As a result of the City of Markham indicating on November 26, 2019 that it proposed to site a school on over 40% of the Pacific Gardens Project land, which would trigger expropriation

rights, the purchaser did not close the transaction on January 28, 2020. The transaction was not terminated and the parties are negotiating over options to adjust the transaction to take account of this issue. An expropriation does not reduce the value of the land but it changes the process by which value is realized and hence how any transaction would be financed. Discussions are in advanced stages with two other groups as well.

71. The Pacific Gardens Project is owned by two NACs. Almost 95% of the value of the project resides in one of the NACs, 186 Old Kennedy Development Inc. (186 OK). There is a forbearance arrangement with the mortgagees of 186 OK until March 2, 2020 to allow the NACs to source an alternative purchase deal. The small part of the project in the other NAC is will be completely expropriated if that proceeds. A receiver was appointed of that property effective January 29 2020 further to a pre existing forbearance arrangement with the first mortgagee, but it does not preclude Forme group bringing potential purchasers to the receiver, and the process is to date cooperative with the 186 OK marketing process.

Derry Road Project

72. In November 2019, the second mortgagee attempted to sell the larger part of the Derry Road Project project, 376 Derry Road, under power of sale, at the same time that a sale was being signed by the Forme NACs with a purchaser at a slightly higher price. In December 2019, the Forme NACs negotiated a forbearance arrangement with the second mortgagee to postpone their sale and allow the Forme NAC an opportunity to try to close its deal. However the purchaser gave notice of termination of the Derry Road purchase at the end of January 2020. The forbearance period with the second mortgagee expired on February 15 2020 and it is now proceeding to close its transaction. the first mortgagee of 390 Derry is also seeking to arrange a sale. The Forme NACs are in discussions with the terminated purchaser over the deposits.

Columbia Project

73. The Derry Road Project purchaser was also the purchaser of the Columbia project. It gave notice of the termination of the Columbia Project at the same time and the parties are in

discussion over the deposit. The Forme NACs are in discussions with an alternative potential purchaser and anticipate a replacement deal will evolve quickly.

2.3 Mike Wang BIA Proposal Process

74. When the CCAA Companies filed for CCAA Protection in November 2018, the CCAA Stay was extended to me in respect of any potential obligations as director and as guarantor of some of the Forme Group mortgage obligations. However no insolvency process was commenced in respect of me personally.

75. As I am the owner of the Forme CCAA Companies, those companies with surpluses after repayment of their mortgages and other obligations may be in a position to distribute funds to me, which would then be subject to guarantee claims.

76 KSV and GSNH initially referred me to personal counsel, namely Graham Phoenix of Loopstra Nixon. I replaced them with James Grout in or about February 2019 as insolvency counsel at the time of the negotiation of the Undertaking. It was subsequently recommended that I retain litigation counsel in the Spring of 2019 to assist with potential claims litigation, and so I retained Lerners LLP. My personal counsel requested the CCAA Monitor to consent to funding their requirements under the Undertaking. The Monitor declined. So counsel brought a motion returnable July 2 2019 seeking funding from the funds of the Non Applicant Companies which was adjourned to August. At that time, a limited amount of funding was agreed to be released by the Monitor, but not the amount required by my counsel to perform their functions.

77. Shortly afterwards, the Monitor then proposed a claims process for the CCAA Companies as well for some claims against the NACs and me personally, which ultimately resulted in the CPO being made October 22 2019. My assumption in entering into the CPO was that I would have funded counsel as there was no way to perform the tasks thereunder otherwise.

78. That claims process required the review of claims made against me in the claims process with 15 days after the claims were filed. That task required counsel. My understanding was that my counsel would be funded to do this task. But when funding was requested, the Monitor insisted that I satisfy them I had no assets with a confidential net worth statement. So my counsel provided them with a confidential net worth statement which ought to have satisfied them. But suddenly that was not good

enough. The Monitor then said they wanted information going back 6 years and declined to fund me unless I submitted to an examination which was not required under any court order.

79. It appeared ot me and my counsel that the Monitor was not inclined to fund and that the examination would become an endless series of questions for which I had no funding to deal with. I was not able to determine if the request was in good faith. The Monitor was informed that the request was unreasonable, but no funding was made available.

80. The effect of the Monitor's position was to prevent my counsel form assisting me in performing the tasks in the claims process. And indeed that is what happened. Owing to the lack of funding, my personal counsel brought a motion on January 6, 2020 to be removed from the record, and an order was made that date to that effect. The Monitor could have easily funded me and reserved rights to pursue this issue later rather than impair the claims process against me.

81. With no counsel, no funding and a looming review deadline on January 27 2020, I advised the Monitor that I objected to the claims filed under the CPO against me, as the claims against me would require further review with professional assistance.

82. I consulted Grant Thornton Limited and filed a Notice of Intention to make a proposal under the BIA on January 27 2019 which was accepted as filed effective January 28, 2020. This provides a stay of proceedings, a clear claims process and a framework for the evaluation of claims with professional assistance.

83. As a result there is no further need to continue the CCAA stay against me nor for the Claims Process to apply to me. 25 claims were submitted in the Claims process, 2 of which were directors claims. Those claims can be determined by the trustee in the proposal process. The CPO only applied to some claims against me and many excluded claims did not have to be filed. The BIA process as I understand it is more comprehensive which will facilitate bring this restructuring to a conclusion.

3. The Main Problems with the Existing Process

3.1 The CCAA Process Has No Further Utility

84. The CCAA Process has no further utility and has become dysfunctional:

a) The CCAA Companies have limited cash and no operations;

b) There is no CCAA Plan;
c) The Intercompany Claims work supposedly done by the Monitor has not been shared with Forme Management or the NACs or me;
d) If either a draft plan or an intercompany analysis exists, there is no transparency as it has not been shared with me or the NACs. I have been informed by a CCAA creditor that an intercompany analysis has been circulated in draft to some creditors, and favours some creditors over others. Nothing was shared with the Forme Group management or me or the NACs. I have not been able to verify if this is true yet;
e) The Claims against the CCAA Companies and the NACs have not been shared with Forme Group, or the NACs, or their trustee, or me or my trustee; and
f) As there is no active company, the CCAA process appears to have disintegrated into an allocation tug of war with some CCAA deficiency creditors advancing their own interests to the potential detriment of other CCAA creditors, NAC creditors and my creditors. Order and fairness needs to be brought to the process.

3.2 The Broken Undertaking Process

85. As detailed above the undertaking process is not working and is leading to underfunding of essential needs of the process and other distortions, to the detriment of stakeholders.

3.3 The Broken Claims Process

86. As detailed above the CCAA Claims process is not unsutiable for the NACs - who are not even in CCAA, and is unnecessary for the ones already in bankruptcy. In relation to my personal estate, it was incapable of functioning without funding of counsel and is now unnecessary as I have filed for BIA protection. Moreover in my case the CCAA Claims Process was also not comprehensive as there were many excluded claims not addressed by the CCAA Claims Process.

3.4 The Broken CCAA Administration Funding Process

87. The CCAA produced limited net proceeds and no plan and tabled no intercompany debt analysis, but continues to run up significant expenses for a CCAA Monitor and two sets of counsel even after the assets are depleted. The CCAA professionals have not passed their accounts.

3.5 Fragmentation, Conflict and Dysfunction

88. The Forme Group process is unduly fragmented into many segments with different processes as detailed above and needs to be rationalized.

89. For one thing, this is preventing the proper exploration of tax assets within the Forme Group, that could potentially be used in combination with the intercompany loans and my proposal process to realize significant tax savings on distributions of cash from the companies with cash to me as

shareholder. This requires a holisitic approach with some planning and one of the purposes of this motion is to put the companies into a process that can achieve that.

90. The CCAA estate has filed a claim in the NAC Bankruptcies, and brought proceedings against the bankruptcy estates and their assets, exposing the conflict that exists between them. Intercompany claims of unspecified amounts were filed by the Monitor against all 4 bankruptcy estates in advance of the creditors meeting on February 13, 2020. The CCAA Companies as led by the Monitor have taken a stance which is adverse to the NAC creditors and my personal creditors. This puts KSV and their counsel Bennett Jones in conflict with those estates, and hence they are not appropriate parties to be annulling bankruptcies or taking on additional roles with respect to the NACs their cash or my proposal. At the creditors of the 4 bankrutpcy NAC's on February 13th, an objection was noted in the Minutes of the Creditors meeting to theireligibility to serve as inspectors on the basis of this conflict.

91. The exclusion of management from the Forme CCAA process and the underperformance of the CCAA process compared to the NOI and NAC processes has created conflicts which are best resolved by moving the CCAA companies to a more suitable process.

4. Remaining Tasks and Why a BIA Based Process is the Best Solution

92. The principal remaining tasks of the Forme Group are the following:

a) Tax Filings;
b) Intercompany Claims evaluation;
c) Analysis of Group Tax Assets and how to use them to improve stakeholder outcomes through a joint BIA proposal;
d) Reducing the CCAA Admin Costs;
e) Evaluating the Intangible Assets of the Forme Companies;
f) Determining claims; and
g) Cash Distribution.

93. 7 of the Forme Companies are already in BIA proceedings, as am I personally. At this point the best way forward is to put the balance of the entities into BIA proceedings, appointing GT as the trustee in each case. This will benefit the stakeholders in the following ways:

a) It will allow a proper exploration of how to monetize the group tax assets to improve stakeholder outcomes;
b) A BIA will operate less expensively;
c) GT is not conflicted and installing them will have the effect of helping to defuse the direct conflict between the Monitor and Forme Management over how CCAA process has been run
d) The intangible assets of the Forme Group can be evaluated;
e) A BIA claims process can be completed efficiently and take advantage of any claims already filed; and

f) Proposals can be filed simply if that is determined to be an efficient way to extricate the companies from restructuring.

5. Funding the Tasks

94. There is ample cash in the 4 NAC companies to fund the modest tasks left to perform and it is requested that the funds be made available to meet requirements as that will enhance stakeholder value. The cash of the 4 bankrupt NACs is requested to be paid to Gardiner Roberts to pay out their secured claim, and the balance to the trustee. From there funding is needed as follows:

a) Funding the minimum administrative requirements of assignment the other non-operating Forme Group Companies into bankruptcy;
b) Evaluating whether an interim cash distribution can be made;
c) Evaluation of the intangible and tax assets of the Forme Companies;
d) Completing the intercompany claims analysis; and
e) Determining claims against the companies and proceeding with distribution unde rhte BIA or through a proposal if found to be advantageous.

6. Examining the Underperformance of the CCAA Process

94. The underperformance of the CCAA process has manifested itself in four ways:

a) the failure of the initial filing which led to over half the Forme Group being denied CCAA protection as detailed above;
b) the underperformance of the CCAA Sales process and the lack of other CCAA work product as detailed above;
c) the underfunding of the NACs which triggered significant additional mortgagee liabilities and costs, and impacted the NAC sales process; and
d) the costs of the CCAA process.

95. Like the intercompany claims, and the tax assets, these matters need to be evaluated to see if there is any potential value to the estate arising from them and into the explanations that may exist for the concerns raised. That will also assist in any passing of accounts and in any process to bar claims against the CCAA professionals. These are not questions which are suitable for the CCAA professionals to lead an inquiry into on behalf of the estates. It is also better to allow GT to do is job and assign this task to a party specific tasked to inquire independently with a modest budget for a quick review. For that reason, directions as to a process to appoint an examiner to review these issues and report to the court is requested.

6. Extension of the Time to File my BIA Proposal

96. An extension of up to 45 days to allow for the filing of my BIA proposal is requested. This will allow:

a) time to progress the remaining tasks in the BIA companies listed above from which the cash to fund my proposal will come.

b) time to assess the value of potential tax and intangible assets which could affect the outcome of my proposal

97. I swear this affidavit in support of a motion to convert the Forme Group restructuring to a BIA process, and in opposition to the motions by the CCAA Monitor to extend the CCAA process and to annul the Forme NAC bankruptcies and for no other or improper purpose.

SWORN BEFORE ME at the City of	)	
Toronto, in the Province of Ontario,	)	
this 19th day of February , 2020.	)	Yuan Hua Wang
A Commissioner for Taking Affidavits		

CHRISTOPHER BESANT

INDEX TO EXHIBITS

A.	Forme Group Companies Categorized by Type/State of Insolvency Process
B.	Forme Group Corporate Chart
C. (Confidential)	Sales Prices of CCAA, NOI and Non-Applicant Projects
D. (Confidential)	Correspondence from mortgagees in March 2019 expressing concern to the CCAA Monitor re CCAA Sales Process
E. (Confidential)	New Purchaser's offers compared to the highest alternative offer received in the CCAA Sales Process
F.	Description of Forme Group Real Estate Project Portfolio

This is Exhibit "A" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020

A Commissioner for Taking Affidavits

SCHEDULE "A" THE CCAA Applicants

Schedule A.1 Category I CCAA Companies **(Inactive and No Cash)**

Forme Development Group Inc.
3310 Kingston Development Inc.
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 A.2 Category II CCAA Companies **(Inactive But Hold Cash)**

1326 Wilson Development Inc.
5507 River Development Inc.
4439 John Development Inc.
2358825 Ontario Ltd.

Schedule A.3 Category III CCAA Company **(Sale to be approved Feb 20, 2020)**

1296 Kennedy Development Inc.

SCHEDULE "B": The Non Applicant Companies (NACs)

SCHEDULE "B.1": The Bankrupt NACs

22 Old Kennedy Development Inc.
35 Thelma Development Inc.
19 Tuff Development Inc.
4550 Steeles Development Inc.

SCHEDULE "B.2" The 5 Inactive NACs

4 Don Hillock Development Inc.
4208 Kingston Development Inc.
7397 Islington Development Inc.
9500 Dufferin Development Inc.
2495393 Ontario Inc.

SCHEDULE "B.3": The 5 Active NAC's

31 Victory Development Inc
186 Old Kennedy Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
101 Columbia Development Inc.

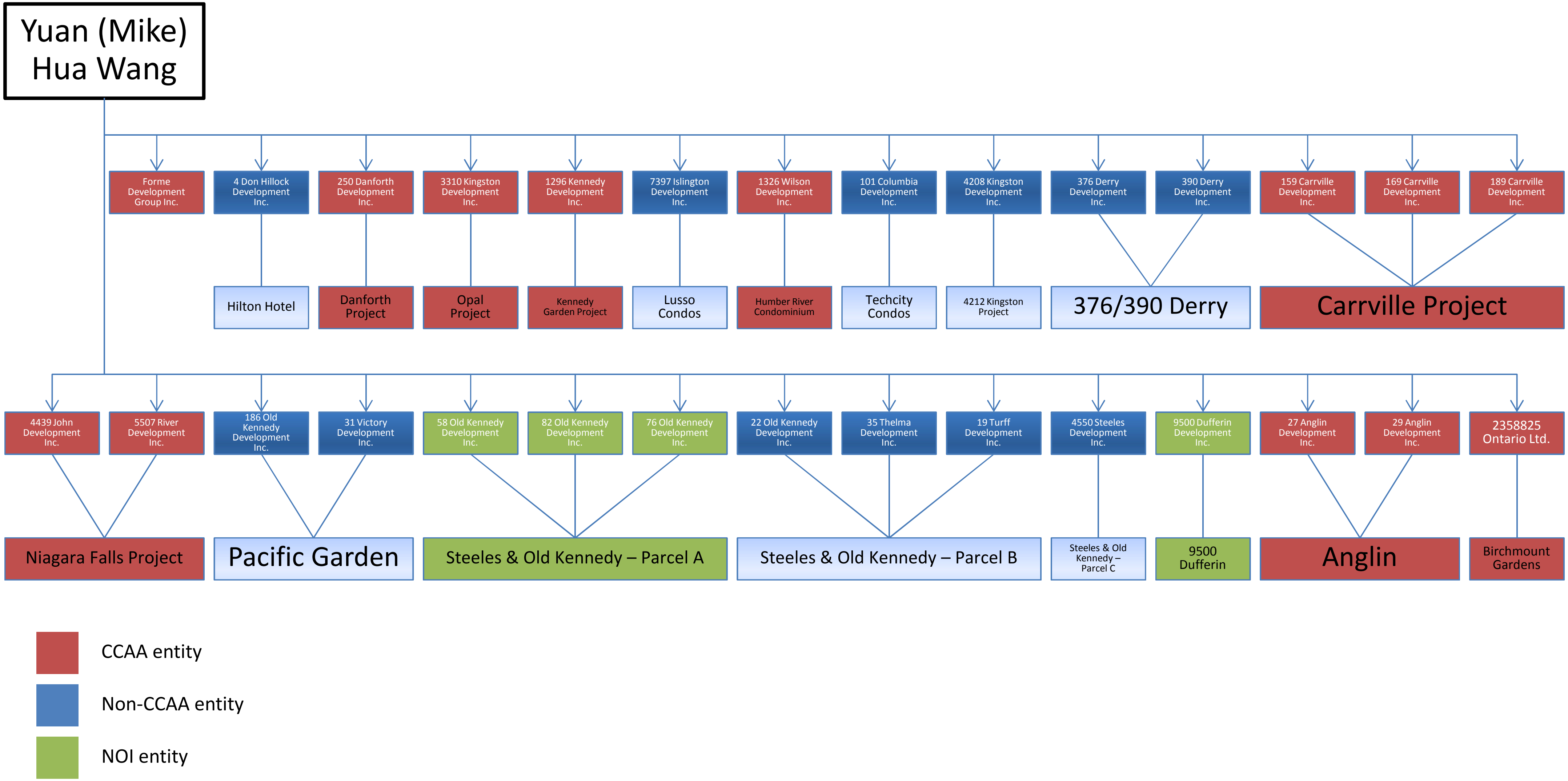
SCHEDULE "C" The BIA Proposal Companies

NOI Entities (Proposal Approved by Creditors March 2019)

76 Old Kennedy Development Inc.
82 Old Kennedy Development Inc.
58 Old Kennedy Development Inc.

This is Exhibit "B" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020.

____
A Commissioner for Taking Affidavits



Yuan (Mike) Hua Wang
Forme Development Group Inc.
4 Don Hillock Development Inc.
250 Danforth Development Inc.
3310 Kingston Development Inc.
1296 Kennedy Development Inc.
7397 Islington Development Inc.
1326 Wilson Development Inc.
101 Columbia Development Inc.
4208 Kingston Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
159 Carrville Development Inc.
169 Carrville Development Inc.
189 Carrville Development Inc.
Hilton Hotel
Danforth Project
Opal Project
Kennedy Garden Project
Lusso Condos
Humber River Condominium
Techcity Condos
4212 Kingston Project
376/390 Derry
Carrville Project
4439 John Development Inc.
5507 River Development Inc.
186 Old Kennedy Development Inc.
31 Victory Development Inc.
58 Old Kennedy Development Inc.
82 Old Kennedy Development Inc.
76 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.
27 Anglin Development Inc.
29 Anglin Development Inc.
2358825 Ontario Ltd.
Niagara Falls Project
Pacific Garden
Steeles & Old Kennedy – Parcel A
Steeles & Old Kennedy – Parcel B
Steeles & Old Kennedy – Parcel C
9500 Dufferin
Anglin
Birchmount Gardens
CCAA entity
Non-CCAA entity
NOI entity

This is Exhibit "C" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020.

____
A Commissioner for Taking Affidavits

Confidential –Submitted under seal

This is Exhibit "D" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020.

____
A Commissioner for Taking Affidavits

Confidential –Submitted under seal

This is Exhibit "E" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020.

A Commissioner for Taking Affidavits

Confidential –Submitted under seal

This is Exhibit "F" referred to
in the affidavit of Yuan Hua Wang
sworn before me this 19th day of February, 2020.

____
A Commissioner for Taking Affidavits

FORME GROUP PROJECTS

CCAA Companies

Niagara

1. Niagara is made up of parcels of land that together form a 1.96 acre residential development site located near Niagara Parkway and John Street with two residential condominiums with a total of 350 units proposed ("**Niagara**"). The municipal addresses of the subject parcels of land are 4407, 4413, 4427 and 4439 John Street and 5471, 5491 and 5507 River Road, each in Niagara Falls, Ontario. 4439 John Street and 4407 John Street were purchased on May 26, 2016 for $750,000 and $399,000, respectively. 4413 John Street was purchased on May 26, 2016 for $550,000 and 4427 John Street was purchased on September 25, 2016 for $410,000. 5471, 5491 and 5507 River Road were purchased on March 10, 2016 for $3,100,000. Financing was obtained on Niagara in the aggregate amount of $4,266,930.

Anglin

2. Anglin is made up of parcels of land that together form a 1.734 acre residential development located near Yonge Street and 19th Avenue with 8 luxury homes proposed ("**Anglin**"). The municipal address of the subject parcels of land are 27 Anglin Drive, 29 Anglin Drive and 31 Anglin Drive, each in Richmond Hill, Ontario. 27 Anglin Drive was purchased on December 17, 2016 for $3,070,000. 29 Anglin Drive was purchased on December 17, 2016 for $1,550,000. 31 Anglin Drive was purchased on April 22, 2016 for $1,550,000. Financing was obtained on Anglin in the aggregate amount of $6,924,000.

Wilson

3. Wilson is made up of parcels of land that together form a 0.6 acre mixed residential and commercial development located near Wilson Avenue and Keele Street with 95 residential units, 3 commercial units and a dedicated medical office use space proposed ("**Wilson**"). The municipal addresses of the subject parcels of land are 1326 and 1328 Wilson Avenue, each in Toronto, Ontario. Wilson was purchased on November 24, 2016 for $1,700,000. Financing was obtained in the amount of $3,000,000.

Carville

4. Carville is made up of parcels of land that together form a two-acre residential development located near Carville Road and Yonge Street, with 40 rear-lane townhomes proposed ("**Carville**"). The municipal addresses of the subject parcels of land are at 159, 169, 177, 181, and 189 Carville Road, each in Richmond Hill, Ontario. 159 Carville Road was purchased on June 19, 2017 for $3,200,000. 169 Carville Road was purchased on November 6, 2015 for $2,558,000. 177 Carville Road was purchased on August 11, 2016 for $1,475,000. 181 Carville Road was purchased on April 22, 2016 for $1,680,000. 189 Carville Road was purchased on April 18, 2016 for $1,740,000. Financing was obtained in an aggregate amount of $15,491,500 on Carville.

Kingston

5. Kingston is made up of parcels of land that together form a 1.29 acre mixed use development located near Kingston Road and Markham Road with a proposed 101 townhomes and 9 commercial units ("**Kingston**"). The municipal addresses of the subject parcels of land are 3310, 3312 and 3314 Kingston

Road, each in Markham, Ontario. 3310 Kingston Road and 3312 Kingston Road were purchased on December 4, 2014 for $2,330,000. 3314 Kingston Road was purchased on May 17, 2015 for $1,500,000. Financing was obtained in an aggregate amount of $12,700,000 on Kingston.

Danforth

6. Danforth is made up of parcels of land forming a 3.408 acre residential development located near Danforth Road and Warden Avenue with a proposed 178 condominium units, 84 townhomes and 4 semi-detaches ("**Danforth**"). The municipal addresses of the subject parcels of land are 250 Danforth Road East, 0 Dairy Drive, 0 Bamblett Drive and 23 Bamblett Drive, each in Toronto, Ontario. 250 Danforth Road East was purchased on July 23, 2014 for $6,330,000. 0 Dairy Drive, 0 Bamblett Drive and 23 Bamblett Drive were purchased on August 19, 2014 for $1,000,000. Financing was obtained in an aggregate amount of $20,300,000 on Danforth.

Kennedy

7. Kennedy is made up of a parcel of land forming a 1.024 acre residential development located near Ellesmere Road and Kennedy Road, with a proposed 68 stacked townhome units and 4 commercial units ("**Kennedy**"). The municipal address of the subject parcel of land is 1296 Kennedy Road in Scarborough, Ontario. 1296 Kennedy Road was purchased on June 22, 2015 for $2,740,000. Financing was obtained in the amount of $7,200,000.

Birchmount

8. Birchmount is made up of parcels of land forming a residential development located near Ellesmere Road and Birchmount Road with a proposed 35 stacked townhome units ("**Birchmount**"). The municipal addresses of the subject parcels of land are 1483 Birchmount Road and 1485 Birchmount Road, each in Scarborough, Ontario. The subject properties were collectively purchased for $1,700,000 on March 18, 2013. Financing was obtained in an aggregate amount of $8,550,000 on Birchmount.

ii. NOI Project

NOI Project

9. The NOI Project is made up of parcels of land that together form a 3.817 acre development located near Steeles Avenue and Kennedy Road. 64-76 Old Kennedy Road was purchased on December 8, 2015 for $2,500,000. 82 Old Kennedy Road was purchased on April 17, 2016 for $11,500,000. 58 Old Kennedy Road and 20 Thelma Avenue were purchased on November 30, 2015 for $6,800,000. Financing was obtained in an aggregate amount of $21,525,000 on the NOI Project.

iii. NAC Projects

Old Kennedy Parcel B

10. Old Kennedy Parcel B is made up of parcels of land with municipal addresses of 16 Old Kennedy Road, 22 Old Kennedy Road, 35 Thelma Avenue and 19 Turff Avenue ("**Old Kennedy Parcel B**") located near Steeles Avenue and Kennedy Road in Markham, Ontario. 16 Old Kennedy Road and 22 Old Kennedy Road was purchased on November 4, 2016 for $1,887,000. 35 Thelma Avenue was purchased

on February 28, 2018 for $2,000,000. 19 Turff Avenue was purchased on August 31, 2017 for $1,375,000. Financing was obtained in an aggregate amount of $4,890,000 on Old Kennedy Parcel B.

Old Kennedy Parcel C

11. Old Kennedy Parcel C is made up of parcels of land that together form a 1.56 acre development located near Steeles Avenue East and Kennedy Road ("**Old Kennedy Parcel C**"). The municipal addresses of the subject parcels of land are 4550 Steeles Avenue East and 31 Old Kennedy Road, each in Markham, Ontario. 4550 Steeles Avenue and 31 Old Kennedy Road were purchased on March 26, 2016 for $11,700,000. Financing was obtained in an aggregate amount of $12,000,000 on Old Kennedy Parcel C.

9500 Dufferin

12. 9500 Dufferin is a parcel of land forming a three-acre residential development located near Rutherford Road and Dufferin Street with a proposed 62 rear-lane townhomes ("**9500 Dufferin**"). The municipal address is 9500 Dufferin Street in Vaughan, Ontario. 9500 Dufferin was purchased on January 31, 2017 for $14,750,000. Financing was obtained in the amount of $13,500,000.

4212 Kingston

4212 Kingston is made up of parcels of land that together form a 1.779 acre residential development located near Kingston Road and Galloway Road with 117 stacked, back-to-back townhouse units proposed ("**4212 Kingston**"). The municipal addresses of the subject parcels of land are 4206, 4208 and 4212 Kingston Road, each located in Scarborough, Ontario. 4206-4208 Kingston Road was purchased on June 27, 2016 for $1,878,000. 4212 Kingston Road was purchased on September 12, 2016 for $4,000,000. Financing was obtained in the aggregate amount of $7,908,000 on 4212 Kingston.

Pacific

13. Pacific is made up of parcels of land that together form a 9.63 acre residential development site located in Milliken neighbourhood at Steeles Avenue and Kennedy Road with 222 townhouse units proposed ("**Pacific**"). The municipal addresses of the subject parcels of land are 186 Old Kennedy Road, 51 Victory Avenue ("**186 Old Kennedy**") and 31 Victory Avenue ("**31 Victory**"), each in Markham, Ontario. 186 Old Kennedy was purchased on November 10, 2015 for $32,000,000. 31 Victory was purchased on March 29, 2016 for $2,500,000. Financing was obtained in the amount of $43,700,000 and $2,500,000 on 186 Old Kennedy and 31 Victory, respectively.

Derry

14. Derry is made up of parcels of land that together form a 6.38 acre residential development site located in the Meadowvale Village Neighbourhood at Derry Road West and McLaughlin Road with 126 townhomes proposed ("**Derry**"). The municipal addresses of the subject parcels of land are 376 Derry Road West ("**376 Derry**") and 390 Derry Road West ("**390 Derry**"), each in Mississauga, Ontario. 376 Derry was purchased on June 14, 2016 for $11,700,000. 390 Derry was purchased on February 23, 2016 for $3,150,000. Financing was obtained in the amount of $15,275,000 and $3,800,000 on 376 Derry and 390 Derry, respectively.

Columbia

15. Columbia consists of parcels of land that together form a .877 acre development site located near Columbia Street West and Albert Street with an 8-storey mixed-use building with 159 units and 2 commercial units proposed ("**Columbia**"). The municipal addresses of the subject parcels of land are 93, 95, 97, 99 and 101 Columbia Street West in Waterloo, Ontario. Columbia was purchased on August 31, 2016 for $3,908,887. Financing was obtained in the amount of $4,345,000 on Columbia.

4 Don Hillock

16. 4 Don Hillock is a parcel of land forming a 1.99 acre development located near Wellington Street East and Leslie Street with a proposed 122 room hotel and inn (**"4 Don Hillock"**). The municipal address is 4 Don Hillock Drive, Aurora, Ontario. 4 Don Hillock was purchased on January 30, 2017 for $2,002,500. Financing was obtained in the amount of $2,400,000.

Elm

17. Elm is a residential lot for development of a single-family dwelling in the Langstaff community located near 16th Avenue and Bayview Avenue ("**Elm**"). The municipal address is 68 Elm Avenue, Richmond Hill, Ontario. Elm was purchased for $1,200,000 on March 4, 2016. Financing was obtained in the amount of $1,300,000.

7397 Islington

18. 7397 Islington is a parcel of land that forms a 1.91 acre residential development located near Highway 7 and Islington Avenue with a proposed 4-storey low-rise with one level of underground parking ("**7397 Islington**"). The municipal address is 7397 Islington Avenue, Vaughan Ontario. 7397 Islington Avenue was purchased on May 22, 2015 for $3,200,000. Financing was obtained in the amount of $8,000,000.

In total - 19 projects (over 30 properties) with an original aggregate purchase price of approximately $157,383,000, for which Forme Group later obtained financing in the course of development for an aggregate amount of approximately $219,575,000.

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 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 Wengliang 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.

N 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 "Applican

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF YUAN HUA WANG
(Sworn February 19, 2020)

GARDINER ROBERTS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3

Chris Besant LSO#24882O
Tel: (416) 865-6600
Fax: (416) 865-6636
Email: cbesant@grllp.com

Lawyers for the Forme Non Applicant Companies

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")

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable February 20, 2019)

GARDINER ROBERTS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3

Chris Besant LSO#24882O
Tel: (416) 865-6600
Fax: (416) 865-6636
Email: cbesant@grllp.com

Lawyers for the Forme Non Applicant Companies

	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")
	ONTARIO **SUPERIOR COURT OF JUSTICE** **(COMMERCIAL LIST)** PROCEEDING COMMENCED AT TORONTO
	MOTION RECORD OF THE FORME NON APPLICANT COMPANIES **(Motion Returnable February 20, 2019)**
	GARDINER ROBERTS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3600 Toronto, ON M5H 4E3 **Chris Besant** LSO#24882O Tel: (416) 865-6600 Fax: (416) 865-6636 Email: cbesant@grllp.com Lawyers for the Forme Non Applicant Companies