



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

May 20, 2022

and

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

Contents	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	3
1.2 Restrictions	4
2.0 Background	4
2.1 The Undertaking.....	5
2.2 Bankruptcy of Mr. Wang.....	6
3.0 Claims Procedure	7
3.1 Secured Claims.....	7
3.2 Unsecured Claims.....	8
3.2.1 Intercompany Claims	8
3.2.2 CRA Claims	8
3.2.3 Birchmount Purchasers and Tarion Claims	9
3.3 Gardiner Roberts' Claims	9
4.0 Cash Flow Forecast.....	13
5.0 Stay Extension.....	13
6.0 Professional Fees.....	14
7.0 Conclusion and Recommendation	15

Appendices	Tab
List of Applicants	A
Initial Order	B
List of Non-Applicants.....	C
Undertaking	D
Claims Procedure Order dated October 22, 2019.....	E
Monitor's Fifteenth Report to Court (without appendices).....	F
Monitor's Twelfth Report to Court (without appendices)	G
<i>Ex Parte</i> Order.....	H
Supplement to the Twelfth Report to Court (without appendices).....	I
Undertaking and Surplus Order.....	J
GR Proof of Claim	K
Gardiner NORD	L
Gardiner Notice of Dispute	M
Gardiner Roberts Claim Emails.....	N
Gardiner Retainer Email	O
GR Second Proof of Claim	P
Cash Flow to September 30, 2022 and Applicants' Statutory Report.....	Q
Monitor's Report on Cash Flow	R
Fee Affidavit of KSV Restructuring Inc.	S
Fee Affidavit of Bennett Jones LLP	T



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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

**TWENTIETH REPORT OF KSV RESTRUCTURING INC. AS
MONITOR AND SIXTEENTH REPORT OF KSV
RESTRUCTURING INC. AS PROPOSAL TRUSTEE**

May 20, 2022

1.0 Introduction

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

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

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

9. On April 15, 2020, Mr. Wang was deemed to have made an assignment in bankruptcy. Pursuant to the Bankruptcy Order (as defined below) issued on that date, KSV replaced Grant Thornton Limited (“GTL”) as Mr. Wang’s Licensed Insolvency Trustee (in such capacity, the “Trustee”).
10. The Monitor has substantially completed the Claims Procedure and intended to use this motion to recommend distributions to creditors. The only outstanding issues relate to claims filed by (i) Gardiner Roberts LLP (“Gardiner Roberts”) (as discussed below); and (ii) Tarion Warranty Corporation (“Tarion”) and Koskie Minsky LLP, representative counsel (in such capacity, “Representative Counsel”) to a group of purchasers of condominium units at one of the Applicants’ condominium projects known as Birchmount Gardens (the “Birchmount Purchasers”). As discussed below, given the substantial amount of time it has taken Tarion and Representative Counsel to deal with their claims (which appear to be largely duplicative), the Monitor will be considering taking steps to have these claims determined by the Court. The Monitor has advised Tarion’s legal counsel that the costs of that motion, if required, would be allocated as against any distributions ultimately paid to Tarion as Tarion has not been able to confirm its acceptance of the resolution proposed by Representative Counsel, which was acceptable to the Monitor.
11. KSV is filing this report (“Report”) in its capacities as Monitor and Proposal Trustee.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the CCAA Proceedings and the NOI Proceedings;
 - b) provide an update on the Claims Procedure, including the reasons that the Monitor believes an order should be issued disallowing in full the claims filed by Gardiner Roberts, the Non-Applicants’ most recent legal counsel, and barring it from making any further claims in these proceedings;
 - c) discuss the reasons to extend the Stay of Proceedings from May 31, 2022 to September 30, 2022;
 - d) report on the Applicants’ cash flow projection for the period June 1, 2022 to September 30, 2022 (the “Cash Flow Forecast”);
 - e) detail the fees and disbursements of the Monitor and Bennett Jones for the period January 1, 2022 to April 30, 2022, and seek approval of same;
 - f) recommend that the Court issue an order (the “Order”), among other things:
 - i. disallowing in full the claims filed by Gardiner Roberts in the Claims Procedure and barring Gardiner Roberts from making any further claims in these proceedings;
 - ii. extending the Stay of Proceedings from May 31, 2022 to September 30, 2022;

- iii. approving the fees and disbursements of the Monitor and Bennett Jones, as detailed herein; and
- iv. approving this Report and the Monitor's activities described herein.

1.2 Restrictions

1. In preparing this Report, KSV, as Monitor and Proposal Trustee, has relied upon the Forme Group's unaudited financial information. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that complies with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. KSV expresses no opinion or other form of assurance with respect to the Forme Group's financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on such financial information is required to perform its own due diligence and to perform such additional investigations as it requires. KSV makes no representation or warranty as to the accuracy, completeness or fitness for purpose of the Forme Group's financial and other information.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Background

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

2.1 The Undertaking

1. On March 11, 2019, Mr. Wang and the Non-Applicants executed an undertaking (the “Undertaking”) in favour of the Court. The Undertaking was approved pursuant to a Court order made on March 18, 2019. A copy of the Undertaking is provided in Appendix “D”. The issues which caused the Undertaking to be put in place are detailed in the Monitor’s Supplement to its Third Report to Court dated March 12, 2019, which is available on the [Website](#); however, a short summary of those events is as follows:
 - a) on February 21, 2019, in response to an inquiry from the Monitor, the Applicants’ management inadvertently sent the Monitor copies of four cheques payable to the Forme Group’s real estate lawyer, Yi Zhou. The cheques referenced Non-Applicant real properties;
 - b) as a result of the name of the payors (being the purchaser of a transaction completed by the NOI Debtors), and the Non-Applicants’ real property referenced on the cheques, it appeared to the Monitor that Mr. Wang was attempting to complete transactions for the real property owned by Non-Applicants referenced on the cheques;
 - c) Mr. Wang never disclosed these transactions to the Monitor as he was required to do given, *inter alia*, Mr. Wang was granted a third party stay of proceedings in respect of certain claims against him personally pursuant to the Initial Order; and
 - d) the Monitor was concerned that it would not have found out about the proposed transactions of the Non-Applicants’ real property until after those transactions had closed if the cheques were not inadvertently disclosed to it.
2. The purpose of the Undertaking is to, *inter alia*, facilitate the orderly sale of the Non-Applicants’ real property and to have Bennett Jones hold in trust any surplus funds realized therefrom for the benefit of creditors, including those with guarantee claims against Mr. Wang.
3. The Undertaking provides that the Monitor is to conduct a claims process for the Applicants, NOI Debtors, Non-Applicants, the Directors and Officers of each of those entities and for certain claims against Mr. Wang before any portion of the Surplus (as defined below) can be distributed to Mr. Wang in his capacity as shareholder of the Non-Applicants.
4. As at the date of this Report, the surplus totals approximately \$6.7 million (the “Surplus”), of which approximately \$3.3 million remains in trust with Bennett Jones and approximately \$3.4 million is in trust accounts maintained by the Proposal Trustee and the Monitor.
5. The portion of the Surplus held by the Monitor and the Proposal Trustee represents the funds available for distribution from the sale of properties owned by the NOI Debtors, 5507 River Development Inc., 4439 John Development Inc. and 2358825 Ontario Ltd. (the “Birchmount Applicant”), net of fees and costs of these Proceedings. The other Applicants did not generate recoveries sufficient to fully repay the mortgages on their respective properties.

6. The amount held by Bennett Jones represents the funds available for distribution from the sale of properties owned by the Non-Applicants, net of repayment of all mortgages on those properties and distributions to creditors with secured claims against Mr. Wang (as detailed in Section 3.1 below)². The distributions to secured creditors were approved pursuant to Court orders issued on August 27, 2020, November 12, 2020 and February 25, 2021 (collectively, the “Distribution Orders”). These distributions are discussed in further detail in Section 3.1 below.
7. Prior to the commencement of these Proceedings, the Forme Group routinely transferred monies from one entity to another. The Forme Group did not keep current its books and records and it had filed very few tax returns since inception.
8. Pursuant to the Claims Procedure Order, the Monitor performed a comprehensive intercompany analysis to determine and file claims in the Claims Procedure against the transferee entities³, which amounts are unsecured claims. Prior to completing the intercompany analysis, substantial time and cost was incurred to identify and account for intercompany transactions, which included dealing with the Forme Group’s bank, Royal Bank of Canada (“RBC”), to acquire several years of bank statements for Forme Group entities, without which the Monitor could not have performed the intercompany analysis.
9. In accordance with the Undertaking, to the extent any Forme Group entity has sufficient proceeds to pay in full its unsecured claims (including its tax obligations and intercompany claims) such that there are monies available for distribution to Mr. Wang, as shareholder of a Forme Group entity, the remaining surplus will be distributed by the Monitor to creditors of Mr. Wang, in accordance with priorities⁴.

2.2 Bankruptcy of Mr. Wang

1. On January 24, 2020, Mr. Wang filed a Notice of Intention to Make a Proposal pursuant to Section 50.4 of the BIA, and on March 27, 2020, Mr. Wang filed a proposal (the “Wang Proposal”).
2. On April 15, 2020, the Court made an order (the “Bankruptcy Order”) pursuant to subsection 50(12) of the BIA, declaring that the Wang Proposal was deemed to be refused by his creditors. As a result, Mr. Wang was deemed to have made an assignment in bankruptcy on that date.
3. Pursuant to the Bankruptcy Order, KSV replaced GTL as Trustee of Mr. Wang’s bankrupt estate. The Trustee’s appointment was affirmed at the first meeting of creditors held on May 6, 2020.
4. Mr. Wang’s bankruptcy discharge hearing is expected to be scheduled at a case conference to be convened on July 20, 2022.

² On certain Non-Applicant properties and properties of the NOI Debtors, all creditors were paid in full. As Mr. Wang is the shareholder of these entities, the surplus proceeds would have accrued to him. Pursuant to the Distribution Orders, these amounts were distributed to creditors with secured claims against Mr. Wang.

³ These amounts are calculated on a net basis, i.e. net of transfers to and from related entities in the Forme Group.

⁴ This is required pursuant to the Undertaking.

3.0 Claims Procedure⁵

1. The Claims Procedure has been administered in accordance with the Claims Procedure Order to determine claims against the Surplus. A copy of the Claims Procedure Order is attached as Appendix “E”.
2. Pursuant to a Court order made on February 20, 2020, creditors who filed claims against Mr. Wang in the Claims Procedure were not required to file claims in Mr. Wang’s bankruptcy.
3. On or prior to the claims bar date (January 10, 2020), approximately 125 creditors filed claims totaling approximately \$89 million.
4. Refiled claims, revised claims and new claims were received from approximately 18 creditors prior to the “Sale Triggered Dates”, being the closing dates for the sale of Non-Applicants’ properties sold after the initial claims bar date in the Claims Procedure Order.
5. Notices of Revision or Disallowance (“NORDs”) or Notices of Acceptance have been issued to all claimants who filed claims in the Claims Procedure against the Forme Group entities with surplus funds (the “Surplus Entities”)⁶, other than in respect of claims filed by Tarion, the Birchmount Purchasers and the condominium corporation of the Birchmount project (the “Condo Corporation”). In accordance with the Claims Procedure Order, the Monitor has not reviewed, and does not intend to review, claims filed against Forme Group entities with no funds available for distribution.
6. As at the date of this Report, the Monitor has completed its administration of the Claims Procedure with the exception of claims filed by Tarion, the Birchmount Purchasers and the Condo Corporation, as discussed in Section 3.2.3 below. Those claims appear to be in large part duplicative.

3.1 Secured Claims

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

Secured Creditor	Claim Against	Amount Accepted (\$000s)	Distributions To-Date (\$000s)
2557725 Ontario Inc.	22 Old Kennedy	3,086	3,086
2603616 Ontario Inc.	Mr. Wang	3,108	1,906
2611622 Ontario Inc.	Mr. Wang	2,390	1,466
Ferina Construction Ltd.	Mr. Wang	2,284	1,401
2612316 Ontario Inc.	Mr. Wang	614	376
Steve Papaikonoumou	Mr. Wang	427	262
2592898 Ontario Inc.	Mr. Wang	13	8
Total		11,922	8,505

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

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

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

2. Pursuant to the Distribution Orders, the Court authorized the Monitor to make distributions to the Secured Creditors up to the full amount of their secured claims. As reflected in the table above, as at the date of this Report, the Monitor has distributed approximately \$8.5 million from the Surplus, comprised of: (a) repayment in full to 2557725 Ontario Inc., a mortgagee of the real property owned by 22 Old Kennedy Development Inc.; and (b) approximately \$5.4 million, representing 61% of the amounts owing to the other Secured Creditors listed in the table above.

3.2 Unsecured Claims

1. With the exception of the claims filed by Tarion, the Birchmount Purchasers and the Condo Corporation, Notices of Revision or Disallowance (“NORDs”) or Notices of Acceptance have been issued to all claimants who filed claims in the Claims Procedure against the Surplus Entities and 250 Danforth Development Inc., which is an Applicant that is expected to have funds available for distribution to creditors through recoveries on its Intercompany Claims (as defined below). Other than the claim filed by Gardiner Roberts, all Notices of Dispute received from claimants have been resolved. The Gardiner Roberts claim is discussed in Section 3.3 below.
2. Additionally, and as previously referenced, the Monitor notes that the claims which appear largely duplicative filed by Tarion, the Birchmount Purchasers and the Condo Corporation, as further discussed in Section 3.2.3 below, remain unresolved and are the only issue preventing the Monitor seeking Court approval to make further distributions in these proceedings.

3.2.1 Intercompany Claims

1. The Monitor’s intercompany claims analysis resulted in approximately \$8.5 million of claims filed against the Surplus Entities (the “Intercompany Claims”). A summary of the procedures performed by the Monitor to determine the Intercompany Claims, as contemplated by paragraph 52 of the Claims Procedure Order, was provided in the Monitor’s Fifteenth Report to Court dated November 19, 2020 (the “Fifteenth Report”), a copy of which is attached as Appendix “F”, without appendices
2. As set out in the Fifteenth Report, the Monitor’s intercompany analysis was a comprehensive workstream given the poor state of the Forme Group’s books and records and the extensive intercompany transfers among entities in the Forme Group. The Monitor’s analysis included reconciling incomplete general ledgers to several years of bank statements for approximately 30 entities, which statements first had to be obtained directly from RBC (taking close to a year). This analysis resulted in certain of the Applicants and Non-Applicants being the beneficiaries of recoveries from their Intercompany Claims that otherwise would not have been determinable, including several of the Non-Applicants, including 186 Old Kennedy and 31 Victory.
3. No stakeholder opposed the Monitor’s proposed treatment of the Intercompany Claims, and the Intercompany Claims were therefore deemed to be accepted pursuant to the Claims Procedure Order.

3.2.2 CRA Claims

1. Prior to the Claims Bar Date, CRA filed placeholder claims in the Claims Procedure. On November 10, 2020, CRA filed amended proofs of claim against several entities in the Forme Group. These claims were incorrect as very few tax returns had ever been filed by the Forme Group.

2. In order to determine CRA's claims, the Monitor worked with the Forme Group's representatives to provide KPMG LLP ("KPMG"), the tax advisor retained by the Forme Group, with the information KPMG required to complete and file over 140 tax returns in order to bring the Forme Group's tax filings current. All Forme Group tax returns were filed by June 30, 2021.
3. Following the filing of the tax returns by KPMG, it took several months for CRA to issue Notices of Assessment. Given the extensive tax work undertaken, and the large number of returns that had to be filed, the last of the issued Notices of Assessment was received in January, 2022.
4. On March 22, 2022, CRA filed amended proofs of claim against the Forme Group entities based on the tax returns prepared by KPMG and the Notices of Assessment issued by CRA. The Monitor intends to admit CRA's unsecured claims based on these amended proofs of claim.

3.2.3 Birchmount Purchasers and Tarion Claims

1. Over the past few years, the Monitor and Bennett Jones have been encouraging Tarion's legal counsel and Representative Counsel to assist in resolving the issues in respect of their claims filed in the Claims Procedure on behalf of Tarion and the Birchmount Purchasers, respectively. The issues include quantification and certain portions of their claims which appear to be duplicative, including with the claim filed by the Condo Corporation.
2. Until May 19, 2022, the Monitor was intending to have this motion include distribution and discharge relief as it was its understanding that the issues between Tarion and the Birchmount Purchasers were nearing resolution. In this regard, the Monitor had discussions with certain stakeholders regarding a distribution motion. However, on May 19, 2022, the Monitor was advised that the parties had not yet received instructions in connection with the approval of any potential resolution.
3. At this time, the Monitor is unable to seek approval of any interim distributions as Tarion and the Birchmount Purchasers filed claims against all of the Forme Group entities. Those claims require resolution in order for the Monitor to make further distributions.
4. As this issue is now the final outstanding matter in the Claims Procedure and is holding up distributions to all creditors and the completion of these Proceedings, the Monitor will be considering taking steps to have these claims determined by the Court. The Monitor has advised Tarion's legal counsel that the costs of that motion, if required, would be allocated as against any distributions ultimately paid to Tarion as Tarion has not been able to confirm its acceptance of the resolution proposed by Representative Counsel, which was acceptable to the Monitor.

3.3 Gardiner Roberts' Claims

1. In the Monitor's Twelfth Report dated February 12, 2020 (the "Twelfth Report"), the Monitor reported that Gardiner Roberts replaced Cassels Brock & Blackwell LLP ("Cassels") as counsel to the Non-Applicants. Cassels had previously replaced Goldman Sloan Nash & Haber LLP ("GSNH") as legal counsel to the Non-Applicants.

2. The Twelfth Report also addressed an *ex parte* motion that was brought by the Non-Applicants before Mr. Justice Hailey to: (i) replace all references to "Cassels" in the Undertaking with "Gardiner Roberts"; and (ii) permit the Surplus to be transferred from Cassels to Gardiner Roberts (the "Ex Parte Motion"). For reasons which are more fully detailed in the Twelfth Report and the Supplement to the Twelfth Report dated February 19, 2020 (the "Supplement"), the Monitor advised the Court that it would have opposed the granting of the Ex Parte Order had it been provided with notice. On January 31, 2020, the Court granted the order sought by the Monitor in connection with the Ex Parte Motion (the "Ex Parte Order"). Copies of the Twelfth Report, without appendices, and the Ex Parte Order are attached as Appendices "G" and "H", respectively.
3. The Monitor had on several occasions advised Cassels of its view that the Non-Applicants should not be incurring any further legal fees or other costs because the valuation evidence available to the Monitor at the time (which was ultimately confirmed) reflected that the mortgagees on the Non-Applicants' real property would incur shortfalls on their mortgage advances. Accordingly, those entities appeared to be insolvent and it was unclear to the Monitor what economic interest Gardiner Roberts would represent moving forward. A copy of the Supplement, without appendices, is attached as Appendix "I".
4. In connection with the foregoing, and following a hearing on February 20, 2020, the Court issued an order (the "Undertaking and Surplus Order") which, among other things:
 - a) directed Cassels to transfer the Surplus to Bennett Jones (and not Gardiner Roberts), net of Cassels' outstanding fees;
 - b) annulled certain Non-Applicant bankruptcy proceedings⁸; and
 - c) provided that notwithstanding: (i) the Undertaking; (ii) the Ex Parte Order; and (iii) any prior order of the Court:
 - *Gardiner Roberts, or any other past, present or future counsel to the Non-Applicants, Mr. Wang or any other party, were precluded from being paid from the Surplus without further order of the Court* [emphasis added]; and
 - the purchase price (including any deposits) in respect of the sale of any Non-Applicant real property (each a "Non-Applicant Project"), net only of any amounts owing to the mortgagee(s) of that Non-Applicant Project, was to be delivered to Bennett Jones to be held in trust for that Non-Applicant's remaining creditors and form part of the Surplus.

A copy of the Undertaking and Surplus Order is attached as Appendix "J".

⁸ The order annulled the bankruptcy proceedings commenced by 19 Turff Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc. and 4550 Steeles Development Inc. The other Non-Applicants had not commenced bankruptcy proceedings.

5. Gardiner Roberts filed a Proof of Claim in the Claims Procedure in the amount of \$237,000 for its fees and costs up to and including January 10, 2020 (the “GR Proof of Claim”). The GR Proof of Claim was filed against all of the Non-Applicants and indicated that an affiliate of Gardiner Roberts had registered mortgages for its unpaid fees and costs against all of the Non-Applicants' real property. Prior to the filing of the GR Proof of claim, the Monitor had asked on several occasions how the Non-Applicants were paying the fees of Gardiner Roberts and advised that the Monitor would not support payment of its fees from the Surplus. Gardiner Roberts did not respond. The Monitor only learned of Gardiner Roberts' outstanding fees when the GR Proof of Claim was filed. A copy of the GR Proof of Claim is attached as Appendix “K”.
6. The Monitor's view is that the security granted in favour of Gardiner Roberts in respect of its outstanding legal fees is inconsistent with the wording and spirit of the Undertaking. In addition, the Undertaking and Surplus Order prohibits payment from the Surplus of the fees set out in the GR Proof of Claim absent further order of the Court, which order has never been sought by Gardiner Roberts.
7. In accordance with the Claims Procedure, and following multiple unanswered requests for supporting documentation by Bennett Jones to Gardiner Roberts, on May 4, 2020, the Monitor issued a Notice of Revision or Disallowance (the “Gardiner NORD”) disallowing the GR Proof of Claim against the Non-Applicants with surplus monies⁹. A copy of the Gardiner NORD is attached as Appendix “L”.
8. On May 18, 2020, Gardiner Roberts delivered a Notice of Dispute (the “Gardiner Notice of Dispute”). Among other things, Gardiner Roberts asserted that:
 - a) the Undertaking permitted the grant of security;
 - b) Gardiner Roberts' Claims were valid, secured and should be admitted; and
 - c) Gardiner Roberts would be bringing a motion to be paid in accordance with the Undertaking and other applicable orders of the Court.

A copy of the Gardiner Notice of Dispute is attached as Appendix “M”.

9. While the Gardiner Notice of Dispute included additional arguments in support of its claims, none of the supporting documentation relied upon was included in the Gardiner Notice of Dispute. Among other things, the Gardiner Notice of Dispute indicated that the following would be forthcoming:
 - a) copies of redacted retainers;
 - b) copies of accounts (redacted for privilege);
 - c) copies of the *Personal Property Security Act (Ontario)* registrations; and

⁹ The surplus Non-Applicants at the time were 19 Turff Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc. and 4550 Steeles Development Inc. Pursuant to paragraph 36 of the Claims Procedure Order, the Monitor is under no obligation to respond or do anything where a Proof of Claim is filed related to a Non-Applicant Claim wherein the applicable Non-Applicant does not (or will not) have surplus funds after repaying all valid mortgages of such Non-Applicant.

- d) such other documentation needed to assist with the determination of the dispute (collectively, the “Gardiner Supporting Documentation”).
10. A chronology of events and correspondence since the delivery of the Gardiner Notice of Dispute is summarized as follows:
- a) Bennett Jones wrote to Gardiner Roberts on May 18, 2020 to: (i) request that the Gardiner Supporting Documentation be provided forthwith so that the Monitor could properly evaluate the Gardiner Notice of Dispute; and (ii) inquire as to when Gardiner Roberts would be bringing its motion to be paid (the “May 18 Email”). Despite repeated assurances from Gardiner Roberts that the Gardiner Supporting Documentation would be provided, and numerous follow-ups by Bennett Jones (the “Follow-Up Emails”, and together with the May 18 Email, the “Gardiner Roberts Claim Emails”), Gardiner Roberts never served even a Notice of Motion to be paid and the Gardiner Supporting Documentation was never provided. By way of example, between the May 18 Email and January 27, 2021, Bennett Jones followed up with Gardiner Roberts at least seven times, in addition to numerous requests for supporting documentation that were made even prior to May 18, 2020. Copies of the Gardiner Roberts Claim Emails are attached as Appendix “N”.
 - b) On February 1, 2021, almost nine months after the May 18 Email was sent requesting the Gardiner Supporting Documentation, Gardiner Roberts sent an email to Bennett Jones which enclosed copies of the retainer agreements (the “Provided Supporting Documents”) and indicated that the additional supporting material would be forthcoming (the “Gardiner Retainer Email”). A copy of the Gardiner Retainer Email is attached as Appendix “O”.
 - c) Following the Gardiner Retainer Email, Bennett Jones made at least four additional requests for the remaining Gardiner Supporting Documentation. As of the date of this Report, no further Gardiner Supporting Documentation has been provided. Following its review of the Provided Supporting Documents, the Monitor's view on Gardiner Roberts' Claims remained unchanged; specifically, the Gardiner Notice of Dispute failed to provide evidence that the Undertaking permitted the grant of security.
 - d) Following the sale of remaining Non-Applicant real property (being 376 Derry Development Inc. (“376 Derry”)), and in accordance with the Claims Procedure Order, the Monitor, within five Business Days following the Sale Trigger Date, sent a Claims Package to Known Creditors. The Monitor then received a second Proof of Claim from Gardiner Roberts (the “GR Second Proof of Claim”) for additional fees in the amount of \$98,123.88 and a total claim of \$334,454.52. As there will be no further distribution by 376 Derry, the Monitor has not responded to the GR Second Proof of Claim. A copy of the GR Second Proof of Claim is attached as Appendix “P”.

11. The Monitor is of the view that the claims set out in the GR Proof of Claim and the GR Second Proof of Claim should be disallowed in their entirety for the following reasons:
 - a) more than two years has passed since the Undertaking and Surplus Order was granted, and it has been approximately two years since Gardiner Roberts advised it would be bringing a motion seeking to be paid. No such motion has been scheduled, and any payment of fees to Gardiner Roberts from the Surplus continues to be prohibited; and
 - b) the Monitor continues to be of the view that any payment of fees to Gardiner Roberts contravenes the spirit and substance of the Undertaking.
12. Bennett Jones has advised Gardiner Roberts of the Monitor's position on many occasions and of the Monitor's intention to seek an Order disallowing the Gardiner Roberts claim in full. Gardiner Roberts is being served with the motion record.

4.0 Cash Flow Forecast

1. The Cash Flow Forecast for the period June 1, 2022 to September 30, 2022 and the Applicants' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA are provided in Appendix "Q". As reflected in the Cash Flow Forecast and as previously noted in this Report, there is presently approximately \$6.7 million being held by the Monitor and Bennett Jones.
2. As "super" Monitor in these CCAA Proceedings, and consistent with prior cash flow forecasts in these CCAA Proceedings, the Monitor has executed the Applicants' statutory report on the Cash Flow Forecast. The Monitor believes this is appropriate given that, *inter alia*, the principals of the Applicants did not prepare the Cash Flow Forecast nor were they required to assist with its preparation given their limited involvement in the CCAA Proceedings at this stage.
3. The Cash Flow forecast reflects payment of professional costs from the Surplus. There are not expected to be any further receipts.
4. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "R".

5.0 Stay Extension

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

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

In this regard, the Monitor is of the view that it is discharging its duties and obligations under the CCAA, the Initial Order and other orders made in the CCAA Proceedings in good faith and with due diligence;

- b) it will enable the Monitor to work with Tarion and Representative Counsel to resolve their claims in the Claims Procedure, following which the Monitor will be in a position to bring a motion to approve distributions to creditors of the balance of the Surplus, terminate these CCAA Proceedings and seek its discharge;
 - c) the Cash Flow Forecast reflects that there is sufficient funding in place for the proposed extension to the Stay of Proceedings; and
 - d) no creditor will be prejudiced if the proposed extension to the Stay of Proceedings is granted.
2. The Monitor will be working with legal counsel to Tarion and the Birchmount Purchasers to resolve their issues forthwith so that distributions can be made well prior to September 30, 2022.

6.0 Professional Fees

1. The fees and disbursements of the Monitor and Bennett Jones from the commencement of these CCAA Proceedings to December 31, 2021 were approved pursuant to Court orders made on May 27, 2020, November 25, 2020, February 25, 2021, May 31, 2021, September 27, 2021 and January 31, 2022.
2. The Monitor's fees and Bennett Jones' fees (in each case excluding disbursements and HST), from January 1, 2022 to April 30, 2022 total approximately \$100,413 and \$82,653, respectively.
3. The average hourly rates for KSV and Bennett Jones for the referenced billing periods were \$574.44 and \$684.78, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Bennett Jones are provided as exhibits to the affidavits (the "Fee Affidavits") sworn by representatives of KSV and Bennett Jones, attached as Appendices "S" and "T", respectively. Certain descriptions in the invoices have been redacted for privilege.
5. As set out in the Fee Affidavits, the fees of the Monitor and Bennett Jones for the referenced billing periods include the following activities:
 - a) dealing with the issues discussed herein, including working with KPMG and CRA to finalize tax matters;
 - b) carrying out the Monitor's obligations under the Undertaking and all Court orders issued during these CCAA Proceedings;
 - c) completing the administration of the Claims Procedure in accordance with the Claims Procedure Order, as set out in Section 3 of this Report;
 - d) communicating with Tarion and Representative Counsel in connection with their claims in the Claims Procedure;
 - e) updating the Monitor's distribution analysis; and
 - f) drafting this Report and preparing the schedules and appendices attached hereto.

6. The Monitor is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Bennett Jones and the Monitor are reasonable and appropriate in the circumstances.

7.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

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

Appendix “A”

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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



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

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

AMENDED AND RESTATED INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

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

TITLE OF PROCEEDINGS

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

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

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

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

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

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

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

NO INTERFERENCE WITH RIGHTS

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

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

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FUNDING

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

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

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

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

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

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

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

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

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

VALIDITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

SALE PROCESS

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

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

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

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

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

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

SERVICE AND NOTICE

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

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

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

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

GENERAL

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

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

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

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

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

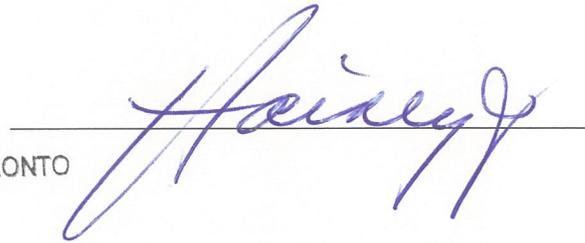
57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

DEC 06 2018

PER / PAR:

UM



Schedule "A" – List of Applicants

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

376 Derry Development Inc.

5507 River Development Inc.

4439 John Development Inc.

9500 Dufferin Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

~~58 Old Kennedy Development Inc.~~



SCHEDULE "B" – LIST OF PROPERTIES

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

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



SCHEDULE "C" – FORM OF DIP CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

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

Per: _____
Name:
Title:

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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

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

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

Lawyers for the Applicants

Appendix “C”

Appendix “C” – Non-Applicants

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

Appendix “D”

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

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

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

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

UNDERTAKING OF THE FORME GROUP

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

WHEREAS:

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

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

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

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

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

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

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

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

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

DATED at Toronto this 11th day of March, 2019

101 Columbia Development Inc.

By:



Name: Yuan Hua Wang

Title: President

186 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

19 Turff Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

22 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

31 Victory Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

35 Thelma Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

376 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

390 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

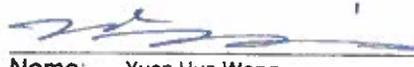
4 Don Hillock Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

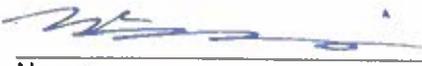
4208 Kingston Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

4550 Steeles Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

7397 Islington Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

Witness


Name: Jessica Wang

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



SCHEDULE "A"

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc

SCHEDULE "B"

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

35 Thelma Development Inc

19 Turff Development Inc.

4550 Steeles Development Inc.

9500 Dufferin Development Inc.

SCHEDULE "C"

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

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

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

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

Appendix “E”

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

THE HONOURABLE MR.
JUSTICE HAINEY

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TUESDAY, THE 22nd
DAY OF OCTOBER, 2019

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

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

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



CLAIMS PROCEDURE ORDER

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

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

SERVICE

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTERPRETATION

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

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

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

GENERAL

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

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

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

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

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

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

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

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

ROLE OF THE MONITOR

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

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

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

CLAIMS PROCEDURE

Notice to Claimants

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

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

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

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

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

Deadlines for Submitting Claims

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

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

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

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

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

TRANSFER OF CLAIMS

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

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

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

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

SERVICE AND NOTICES

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

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

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

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

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

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

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

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

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

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

DETERMINATION OF CLAIMS AND RESTRUCTURING CLAIMS

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

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

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

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

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

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

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

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

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

Review of Proofs of Claim Related to Wang Claims

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

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

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

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

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

43. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, accepts a Wang Claim, then such Claim shall be a Proven Claim, ~~and shall be binding on Mr. Wang for all purposes and in any future proceedings.~~ ^{established in paragraph 40.}

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

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

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

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

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

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

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

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

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

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

Resolution of Claims Related to Wang Claims

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

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

Resolution of Intercompany Claims

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

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

CLAIMS OFFICER

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

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

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

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

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

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

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

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

MISCELLANEOUS

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

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

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

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

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

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

OCT 22 2019

PER / PAR: JP

SCHEDULE "A"
APPLICANTS

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

SCHEDULE "B"

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

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

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

INFORMATION LETTER FOR THE CLAIMS PROCEDURE

PARAGRAPH I OF THE PROOF OF CLAIM AND GENERAL COMMENTS

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

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

PARAGRAPH II OF THE PROOF OF CLAIM

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

PARAGRAPH III OF THE PROOF OF CLAIM

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

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

PARAGRAPH IV OF THE PROOF OF CLAIM

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

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

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

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

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

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

SCHEDULE "A"
APPLICANTS

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

SCHEDULE "C"

NOTICE TO CLAIMANTS FOR THE CLAIMS PROCEDURE OF:

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

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

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

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

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

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

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

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

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

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

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

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

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

KSV Kofman Inc.

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

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

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

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

SCHEDULE "A"
APPLICANTS

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

SCHEDULE "D"

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

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

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

PROOF OF CLAIM

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

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

_____ (the "Claimant")

2. Full Mailing Address of the Claimant:

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (*Contact Person*): _____

7. Have you acquired this Claim by assignment?

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

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

II. PROOF OF CLAIM:

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

_____ do hereby certify:
(city and province)

(a) that I [*check (✓) one*]

am the Claimant; OR

am _____ (state position or title) of

(name of Claimant)

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

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

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

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

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

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

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

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

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

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

III. PARTICULARS OF CLAIM

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

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

IV. FILING OF CLAIM

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

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

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

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

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

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

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

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

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

I require hardcopy correspondence.

DATED at _____ this ____ day of _____, 2019.

(Signature of Witness)

(Signature of Claimant or its authorized representative)

(Please print name)

(Please print name)

SCHEDULE "A"
APPLICANTS

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

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

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

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

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

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

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

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

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

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

SCHEDULE "A"
APPLICANTS

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

SCHEDULE "F"

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

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

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

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

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

Claim Reference Number:

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number:

Facsimile Number:

Email Address:

Attention (*Contact Person*):

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

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

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

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

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

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

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

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

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

Name: _____

Title: _____

SCHEDULE "A"
APPLICANTS

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

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

Sean H. Zweig (LSO #573071)
Tel: (416) 777-6253
Fax: (416) 863-1716

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

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

Appendix “F”



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

November 19, 2020

and

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

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Restrictions	3
2.0 Background	4
2.1 The Undertaking.....	4
2.2 Bankruptcy of Mr. Wang.....	5
3.0 Claims Procedure	6
4.0 Intercompany Claims	8
4.1 Procedures.....	8
4.2 Results of the Intercompany Analysis.....	9
4.3 Proposed Treatment of Intercompany Claims	10
5.0 Cash Flow Forecast.....	10
6.0 Stay Extension.....	11
7.0 Professional Fees	11
8.0 Conclusion and Recommendation	12

Appendices

	Tab
List of Applicants	A
Initial Order	B
List of Non-Applicants	C
Monitor's Supplemental to its Third Report to Court dated March 12, 2019 (without appendices)	D
Undertaking of Mr. Wang and the Non-Applicants dated March 11, 2019	E
Claims Procedure Order dated October 22, 2019.....	F
Intercompany Claims schedule	G
Cash Flow Forecast for the period November 22, 2020 to February 26, 2021	H
Monitor's Report on Cash Flow Forecast.....	I
Fee Affidavit of KSV Restructuring Inc.	J
Fee Affidavit of Bennett Jones LLP	K

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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

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

November 19, 2020

1.0 Introduction

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

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

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

1.1 Purposes of this Report

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

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

1.2 Restrictions

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

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

2.0 Background

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

2.1 The Undertaking

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

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

2.2 Bankruptcy of Mr. Wang

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

3.0 Claims Procedure

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

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

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

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

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

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

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

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

4.0 Intercompany Claims

4.1 Procedures

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

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

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

4.2 Results of the Intercompany Analysis

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

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

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

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

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

4.3 Proposed Treatment of Intercompany Claims⁵

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

5.0 Cash Flow Forecast

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

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

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

6.0 Stay Extension

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

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

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

7.0 Professional Fees

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

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

8.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

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

Appendix “G”



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

February 12, 2020

and

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

Contents	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	3
1.2 Restrictions	5
2.0 Background	6
2.1 The Undertaking.....	6
3.0 Amendments to the Undertaking.....	7
3.1 Prior Motion to Amend Undertaking.....	10
4.0 Annulment of Bankruptcy Proceedings	10
5.0 Wang NOI Proceedings	12
6.0 Kennedy Property	12
7.0 Sale Process	13
7.1 Overview	13
7.2 Sale Process Updates for Mortgagees	14
7.3 Sale Process Results	15
7.4 Unsolicited Offers Following the Bid Deadline	16
8.0 The Kennedy Transaction.....	16
8.1 Sealing	17
8.2 Recommendation	17
8.3 Proposed Distribution of Sale Proceeds	18
9.0 Status of Remaining Properties	19
10.0 Cash Flow Forecast.....	19
11.0 Stay Extension.....	20
12.0 Conclusion and Recommendation	20

Appendices

	Tab
List of Applicants	A
Initial Order	B
List of Non-Applicants	C
Claims Procedure Order dated October 22, 2019.....	D
Supplement to the Third Report dated March 12, 2019 (without appendices).....	E
Court Order dated March 18, 2019.....	F
Court Order dated January 31, 2020	G
Email exchange of February 3/4, 2020 between CBB and Bennett Jones	H
Emails of February 9/10, 2020 between Miller Thomson and Bennett Jones.....	I
Email exchange of January 27/28, 2020 between Mr. Wang and the Monitor	J
TD's Sale Process Letter dated April 2, 2019	K
Monitor's Letter dated January 11, 2019 to Mortgagees	L
Agreement of Purchase and Sale dated February 7, 2020 (redacted version).....	M
Cash Flow Forecast	N
Monitor's Report on Cash Flow Forecast.....	O

Confidential Appendices

	Tab
Non-Applicant Sale Process Update dated January 28, 2020	1
Offer Summary.....	2
Agreement of Purchase and Sale dated February 7, 2020 (unredacted version)....	3



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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

**TWELFTH REPORT OF KSV KOFMAN INC. AS MONITOR
AND EIGHTH REPORT OF KSV KOFMAN INC. AS
PROPOSAL TRUSTEE**

February 12, 2020

1.0 Introduction

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

2. The principal purpose of these proceedings (the “CCAA Proceedings”) was to create a stabilized environment to conduct a Court-approved sale process (the “Sale Process”) for the Applicants’ real property. The Initial Order approved a Sale Process for the Applicants’ real estate development projects and 59 and 63 Elm Avenue (jointly, the “Elm Properties”), being two residential homes co-owned by Yuan Hua Wang (“Mr. Wang”) and his wife.
3. KSV was also appointed the proposal trustee (in such capacity, the “Proposal Trustee”) of three Applicants’ affiliated entities, being 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the “NOI Debtors”) in proposal proceedings commenced on October 26, 2018 by the NOI Debtors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) (the “NOI Proceedings”).
4. On February 13, 2019, the NOI Debtors each filed proposals (collectively, the “Proposals”). The Proposals contemplate that any monies available for distribution will be paid to creditors in accordance with priorities. The Proposals were unanimously accepted by creditors at creditors’ meetings convened on March 6, 2019. The Proposals were approved by the Court on March 14, 2019.
5. Mr. Wang is the sole shareholder of the Applicants, the NOI Debtors and 14 affiliated real estate development companies which are not subject to the CCAA Proceedings or the NOI Proceedings (the “Non-Applicants”). A list of the Non-Applicants is attached as Appendix “C”. The Non-Applicants have sold certain of their real estate development projects and are in the process of marketing for sale the balance of them. The Non-Applicants do not have the benefit of the CCAA stay of proceedings, and certain Non-Applicants are subject to enforcement proceedings by their mortgagees, as described below. An update dated January 28, 2020 prepared by the Non-Applicants’ former legal counsel, Cassels, Brock & Blackwell LLP (“CBB”), concerning the status of the Non-Applicants’ real property is provided in Confidential Appendix “1”¹.
6. Pursuant to a Court order made on October 22, 2019 (the “Claims Procedure Order”), a copy of which is attached as Appendix “D”, the Monitor is carrying out a claims procedure (the “Claims Procedure”) to solicit and determine claims against: the Applicants; the Non-Applicants; the NOI Debtors; the directors and officers of the Applicants, the Non-Applicants and the NOI Debtors; and Mr. Wang, solely in his capacity as a guarantor, surety or indemnitor of any obligation of any of the Applicants, the NOI Debtors or the Non-Applicants, and in his capacity as an owner of the Elm Properties and not in any other capacity.

¹ The Non-Applicants are required to provide these confidential updates on a weekly basis under the Undertaking, which is discussed below. Notwithstanding that requirement, no update has been provided since January 28, 2020.

7. The Monitor and its counsel consulted extensively with Mr. Wang's then-counsel, Lerner's LLP ("Lerner's"), with respect to the proposed Claims Procedure and incorporated various of its requested changes in the Claims Procedure Order. Lerner's attended the motion to approve the Claims Procedure Order and did not oppose it. The Monitor also provided several opportunities for CBB, on behalf of the Non-Applicants, to provide comments on the Claims Procedure Order, including providing CBB with various iterations of the draft claims procedure order. Although CBB advised that comments would be provided, the Monitor never received comments from the Non-Applicants or CBB on their behalf.
8. Gardiner Roberts LLP ("Gardiner Roberts") recently replaced CBB as the Non-Applicants' legal counsel. The Monitor has been advised that CBB's lead partner on this matter, Larry Ellis, has now joined Miller Thomson LLP ("Miller Thomson"). CBB has advised the Monitor that it does not intend to continue as counsel for the Non-Applicants.
9. KSV is filing this report ("Report") in its capacities as Monitor and Proposal Trustee.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the CCAA Proceedings and NOI Proceedings;
 - b) update the Court on steps taken recently by the Non-Applicants and Mr. Wang without notice to the Service List or the Monitor, and without consultation with any stakeholders, including:
 - i. scheduling and attending a 9:30 appointment on January 30, 2020 to provide the Court with "an update on Non-Applicant issues";
 - ii. bringing a motion on an *ex parte* basis on January 30, 2020 resulting in a Court order made on January 31, 2020 (the "January 31st Order"), which amended an undertaking executed by Mr. Wang and the Non-Applicants in favour of the Court, which was approved pursuant to a Court order made on March 18, 2019 (the "Undertaking");
 - iii. filing, by Mr. Wang, a Notice of Intention to Make a Proposal ("NOI") on January 24, 2020 (the "Wang NOI Proceedings"); and
 - iv. filing assignments in bankruptcy on January 28, 2020 by the following four Non-Applicants: 19 Turff Development Inc.; 22 Old Kennedy Development Inc.; 35 Thelma Development Inc.; and 4550 Steeles Development Inc. (collectively, the "Bankrupt Non-Applicants");
 - c) set out the basis on which the Monitor believes the actions taken by the Non-Applicants and Mr. Wang will frustrate the purpose of the CCAA Proceedings and the NOI Proceedings by resulting in duplicative professional costs, confusion (particularly as it relates to the claims determination process) and delay;

- d) summarize the reasons the Monitor believes it is appropriate for the Undertaking to be further amended to:
 - i. replace Gardiner Roberts with Bennett Jones LLP ("Bennett Jones"), the Monitor's and Proposal Trustee's counsel, as the law firm which should hold the funds presently on deposit in CBB's trust account, which total approximately \$10.9 million (the "Surplus"), as well as further realizations, if any, from the Non-Applicants' unsold real property²; and
 - ii. preclude Gardiner Roberts (or any other present or future counsel to the Non-Applicants, Mr. Wang or any other party) from being paid from the Surplus without further Court order;
- e) set out the reasons the Monitor believes it is appropriate for the Court to annul the bankruptcies of the Bankrupt Non-Applicants pursuant to Section 181(1) of the BIA;
- f) summarize the status of the Claims Procedure and recommend that:
 - i. the Claims Procedure Order and the Undertaking continue to govern how Claims (as defined in the Claims Procedure Order) are to be determined;
 - ii. no aspect of the Claims Procedure be stayed by the Wang NOI Proceedings or by the assignments made by the Bankrupt Non-Applicants³; and
 - iii. any proven claims filed and admitted against Mr. Wang in the Claims Procedure be admitted as proven claims in the Wang NOI Proceedings;
- g) provide the results of the Sale Process for the real property located at 1296 Kennedy Road, Scarborough, Ontario (the "Kennedy Property") owned by 1296 Kennedy Development Inc. (the "Kennedy Applicant");
- h) summarize a transaction for the Kennedy Property pursuant to an Agreement of Purchase and Sale dated February 7, 2020 (the "Kennedy APS") between the Monitor and Sunray Group of Hotels Inc., in trust for a newly incorporated company, 1296 Kennedy Road Inc. (the "Purchaser") (the "Kennedy Transaction");
- i) set out the basis on which the Monitor is recommending Court approval of the Kennedy Transaction;
- j) provide the Monitor's recommended distribution of the sale proceeds from the Kennedy Transaction (the "Distributions");
- k) provide a status update concerning the sale processes for the Applicants' and Non-Applicants' properties;

² For greater certainty, the Monitor is not proposing that Gardiner Roberts be replaced with Bennett Jones for any other purpose in the Undertaking. Gardiner Roberts may continue acting as counsel to the Non-Applicants.

³ In the event that the Court does not issue an order annulling the bankruptcies of the Bankrupt Non-Applicants.

- l) report on the Applicants' cash flow projection for the period March 1, 2020 to May 31, 2020 ("Cash Flow Forecast");
- m) discuss the reasons to extend the stay of proceedings from February 28, 2020 to May 31, 2020; and
- n) recommend that the Court issue an order or orders:
 - i. amending the Undertaking to have the Surplus held by Bennett Jones;
 - ii. directing CBB to transfer the Surplus to Bennett Jones forthwith and without deduction;
 - iii. amending the Undertaking to remove any provision authorizing payment of the Non-Applicants' legal fees without further Court order;
 - iv. annulling the bankruptcies of the Bankrupt Non-Applicants;
 - v. declaring that admitted claims against Mr. Wang determined pursuant to the Claims Procedure Order be admitted as proven claims in the Wang NOI Proceedings;
 - vi. approving the Kennedy APS and the Kennedy Transaction;
 - vii. authorizing and directing the Monitor to complete the Kennedy Transaction and to convey to the Purchaser the Purchased Assets (as defined in the Kennedy APS) and vesting the Purchased Assets in the Purchaser on closing, free and clear of all claims and encumbrances other than the permitted encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Kennedy Transaction;
 - viii. approving the Distributions; and
 - ix. extending the Stay Period (as defined in the Initial Order) from February 28, 2020 to May 31, 2020.

1.2 Restrictions⁴

1. In preparing this Report, KSV has relied upon the Applicants' and the NOI Debtors' unaudited financial information, as well as information provided by the Non-Applicants and CBB. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.

⁴ References to KSV in this section are to its capacities as Monitor and Proposal Trustee.

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

2.0 Background

1. The Applicants, NOI Debtors and Non-Applicants (the "Forme Group") are a commercial and residential real estate group of 29 companies comprising 18 projects which sought to develop low-rise, high-rise, mixed-use and hospitality projects in the Greater Toronto Area.
2. In advance of the CCAA Proceedings, KSV filed a report to Court dated November 6, 2018 in its capacity as proposed CCAA monitor (the "Proposed Monitor's Report"). KSV also filed three supplements to the Proposed Monitor's Report (the "Supplemental Reports"). Detailed information about the Forme Group and the CCAA Proceedings is set out in the Proposed Monitor's Report and the Supplemental Reports and, accordingly, that information is not repeated in this Report.
3. Copies of the Court materials filed in the CCAA Proceedings and NOI Proceedings are available on the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc> and the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

2.1 The Undertaking

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

3. At the time the Undertaking was negotiated, the Monitor was concerned i) as the Non-Applicants were selling their properties without disclosure to the Monitor and ii) that the proceeds not be paid directly to Mr. Wang or otherwise not be made available to satisfy the creditors entitled to the proceeds, being unsecured creditors with claims against the applicable Non-Applicants, as well as guarantee creditors and other potential claimants against Mr. Wang (the “Surplus Beneficiaries”). It is noteworthy that the Undertaking was negotiated between Mr. Wang and the Monitor and was a compromise reached to settle the Monitor’s motion filed on February 26, 2019 that it should hold the Surplus. As a result, it should have been known to Mr. Ellis that the Monitor had an interest in any amendments to the Undertaking.
4. The Undertaking also provides that the Monitor will conduct a claims process for the Applicants, NOI Debtors, Non-Applicants and for certain claims against Mr. Wang prior to the distribution of the Surplus to Mr. Wang in his capacity as shareholder.
5. Mr. Wang voluntarily executed the Undertaking and did not oppose the March 18th Order.

3.0 Amendments to the Undertaking

1. The Monitor has been advised that on January 30, 2020, Gardiner Roberts arranged a 9:30 Chambers appointment for the purpose of providing the Court with “an update on Non-Applicant issues”. At the appointment, the Court agreed to sign an order amending the Undertaking to replace all references to CBB in the Undertaking to Gardiner Roberts. On January 31, 2020, the Court signed the January 31st Order, a copy of which is attached as Appendix “G”.
2. The Monitor first learned of the amendments to the Undertaking on February 3, 2020 when Mr. Ellis sent an email to Bennett Jones advising that the Undertaking had been amended pursuant to the January 31st Order and that CBB was to transfer the Surplus to Gardiner Roberts. Bennett Jones responded by email as follows:

Larry,

Despite the Monitor's obvious interest in the Undertaking – the Undertaking was entered into to resolve a motion brought by the Monitor - we were not provided any notice of this motion. Can you please advise why not?

To assist in our review and consideration, please send us (i) the motion record that was before the Court for this motion, and (ii) a blackline showing all changes to the Undertaking. In the interim, no funds should leave Cassels' trust account.

3. On February 4, 2020, Mr. Ellis provided Bennett Jones with a copy of the Motion Record. A copy of the email exchange between Mr. Ellis and Bennett Jones is attached as Appendix “H”.

4. As soon as it learned of the issue, the Monitor instructed Bennett Jones to send the following email to the Service List:

All,

On January 31, 2020, the Monitor was advised that (i) each of 19 Turff Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc., and 4550 Steeles Development Inc. filed an assignment and became bankrupt on January 28, 2020, and (ii) Yuan Hua (Mike) Wang filed a Notice of Intention to Make a Proposal on January 24, 2020. Grant Thornton Limited (“GT”) was appointed as trustee in each. In the case of the four bankruptcies, GT’s appointment is subject to affirmation at the first meeting of creditors which are being convened at GT’s offices on February 13, 2020 commencing at 9:00am. Copies of the bankruptcy and NOI packages are attached for your reference.

In addition, on February 3, 2020, the Monitor was advised that on January 30, 2020, at a 9:30 Chambers appointment that the Monitor was not given any notice of, the Court agreed to sign an order amending the Undertaking to replace all references of “Cassels Brock & Blackwell LLP” (“CBB”) (as legal counsel to the Non-Applicants) to “Gardiner Roberts LLP”. On January 31, 2020, the Court signed the attached order.

The Monitor was not consulted (or even provided advance notice) with respect to any of the foregoing, and is currently attempting to gather additional information and meet with GT. The Monitor intends to report with respect to these developments in connection with the next hearing currently scheduled for February 20, 2020. At that hearing, the Monitor will seek, among other things, an extension of the stay of proceeding in the CCAA proceeding. Notwithstanding the January 31 Order amending the Undertaking, the Monitor has advised GT and CBB that no funds presently being held by CBB pursuant to the Undertaking are to be transferred from CBB’s trust account to Gardiner Roberts (or otherwise) until further notice from the Monitor.

5. The substance of the January 31st amendment to the Undertaking is to have Gardiner Roberts hold the Surplus and for Gardiner Roberts’ fees to be funded from the Surplus. The Monitor does not believe those amendments are appropriate for the following reasons:
- a) the January 31st Order was brought without notice to the Monitor or the Service List⁵ in these proceedings and with material non-disclosure to the Court. Mr. Ellis was intimately involved in the negotiation of the Undertaking and in Mr. Wang’s previous motion to amend the Undertaking for the purpose of paying legal fees for certain lawyers Mr. Wang wished to retain personally. That motion was opposed by several mortgagees. The Monitor would have opposed the amendment to the Undertaking had it been aware of it and the Monitor has since spoken to other stakeholders who also oppose the amendment;

⁵ Mr. Ellis is aware that the Service List in these proceedings is comprised of over 100 individuals and many motions have been opposed by numerous stakeholders, including a prior motion to amend the Undertaking.

- b) there appears to be no equity in the Non-Applicants' real property after payment of their mortgage debt. Based on valuation evidence provided to the Monitor concerning the Non-Applicants' real property, and the status of the sale process for these properties, the Monitor has, for several months, advised the Non-Applicants and CBB that in its opinion, the Non-Applicants should not be incurring any further legal fees or other costs because those costs are paid from the Surplus, to the prejudice of the Surplus Beneficiaries. At this late stage of these proceedings, there is no reason for the Surplus Beneficiaries to fund costs of realization for mortgagees which have their own enforcement rights;
- c) Mr. Wang has refused to be examined on a declaration he swore concerning his personal financial situation. Mr. Wang's personal financial situation remains uncertain. This is discussed in greater detail in Section 3.1 below;
- d) the Monitor understands that Gardiner Roberts already represents two of the Non-Applicants, 186 Old Kennedy Development Inc. ("186 Old Kennedy") and 31 Victory Development Inc. ("31 Victory"), in separate receivership proceedings commenced by mortgagees of those properties. Due to representations by Mr. Wang and his lawyers that he is impecunious and therefore without the ability to pay counsel personally, the Monitor has been asking for several months how the Non-Applicants are paying the fees of Gardiner Roberts; the Undertaking prohibits payment of Gardiner Roberts' fees from the Surplus. No response has been provided to the Monitor;
- e) on January 31, 2020, in order to obtain an adjournment until March 1, 2020 of a receivership application by the senior mortgagee of 186 Old Kennedy, Krashnik Investments Limited ("Krashnik"), 186 Old Kennedy agreed to pay Krashnik and a subordinate mortgagee forbearance fees totaling \$165,000. These amounts were required to be paid in installments on or prior to February 20, 2020 and it is the Monitor's understanding that \$140,000 has been paid to-date. It is unclear to the Monitor how Mr. Wang sourced these funds given his representations concerning his personal financial situation and his recent NOI filing;
- f) as listed below, Mr. Wang and the Non-Applicants have had numerous counsel in these proceedings, resulting in inefficiencies and extraordinary costs:
 - i. Loopstra Nixon LLP: resigned in February 2019 as personal counsel to Mr. Wang;
 - ii. James Grout Professional Corp. ("Grout"): retained in February 2019 by Mr. Wang as his personal insolvency counsel. Recently resigned;
 - iii. CBB: replaced Goldman Sloan Nash & Haber LLP in March 2019 as legal counsel to the Non-Applicants. CBB and the Non-Applicants recently agreed to terminate their relationship;
 - iv. Lerner: retained in February 2019 as Mr. Wang's personal litigation counsel. Recently resigned; and
 - v. Gardiner Roberts: replaced CBB in January 2020 as legal counsel to all of the Non-Applicants.

For additional reasons noted in Section 4 below, to the extent that Mr. Wang wishes to retain Gardiner Roberts, those fees should not be paid from the Surplus; and

- g) the Monitor is presently conducting the Claims Procedure in accordance with the Claims Procedure Order, and as contemplated by the Undertaking. Bennett Jones is the logical firm to retain the Surplus pending completion of the Claims Procedure. Bennett Jones has been involved in these proceedings since their outset and is familiar with all relevant issues.
6. Based on the foregoing, the Monitor respectfully recommends that the Undertaking be further amended to: (a) have the Surplus held by Bennett Jones; and (b) preclude the Non-Applicants from funding the costs of any counsel from the Surplus without further Court order.

3.1 Prior Motion to Amend Undertaking

1. On June 25, 2019, Mr. Wang served a motion to amend the Undertaking to provide for payment from the Surplus of insolvency and litigation counsel that he had recently retained, being Grout and Lerner, respectively. On August 7, 2019, as a result of opposition from the Monitor and several mortgagees, Mr. Wang's motion was adjourned *sine die* pursuant to an endorsement of the Honourable Justice Hailey (the "Endorsement").
2. Pursuant to Paragraph 6 of the Endorsement, Mr. Wang was advised that the Monitor would require "...full financial disclosure of all of Mr. Wang's personal assets, income and interests..." in order for the Monitor to consider any request for funding of Mr. Wang's legal fees from the Surplus.
3. At a meeting on November 5, 2019 among Lerner, the Monitor and Bennett Jones, Lerner provided to the Monitor on a confidential basis a Statutory Declaration setting out Mr. Wang's personal assets and liabilities (the "Wang Declaration"). Based on its review of the Wang Declaration, the Monitor was unable to conclude that Mr. Wang does not have sufficient resources available to him and requested to examine Mr. Wang. Mr. Wang refused to submit to the Monitor's examination.
4. In early January 2020, Grout and Lerner resigned as counsel to Mr. Wang. Pursuant to a Court order made on January 6, 2020, Grout and Lerner were formally removed as Mr. Wang's counsel of record.

4.0 Annulment of Bankruptcy Proceedings

1. Grant Thornton LLP ("GT") has been appointed the trustee in bankruptcy of the Bankrupt Non-Applicants, subject to affirmation at the first meetings of creditors, which are to be held on February 13, 2020. GT's counsel is Miller Thomson (Mr. Ellis's new firm).
2. The Monitor does not know what the bankruptcies achieve that is not addressed by the present proceedings. The Monitor is concerned that the bankruptcies have been filed for an improper purpose: to stay the claims process currently being carried out under the Claims Procedure Order. There is no obvious benefit or need for the bankruptcies.

3. The Monitor has also received several enquiries from representatives of the Forme Group's stakeholders questioning the purpose of the bankruptcies, and expressing concern about further delay, claims process confusion and duplication of costs between the Monitor and GT.
4. The Monitor arranged a conference call with GT and Miller Thomson on February 6, 2020 to understand the purpose of the bankruptcies. Unbeknownst to the Monitor, Gardiner Roberts was invited to the call by GT and/or Miller Thomson. Gardiner Roberts did not provide a substantive response to the Monitor's question as to the purpose of the bankruptcy, and GT and its counsel did not respond.
5. On February 9, 2020, Miller Thomson sent an email to Bennett Jones referencing the February 6th conference call and provided its response as to the purpose of the bankruptcies. A copy of that email and the response from the Monitor's counsel to it is attached as Appendix "I".
6. Section 181(1) of the BIA provides "*If, in the opinion of the court, a bankruptcy order ought not to have been made or an assignment ought not to have been filed, the court may by order annul the bankruptcy*". The Monitor believes that the bankruptcy proceedings of the four Bankrupt Non-Applicants should be annulled for the following reasons:
 - a) the assets of the Bankrupt Non-Applicants have all been sold;
 - b) the mortgagees on the Bankrupt Non-Applicants have been paid in full;
 - c) any remaining claims against the Bankrupt Non-Applicants are being determined by the Monitor in accordance with the Claims Procedure Order, which claims have already been received by the Monitor;
 - d) given a, b and c above, the Bankrupt Non-Applicants do not require a stay of proceedings;
 - e) it is a waste of money to have a separate claims determination process in the bankruptcies which would be funded from the Surplus;
 - f) Mr. Wang and the Non-Applicants did not oppose the Undertaking or the Claims Procedure Order; and
 - g) it is not a certainty that the Bankrupt Non-Applicants are insolvent. The Surplus was generated from the sale of the Bankrupt Non-Applicants' real property after repaying their mortgage debt. Their solvency will be determined through the Claims Procedure.
7. Based on the foregoing, the Monitor is of the view that the Court should issue an order annulling the four bankruptcies.
8. As the first meetings of creditors are being convened before the return of this motion to annul the bankruptcies, the Monitor has filed placeholder claims in each of the four bankruptcies on behalf of the Applicants and NOI Debtors. The Monitor will be attending the first meetings of creditors on February 13, 2020 and will be seeking to be appointed as an inspector in each bankruptcy as a contingency should the Court not issue an order annulling them.

5.0 Wang NOI Proceedings

1. As noted above, the Initial Order provided a stay of proceedings against Mr. Wang personally for guarantee and other claims related to the Applicants' obligations.
2. Claims have been filed against Mr. Wang in the Claims Procedure largely in respect of his personal guarantee obligations. Mr. Wang did not oppose the Claims Procedure Order.
3. The claims bar date in the Claims Procedure was January 10, 2020⁶ (the "Claims Bar Date"). On or prior to the Claims Bar Date, 23 Wang Claims were filed. In accordance with the Claims Procedure Order, the Monitor provided copies of each Wang Claim to Mr. Wang. The Claims Procedure Order provided Mr. Wang with 15 days following the Claims Bar Date to complete his review of the Wang Claims.
4. On January 27, 2020, Mr. Wang sent an email to the Monitor which, *inter alia*, advised that all Wang Claims should be disallowed. Copies of Mr. Wang's email dated January 27, 2020 and the Monitor's response are attached as Appendix "J".
5. The Monitor is continuing to advance the Claims Procedure, including for Wang Claims. Given Mr. Wang's position in his January 27th email, many Wang Claims will likely need to be referred to a Claims Officer or the Court for determination.
6. The BIA does not contemplate annulling an NOI. However, the Monitor believes it is appropriate for the Claims Procedure to continue as it relates to the Wang Claims and for Wang Claims to be admitted as proven claims in the Wang NOI Proceedings, once proven. In the Monitor's view, the alternative would result in material prejudice to creditors, who should not have to file claims in another proceeding and/or have their claims determined in more than one insolvency proceeding.
7. Based on the foregoing, the Monitor recommends that this Court issue an order establishing that the Wang Claims be admitted as proven claims in the Wang NOI Proceedings once determined in accordance with the Claims Procedure Order.

6.0 Kennedy Property

1. The Kennedy Property is municipally known as 1296 Kennedy Road and comprises 1.02 acres. The Kennedy Property was acquired by the Kennedy Applicant in June 2015 for \$2.74 million. The Kennedy Applicant intended to develop 68 stacked townhomes and four commercial units with direct frontage on Kennedy Road. The proposed plan and rezoning of the site remain subject to municipal approval.
2. A summary of the principal amount of the mortgages on the Kennedy Property is provided in the table below⁷. The mortgages continue to accrue interest and costs.

Mortgagee	Priority	Amount (\$000s)
First Source Financial Management Inc. ("First Source")	First	6,000
Yi Zhou, on behalf of certain private investors	Second	1,200
Total Mortgage Debt, before interest and costs		7,200

⁶ The Claims Bar Date was extended from November 25, 2019 to January 10, 2020 pursuant to a Court order made on November 21, 2019.

⁷ The priority of the mortgages in the table is based on the order in which the charges were registered on title, subject to the postponements registered on title. The Monitor is not aware of anything further that would impact that priority, but the Monitor's counsel has not provided an opinion thereon.

7.0 Sale Process

7.1 Overview

1. The Initial Order approved the retention of TD Cornerstone Commercial Realty Inc. (“TD”) to carry out the Sale Process under the Monitor’s supervision.
2. Immediately following the granting of the Initial Order, TD began to prepare for the Sale Process, in accordance with the Initial Order. The Sale Process overview and timelines are provided in the following table.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Finalize marketing materials	<ul style="list-style-type: none"> ➤ TD and the Monitor to: <ul style="list-style-type: none"> ○ prepare an offering summary; ○ populate an online data room; and ○ prepare a confidentiality agreement (“CA”). 	November 30, 2018
Prospect Identification	<ul style="list-style-type: none"> ➤ TD to develop a master prospect list. ➤ TD will qualify and prioritize prospects. ➤ TD will have pre-marketing discussions with targeted prospects. 	to February 5, 2019
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ Offering summary and marketing materials printed; ○ publication of the acquisition opportunity in The Globe and Mail (National Edition) and other community or industry targeted publications, as applicable; ○ telephone and email canvass of leading prospects, both from a sale and refinancing perspective; and ○ meet with and interview prospective bidders. ➤ TD to assist the Monitor and its legal counsel in the preparation of a Vendor’s form of Purchase and Sale Agreement. ➤ TD to provide detailed information to qualified prospects which execute the CA including an offering summary and access to the data room. ➤ TD to facilitate all diligence by interested parties. 	February 6, 2019 to March 26, 2019
Stage 3	<ul style="list-style-type: none"> ➤ Deadline for prospective purchasers to submit offers. 	March 27, 2019

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Offers	<ul style="list-style-type: none"> ➤ Short listing bidders. ➤ Further bidding - Interested bidders may be asked to improve their offers in as many rounds of bidding as is required to maximize the consideration. 	April 3, 2019
Selection of Successful Bid	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	April 10, 2019
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for transaction approval and close transaction. 	April 17, 2019 to April 24, 2019

3. On April 2, 2019, TD provided the Monitor with a letter summarizing the procedures it performed carrying out the Sale Process and the feedback it received from the market during the process (the “Sale Process Letter”). The Sale Process Letter details that:
 - a) the offering summary and CA were distributed to TD's subscriber list of approximately 2,000 market participants;
 - b) all properties, including the Kennedy Property, were listed on the Toronto Multiple Listing Service (“MLS”) system;
 - c) print advertisements were placed in *The Globe and Mail* on two occasions;
 - d) advertisements were placed in two online development focused publications - *Novae Res Urbis* (GTA and Toronto editions) and *Urban Toronto*; and
 - e) the offering summary and CA were placed on the Monitor’s website.
4. TD also discussed the opportunity with numerous developers and other parties that it believed would have an interest in the properties and engaged in discussions with those parties to facilitate diligence and to maximize value.
5. A copy of the Sale Process Letter is attached as Appendix “K”.

7.2 Sale Process Updates for Mortgagees

1. On January 11, 2019, prior to the commencement of the Sale Process, the Monitor sent a letter to each mortgagee on the Applicants’ CCAA properties (the “January Letter”), a copy of which is attached as Appendix “L”.
2. The January Letter:
 - a) provided each mortgagee with an opportunity to receive updates concerning the Sale Process while it was being carried out, subject to executing a non-disclosure agreement (“NDA”);

- b) confirmed that mortgagees receiving Sale Process updates could not submit a bid in the Sale Process; and
 - c) confirmed each mortgagee's credit bid rights as contemplated under the Initial Order.
3. First Source was the only mortgagee on the Kennedy Property to execute the NDA. Mr. Zhou did not. Accordingly, First Source and its legal counsel received periodic updates during the Sale Process.

7.3 Sale Process Results

1. A summary of the results of the Sale Process is as follows:
 - a) approximately 120 parties executed the CA⁸, were provided with a copy of TD's Confidential Information Memorandum and granted access to the data room; and
 - b) offers were received for the Kennedy Property on March 27, 2019 (the "Bid Deadline").
2. TD prepared a summary of the offers for the Kennedy Property, a copy of which is attached as Confidential Appendix "2" (the "Offer Summary"). For the reasons detailed in Section 8.1 of this Report, the Monitor believes that the Offer Summary should be sealed pending further order of the Court.
3. Each of the offers submitted on or prior to the Bid Deadline were conditional and for an amount considerably less than the value of the mortgages on the property.
4. Paragraph 45 of the Initial Order reserves a mortgagee's right to credit bid if the offers generated in the Sale Process are insufficient to repay in full the amount owing to the mortgagee. Any mortgagee which credit bids is required under the Initial Order to fully repay or otherwise satisfy any prior ranking obligations.
5. Based on the results of the Sale Process, on or around March 28, 2019, the Monitor commenced discussions with First Source to determine whether it intended to exercise its credit bid rights. Mr. Zhou was also offered the opportunity to credit bid shortly after the Bid Deadline but has never expressed any such interest to the Monitor.
6. On or around May 3, 2019, First Source advised that it intended to submit a credit bid for the Kennedy Property due to the amount of time that had passed since the Bid Deadline and the value of the offers received for the Kennedy Property.
7. On May 9, 2019, First Source submitted its credit bid using the Monitor's template agreement of purchase and sale. On May 23, 2019, the credit bid was accepted by the Monitor and the Monitor intended to bring a motion to approve the transaction.

⁸ This represents the total number of CAs signed in the process. Interested parties were not required to identify the sites of interest to them when executing the CA.

7.4 Unsolicited Offers Following the Bid Deadline

1. On May 8, 2019, CBB advised the Monitor that it was aware that an offer may be forthcoming for three of the Applicants' properties, including the Kennedy Property. All three offers were received on May 9, 2019. The offer for the Kennedy Property contemplated:
 - a) a 15-business day due diligence period commencing upon payment of a 15% deposit of the purchase price. The deposit was to be funded within five business days of offer acceptance; and
 - b) a closing date of June 28, 2019.
2. As the Prospective Purchaser's interest was expressed well after the Bid Deadline, was insufficient to fully repay First Source, and First Source had advised the Monitor of its intention to submit a credit bid, the Monitor advised CBB that it would contact First Source to determine whether it would consent to a transaction with the prospective purchaser (the "Prospective Purchaser").
3. First Source advised that it was not prepared to consent to a conditional offer. After further discussions among the Monitor, CBB, First Source and the Prospective Purchaser, the Prospective Purchaser submitted an unconditional offer with improved terms, however, the value of the offer remained insufficient to fully repay First Source and negotiations with the Prospective Purchaser discontinued shortly thereafter.
4. First Source continued to canvass the market and it kept the Monitor apprised of these efforts. The Monitor understands that Mr. Wang assisted First Source in its marketing activities. In January 2020, First Source advised that the Purchaser had submitted an acceptable offer. The Monitor, with the consent of First Source, executed the Kennedy APS on February 7, 2020. The offer is only conditional on Court approval.

8.0 The Kennedy Transaction⁹

1. A summary of the Kennedy Transaction is provided below.
 - a) **Purchaser:** 1296 Kennedy Road Inc., an entity incorporated by Sunray Group of Hotels Inc. for the purpose of the Kennedy Transaction.
 - b) **Purchased Assets:**
 - (i) the Kennedy Property;
 - (ii) all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Kennedy Property;
 - (iii) the Plans;
 - (iv) the Permits and Contracts, to the extent transferable; and
 - (v) all intellectual property, if any, owned by the Kennedy Applicant with respect to the Kennedy Property.

⁹ Capitalized terms in this section have the meaning provided to them in the Kennedy APS, as applicable, unless otherwise defined herein.

- c) **Purchase Price:** For the reasons provided in Section 8.1 of this Report, the Monitor is seeking to have the purchase price sealed pending further order of the Court.
 - d) **Deposit:** The Purchaser has paid a deposit of \$225,000, which is being held in a trust account of Bennett Jones.
 - e) **Excluded Assets:** The right, title and interest of the Kennedy Applicant in any of its assets, other than the Purchased Assets, including: (i) books and records that do not exclusively or primarily relate to the Purchased Assets; and (ii) tax refunds relating to the period prior to the Closing Date.
 - f) **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
 - g) **Closing:** Later of March 4, 2020 and the first Business Day which is two Business Days following the granting of the Approval and Vesting Order.
 - h) **Material Conditions:** The only material condition precedent to the Kennedy Transaction is Court approval.
2. A copy of the redacted version of the Kennedy APS is attached as Appendix “M”. An unredacted copy of the Kennedy APS is attached as Confidential Appendix “3”.

8.1 Sealing

1. The Monitor recommends that the Non-Applicant sale process update, the Offer Summary and the unredacted copy of the Kennedy APS be filed with the Court on a confidential basis and remain sealed pending further order of the Court as the availability of such information to other parties may negatively impact any future sale process for the Kennedy Property if the Kennedy Transaction does not close. In addition, the Offer Summary contains sensitive information, including the identity of bidders and the value of other bids received for the Kennedy Property. In respect of the Non-Applicant sale process update, the Undertaking provides that those weekly updates be provided to the Monitor on a confidential basis.
2. The Monitor does not believe that any stakeholder will be prejudiced if the information is sealed or redacted. Keeping this information sealed pending further order of the Court is beneficial to maximizing value in these circumstances.

8.2 Recommendation

1. The Monitor recommends that the Court issue an order approving the Kennedy Transaction for the following reasons:
 - a) the Sale Process was conducted in accordance with the terms approved under the Initial Order;
 - b) the Sale Process conducted by TD for the Kennedy Property was consistent with the process conducted for six other properties subject to these proceedings, all of which resulted in Court approved transactions on an unopposed basis;

- c) the market was widely canvassed by TD, an experienced realtor, using several strategies commonly used to sell real property, including, but not limited to, direct solicitation of investors and developers. As evidenced by the Sale Process Letter, TD undertook a thorough canvassing of the market;
 - d) after the Sale Process was concluded, First Source was prepared to credit bid its mortgage. However, it continued to canvass the market for opportunities for the property and it kept the Monitor apprised of its efforts. Mr. Wang assisted First Source;
 - e) the Kennedy Transaction provides for the greatest recovery available in the circumstances;
 - f) Yi Zhou, as representative of the subordinate ranking mortgagee, has had over ten months since the Bid Deadline to submit a credit bid. As at the date of this Report, Mr. Zhou has not done so, nor has he expressed any interest in doing so; and
 - g) in the Monitor's view, further time marketing the Kennedy Property is unlikely to improve recoveries and would result in further costs, including property taxes, insurance and professional fees.
2. Pursuant to the Initial Order, the Monitor is authorized to execute and complete the Kennedy Transaction on behalf of the Applicants.

8.3 Proposed Distribution of Sale Proceeds

1. Subject to Court approval, the Monitor intends to distribute the sale proceeds of the Kennedy Transaction as follows¹⁰:
- a) payment in full of all property tax arrears;
 - b) the Kennedy Applicant's first mortgage obligations owing to First Source. First Source has provided a payout statement for its first mortgage on the Kennedy Property. The payout statement has been reviewed by the Monitor and Bennett Jones. There are certain amounts on the payout statement that require discussion with First Source. Accordingly, the Monitor believes it is appropriate to distribute to First Source all amounts which are not in dispute (being principal and accrued interest) and for the Monitor to retain the balance (the "Holdback") until the payout statement issues can be resolved consensually or by further order of the Court at which time the Monitor will make one or more distributions to First Source, or as they may direct, the amount of the Holdback as is agreed or ordered by the Court to be payable to First Source;
 - c) professional fees incurred in connection with the administration of the CCAA proceedings for the Kennedy Property, which largely relate to the Sale Process, as contemplated under paragraphs 32 and 33 of the Initial Order; and

¹⁰ There are no real estate commissions payable on the Kennedy Transaction as the holdover period under TD's listing agreement has expired.

- d) mortgage obligations owing to the second mortgagee, Yi Zhou, to the extent there is a surplus remaining to distribute and there are no issues with its security, which is yet to be reviewed by Bennett Jones. Distributions to Yi Zhou are not expected to be material.
2. The Monitor believes the proposed Distributions are appropriate as:
 - a) they are consistent with the terms of the Kennedy APS and the priorities of the Court-ordered charges created under the Initial Order;
 - b) Bennett Jones provided an opinion to the Monitor which, subject to standard assumptions and qualifications contained therein, concludes that the security granted by the Kennedy Applicant to First Source, as registered on title to the Kennedy Property by way of a mortgage, creates a valid and perfected security interest in the real property subject to the Kennedy APS; and
 - c) to the extent there are any funds available for distribution to Mr. Zhou, the Monitor will instruct Bennett Jones to provide an opinion on its mortgage security prior to making any distributions to Mr. Zhou.

9.0 Status of Remaining Properties

1. Upon the completion of the Kennedy Transaction, all of the Applicants' and the NOI Debtors' real properties will have been sold.
2. The Non-Applicants' unsold properties are municipally described as 186 Old Kennedy Road, 31 Victory Avenue, 376 Derry Road, 390 Derry Road, 101 Columbia Street and 68 Elm Avenue (which, for greater certainty, is not an "Elm Property").
3. In respect of the unsold properties of the Non-Applicants:
 - a) the Monitor understands that each of the Non-Applicants' remaining properties is either listed for sale and/or subject to a binding purchase agreement. Certain of those agreements are conditional; and
 - b) the Non-Applicants' properties at 186 Old Kennedy Road and 31 Victory Avenue are an assembly (i.e. multiple properties on which a single project is to be developed). On November 5, 2019, Pollard & Associates Inc. was appointed as receiver and manager of 31 Victory Development Inc. ("31 Victory"), effective 5:00 pm on January 29, 2020. The receivership order allows 31 Victory to complete a pending transaction which would allow the first mortgagee, Vector Financial Services Ltd., to be paid in full. On January 31, 2020, the receivership application over 186 Old Kennedy was adjourned to March 1, 2020. This is discussed in Section 3 above.

10.0 Cash Flow Forecast

1. The Cash Flow Forecast and the Applicants' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "N". As reflected in the Cash Flow Forecast, there is presently approximately \$6 million in the trust accounts of the Monitor and the Proposal Trustee.

2. As “super” Monitor in these proceedings, the Monitor has executed the Applicants’ statutory report on the Cash Flow Forecast. The Monitor believes this is appropriate given, *inter alia*, that the Applicants did not prepare the Cash Flow Forecast nor were they required to assist with its preparation.
3. Based on the Monitor’s review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “O”.

11.0 Stay Extension

1. The Monitor supports an extension of the stay of proceedings from February 28, 2020 to May 31, 2020 for the following reasons:
 - a) as “super” Monitor in these CCAA proceedings, it is the Monitor’s view that the good faith and due diligence standard should focus on the Monitor’s conduct. In this regard, the Monitor is discharging its duties and obligations under the Initial Order and other orders made in these CCAA Proceedings in good faith and with due diligence;
 - b) it will enable the Monitor to: (i) continue to carry out the Claims Procedure in accordance with the Claims Procedure Order and as contemplated by the Undertaking; (ii) complete the Kennedy Transaction, subject to Court approval; (iii) continue to perform its obligations pursuant to the Undertaking, including monitoring the sale of the remaining Non-Applicant properties; and (iv) remain apprised of the Non-Applicants’ use of the net proceeds generated from real property sale transactions, as contemplated by the Undertaking;
 - c) the Cash Flow Forecast reflects that there is sufficient funding in place for the extension period; and
 - d) no creditor will be prejudiced if the extension is granted.

12.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



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

Appendix “H”

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

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

FRIDAY, THE
31ST DAY OF JANUARY 2020

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

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

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

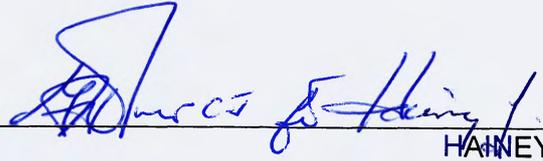
ORDER

THIS MOTION, made by the non-applicant companies listed on Schedule "B" hereto ("Non-Applicants") in the proceedings of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended ("**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Motion Record of the Non-Applicants, and upon hearing the submissions of counsel for the Non-Applicants and such other parties as were present, no one else appearing;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and are hereby abridged and validated so that the Motion is property returnable today.

2. **THIS COURT ORDERS** that the Undertaking of the Non-Applicants and Yuan Hua Wang (Mike Wang) dated March 11, 2019 and approved by this Court on March 18, 2019 ("**Undertaking**") be amended in accordance with Schedule "C" attached hereto.
3. **THIS COURT ORDERS** that notwithstanding any amendments made to the Undertaking pursuant to this Order, the Non-Applicants shall continue to be entitled to pay the reasonable professional fees and disbursements of Cassels Brock and Blackwell LLP ("**Cassels**"), in accordance with the terms of the Undertaking up to and including the date of the Order.
4. **THIS COURT ORDERS** that the Non-Applicants are directed, including authorizing its former solicitors, Cassels, to transfer the trust funds held by Cassels pursuant to the Undertaking to Gardiner Roberts LLP, in trust.
5. **THIS COURT ORDERS** that there shall be no costs for this motion.



HAYNEY J.

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

FEB 03 2020

PER / PAR: 

SCHEDULE "A"

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

SCHEDULE "B"

101 Columbia Development Inc.

186 Old Kennedy Development Inc.

19 Turff Development Inc.

22 Old Kennedy Development Inc.

31 Victory Development Inc.

35 Thelma Development Inc.

376 Derry Development Inc.

390 Derry Development Inc.

4 Don Hillock Development Inc.

4208 Kingston Development Inc.

4550 Steeles Development Inc.

7397 Islington Development Inc.

9500 Dufferin Development Inc.

68 Elm Development Inc.

SCHEDULE "C"

Amended Undertaking

See attached.

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

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

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

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

UNDERTAKING OF THE FORME GROUP

TO: THIS HONOURABLE COURT

FROM: THE CORPORATIONS LISTED ON SCHEDULE "B" HERETO

AND FROM: YUAN HUA WANG (a/k/a MIKE WANG) ("**Principal**")

WHEREAS:

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

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

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

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

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

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

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

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

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

DATED at Toronto this 30th day of January, 2020

101 Columbia Development Inc.

By: 

Name: Yuan Hua Wang
Title: President

186 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

19 Turff Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

22 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

31 Victory Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

35 Thelma Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

376 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

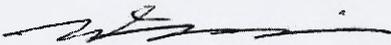
390 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

4 Don Hillock Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

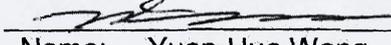
4208 Kingston Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

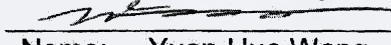
4550 Steeles Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

7397 Islington Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


Witness signature
Name: Danielle Yapp

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

SCHEDULE "A"

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

SCHEDULE "B"

101 Columbia Development Inc.

186 Old Kennedy Development Inc.

19 Turff Development Inc.

22 Old Kennedy Development Inc.

31 Victory Development Inc.

35 Thelma Development Inc.

376 Derry Development Inc.

390 Derry Development Inc.

4 Don Hillock Development Inc.

4208 Kingston Development Inc.

4550 Steeles Development Inc.

7397 Islington Development Inc.

9500 Dufferin Development Inc.

68 Elm Development Inc.

SCHEDULE "C"

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

		Wei Zhang, Jun Wang, Zhengxie Yu, Hsing Ching Fan, Kung Chan Fan, Martin Zamora, Hao Li, Lijie Wang, Yifei Wang, and Xuemei Yuan
		Trisura Guarantee Insurance Company
159 Carrville Development Inc.	159 Carrville Rd., Richmond Hill, ON	2611809 Ontario Inc.
		2611622 Ontario Inc.
		2612316 Ontario Inc.
169 Carrville Development Inc.	169 Carrville Rd., Richmond Hill, ON	Home Trust
		2557725 Ontario Inc.
		10226190 Canada Ltd
		2611622 Ontario Inc.
		2612316 Ontario Inc.
189 Carrville Development Inc.	177 Carrville Rd., Richmond Hill, ON, 181 Carrville Rd., Richmond Hill, ON & 189 Carrville Rd., Richmond Hill, ON	Home Trust

		2557725 Ontario Inc.
		10226190 Canada Ltd
		2611622 Ontario Inc.
		2612316 Ontario Inc.
27 Anglin Development Inc.	27 Anglin Dr., Richmond Hill, ON	Home Trust Company
		2603616 Ontario Inc.
29 Anglin Development Inc.	29 Anglin Dr., Richmond Hill, ON & 31 Anglin Dr., Richmond Hill, ON	Home Trust Company
		2603616 Ontario Inc.
4 Don Hillock Development Inc.	4 Don Hillock Dr., Aurora, ON	Perdy Building Corporation
		Canada Access Capital Ltd.
7397 Islington Development Inc.	7397 Islington Ave., Vaughan, ON	739572 Ontario Limited

		Empirical Capital Corp.
		Yuce Baykara & Computershare Trust Company of Canada
101 Columbia Development Inc.	93-101 Columbia St. W., Waterloo, ON	Foremost Mortgage Holding Corporation
		Ivy Hong
		Chih-Huang Lin
4208 Kingston Development Inc.	4206-4208 Kingston Rd., Toronto, ON & 4212 Kingston Rd., Toronto, ON	Foremost Mortgage Holding Corporation
		Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Hongbing Xie, Linghong Kong & Shepherd Estate Limited Partnership
		Royal Bank of Canada
		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.
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
		Wenguang Liu & Yan Yan
35 Thelma Development Inc. & 19 Turff Development Inc.	35 Thelma Ave., Markham, ON & 19 Turff Ave., Markham, ON	U-Feel Inc.
		Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Honbing Xie, Linghong Kong, & Shepherd Estate Limited Partnership
4550 Steeles Development Inc.	4550 Steeles Ave. E., Markham, ON & 31 Old Kennedy Rd., Markham, ON	Windsor Family Credit Union Limited
		2586614 Ontario Inc.
		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Non-Applicants

Appendix “I”



**Supplement to the
Twelfth Report of
KSV Kofman Inc.
as CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix “A”**

February 19, 2020

and

**Supplement to the
Eighth Report of
KSV Kofman Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

Contents

	Page
1.0 Introduction.....	1
2.0 Bankrupt Non-Applicants	2
3.0 Gardiner Roberts	3
4.0 Purpose of the CCAA Proceedings and NOI Proceedings	3
5.0 Relationship with the Non-Applicants and Mr. Wang.....	4
6.0 Service	5
7.0 The Affidavit.....	6

Appendices

Appendix	Tab
List of Applicants	A
Emails dated February 18, 2020 between the Trustee, David Sieradzki, and Chris Besant.....	B
Third Report of the Monitor dated February 26, 2019 (without appendices)	C



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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

**SUPPLEMENT TO TWELFTH REPORT OF KSV KOFMAN INC.
AS MONITOR AND EIGHTH REPORT OF KSV KOFMAN INC.
AS PROPOSAL TRUSTEE**

February 19, 2020

1.0 Introduction

1. This report (the "Supplemental Report") supplements the twelfth report of the Monitor and the eighth report of the Proposal Trustee dated February 12, 2020 (the "Report"), which was jointly filed in the CCAA Proceedings and the NOI Proceedings.
2. This Supplemental Report is subject to the restrictions and qualifications set out in the Report.
3. Defined terms in the Supplemental Report have the meaning provided to them in the Report.

2.0 Bankrupt Non-Applicants

1. The first meetings of creditors of the Bankrupt Non-Applicants were convened on February 13, 2020. GT was affirmed as Trustee in Bankruptcy (the “Trustee”) of each Bankrupt Non-Applicant at those meetings. GT’s preliminary reports indicate that Jessica Wang, Mr. Wang’s daughter, has guaranteed GT’s fees to a maximum of \$12,500 per estate (or \$50,000 in aggregate for the four bankruptcies).
2. Immediately after each first meeting of creditors, an inspectors’ meeting was convened. Two inspectors were appointed in each of the bankrupt estates: David Sieradzki of KSV and Chris Besant of Gardiner Roberts. Mr. Besant objected to the appointment of Mr. Sieradzki as an inspector given the Monitor’s pending motion to annul the bankruptcies. That issue will be dealt with should the bankruptcies continue beyond the return of this motion, at which point the Monitor believes the objection would be moot.
3. At the meetings of inspectors on February 13, 2020, the Trustee did not ask for a resolution appointing estate counsel.
4. On February 18, 2020, by email to Mr. Sieradzki and Mr. Besant, the Trustee requested that an inspectors’ meeting be convened for the purpose of appointing Miller Thomson as estate counsel of each Bankrupt Non-Applicant. Mr. Besant approved this request. Mr. Sieradzki advised that, in his view, Miller Thomson may have a conflict given Larry Ellis recently joined the firm from CBB, which was counsel to the Non-Applicants. Mr. Sieradzki stated that, in his opinion, this issue should be addressed at a future meeting of inspectors if the bankruptcies are not annulled. The Trustee responded by email received at 2:27 pm on February 18th that the Trustee intended to convene an inspectors’ meeting at 4:30 pm that afternoon. Mr. Sieradzki confirmed once again that he believes that Miller Thomson is conflicted and objected to the convening of inspectors’ meetings on such short notice. The Trustee replied at 4:20 pm advising, among other things, that the Trustee does not believe Miller Thomson has a conflict, that Mr. Sieradzki has a conflict with respect to the appointment of Miller Thomson given the Monitor’s pending motion, and that the Trustee intends to hold an inspectors’ meeting prior to Thursday’s motion. A copy of the email correspondence concerning this matter is attached as Appendix “B”.
5. For clarity, Mr. Sieradzki and the Monitor will not object to Miller Thomson representing the Trustee at the Monitor’s motion, without prejudice to any future arguments Mr. Sieradzki, as inspector, and/or the Monitor may wish to make with respect to any further role for Miller Thomson in the event the bankruptcies are not annulled.

3.0 Gardiner Roberts

1. The Monitor understands that Gardiner Roberts is counsel to the non-bankrupt, Non-Applicants. The best and only evidence presently available is that the only stakeholders with an economic interest in the non-bankrupt Non-Applicants are the mortgagees of those entities, and that these entities are insolvent. Accordingly, it is unclear to the Monitor that these entities have standing to make submissions in these CCAA proceedings. It is therefore unclear what economic interest Gardiner Roberts represents, although it appears that Gardiner Roberts appears to be attempting to be advancing the interests of Mr. Wang in his personal capacity.
2. The Monitor notes that Gardiner Roberts filed a proof of claim in the Claims Procedure in the amount of \$237,000 for its fees and costs up to and including January 10, 2020. The Monitor suspects that Gardiner Roberts has incurred significant fees since that time given its level of activity in these proceedings, including the motion served on February 19, 2020. Gardiner Roberts' claim was filed in the Claims Procedure against all of the Non-Applicants and indicates that an affiliate of Gardiner Roberts has registered mortgages for its unpaid fees and costs against all of the Non-Applicants' real property, including the Bankrupt Non-Applicants whose real property sales gave rise to the Surplus.
3. As set out in the Report, the Monitor has been asking for several months how the Non-Applicants are paying the fees of Gardiner Roberts. No response has been provided. The Monitor only learned of the mortgages registered against the Non-Applicants' real property upon receipt of the proof of claim filed by Gardiner Roberts in the Claims Procedure. The granting of security by the Non-Applicants in respect of legal fees is contrary to the Undertaking. Mr. Wang states in his affidavit sworn February 19, 2020 (the "Affidavit") that the Monitor never asked Gardiner Roberts for this information. While that request was not made directly of Gardiner Roberts, the Monitor repeatedly asked the Non-Applicants and Mr. Wang through their respective counsel (i.e. CBB and Lerner).

4.0 Purpose of the CCAA Proceedings and NOI Proceedings

1. These proceedings continue to have the purposes contemplated by the various orders issued by this Court, including completing the Claims Procedure. These processes are characterized as being disorderly in the Affidavit. The Monitor does not share that view, nor does it believe that view is shared by stakeholders. To the extent there is confusion in the process, that is the result of the January 31st *ex parte* motion to amend the Undertaking, the assignments in bankruptcy recently made by the Bankrupt Non-Applicants and the NOI filed by Mr. Wang.
2. The fact that all properties have been sold is not a reason to terminate the CCAA and NOI Proceedings, which is a suggestion made by the Non-Applicants and/or Mr. Wang. As with many CCAA and NOI proceedings, the first step is to generate proceeds and the next is to distribute them upon completion of a claims process. The Monitor is now dealing with claims process issues, pursuant to the orders issued by this Court in these proceedings.

3. The Monitor believes that the Claims Procedure Order provides an appropriate level of input by the Non-Applicants and Mr. Wang. To the extent that the Non-Applicants or Mr. Wang disagree with decisions made by the Monitor, they have the right under the Claims Procedure Order to argue those matters before a claims officer or the Court.
4. As noted in the Report, Mr. Wang has told the Monitor he wants all Wang Claims to be disallowed. The Monitor understood from Lerner that Mr. Wang did not intend to take a scorched earth approach to the Wang Claims. The Claims Procedure Order establishes an impartial process to review all claims and provides Mr. Wang with the opportunity to participate in the process. He did not oppose the Claims Procedure Order.
5. Mr. Wang complains in the Affidavit that he does not have funding for counsel to assist him in the Claims Procedure; however, he has not been able to satisfy the Monitor's questions on his declaration, as required by the Court. Mr. Wang previously sought direction from the Court that he need not submit to an examination in order to have his personal counsel funded, but the Court agreed with the Monitor that an examination was appropriate. Additionally, Mr. Wang has been able to source monies to pay certain forbearance fees (as noted in the Report) and Jessica Wang, Mr. Wang's daughter, has been able to source at least \$50,000 as a third-party guarantee for GT's fees. The Monitor is unsure if the Proposal Trustee has also been paid a retainer.
6. All claims in respect of all entities that have sold their properties have been submitted in accordance with the Claims Procedure and all the claims have been reviewed by the Monitor and/or Bennett Jones. The Monitor has provided to Mr. Wang copies of all Wang Claims as required pursuant to the Claims Procedure Order. Despite Mr. Wang's suggestion to the contrary in the Affidavit, the Monitor has, and will continue to, comply with its obligations under Claims Procedure Order, including as it relates to providing parties with copies of claims.

5.0 Relationship with the Non-Applicants and Mr. Wang

1. The Monitor has reported many times in these proceedings. The Monitor's reports detail that Mr. Wang has not opposed any order made in these proceedings, including the sale process order, the approval of any sale transaction or the Claims Procedure Order. The Monitor's frustrations with Mr. Wang are due to the steps he has taken when he does not like the outcome of a particular process; for example, the number and value of the claims filed in the Claims Procedure and the objections by many mortgagees at the outset of this process to a debtor-in-possession process run by Mr. Wang. These objections resulted in the appointment of KSV as the "super" Monitor. The consequences of KSV's enhanced mandate were explained to Mr. Wang.
2. The Monitor is also concerned that Mr. Wang's activities have resulted in unnecessary costs which have been funded from or accruing against the Surplus, including retaining multiple lawyers, including more than \$237,000 of legal fees payable to Gardiner Roberts. Such efforts run contrary to Mr. Wang's stated intention at the outset of these proceedings to honour his obligations to his creditors, including those whose obligations he personally guaranteed

3. Mr. Wang complains of the cost of these proceedings and notes that the Monitor and its counsel have not passed their accounts. The accounts will be passed in due course. However, the Monitor notes that Mr. Wang has approved legal costs of more than \$1.67 million for himself and the Non-Applicants. This includes paid and accrued fees totaling in excess of \$1.2 million for CBB, \$152,000 for Grout, \$82,000 for Lerner and \$237,000 for Gardiner Roberts (as of January 10, 2020). Mr. Wang has also retained a lawyer by the name of Yi Zhou who the Monitor understands has closed each of the Non-Applicants' real estate transactions; however, the Monitor does not know the total amount Yi Zhou has invoiced. It now appears that Mr. Wang has also engaged Blaney McMurtry LLP as his latest personal counsel.
4. In the Monitor's opinion, the Non-Applicants and Mr. Wang should no longer be entitled to have the Surplus used to fund efforts which frustrate the purpose of these proceedings.

6.0 Service

1. The Monitor served its motion record on the Service List in these proceedings on February 12, 2020.
2. On February 18, 2020, Gardiner Roberts sent an email to the Service List in these proceedings advising:

"We are counsel to the Non Applicant Companies ("NACs")

1. *We refer to the Monitor's motions returnable Feb. 20, 2020. The NACs will be opposing the CCAA Extension, and the Monitor's motions concerning the Non Applicant bankruptcies, the Undertaking and the funds held thereunder.*
2. *The NACs are also bringing a motion on Feb. 20, 2020 to convert the Former CCAA Process to a BIA bankruptcy and to put the remaining NAC companies which have completed their property sales into bankruptcy and for other relief.*

The Notice of Motion, and an affidavit in support of both positions will be served today under separate cover."

3. In response, Bennett Jones sent an email to the Service List asking that Gardiner Roberts provide the name of the affiant and the time that the affiant will be available to be examined on February 19, 2020, if required. Gardiner Roberts did not respond to the email. Gardiner Roberts served its materials on February 19, 2020 at 11:34 a.m., leaving the Monitor no time to conduct an examination. The Monitor will seek to reserve its rights to examine Mr. Wang on the Affidavit following the motion.

7.0 The Affidavit

1. The Affidavit is 34 pages, and given the time it was served, there is insufficient time for the Monitor to respond to it in detail. Suffice to say, the Monitor disagrees with its content and characterizations and believes that it is largely rife with falsehoods and attempts to rewrite the history of these proceedings, including in respect of the advice provided by KSV and other professionals involved in these proceedings. A more comprehensive response can be provided in due course, if necessary. Unfortunately, doing so will require significant time and cost that will be funded from monies otherwise distributable to creditors. In the shortness of time, the Monitor is responding below to a few of the general themes in the Affidavit.
2. From the time of Mr. Wang's first meeting with KSV, the Forme Group was without liquidity (the combined bank balance of all entities in the Forme Group was negligible), mortgage payments had not been made, and each of the entities in the Forme Group was at risk of being placed in power of sale proceedings. Several mortgagees had commenced power of sale proceedings and/or issued 244 notices, and substantially all others were preparing to do so, according to Mr. Wang. Mr. Wang wanted to file NOIs for all companies forthwith. Thereafter, KSV and the other professionals involved worked with Mr. Wang to formulate a process that attempted to balance the interests of the Forme Group and its stakeholders, including, in particular, its mortgagees. KSV and the other professionals advised of the pros and cons of filing for CCAA protection, including that certain mortgagees may oppose a debtor-led restructuring process, which is precisely what happened. Mr. Wang was advised that the Court in various instances has refused to grant CCAA protection to real estate development companies.
3. Mr. Wang's affidavit repeatedly states that the Monitor has not permitted funding for the Forme Group, his daughter Jessica, and for counsel. Mr. Wang's comments are misleading:
 - a) The Undertaking provides a mechanism for funding various costs, particularly that the funding request is accompanied by evidence that there is value in the Non-Applicant real estate greater than the mortgage debt. Mr. Wang was unable to satisfy that requirement. The Monitor provided the opportunity to do so, including consulting with a realtor that had been retained by the Non-Applicants, Cushman & Wakefield;
 - b) Many months ago, and on more than one occasion, CBB advised that a motion would be brought to pay Jessica from the Surplus. The Monitor advised that it would form a view on such a motion once it reviewed the motion record. No such motion was ever brought; and
 - c) Mr. Wang did not satisfy the Court's requirements, as also required by creditors in these proceedings, that he does not have personal assets available to pay his personal counsel from resources other than the Surplus. Mr. Wang's declaration raised issues that the Monitor believed required exploration. Lerner was advised repeatedly by the Monitor that it preferred that Mr. Wang have responsible legal counsel representing him. Mr. Wang, unfortunately, refused to be examined on his declaration.

4. The Affidavit raises concerns with the realizations achieved for the CCAA Applicants' real property. However, the Monitor notes that (i) the sale process was approved by this Court, (ii) the sale process was run by a highly reputable and experienced real estate brokerage under the oversight of the Monitor, (iii) Mr. Wang and the CCAA Applicants were given the opportunity to assist the broker, and (iv) each sale transaction was approved by the Court without objection by any party.
5. Mr. Wang neglects to provide any context for the Undertaking, instead saying that it was "to harmonize the Non Applicants marketing process with value maximization objectives of the me (sic) and my personal creditors, the NAC and CCAA Creditors, and the possible reconciliation of the intercompany indebtedness accounts in the Forme Group". Attached as Appendix "C" is the Third Report of the Monitor dated February 26, 2019 ("Third Report"), without appendices, which details at Section 5 the Monitor's concerns at the time, and the context for the Undertaking. In short, the Monitor was concerned that approximately \$12 million may be put out of reach of the stakeholders in these proceedings as a result of a sale of certain properties that was not disclosed to the Monitor and which only came to the Monitor's attention through the inadvertence of one of the Forme Group's employees.
6. Mr. Wang has raised issues with the Claims Procedure, and in particular, the Intercompany Claims. Having a court officer file intercompany claims is not unique to these proceedings. Such a process was approved by this Court in the Urbancorp proceedings, as it was in many others. The intercompany claims review has not been shared with any creditors, despite Mr. Wang's suggestion to the contrary. The intercompany review is ongoing and cannot be completed until information is received from RBC. Additionally, the claims arise because the Forme Group transferred monies raised from mortgagees from one entity to another, contrary to contractual entitlements. The Forme Group's records are incomplete and unreliable, as set out in the Report.
7. There have been 18 reports filed in the CCAA proceedings (including supplements) and 11 filed in the NOI proceedings (including supplements). The history of these proceedings has been well documented in the materials filed in these proceedings. The Court has approved all relief sought by the Monitor and the Proposal Trustee; Mr. Wang has not opposed any of the relief sought.
8. When convenient, Mr. Wang complains he lacks an understanding of these proceedings due to a lack of proficiency with the English language. This has not been the Monitor's experience in its dealings with Mr. Wang, and it is further not consistent with swearing the 34-page Affidavit.
9. Based on the foregoing, the Monitor will be requesting that costs be awarded against Mr. Wang personally.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

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

Appendix “J”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 20th DAY
)
JUSTICE HAINEY) OF FEBRUARY 2020



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

ANCILLARY ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants in their proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended ("**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Twelfth Report of the Monitor and the Eighth Report of the Proposal Trustee dated February 12, 2020 (the "**Report**"), together with the appendices thereto and such other materials as were filed by the parties, and on hearing the submissions of counsel for the Monitor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Aiden Nelms sworn February 13, 2020, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and are hereby abridged and validated so that the Motion is properly returnable today.

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including May 31, 2020.

SEALING

3. **THIS COURT ORDERS** that the Confidential Appendices to the Report shall be sealed and kept confidential pending further Order of this Court.

ANCILLARY RELIEF

4. **THIS COURT ORDERS** that, notwithstanding (i) the Undertaking (as defined in the Report) executed by the companies listed on Schedule "B" hereto (the "**Non-Applicants**") and Yuan Hua Wang ("**Mr. Wang**") dated March 11, 2019 and approved by this Court on March 18, 2019; and (ii) the *ex parte* Court Order dated January 31, 2020, amending the Undertaking; and (iii) any prior Order of this Court:

- (a) Gardiner Roberts LLP, or any other past, present or future counsel to the Non-Applicants, Mr. Wang or any other party, are precluded from being paid from the Surplus (as defined below) without further Order of the Court; and

(b) the purchase price (including any deposits) in respect of the sale of any Non-Applicant real property (each a "**Non-Applicant Project**"), net only of any amounts owing to the mortgagee(s) of that Non-Applicant Project, will be delivered forthwith to Bennett Jones LLP ("**Bennett Jones**") to be held in trust for that Non-Applicant's remaining creditors and form part of the Surplus (as defined below).

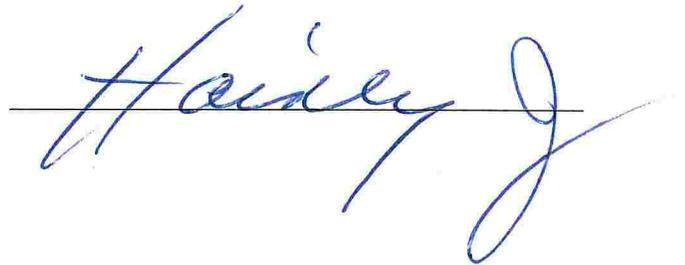
5. **THIS COURT ORDERS** that Cassels Brock & Blackwell LLP ("**CBB**") is hereby authorized and directed to transfer the surplus funds presently on deposit in CBB's trust account (the "**Surplus**"), to Bennett Jones without deduction, provided, however, that CBB may take from the Surplus the aggregate sum of \$29,958.13 (inclusive of disbursements and taxes) for payment of the remaining fees of CBB as permitted by the Undertaking and paragraph 3 of the Order of Justice Hailey dated January 31, 2020. Notwithstanding the payment of the fees of CBB as permitted herein, (a) the Monitor and other applicable stakeholders reserve the right to challenge the fees of CBB and (b) CBB reserves the right (i) to dispute the standing or ability of such parties to challenge its fees and (ii) to justify its fees.

6. **THIS COURT ORDERS** that the bankruptcy proceedings of the Bankrupt Non-Applicants (as defined in the Report) bearing Estate Numbers 31-2610122, 31-2610116, 31-2610109 and 31-2610098 are hereby annulled.

7. **THIS COURT ORDERS AND DECLARES** that Grant Thornton Limited be and is hereby discharged in its capacity as the Trustee in Bankruptcy in the bankruptcy proceedings of the Bankrupt Non-Applicants bearing Estate Numbers 31-2610122, 31-2610116, 31-2610109 and 31-2610098.

8. **THIS COURT ORDERS** that the Claims Procedure (as defined in the Report) will continue and that any proven Wang Claims (as defined, and upon being finally determined in the Claims Procedure Order in the within proceedings dated October 22, 2019) will constitute proven claims in the proceedings related to Mr. Wang's Notice of Intention to Make a Proposal filed on January 24, 2020 and in any future bankruptcy of Mr. Wang.

9. **THIS COURT ORDERS** that parties may make brief written cost submissions, to not exceed five (5) pages in length.



SUPERIOR COURT OF JUSTICE
ENTERED
FEB 25 2020 JP
COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

SCHEDULE "A"
APPLICANTS

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

SCHEDULE "B"

THE NON-APPLICANTS

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

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

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

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

Proceeding commenced at Toronto

ANCILLARY ORDER

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

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

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

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

Appendix “K”

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

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

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

PROOF OF CLAIM

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

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

GARDINER ROBERTS LLP ⁽¹⁾ (the "Claimant")

2. Full Mailing Address of the Claimant:

BAY ADELAIDE CTR - EAST TOWER
22 ADELAIDE ST. W. SUITE 3600
TORONTO ON M5H 4E3 ^{(1) (See par 4 of Schedule A)}

3. Telephone Number:

416-865-4022

4. E-Mail Address:

CBesant@GRLLP.com

5. Facsimile Number:

416-865-6636

6. Attention (Contact Person):

Christopher Besant

7. Have you acquired this Claim by assignment?

Yes:

No:

(if yes, attach documents evidencing assignment)

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

II. PROOF OF CLAIM:

8. I, Christopher Besant
 (name of Claimant or representative of the Claimant), of GARDINER
ROBERTS LLP of Toronto ON do hereby certify:
 (city and province)

(a) that I [check (✓) one]

am the Claimant; OR

am a partner (state position or title) of
GARDINER ROBERTS LLP ;
 (name of Claimant)

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

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

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

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

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

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

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

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

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

Gardiner Roberts LLP has a secured claim against all Non-Applicant companies in the amount of \$237,000.00

See Schedule A for details of amount and security

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

III. PARTICULARS OF CLAIM

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

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

IV. FILING OF CLAIM

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

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

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

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

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

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

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

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

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

~~we~~ require hardcopy correspondence. in addition
to emails

DATED at TORONTO
[Signature]
(Signature of Witness)

Hydia Salvi
(Please print name)

this 10th day of January, 2020
GARDINER ROBERTS LLP per [Signature]
(Signature of Claimant or its authorized representative)

CHRISTOPHER
(Please print name) BESANT

SCHEDULE A to Proof of Claim of Gardiner Roberts LLP

1. The Claimant is Gardiner Roberts LLP (GRLLP) in its capacity as counsel for specific tasks beyond the scope of the retainer of Cassels Brock & Blackwell LLP to all 14 Non Applicant Companies ("NACs), the list of which for greater certainty is:

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

2. GRLLP was retained and commenced services on or About May 27 2019 and formalized its retainer arrangements executed thereafter including

a. a retainer agreement executed in July 2019 by the Non-Applicant 31 Victory Development Inc.; and

b. a retainer agreement dated October 7, 2019 executed thereafter in respect of all of the Non Applicants and then amended on January 10 2019.

(collectively the "Retainer Agreement"). The Retainers Agreements are subject to solicitor and client privilege and can be produced where necessary subject to appropriate redactions and other confidentiality protections.

3. GRLLP was granted a security interest to the extent permissible for amounts owing to it pursuant to the Retainer Agreement and further thereto has registered under the PPSA against all of the NACs. Copies of the PPSA Registrations are submitted herewith.

4. GRLLP via its nominee GR Mortgage Holdings Inc. was granted mortgages by the NACs by way of charge to secure its fees and any other entitlements it has in law or equity by statute, common law equity or otherwise to the extent permissible. The charges were granted in favour of GR Mortgage Holdings Inc., which holds the mortgages as nominee for GRLLP to secure the fees owing to GRLLP. Copies of the Charge registrations are attached hereto. GRLLP files this claim on behalf of itself and its nominee GR Mortgage Holdings Inc. Those charges were granted by the 6 remaining NACs with unsold real property, namely:

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

5. GRLLP is in the process of rendering accounts for the periods since it commenced services on May 27 2019 until the end its most recent accounting period, namely December 31 2019. Services have continued after that date and GRLLP reserves the right to claim for those as well. GRLLP estimates the amount owing for services to date to be approximately as set out in the chart below. The amounts shown are inclusive of Costs and HST. On January 2020, GRLLP issued retainer accounts to the 14 NACs jointly and severally in respect of these pre-estimates, for which each of the 14 NACs are jointly and severally liable to remit to GR as retainers. The retainers are no pre-estimates of continuing services and further amounts will become owing as additional services are provided.

DESCRIPTION	Retainer Amount
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of 31 Victory Defence to Mortgage Action through August 2019	12,000
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of the Successful Response to 186 Old Kennedy + 31 Victory Receivership Applications + related Forbearance Agreements in the period August to November 2019	60,000
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of the Successful Strategy and response re the Derry Caution and related Motion and the resulting Forbearance Order in the period November and December 2019	60,000
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of 186 Old Kennedy/31 Victory transaction closing strategy and potential deal reconfiguration and related forbearance issues in December 2019	35,000
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of Advice re CCAA and other insolvency process issues impacting NACs through Dec 31 , 2019	35,000
TO Invoice for Retainer Amount Payable to Gardiner Roberts LLP per Retainer Agreement in respect of Strategy and Non Realty Asset Monetization Review through Dec. 31, 2019	35,000
TOTAL	\$237,000.00

7. The NACs have executed a direction instructing their real estate solicitor to pay GRRLP to the extent permissible from the net proceeds of the sales of any assets of the NACs.
8. GRLLP reserves the right to claim for the actual amount of its invoices for the period up to January 10 2019 and or continuing services and invoices thereafter and reserves all rights under its Retainer Agreements as amended, its personal and real property security, its direction and its rights under applicable legislation common law and equity to collect and be paid in full for its services to the extent permissible, including without limitation for the full amount of its invoices which it has or may issue from time to time.
9. GRLLP reserves the right to amend vary and supplement this claim and provide further supporting information and documents.

Appendix “L”

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

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

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

NOTICE OF REVISION OR DISALLOWANCE

TO: Gardiner Roberts LLP

PLEASE TAKE NOTICE that this Notice of Revision or Disallowance is being sent pursuant to an order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated October 22, 2019, as amended (the "**Claims Procedure Order**"). All capitalized terms not otherwise defined in this Notice of Revision or Disallowance shall bear the meaning ascribed to them in the Claims Procedure Order, which is posted on the Monitor's Website.

The Monitor, in consultation with the Non-Applicant(s) referenced below, has reviewed your Proof of Claim dated January 10, 2020 and has revised or disallowed certain of your Claims for the following reasons:

Your Claims have been disallowed because each arises due to conduct that contravened the voluntary Undertaking of the Non-Applicants dated March 11, 2019 and approved by an order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated March 18, 2019.

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claims will be allowed as Proven Claims as follows:

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim per Proof of Claim	Amount of Claim per Proof of Claim	Type of Claim per this Notice of Revision or Disallowance	Amount of Claim per this Notice of Revision or Disallowance
19 Turff Development Inc.	Secured Claim	CA\$237,000.00	Unsecured	CA\$0.00
22 Old Kennedy Development Inc.	Secured Claim	CA\$237,000.00	Unsecured	CA\$0.00

35 Thelma Development Inc.	Secured Claim	CA\$237,000.00	Unsecured	CA\$0.00
4550 Steeles Development Inc.	Secured Claim	CA\$237,000.00	Unsecured	CA\$0.00

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

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

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

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

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

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

Dated at Toronto, Ontario, this 4th day of May, 2020.

SCHEDULE A –APPLICANTS

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

Appendix “M”

SCHEDULE "F"

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

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

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

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

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

Claim Reference Number:

Full Legal Name of Claimant:

GARDINER ROBERTS LLP

Full Mailing Address of Claimant:

22 Adelaide St. W. Suite 3600
Toronto M5H 4E3

Telephone Number:

416-865-4022

Facsimile Number:

416-865-6636

Email Address:

CBesant@GRLLP.com

Attention (Contact Person):

Chris Besant

PLEASE TAKE NOTICE THAT, pursuant to the Claims Procedure Order, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance dated MAY 4 2020, 2019 issued by KSV Kofman Inc., in its capacity as Court-appointed Monitor, in respect of our Claim as set out in the following table:

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim in Notice of Revision or Disallowance	Amount of Claim in Notice of Revision or Disallowance	Type of Claim as per this Notice of Dispute	Amount of Claim as per this Notice of Dispute
[Insert name of appropriate party] 4 NACS with surplus funds	[Unsecured Claim / Unsecured Priority Claim / Secured Claim] unsecured	CA\$ 0 NIL	[Unsecured Claim / Unsecured Priority Claim / Secured Claim] SECURED	CA\$ See Sched A
	Unsecured	0	Unsecured	See Sched A

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

See Schedule A

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

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

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

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

DATED this 18th day of May, ~~2019~~ 2020

[Signature]
Witness

Per: [Signature]

Name of Claimant:
Gardiner Roberts LLP

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

Name: C. Besant

Title: Partner

SCHEDULE A to DISPUTE OF NORD by Gardiner Roberts LLP

BACKGROUND TO THIS RESPONSE TO THE NORD

1. Gardiner Roberts LLP (GR) filed its proof of claim by the January 10 2020 deadline under the Claims Process order (CPO), which set forth a secured claim against all of the NACs, securing an amount in respect of estimated legal services from May 27 2019 to December 31 2019 of \$237,000 which amount continued to accrue as services were rendered thereafter.
2. A NORD was issued by the Monitor on May 4 2020 in respect of 4 NACs in respect of which a cash surplus is held at Bennett Jones. The sole issue raised in the NORD was whether the security granted to GR was permitted by the Undertaking given to the CCAA Court by the NACs and Mike Wang on March 11 2019 (the "Undertaking" or "UT" which was approved by the CCAA Court on March 18, 2019 (the "UT Order").
3. The short answer to this objection is that
 - a. the Undertaking and the UT order permitted the grant of security to GR. The reasons for this conclusion are explained below.
 - b. The GR claim is valid and secured and should be allowed.
 - c. GR is bringing a motion to get paid in accordance with the UT and applicable orders.

BACKGROUND TO THE GR RETAINER

4. The information below is drawn from facts in the public domain and is not intended to disclose or waive or affect any solicitor client privilege of the NACs.
5. GR was initially consulted by the NACs at the end of May 2019 for assistance in respect of matters in respect of which its existing counsel Cassels Brock & Blackwell LLP (since rebranded as Cassels LLP and hereinafter defined as "CBB") was conflicted. The central tasks were to:
 - (i) where CBB indicated it was unable to do so, or was otherwise not doing so, to assist the NACs in obtaining further lender forbearance and complete sales of residual properties to try to maximize value in from the market and sale of the 4 remaining projects of the NACs (Pacific Gardens, Derry Assembly, Columbia Assembly, and Don Hillock. (The Undertaking in paragraph [] committed the NACs to sell and seek to maximize value of the remaining NAC projects).
 - (ii) review the possibility of recovering value outside the sale of properties through restructuring and recovery proceedings, including on the view of the NACs that they held valuable rights of action against KSV and GSNH in respect of the pre CCAA planning period.

RETAINER AGREEMENTS

6. Services started on May 27 2019. Two retainers agreements were signed. Initially the retainer agreement addressed the first pressing task, the response to enforcement proceedings against 31 Victory.

7. As the scope of the need expanded a retainer agreement encompassing all of the NACs was prepared. the final form was issued for signature October 7, signed December 4 by the NACs and amendment January 10, 2020. The services were covered retroactive to May 27 in each case.

SECURITY

8. Security was granted further to the retainer agreements and put in place in December 2019, namely
 - a. a security interest in the personal property of the NACs perfected by registration and ranking behind all existing encumbrances. the security registrations were provided to the Monitor during its review of the Proof of Claim.
 - b. mortgages on the 6 unsold properties of the NACs ranking behind existing encumbrances, and registrations
9. in each case the claim to security was intended to be expressly limited to the extent permitted by the Undertaking, which was made explicit in the January 10,2020 amendment.
10. As well the retainer agreement claimed the benefit of the inchoate right to an equitable charge on NAC assets to the extent permitted by law. Entitlement to payment from all NAC surpluses is also asserted on a Quantum Meruit and any other applicable legal and equitable basis.

KEY TASKS PERFORMED

PACIFIC GARDENS (186 OKDI and 31 Victory OKDI)

11. The initial and most pressing task was enforcement proceedings threatened and then commenced by a mortgagee against the crown jewel of the Forme Group, the Pacific Gardens Project, a project which was initially valued at the outset of the CCAA as having the potential in combination with projected proceeds from other sales, to retire all the guaranteed indebtedness of the Forme Group, and which was also targeted for retention by the group if its other sales were sufficient in themselves to pay off the group guaranteed indebtedness.
12. Pacific Gardens did not have a source of sufficient cash flow to service its mortgage obligations. As Pacific Gardens was the largest project of the Forme Group, it required sufficient time to explore refinancing, and sale options and to conduct a marketing and sale/refinancing process. As such lender action which would cut short that time was perceived by the NACs to threaten the ability to maximize value.
13. The first mortgagee of 31 Victory initiated enforcement proceedings in June 2020 by way of statement of claim. GR was retained to respond and a defence strategy was prepared a defence filed in July.
14. The 31 First mortgagee commenced a receivership application in August 2019. The first mortgagee notified of its intention to do the same at the beginning of September. The applications were scheduled for October 9. The applications were opposed. An APS for 49.7 Million was signed in October, ultimately resulting in resulting in a forbearance deal implemented by order on November 5, 2019 which forbearance period allowed time for the

transactions to close on their scheduled closing date of January 28, 2020. This was a successful result of the process

15. Unfortunately the City of Markham On Nov 26, 2020, indicated an informal intention to expropriate a significant portion of the Pacific gardens project for a school which it confirmed at a meeting of local landowners in December 2019. While no steps to formally commence expropriation proceedings were taken, this was a material adverse event from a due diligence point of view which impacted the financing arranged to complete the sale.
16. Work was done to review potential rights against the City of Markham for injurious affection, expropriation compensation should they proceed with their intention, and related remedies as these rights could be bundled with the property for sale or monetized independently.
17. As a result of the City's actions, the transaction did not close. However, A further forbearance arrangement was negotiated with the PG first mortgagees, and implemented through a Jan 31 2020 court endorsement which allowed the relevant NACs through March 2 to complete a sale.
18. During this further forbearance period, 3 offers were received at the end of February/beginning of March, leading to 186 OKDI signing an amendment to its original APS with its original purchaser dated March 1, 2020.
19. Under the terms of the forbearance arrangement of January 31, 2020, the PG receiver stepped into the shoes of management, and took over the process of marketing negotiating and completing sales as contemplated by the forbearance arrangement, which continues at present. This successfully allowed for a regime to complete the task of monetizing value given the lack of resources of the relevant NACs to continue to do so on their own.

DERRY ROAD ASSEMBLY (376 Derry DI and 390 Derry DI)

20. Just as the successful forbearance arrangement was being achieved for Pacific Gardens in November, the two Derry Road projects developed their own challenges with their respective mortgagees.
21. In the Fall, an agreement to sell the Derry Road project for a surplus was concluded with the Caishen Group, which also had a closing date of January 28, 2020. This sale I closed was projected to generate a surplus.
22. However in November the second mortgagee of 376 Derry indicated that it intended to conclude a sale at a lower price with a purchaser.
23. A Caution was registered which was challenged by the mortgagee and a contested CPL was sought. On December 9, 2019, a forbearance deal was reached allowing the relevant NACs until February 15 2020 to complete their sales failing which the mortgagee could proceed to complete its sale in February.
24. The first mortgagee of 390 Derry also appeared to be taking similar steps towards a lower value sale, and so a similar strategy was considered. In the end it did not proceed to exercise its right to market the property until after January 28 so no CPL needed to be sought.
25. Unfortunately, on or about January 17, 2020, the Caishen Group terminated its purchase agreement.

26. On January 31 2020, the first mortgagee of 390 Derry listed the property for sale and proceeded to complete a sale in March 2020, details of which were provided in a report to the Monitor by the NACs. There was a deficiency on the mortgages.
27. The second mortgagee of 376 Derry attempted to close its sale, but moved its closing date to March 2020, The sale closing has been further adjourned to dates in April and May but has not yet closed. A small surplus was projected but as time passes that will erode with accruing interest and closing costs. Efforts to close that transaction continue, but the property is also being remarketed by the mortgagee.
28. The relevant NACs reserved rights against Caishen in respect of the aborted purchases. \$600,000 in deposits are held by the NAC realty counsel Yi Zhou law firm. There is a dispute with Caishen over whether these amounts may be retained by the NACs or must be returned. The NACs may also have a right to seek damages. No litigation has yet been initiated but the counsel to the NACs wishes to set a procedure to determine the deposit dispute.
29. In short a successful opportunity to maximize value and realize surpluses was facilitated but the unilateral withdrawal of the purchaser has converted that into an asset which would need to be monetized through litigation.

COLUMBIA (101 Columbia DI)

30. The Columbia land assembly in Waterloo (93-101 Columbia) was similarly the subject of a Fall 2019 APS scheduled to close on January 28, 2020. A small surplus was projected.
31. GR was requested to give consideration as to whether a CPL strategy similar to the 376 Derry Road issue would be required to facilitate the sale, but that was ultimately not required as the mortgagees did not move forward and the APS progressed towards closing.
32. However on January 17, 2020, Caishen also purported to terminate this transaction as well.
33. There is similarly a dispute over whether the deposit (in this case 150K) is returnable, and the relevant NAC may also have a claim for damages.
34. In short a successful opportunity to maximize value and realize surpluses was facilitated but the unilateral withdrawal of the purchaser has converted that into an asset which would need to be monetized through litigation.
35. The property was remarketed by the relevant NAC after the sale fell through and a fresh APS was entered into with a different purchaser with a scheduled closing date at the end of March. However the deposit has not been tendered and the uncertainty in the market from the current pandemic has made completion of this transaction uncertain. As a result efforts are underway to remarket the transaction.
36. Gr Advise was with respect to options to buy time to complete a sale, and on options to monetize rights with respect to the terminated transactions and direct dealings with Caishen re same

4 DON HILLOCK

37. This property was the subject of a Fall APS which after some uncertainty as to whether it would close, closed in January 2020. GR was asked to provide advice on options during the period when the closing was uncertain.
38. CBB reported on the sale. A small surplus of 24K was paid to GR upon the discharge its mortgage in closing as was reported to the Monitor on Feb 13. The proceeds and have not been applied and are held in trust under the Undertaking as amended (the Ancillary Order only applies to surpluses from future Feb 20, 2020). Directions will be sought as part of the motion concerning payment of GR fees.

68 ELM STREET

39. GR was not retained in respect of 68 Elm Street, and had no role until the end when the deal did not close as scheduled in March 2020. Under the capacity to expand its retainer on request, it provided assistance on the options to deal with the closing issues. The transaction closed subsequently and there was no surplus.

RESULTS RE SALES PROCESS

40. Of the 6 properties remaining to be sold at the outset of GR's involvement, GR successfully assisted through court motions and otherwise with NAC efforts to give the 5 largest projects representing the bulk of the value an opportunity to close on January 28, 2020 which they would not otherwise have had and which maximized the opportunity for value for the NACs. GR also assisted with issues when the closing of the 6th project was in doubt.
41. Of the 6, 2 have been sold, one with a small surplus, 2 have been transitioned to receivership with a pending amended APS, and 2 are subject to agreements of purchase and sale, the closing status of which is uncertain due to the pandemic. Of the four remaining properties in various stages of the sale process, it is not known whether a surplus will be produced but that remains a possibility for each of them. On the eve of the March lockdown, the NAC projections were for modest surpluses. Delay in closing increases the debt, so it depends on what final prices are obtained once emergence from the pandemic unfolds.
42. In addition GR assisted with respect a 7th property prior to its closing as well.
43. In addition, some assistance was rendered with a 7th sale (Elm) which was successfully closed.
44. Whether or not surpluses were obtained, maximizing sale prices reduces deficiencies which assists creditors and reduces the dilution of distributions on guaranteed claims in the Wang Bankruptcy.
45. GR also assisted in analyzing how to monetize potential claims from the interference with the January 28 closings, which assists any stakeholder interested in seeking to fund those assets as a source of recovery.
46. In short GR assistance was successful on the tasks in respect of which it was engaged and contributed to both value enhancement and opportunities for value enhancement.

REPORTING

47. CBB resigned its engagement for the NACs on January 31, 2020. GR has since assisted the NACs with reporting under the amendment undertaking after that date. As the resources of the NAC degraded with lack of funding then the Covid interruption which shut down the Forme Group physical office, the reporting was limited to reports 47-49 and interim and other informal reports when there were material developments.

MONETIZATION OF INTANGIBLE ASSETS

48. GR has not commenced any recovery or damages litigation for the NACs. However it has advised on the following
- a. potential negotiations and litigation with Caishen over the aborted purchases of 376 Derry 390 Derry and 93-101 Columbia, and the related dispute over the status of the aggregate \$750,000 in deposits held at the Yi Zhou Law firm pending resolution of the dispute.
 - b. Analyzing and developing options with respect to the City of Markham and under the Expropriation Act as a result of the potential for expropriation triggering the purchaser of PG not to close on January 28, 2020.
 - c. Options with respect to other aborted deals which ultimately closed

- d. Reviewing the NAC's position with respect to NAC Management concerns over perceived value impairments arising from the CCAA process.

49. GR declined to undertake proceedings in respect of point d and management was persuaded to focus on completing its sales and addressing that later in the process through a motion for an independent examiner to review managements claims and the relevant evidence to see if any such proceeding was warranted or not. A motion was filed in respect of that but was not ultimately scheduled for hearing nor subsequently pursued by the NACs.

RESTRUCTURING

50. Most of GR services were focussed on asset realization, not restructuring. GR assisted with general advice re restructuring options considered by NAC options. The bankruptcy filings by the 4 NACs were handled by CBB and Grant Thornton. GR represented the NACs in response to the motion to terminate those bankruptcy proceedings because CBB resigned on January 31 after those proceedings were filed. GR assisted the NACs in filing a motion to seek parallel bankruptcy proceedings of the other Forme companies, and ancillary relief. The motion was ultimately not heard as the court annulled the existing bankruptcies and directed that the other relief be scheduled separately.

AMOUNTS OWING

51. On January 10, 2020, GR submitted a summary of its retainer invoices which total \$237,000 in its proof of claim, which invoices were a pre estimate of the actual amounts owing to December 31 based on the work to tat point.
52. Since then GR has rendered invoices to the NACs for services to January 31 2020 as follows:

Invoice Number	Invoice Date	Fees	Costs	Tax	Total
314721	12/31/2019	204,185.00	4,957.16	27,188.48	236,330.64
314722	01/24/2020	86,028.59	806.70	11,288.59	98,123.88

Copies of the invoices will be provided.

53. GR performed actual services to Feb 20,2020 and has performed residual services to wrap up its role in an orderly fashion since then. Further accounts for those residual services are being rendered and form part of this claim. A cap can be provided for purposes of setting a reserve for this claim pending delivery of the invoices.

LEGAL ISSUES

RIGHT OF NACs TO ENGAGE COUNSEL AND GRANT SECURITY AND PAY COUNSEL

54. A party has the right to engage counsel of its choice unless there is an express prohibition. The fact that the NACs were represented by CBB does not preclude the engagement of supplemental counsel including but not limited to when CBB is conflicted or otherwise does not act in respect of a matter. There is no express prohibition on engaging counsel beyond CBB in the Undertaking or the UT Order.
55. The Monitor was aware of GR commencing to act in June 2019. It was on the service list in the Pacific Gardens motions and attended court on those matters right through to the end of January 2020. Until January 31 2020 received weekly reporting from the NACs through CBB on the developments with respect to other properties, and thereafter received NAC reports through GR. The Monitor did not inquire of GR

about its retainer and the GR was not aware of any issue re same. GR submitted a proof of claim on January 10, 2020 in the CPO process to the monitor with respect to its claim and security.

56. Similarly a party can grant security absent an express prohibition. There is no prohibition on the NAC's granting security in the UT or the UT Order. Paragraph 8 of the UT order expressly assumes security can be granted as it provides a specific exception to the priority of such security.
57. The only limitation of relevance in the UT is payments of accounts of surplus proceeds, which can be done by court order. GR has not received any payments of its accounts and intends to bring a motion to authorize payment of same under the Undertaking.
58. Paragraph 5d and 10 of the Undertaking allowed NAC counsel to be paid without court order or monitor consent from the surplus proceeds. The Undertaking as amended permitted GR to be paid, but GR did not unilaterally exercise any right to claim payment. Paragraph 1 of the Ancillary Order requires GR to seek a court order to obtain payment as permitted by the amended Undertaking, and as such a motion will be brought re same.

CPO

59. Section 32 and 37 require NAC consent to the acceptance or rejection of a claim. There may be other limitations. The court has the power to determine and admit the claim for payment and hence a GR motion re permission to pay its claim can address this requirement as well.

RELIEF REQUESTED

60. The GR claims and security should be admitted.
61. GR reserves rights to supplement amend and submit additional materials and evidence in support of this dispute of the NORD.

DOCUMENTS In SUPPORT OF DISPUTE TO NORD

62. The Proof of Claim and documents provided further thereto.
63. Copies of court proceedings and orders in the CCAA processes and the Pacific gardens Receivership are not submitted herewith as the Monitor has copies. Copies of the Derry court materials are available if needed.
64. Copies of the redacted retainers are being provided under separate cover. They contain the wording re the security interests.
65. Copies of the Accounts will be provided (redacted as needed)
66. Copies of the PPSA registration have been provided.
67. Such further and other documentation needed to assist with the determination of this dispute.

Appendix “N”

Aiden Nelms

From: Sean Zweig
Sent: Wednesday, January 27, 2021 9:14 AM
To: Besant, Chris; Aiden Nelms
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

We will be relying on this email (and all the previous ones) in the event you do not. We will not be following-up again. The next step will be a determination of the claim based on the information provided.



Sean Zweig
Partner*, Bennett Jones LLP
**Denotes Professional Corporation*

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)
E. zweigs@bennettjones.com

From: Besant, Chris
Sent: Wednesday, January 27, 2021 9:10 AM
To: Sean Zweig ; Aiden Nelms
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

Thanks for your patience. I will provide material to you this week.

Chris Besant • Partner
Gardiner Roberts LLP
Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
T [416.865.4022](tel:416.865.4022) | F [416.865.6636](tel:416.865.6636) | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]
Sent: January 26, 2021 11:02 PM
To: Besant, Chris; Aiden Nelms
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

Chris,

Is it now fair to assume you will not be providing the back-up and we should just process to a determination without it? This is absurd.



Sean Zweig
Partner*, Bennett Jones LLP
**Denotes Professional Corporation*

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From: Besant, Chris <cbesant@grllp.com>
Sent: Wednesday, November 25, 2020 10:00 AM
To: Sean Zweig <ZweigS@bennettjones.com>; Aiden Nelms <NelmsA@bennettjones.com>
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

Thanks, that assists.

I anticipate providing back up very shortly. Aiming to do so before the end of the month.

Chris Besant • Partner
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From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]
Sent: November 25, 2020 9:54 AM
To: Besant, Chris; Aiden Nelms
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

Chris,

See below in CAPS. I trust that resolves any concerns.

I note that we have still not received any backup documentation from you.



Sean Zweig
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From: Besant, Chris <cbesant@grllp.com>
Sent: Wednesday, November 25, 2020 9:37 AM
To: Aiden Nelms <NelmsA@bennettjones.com>; Sean Zweig <ZweigS@bennettjones.com>
Subject: RE: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

Sean and Aiden

Further to today's motion at 11 am, there has not been much time to digest the intercompany claims proposed.

However I thought the following approach would be practical. With respect to the proposed admission of the intercompany claims, if

1. the intercompany claims are being admitted on an unsecured basis and YES, THEY ARE BEING ADMITTED AS UNSECURED CLAIMS

- do not impact the assets reserved for the Gardiner Robert LLP (“GRLLP”) disputed secured claim and THE INTERCOMPANY CLAIMS ARE JUST CLAIMS. NO ADDITIONAL DISTRIBUTIONS ARE CONTEMPLATED AT THIS TIME, SO NO RESERVES ARE BEING IMPACTED
- do not change or alter the GRLLP priority over them if GRLLP and the intercompany claims are allowed, I UNDERSTAND YOU HAVE ALLEGED SECURED CLAIMS. IF ULTIMATELY PROVEN AND ADMITTED, THOSE WOULD OF COURSE HAVE PRIORITY OVER UNSECURED CLAIMS

then GRLLP would have no objection to the intercompany claims being admitted as proposed in the report.

In other words, as long as the intention being that the status quo as it pertains to the GRLLP claim is not altered, there would be no objection.

I trust that is satisfactory.

With regards

Chris

Chris Besant • Partner

Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

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From: Aiden Nelms [<mailto:NelmsA@bennettjones.com>]

Sent: November 19, 2020 2:23 PM

To: forte@gsnh.com; 'stam@gsnh.com'; parent@gsnh.com; bkofman@ksvadvisory.com; dsieradzki@ksvadvisory.com; Sean Zweig; diane.winters@justice.gc.ca; Rakhee.bhandari@justice.gc.ca; kevin.ohara@ontario.ca; jeffreywlem@gmail.com; jeff.larry@paliareroland.com; max.starnino@paliareroland.com; irving@ontlaw.com; 'harvey@harveymandel.com'; info@ocwlaw.com; george@chaitons.com; David.Cohen@gowlingwlg.com; clifton.prophet@gowlingwlg.com; dmichaud@robapp.com; jprece@robapp.com; ybaykara@kmblaw.com; jmaclellan@blg.com; VCalvano@blg.com; tony@potestiolaw.com; scott@rflaw.ca; andrew@ungerlaw.ca; eli@ungerlaw.ca; ywang@hwlawyers.ca; DJMiller@tgf.ca; sweisz@btzlaw.ca; cfell@btzlaw.ca; jcarhart@millerthomson.com; jfried@mwb.ca; waseem@abrahamsllp.com; pingt.tan@gmail.com; cxu@moneybroker.ca; noah@vectorfinancialservices.com; mitchell@vectorfinancialservices.com; gruggiero@SRLawpractice.com; yizhoulawoffice@yahoo.ca; mark.hemingway@hometruster.ca; bpolisuk@garfinkle.com; rkwan@garfinkle.com; papaikonmou@sympatico.ca; KYason@CommunityTrust.ca; dmorrison@morrisonfinancial.com; aemer@morrisonfinancial.com; davidbyon2007@gmail.com; Devon@cransoncapital.com; robertx@dxfinance.ca; aslavens@torys.com; novamckay@msn.com; deltanica1968@gmail.com; jcmhope@gmail.com; beverleyb_99@yahoo.com; aiyg88@hotmail.com; z_henry@hotmail.com; Hu_0201@Hotmail.com; meiminh@hotmail.com; celine7325@gmail.com; minglan@hotmail.com; lihary@yahoo.com; jameszhan71@gmail.com; gumin4218@gmail.com; xu_huijuan@yahoo.ca; IvyChen168@gmail.com; trust.secure@gmail.com; whhk111@gmail.com; ray88xu@gmail.com; haibinhu6@hotmail.com; whsu2002@yahoo.ca; hchtrieu@gmail.com; rommiewen@hotmail.com; jameszhan71@gmail.com; janice_zhang@hotmail.com; angelcj2012@gmail.com; yuanceci@yahoo.ca; catherinewang789@gmail.com; karenkingconsulting@gmail.com; dominic.amann@gmail.com; karenmcnair4@gmail.com; mrijking@gmail.com; krish.nair.nh@gmail.com; maushirn@gmail.com; shar.champ@hotmail.com; timeless1515@gmail.com; darteh@yahoo.com; huiw775@hotmail.com; hanjie7963@gmail.com; [wanjingyan@hotmail.com](mailto>wanjingyan@hotmail.com); yangruibox@yahoo.com; jinshan_zhang@hotmail.com; janegao3@gmail.com; andyguca@gmail.com; richard.zhou28@gmail.com; angelcj2012@gmail.com; casslitman@litmanlaw.ca; maria.mouratidis@century21.ca; victor.bandiera@trisura.com; stuart.detsky@trisura.com; tomasz.stapf@gmail.com; jharnum@kmlaw.ca; avisheau@kmlaw.ca; rrspmortgagelegal@olympiatrust.com; johnsons@olympiatrust.com; luongj@olympiatrust.com; cho@laihshleyreed.com; jasonhuang@lawyer.com; moonriver518@hotmail.com; mike@formeddevelopmentgroup.com; bsachdeva@millerthomson.com; sdecaria@millerthomson.com; Dan.Wootton@ca.gt.com; Besant, Chris; jbartlett@msmlaw.net; thomas.gertner@gowlingwlg.com; kamwaipang@gmail.com; legal@questrade.com; Alexander Soutter; harvey@harvey-mandel.com

Cc: Annie Kwok

Subject: In the Matter of Forme Development Group Inc., et al. (Court File No. CV-18-608313-00CL) and In the Matter of the Proposal of 58 Old Kennedy Development Inc., et al (Estate No. 31-2436538)

To The Service List,

Please find attached, and served upon you pursuant to the *Rules of Civil Procedure*, the Motion Record of the Monitor and Proposal Trustee returnable **November 25, 2020 at 11:00 AM (ET)** (the "Motion Record"). This motion will be proceeding via videoconference, the particulars of which can be found below and at Schedule "B" of the Motion Record:

- <https://us02web.zoom.us/j/83768185496>

Pursuant to the Suggested Protocol for Telephonic and Video Conference Motions on the Commercial List during the COVID-19 period, all parties are asked to confirm by responding to this email if they will be participating at the above-referenced motion, and in doing so, provide your name, email address and identity of the party represented. In order to limit email traffic, those who respond are asked **not to 'reply all'** when doing so.

In accordance with the [Commercial List and Estates List Filing Direction](#) the Motion Record has also been uploaded to a storage space at [sync.com](#). That folder can be accessed at the following URL:
<https://ln2.sync.com/dl/78dec4f90/z79ish3i-xp4b32ki-45rv35wn-gri24ipr>.

Regards,



Aiden Nelms
Associate, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. 416 777 4642 | F. 416 863 1716
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BennettJones.com

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Resource Centre (<https://www.bennettjones.com/COVID-19>) for timely legal updates.

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Aiden Nelms

From: Besant, Chris <cbesant@grllp.com>
Sent: Thursday, September 24, 2020 4:56 PM
To: Sean Zweig; 'Jonathan Joffe'
Cc: David Sieradzki; Aiden Nelms
Subject: RE: Sale Triggered Claims Bar Dates - 186 Old Kennedy Development Inc. and 31 Victory Development Inc.

Sean - With respect to the CPO, are you saying that the CPO notice is triggered on sale whether or not there is a surplus?

I just want to make sure I don't need to file a second claim about the same thing.

Chris Besant • Partner
Gardiner Roberts LLP
Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: September 24, 2020 4:52 PM
To: Besant, Chris; 'Jonathan Joffe'
Cc: David Sieradzki; Aiden Nelms
Subject: RE: Sale Triggered Claims Bar Dates - 186 Old Kennedy Development Inc. and 31 Victory Development Inc.

Chris,

You have advised that the informational supplementing your proof of claim is coming "shortly" or "next week" for literally many months. I cannot fathom why it is taking so long to provide documents that ought to have already existed and ought to be in your possession.

And your understanding of the way the Claims Procedure Order works is simply incorrect. Let me know if you need/want me to walk you through the provisions.



Sean Zweig
Partner*, Bennett Jones LLP
***Denotes Professional Corporation**

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)
E. zweigs@bennettjones.com

From: Besant, Chris <cbesant@grllp.com>
Sent: Thursday, September 24, 2020 4:41 PM
To: 'Jonathan Joffe' <jjoffe@ksvadvisory.com>
Cc: David Sieradzki <dsieradzki@ksvadvisory.com>; Sean Zweig <ZweigS@bennettjones.com>; Aiden Nelms <NelmsA@bennettjones.com>
Subject: RE: Sale Triggered Claims Bar Dates - 186 Old Kennedy Development Inc. and 31 Victory Development Inc.

Jonathan

With respect to the Sale Triggered Claims Bar Dates for 186 Old Kennedy Development Inc. and 31 Victory Development Inc., Gardiner Roberts LLP relies on the same proof of claim already filed in the POC process which covered its secured claims against all of the NACs. I trust that is satisfactory.

Information to supplement same is forthcoming shortly.

I am unsure why the Sales of 186 OK and 31 Victory triggered the claim notices. The Receiver advised that there is no surplus on either. Ie on 186 OK, the 3rd mortgagee has a deficiency and on 31 Vic, the second mortgagee does. I thought the sale triggered claim bar notice was only triggered when there was a surplus.

Thanks
Chris

Chris Besant • Partner
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From: Jonathan Joffe [<mailto:jjoffe@ksvadvisory.com>]
Sent: September 14, 2020 6:34 PM
To: Besant, Chris
Cc: David Sieradzki; zweigs@bennettjones.com; Aiden Nelms
Subject: Sale Triggered Claims Bar Dates - 186 Old Kennedy Development Inc. and 31 Victory Development Inc.

Chris,

Please see the attached letter and proof of claim form in respect of the Sale Triggered Claims Bar Dates of 186 Old Kennedy Development Inc. and 31 Victory Development Inc.
Please don't hesitate to contact me with any questions.

Thank you,
Jonathan

Jonathan Joffe
Senior Manager

(o) 416 932 6253
(c) 416 274 4526
(f) 416 932 6266

KSV Advisory Inc.
150 King Street West
Suite 2308, Box 42
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jjoffe@ksvadvisory.com
www.ksvadvisory.com

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Aiden Nelms

From: Besant, Chris <cbesant@grllp.com>
Sent: Tuesday, October 27, 2020 10:36 AM
To: Sean Zweig
Cc: Aiden Nelms
Subject: RE: Forme Development Group Inc. - GR Dispute of NORD

Thanks. Almost done. What is timing on your return of your motion?

Chris Besant • Partner
Gardiner Roberts LLP
Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]
Sent: October 23, 2020 12:28 AM
To: Besant, Chris
Cc: Aiden Nelms
Subject: RE: Forme Development Group Inc. - GR Dispute of NORD

Following-up on this.



Sean Zweig
Partner*, Bennett Jones LLP
***Denotes Professional Corporation**

[3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4](#)
T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)
E. zweigs@bennettjones.com

From: Besant, Chris <cbesant@grllp.com>
Date: Tuesday, Sep 01, 2020, 1:44 PM
To: Sean Zweig <ZweigS@bennettjones.com>
Cc: Aiden Nelms <NelmsA@bennettjones.com>
Subject: RE: Forme Development Group Inc. - GR Dispute of NORD

Yes. Had hoped to have provided them by now but got interrupted by other things. Will prioritize as I see things are moving ahead.

Chris Besant • Partner
Gardiner Roberts LLP
Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]
Sent: August 31, 2020 12:28 PM
To: Besant, Chris

Cc: Aiden Nelms

Subject: RE: Forme Development Group Inc. - GR DIspute of NORD

Chris,

It has been almost 2 months since you last promised to send the documents. We have been asking for those documents since May 18. Are they coming or not?



Sean Zweig

Partner*, Bennett Jones LLP

***Denotes Professional Corporation**

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)

E. zweigs@bennettjones.com

From: Besant, Chris <cbesant@grllp.com>

Sent: Monday, June 8, 2020 6:44 PM

To: Sean Zweig <ZweigS@bennettjones.com>

Cc: Aiden Nelms <NelmsA@bennettjones.com>

Subject: RE: Forme Development Group Inc. - GR DIspute of NORD

Yes I will be sending further materials. I aim to have something for you this week.

Now that I can get a haircut, the sky's the limit.

Chris Besant • Partner

Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T [416.865.4022](tel:416.865.4022) | F [416.865.6636](tel:416.865.6636) | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]

Sent: June 8, 2020 4:10 PM

To: Besant, Chris

Cc: Aiden Nelms

Subject: RE: Forme Development Group Inc. - GR DIspute of NORD

Chris,

Are you going to get us your additional materials, or no?



Sean Zweig

Partner*, Bennett Jones LLP

***Denotes Professional Corporation**

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)

E. zweigs@bennettjones.com

From: Besant, Chris <cbesant@grllp.com>

Sent: Friday, May 22, 2020 4:34 PM

To: Sean Zweig <ZweigS@bennettjones.com>; Joshua Foster <FosterJ@bennettjones.com>

Cc: Aiden Nelms <NelmsA@bennettjones.com>

Subject: RE: Forme Development Group Inc. - GR Dispute of NORD

Hi Sean

Will coordinate with you on a motion dates before booking anything.

Aiming to have additional materials for you next week.

Best for the weekend

Chris

Chris Besant • Partner

Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Sean Zweig [<mailto:ZweigS@bennettjones.com>]

Sent: May 18, 2020 10:30 PM

To: Besant, Chris; Joshua Foster

Cc: Aiden Nelms

Subject: RE: Forme Development Group Inc. - GR Dispute of NORD

Chris – you say you will be sending other documents under separate cover. We have been asking for those documents for a very long time. When can we expect them?

Also, you say you will be bringing a motion to have your fees paid. When do you expect to do that? I trust you will canvass dates with us.



Sean Zweig

Partner*, Bennett Jones LLP

***Denotes Professional Corporation**

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)

E. zweigs@bennettjones.com

From: Besant, Chris <cbesant@grllp.com>

Sent: Monday, May 18, 2020 4:57 PM

To: Joshua Foster <FosterJ@bennettjones.com>

Cc: Sean Zweig <ZweigS@bennettjones.com>; Aiden Nelms <NelmsA@bennettjones.com>

Subject: Forme Development Group Inc. - GR Dispute of NORD

Attached please find the Gardiner Roberts Dispute of the NORD issued to it on May 4, 2020.

Chris Besant • Partner

Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com | www.grllp.com/p/christopherbesant

From: Joshua Foster [<mailto:FosterJ@bennettjones.com>]
Sent: May 4, 2020 6:42 PM
To: Besant, Chris
Cc: Sean Zweig; Aiden Nelms; Joshua Foster
Subject: In the Matter of Forme Development Group Inc.

We act for KSV Kofman Inc. in its capacity as court-appointed monitor (in such capacity, the "Monitor"). Pursuant to an Order dated October 22, 2019 (the "Claims Procedure Order"), we are sending, on the Monitor's behalf, a Notice of Revision or Disallowance and/or a Notice of Acceptance (collectively, the "Notice(s)") in respect of your proof of claim filed in accordance with the Claims Procedure Order. Please note that the attached Notice(s) is based on the Monitor's review of only certain Pre-Filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims, Wang Claims, and Restructuring Claims (each as defined in the Claims Procedure Order) and does not reflect a review of all such claims. If you are receiving a Notice of Revision or Disallowance and intend to dispute it, please note that you must comply with the direction provided in the Claims Procedure Order which is included within each Notice of Revision or Disallowance.

The Monitor is available to discuss any questions you may have.



Joshua Foster
Articling Student, Bennett Jones LLP

T. [416 777 7906](tel:4167777906) | F. [416 863 1716](tel:4168631716)

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Appendix “O”

Aiden Nelms

From: Besant, Chris <cbesant@grllp.com>
Sent: Monday, February 1, 2021 8:26 AM
To: Sean Zweig; Aiden Nelms
Subject: Dispute of NORD issued to GR - Further Supplemental Documents
Attachments: Gardiner Roberts LLP 31 Victory Development Inc. Engagement Letter June 28, 2019.pdf; Gardiner Roberts Retainer Agreement December 4, 2019 executed - Copy.pdf; Jan 2020 NAC Retainer Signed - Copy.pdf; Chris Direction re Payment Signed.pdf

Sean

As requested attached and further to the Dispute of the NORD issued in respect of the Gardiner Roberts LLP (GR) secured claims, please find the retainer agreements which grant security interests to Gardiner Roberts LLP.

Specifically, attached please find is the :

1. The Retainer Agreement pertaining to litigation concerning 31 Victory DI dated June 28, 2019 covering services to that date and subsequent.
2. The Global Retainer Agreement with the NACs dated October 7 2019 and executed by NACs on December 4 2019 granting PPSA and Mortgage security over all of their assets, and further to which the PPSA and mortgage registrations were made which have already been provided to you. this agreement confirms that it covers services commencing May 27, 2019 forward.
3. An amendment to the global retainer agreement dated Jan. 10, 2020 confirming the scope of the retainer and security and confirming that the security granted is limited to that permitted by law and court orders.
4. A direction to the Yi Zhou Law firm from the NACs dated Jan 10, 2020 further to the global agreement further to the security granted in the global retainer agreement as amended.

These documents remain confidential and are provided solely for the purpose of the Dispute of the NORD as required and no consent to disclose to anyone other than the Monitor its counsel is to implied by delivering to you for purposes of the Dispute of the GR NORD.

Further material is forthcoming today.

With regards
Chris



Chris Besant • Partner
Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
T 416.865.4022 | F 416.865.6636 | E cbesant@grllp.com |

www.grllp.com/p/christopherbesant

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Named one of the Best Workplaces in Canada for 2019 by Great Place to Work Institute

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Appendix “P”

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

PROOF OF CLAIM

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

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

Gardiner Roberts LLP & GR Mortgage Holdings Inc.
(the "Claimant")

2. Full Mailing Address of the Claimant:

Gardiner Roberts LLP, Bay Adelaide Centre - East Tower
22 Adelaide St W, Suite 3600
TORONTO ON M5H 4E3

3. Telephone Number:

416-865-4022

4. E-Mail Address:

CBesant@GRLLP.com

5. Facsimile Number:

416-865-6636

6. Attention (Contact Person):

Chris Besant

7. Have you acquired this Claim by assignment?

Yes:

No:

(if yes, attach documents evidencing assignment)

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

See Sched A

II. **PROOF OF CLAIM:**

8.

I, Chris Besant, ~~Partner~~
 (name of Claimant or representative of the Claimant), of Gardiner Roberts

LLP

_____ do hereby certify:
 (city and province)

(a) that I [check (✓) one]

am the Claimant; OR

am a partner (state position or title) of

Gardiner Roberts LLP, which owns GR Mortgage Holdings Inc.
 (name of Claimant)

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

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

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

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

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

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

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

See Sched 'A' hereto

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

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

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

I require hardcopy correspondence.

DATED at Toronto this 30th day of March, 2021
2019.

[Signature]
(Signature of Witness)
Lydia Salvi
(Please print name)

[Signature]
(Signature of Claimant or its authorized representative)
Chris Besant
(Please print name)
partner of
Gardiner Roberts LLP,
which owns
GR Mortgage Holdings
Inc

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

III. PARTICULARS OF CLAIM

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

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

IV. FILING OF CLAIM

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

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

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

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

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

Schedule A to Proof of Claim of Gardiner Roberts LLP ("GRLLP") and GR Mortgage Holdings Inc. ("GR Mortgage") filed in response to Sale Triggered Proof of Claim process re 376 Derry Development Inc. "376 DDI"

1. Particulars of the claim and security of the claimants were re 376 DDI were provided in the January 10, 2020 proof of claim and supporting documentation of the claimants the (the "POC") in respect of their secured claims against all of the Non Applicant Companies of Forme Developments Inc. (the "NACs"), as supplemented by various other documentation and information including:

- a. Information provided in response to the NORD issued in respect of the Proof of Claim against all NACs the "NORD")
- b. The Dispute filed in response to the NORD the ("Dispute")
- c. Information provided in support of the Dispute
- d. Responses to inquiries concerning the POC and Dispute.
- e. Ancillary proofs of claim and communications re Sale Triggered claims processes re various of the NACs.
- f. Claims filed in BIA processes of various of the NACs.
- g. Various ancillary communications re all of the above.

2. This Proof of Claim relies upon all of the above and hence that information will not be repeated herein.

3. The Amount of the claim up to January 24 2020 is in respect of 2 invoices as follows

Invoice Number	Invoice Date	Fees	Costs	Tax	Total
314721	12/31/2019	204,185.00	4,957.16	27,188.48	236,330.64
314722	01/24/2020	86,028.59	806.70	11,288.59	<u>98,123.88</u>
Amount of Claim					\$334,454.52

4. Subsequent services were provided after that point to the NACs including 376 DDI, but invoices have not yet been issued in respect of same. Rights to invoice for said services are reserved.

5. The amounts owing are secured by security over all of the personal property of each NAC including 376 DDI. The grant of security is contained in the retainer agreement with all of the NACs jointly and severally including 376 DDI, and has been provided. Personal property security registration information as to the registration perfecting this security against the NACs including 376 DDI have already been provided.

6. Collateral mortgages were granted to GR Mortgage on 6 of the NACs, including 376 Derry DDI. GR Mortgage serves as collateral agent on behalf of GRLLP for mortgages granted to secure the legal fees and entitlements of GRLLP owing from clients. The Mortgage information has been provided. The 376 DDI property has been sold and there was apparently a deficiency with the result that nothing has been realized on the GR Mortgage on the 376 DDI property.

7. 376 DDI was party to an aborted real estate transaction with the Caishen Group set to close on January 28, 2020 in respect of which deposits were held by its real estate lawyer (not GRLLP). 376 DDI asserted the right to forfeit the deposit and may have claims for damages. Two other NAC's, 390 Derry

Development Inc and 101 Columbia Development Inc., were also parties to aborted real estate transactions with the same group set to close at the same time, and asserted similar claims re their deposits and may similarly have damages claims. This was the subject of a report to the Monitor by the NACs. The Monitor declined to fund the proceedings and the relevant NACs have in consequence not moved the disputes forward beyond discussions with opposing counsel in the context of which an offer to settle was made and rejected. Dentons was representing the Caishen Group but they have since switched counsel to Keyser Mason Ball LLP who have indicated an interest in bring a proceeding to determine the issue. That is where the matter currently sits. To the extent the deposit and the cause of action are assets of 376 DDI, this would fall under the security claim of GRLLP and GR Mortgage.

8. As with the other proof of claims and other documents filed, rights to amend and supplement this POC are hereby reserved.

Appendix “Q”

Forme Development Group Inc. et al
Notes to Projected Statement of Cash Flow
For the Period June 1, 2022 to September 30, 2022
(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast for the Applicants for the period June 1, 2022 to September 30, 2022 (the "Period") in respect of their proceedings under the Companies' Creditors Arrangement Act.

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical and Most Probable Assumptions

2. Represents the estimated fees of the Monitor and its counsel during the Period.
3. The opening cash balance represents the funds on deposit in the trust accounts of the Monitor and the Proposal Trustee.

**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
MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

Forme Development Group Inc. and those other entities listed on Schedule "A" hereto (collectively, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 20th day May, 2022 for the period June 1, 2022 to September 30, 2022 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 20th day of May, 2022.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**

Forme Development Group Inc. and the other companies listed on Schedule "A" (the "Applicants")

Schedule "A"

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario 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.

Appendix “R”

**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
MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow of Forme Development Group and those other entities listed on Schedule "A" hereto (collectively, the "Applicants"), as of the 20th day May, 2022, consisting of a weekly projected cash flow statement for the period June 1, 2022 to September 30, 2022 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 20th day of May, 2022.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**

Forme Development Group Inc. and the other companies listed on Schedule "A" (the "Applicants")

Schedule "A"

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario 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.

Appendix “S”

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

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

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

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

**AFFIDAVIT OF DAVID SIERADZKI
(Sworn May 20, 2022)**

I, David Sieradzki, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on November 30, 2018, as amended (the "Initial Order"), Forme Development Group Inc. and the other companies listed on Appendix "A" (collectively, the "Company") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA") and KSV was appointed monitor ("Monitor").
3. I have been involved in this mandate since its outset, which pre-dates the date of the Initial Order. As such, I have knowledge of the matters to which I hereinafter depose.
4. On May 20, 2022, the Monitor finalized its Twentieth Report to Court in which it provided a summary of its activities with respect to the Company's CCAA proceedings. The Twentieth Report also provides information concerning the Monitor's fees and disbursements and those of its legal counsel, Bennett Jones LLP.

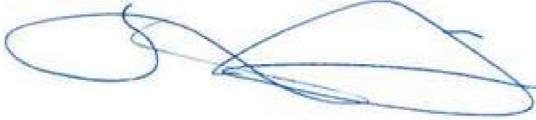
5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the period January 1, 2022 to April 30, 2022 and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements reflected therein.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Monitor has not received, nor expects to receive, nor has the Monitor been promised any remuneration or consideration other than the amounts claimed in the accounts.

SWORN BEFORE ME at the City of Toronto,)
in the Province of Ontario, this 20th day of)
May, 2022.)
)
)
)
)
_____)
Commissioner for taking affidavits, etc.)



DAVID SIERADZKI

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 20TH DAY OF MAY, 2022

A handwritten signature in black ink, appearing to read "Raj Kashyap", written over a horizontal line.

A Commissioner for taking Affidavits, etc.

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.**



ksv advisory inc.

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INVOICE

Forme Development Group Inc. et al
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

February 8, 2022

Invoice No: 2506

HST #: 818808768RT0001

Re: Forme Development Group Inc. et al (collectively, the “Companies”)

For professional services rendered during January 2022 in connection with the Companies' proceedings under the *Companies' Creditors Arrangement Act* (“CCAA”), including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”) concerning matters in these proceedings;
- Drafting the Monitor’s nineteenth report to court dated January 24, 2022 (the “Nineteenth Report”) and discussing same with Bennett Jones;
- Preparing the Monitor’s fee affidavit sworn January 24, 2022 in respect of its fees and disbursements for the period September 1, 2021 to December 31, 2021;
- Reviewing Bennett Jones’ fee affidavit sworn January 24, 2022 in respect of its fees and disbursements for the period September 1, 2021 to December 31, 2021;
- Preparing the Companies’ cash flow forecast for the period ending May 31, 2022, which was appended to the Nineteenth Report;
- Reviewing and commenting on draft court materials filed in connection with a stay extension and fee approval motion returnable January 31, 2022, including the draft notice of motion and court order;
- Attending at court on January 31, 2022;
- Reviewing the court order and endorsement of Mr. Justice McEwan, both dated January 31, 2022;

- Updating the Monitor's waterfall/distribution analysis with amended claim information filed by Canada Revenue Agency ("CRA");
- Corresponding on January 11, 18, 20 and 31, 2022 with CRA representatives in connection with its amended claims, including convening a videoconference call on January 20, 2022;
- Reviewing correspondence from Blaney McMurtry LLP regarding responses to certain of Mr. Wang's undertakings and corresponding with Bennett Jones on January 6, 14, 23, 26, 27 and 31, 2022 in respect thereof; and
- To all other meetings, correspondence and other activities related to this matter not specifically detailed above.

Total fees per attached time summary	\$	22,560.90
HST		<u>2,932.92</u>
Subtotal		25,493.82
Amount to be paid from funds in estate accounts		<u>(25,493.82)</u>
Total Due, once settled	\$	<u>-</u>

KSV Restructuring Inc.
Forme Development Group et al.

Time Summary

For the Period January 1, 2022 to January 31, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	775	5.60	4,340.00
David Sieradzki	675	16.75	11,306.25
Jonathan Joffe	495	12.50	6,187.50
Other staff and administrative			726.25
Subtotal			22,560.00
Out of pocket disbursements			0.90
Total Fees			22,560.90

**Effective January 1, 2022, the hourly rates of Messrs. Kofman and Sieradzki increased by \$25.



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INVOICE

Forme Development Group Inc. et al
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

March 8, 2022

Invoice No: 2535
HST #: 818808768RT0001

Re: Forme Development Group Inc. et al (collectively, the “Companies”)

For professional services rendered during February 2022 in connection with the Companies' proceedings under the *Companies' Creditors Arrangement Act* (“CCAA”), including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”) concerning matters in these proceedings, including in respect of its correspondence with legal counsel to claimants with disputed claims in the court-approved claims procedure being carried out by the Monitor in these proceedings (the “Claims Procedure”);
- Reviewing a schedule of amended tax claims received on February 8, 2022 from Canada Revenue Agency (“CRA”);
- Updating the Monitor’s waterfall/distribution analysis with CRA’s amended claim information;
- Corresponding internally and with Bennett Jones regarding the next motion in these proceedings, being a distribution motion for creditors with proven claims in the Claims Procedure;
- Reviewing an email received on February 23, 2022 (the “February 23rd Email”) from certain syndicated mortgage investors of 186 Old Kennedy Development Inc. and discussing same internally and with Bennett Jones;
- Drafting a response to the February 23rd Email and finalizing same on February 28, 2022;
- Reviewing correspondence between Bennett Jones and Blaney McMurtry LLP regarding Mr. Wang’s discharge motion and responses to certain of Mr. Wang’s undertakings and corresponding with Bennett Jones on February 2, 3, 4, 9, 10, 11, 18, 20, 24 and 25, 2022 in respect thereof;

- Attending Mr. Wang’s discharge motion on February 10, 2022 and reviewing the endorsement of Associate Justice Ilchenko issued on that date;
- Corresponding with legal counsel to Home Trust on February 16, 2022 in respect of the status of the Claims Procedure and these proceedings; and
- To all other meetings, correspondence and other activities related to this matter not specifically detailed above.

Total fees per attached time summary	\$ 21,312.50
HST	<u>2,770.63</u>
Subtotal	24,083.13
Amount to be paid from funds in estate accounts	<u>(24,083.13)</u>
Total Due, once settled	<u>\$ -</u>

KSV Restructuring Inc.
Forme Development Group et al.

Time Summary

For the Period February 1, 2022 to February 28, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	775	5.45	4,223.75
David Sieradzki	675	16.00	10,800.00
Jonathan Joffe	495	12.00	5,940.00
Other staff and administrative			348.75
Subtotal			21,312.50
Out of pocket disbursements			-
Total Fees			<u>21,312.50</u>



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INVOICE

Forme Development Group Inc. et al
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

April 11, 2022

Invoice No: 2585

HST #: 818808768RT0001

Re: Forme Development Group Inc. et al (collectively, the “Companies”)

For professional services rendered during March 2022 in connection with the Companies' proceedings under the *Companies' Creditors Arrangement Act* (“CCAA”), including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”) concerning matters in these proceedings, including in respect of its correspondence with legal counsel to claimants with disputed claims in the court-approved claims procedure being carried out by the Monitor in these proceedings (the “Claims Procedure”);
- Updating the Monitor’s waterfall/distribution analysis, including for amended claims filed by Canada Revenue Agency;
- Assisting Bennett Jones to compile a data room of Claims Procedure information related to 186 Old Kennedy Development Inc. (“186 OK”) for review by 186 OK’s Licensed Insolvency Trustee, Pollard & Associates Inc., and its legal counsel, Minden Gross LLP (“Minden”);
- Reviewing email correspondence between Bennett Jones and Minden in connection with 186 OK, the Claims Procedure, a pending distribution to 186 OK and related issues;
- Reviewing emails received on March 8 and 14, 2022 from certain syndicated mortgage investors of 186 OK and their legal counsel and discussing same internally and with Bennett Jones;
- Drafting a response to the emails on March 8 and 14, 2022;
- Corresponding internally and with Bennett Jones regarding the next motion in these proceedings, being a distribution motion for creditors with proven claims in the Claims Procedure;

- Beginning to prepare a report to court to be filed in connection with a distribution motion returnable May 27, 2022; and
- To all other meetings, correspondence and other activities related to this matter not specifically detailed above.

Total fees per attached time summary	\$ 18,860.00
HST	<u>2,451.80</u>
Subtotal	21,311.80
Amount to be paid from funds in estate accounts	<u>(21,311.80)</u>
Total Due, once settled	\$ <u>-</u>

KSV Restructuring Inc.
Forme Development Group et al.

Time Summary

For the Period March 1, 2022 to March 31, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	775	1.20	930.00
David Sieradzki	675	11.00	7,425.00
Jonathan Joffe	495	21.00	10,395.00
Other staff and administrative			110.00
Subtotal			18,860.00
Out of pocket disbursements			-
Total Fees			18,860.00



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INVOICE

Forme Development Group Inc. et al
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

May 10, 2022

Invoice No: 2622

HST #: 818808768RT0001

Re: Forme Development Group Inc. et al (collectively, the “Companies”)

For professional services rendered during April 2022 in connection with the Companies’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”) concerning matters in these proceedings, including in respect of its correspondence with legal counsel to claimants with disputed claims in the court-approved claims procedure being carried out by the Monitor in these proceedings (the “Claims Procedure”);
- Corresponding with Bennett Jones on April 1, 2022 to schedule a distribution and Monitor’s discharge motion (the “Distribution and Discharge Motion”);
- Corresponding internally and with Bennett Jones on April 5 and 29, 2022 regarding the relief being sought at the Distribution and Discharge Motion returnable May 27, 2022;
- Starting to draft the Monitor’s report to court (the “Report”) to be filed in connection with the Distribution and Discharge Motion;
- Updating the Monitor’s distribution analysis and preparing other schedules that will form appendices to the Report;
- Reviewing correspondence regarding claims filed in the Claims Procedure, including in respect of claims filed by:
 - Canada Revenue Agency (“CRA”);
 - Gardiner Roberts LLP (“Gardiner Roberts”);
 - First Source Financial Management Inc.;

- Tarion Warranty Corporation;
- Koskie Minsky LLP, on behalf of purchasers of condominiums in the Birchmount project; and
- the condominium corporation of the Birchmount project;
- Corresponding with KPMG LLP on April 22, 2022 in connection with CRA's claims and notices of assessment;
- Reviewing correspondence over the past several years in connection with the claim filed by Gardiner Roberts in the Claims Procedure and the Monitor's Notice of Disallowance thereof;
- Reviewing email correspondence on April 28, 2022 between Bennett Jones and Laishley Reed LLP ("Laishley") in connection with anticipated distributions to 186 Old Kennedy Development Inc.;
- Drafting a response to Laishley's email on April 28, 2022, and discussing same internally; and
- To all other meetings, correspondence and other activities related to this matter not specifically detailed above.

Total fees per attached time summary	\$ 37,767.89
HST	4,909.83
Subtotal	<u>42,677.72</u>
Amount to be paid from funds in estate accounts	<u>(42,677.72)</u>
Total Due, once settled	<u><u>\$ -</u></u>

KSV Restructuring Inc.
Forme Development Group et al.

Time Summary

For the Period April 1, 2022 to April 30, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	775	3.05	2,363.75
David Sieradzki	675	21.00	14,175.00
Jonathan Joffe	495	42.50	21,037.50
Other staff and administrative			104.00
Subtotal			37,680.25
Out of pocket disbursements			87.64
Total Fees			37,767.89

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 20TH DAY OF MAY, 2022

A handwritten signature in cursive script, appearing to read "Rajinder Kashyap", written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.

**FORME DEVELOPMENT GROUP INC. ET AL
TIME ANALYSIS SUMMARY**

<u>Name</u>	<u>Role</u>	Hours from January 1, 2022 to April 30, 2021	Amount from January 1, 2022 to April 30, 2022 (\$)	Rate (\$)
Robert Kofman, MBA, LIT	Overall responsibility	15.30	11,857.50	775
David Sieradzki, CPA, CA, LIT	Overseeing all aspects of mandate	64.75	43,706.25	675
Jonathan Joffe, CPA, CA, LIT	Creditor issues, claims process, distribution analyses	88.00	43,560.00	495
Raj Kashyap	Administrative, including preparing and coordinating statutory notices and claims process administration	3.00	585.00	195
Lynne Quintos	Estate banking and secretarial	1.15	184.00	160
Khushali Vadodariya	Estate banking	2.60	520.00	200
		<u>174.80</u>	<u>100,412.75</u>	
Average Hourly Rate				<u><u>\$ 574.44</u></u>

Appendix “T”

**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

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

**AFFIDAVIT OF SEAN ZWEIG
(sworn May 19, 2022)**

I, **SEAN ZWEIG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

1. I am a lawyer qualified to practice law in the Province of Ontario and am a partner of Bennett Jones LLP ("**Bennett Jones**"), counsel for KSV Restructuring Inc.¹ in its capacity as Court-appointed monitor (the "**Monitor**") in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of the Monitor and its counsel.

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

3. Attached hereto as Exhibit "A" are true copies of the accounts rendered by Bennett Jones as counsel to the Monitor for the period between January 1, 2022 and April 30, 2022. The accounts have been redacted to address matters of confidentiality or privilege. I confirm that these accounts accurately reflect the services provided by Bennett Jones in this matter for this period and the fees and disbursements claimed by it for the period.

4. Attached hereto as Exhibit "B" is a schedule summarizing the accounts of Bennett Jones rendered to the Monitor for the fees and disbursements incurred by Bennett Jones in connection with these proceedings for the period between January 1, 2022 and April 30, 2022.

5. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the professionals at Bennett Jones that rendered services to the Monitor and the hours worked by each such individual for the file.

6. To the best of my knowledge, the rates charged by Bennett Jones throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred to date by Bennett Jones on this matter are reasonable and appropriate in the circumstances.

SWORN before me over videoconference)
on this 19th day of May 2022. The affiant)
was located in the City of Toronto, in the)
Province of Ontario. This Affidavit was)
Commissioned remotely as a result of)
COVID-19 and was commissioned in)
Accordance with Ontario Regulation 431/20)



SEAN ZWEIG



Commissioner for Taking Oaths

THIS IS EXHIBIT "A" REFERRED TO IN THE

AFFIDAVIT OF SEAN ZWEIG

SWORN

THE 19th DAY OF MAY 2022

A handwritten signature in black ink, appearing to read 'Sean Zweig', is written over a horizontal line.

A Commissioner for taking affidavits, etc.



Bennett Jones

Bennett Jones LLP
Suite 3400
1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: February 3, 2022
Invoice: 1437181

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	26,538.00
Other Charges	\$	100.00
Total Due before GST/HST	\$	26,638.00
GST/HST	\$	3,462.94
Total Due in CAD	\$	30,100.94

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com. GST/HST number: 119346757



Date	Name	Description	Hours
05/01/22	Aiden Nelms	Reading and responding to file related emails; Coordinating upcoming appearance with the Court	0.40
06/01/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising form of Order for upcoming appearance; Phone call with S. Zweig regarding file generally	1.00
06/01/22	Sean Zweig	Correspondence regarding upcoming stay expiry and other matters	0.20
12/01/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising Stay Extension and Fee Approval Order; Drafting and revising Fee Affidavit; Drafting and revising exhibits for Fee Affidavit	1.60
13/01/22	Aiden Nelms	Reading and responding to file related emails; Drafting and finalizing Fee Affidavit exhibits; Drafting and finalizing form of Court Order; Drafting and revising Notice of Motion	2.00
14/01/22	Aiden Nelms	Reading and responding to file related emails; Dealing with correspondence related to 250 Danforth and the Danforth Cash Collateral Order	0.60
14/01/22	Sean Zweig	Correspondence regarding 250 Danforth bond	0.20
17/01/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering schedule of all claims; Correspondence with J. Foster regarding a summary of the claims process	0.90
17/01/22	Joshua Foster	Performing detailed review and update of all claims outstanding in the claims process; Preparing summary of same with respect to disputed claims	4.00
17/01/22	Sean Zweig	Reviewing email from D. Sieradzki regarding update and next steps	0.10
18/01/22	Joshua Foster	Finalizing detailed summary of outstanding claims for which no Notices of Dispute have been received; Corresponding with A. Nelms regarding same; Providing comments to A. Nelms on consolidated summary; Corresponding with S. Zweig regarding same	2.80
18/01/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering correspondence from J. Foster regarding summary of claims procedure	3.60

Date	Name	Description	Hours
		status; Reviewing and considering various Proofs of Claim, NORs and NOAs in connection with same; Reviewing and considering master tracking workbook in connection with same; Drafting and revising summary correspondence for Monitor regarding same	
18/01/22	Sean Zweig	Reviewing draft summary of outstanding claims, and corresponding with internal team regarding same	0.50
19/01/22	Joshua Foster	Corresponding with A. Nelms regarding outstanding claims summary	0.20
19/01/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering past correspondence with D. Michaud; Further reviewing and considering Master Tracking Chart; Further reviewing and finalizing summary email to the Monitor regarding status of claims procedure	1.70
19/01/22	Sean Zweig	Correspondence with KSV and internal team regarding outstanding claims and next steps	0.30
21/01/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and revising form of Order; Reviewing and finalizing Fee Affidavit of S. Zweig; Coordinating swearing of S. Zweig's Fee Affidavit; Reviewing and commenting on Monitor's Report; Reviewing and considering S. Zweig's incremental comments on same	3.10
21/01/22	Sean Zweig	Reviewing and commenting on draft Order and Fee Affidavit; Reviewing and commenting on draft Report	1.40
22/01/22	Sean Zweig	Reviewing B. Kofman's comments on Report	0.10
23/01/22	Aiden Nelms	Reading and responding to file related emails; Further revising draft Order; Reviewing and considering additional comments on Report; Drafting and revising Notice of Motion	2.80
23/01/22	Sean Zweig	Reviewing and commenting on Notice of Motion; Reviewing and commenting on revised Report; Various correspondence	1.10
24/01/22	Aiden Nelms	Reading and responding to file related emails; Further reviewing and commenting on the Monitor's Report; Reviewing and considering comments on the form of Notice of Motion; Further	4.40

Date	Name	Description	Hours
		revising same; Further revising draft Order; Finalizing and compiling motion materials; Drafting and revising note to the Service List; Revising Service List; Coordinating service of Motion Record	
24/01/22	Sean Zweig	Reviewing comments on all motion materials, and dealing with same	0.50
25/01/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising Affidavit of Service; Coordinating execution via videoconference; Coordinating filing of Motion Record; Reviewing and considering letter from T. Dunn regarding 186 Old Kennedy and estate	1.10
25/01/22	Sean Zweig	Reviewing letter from T. Dunn; Considering same and discussing same with Monitor	0.20
27/01/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering Motion Record; Preparing for call with C. Ho regarding upcoming appearance	1.00
28/01/22	Aiden Nelms	Reading and responding to file related emails; Dealing with issues in connection with Motion Record	1.50
28/01/22	Sean Zweig	Correspondence regarding [REDACTED]; Call and emails with A. Nelms regarding upcoming motion	0.30
30/01/22	Sean Zweig	Preparing for hearing and correspondence with D. Sieradzki in connection with same	0.50
31/01/22	Aiden Nelms	Reading and responding to file related emails; Preparing for and participating in court hearing via videoconference; Drafting and revising Counsel Slip; Coordinating service of signed Order	1.60
31/01/22	Sean Zweig	Attending at hearing and follow-up correspondence	0.50
Total Hours			40.20
Total Professional Services			\$ 26,538.00

Name	Hours	Rate
Sean Zweig	5.90	\$ 960.00
Joshua Foster	7.00	\$ 525.00
Aiden Nelms	27.30	\$ 630.00

Other Charges	Amount
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Other Charges		Amount
Printing	\$	100.00
Total Other Charges	\$	100.00
GST/HST	\$	3,462.94
TOTAL DUE	\$	<u>30,100.94</u>



Bennett Jones

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: February 3, 2022
Invoice: 1437181

Remittance Statement

Professional Services	\$	26,538.00
Other Charges	\$	100.00
Total Due before GST/HST	\$	<u>26,638.00</u>
GST/HST	\$	3,462.94
Total Due in CAD	\$	<u><u>30,100.94</u></u>



Bennett Jones

Bennett Jones LLP
Suite 3400
1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: March 4, 2022
Invoice: 1441418

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	9,448.50
Total Due before GST/HST	\$	9,448.50
GST/HST	\$	1,228.31
Total Due in CAD	\$	10,676.81

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com. GST/HST number: 119346757

March 4, 2022
Page 2Client:
Invoice No.:074735.00022
1441418

Date	Name	Description	Hours
03/02/22	Aiden Nelms	Reading and responding to file related emails; Coordinating delivery of electronically filed and stamped Court Order	0.20
04/02/22	Sean Zweig	Emails with D. Sieradzki regarding outstanding claims, and considering same	0.20
08/02/22	Sean Zweig	Reviewing summary of funds available for distribution and considering next steps	0.30
10/02/22	Joshua Foster	Preparing for call to discuss outstanding claims and issues related to same; Participating in call with S. Zweig and A. Nelms regarding same	0.90
10/02/22	Sean Zweig	Preparing for and attending call with internal team regarding outstanding claims; Follow-up correspondence with KSV	1.40
10/02/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering certain Claims Procedure-related materials; Preparing for and participating in call with J. Foster and S. Zweig regarding Claims Procedure and next steps	1.60
11/02/22	Sean Zweig	Correspondence with KSV regarding claims and distribution matters, and considering same	0.60
11/02/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising note to the Service List regarding M. Wang bankruptcy	0.40
14/02/22	Sean Zweig	Preparing for and attending call with D. Sieradzki regarding outstanding claims; Various follow-up correspondence with counsel to claimants	1.40
15/02/22	Sean Zweig	Call with A. Slavens; Call with J. Larry	0.80
16/02/22	Sean Zweig	Call with J. Harnum	0.30
17/02/22	Sean Zweig	Call with C. Besant	0.30
18/02/22	Sean Zweig	Call with T. Dunn; Follow-up emails regarding claims process next steps	0.50
22/02/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising summary workbook for the Trustee of 186 Old Kennedy and 31 Victory; Coordinating dataroom in respect of same	1.40
23/02/22	Aiden Nelms	Reading and responding to file related emails; Dealing with issues in connection with 186 Old	0.70



March 4, 2022
Page 3

Client:
Invoice No.:

074735.00022
1441418

Date	Name	Description	Hours
		Kennedy and 31 Victory summary; Reviewing and considering [REDACTED]	
23/02/22	Sean Zweig	Correspondence regarding two issues	0.20
25/02/22	Sean Zweig	Correspondence regarding creditor inquiry	0.10
26/02/22	Sean Zweig	Reviewing and commenting on response to creditor	0.10
28/02/22	Aiden Nelms	Reading and responding to file related emails	0.50
Total Hours			11.90
Total Professional Services \$			9,448.50

Name	Hours	Rate
Sean Zweig	6.20 \$	960.00
Joshua Foster	0.90 \$	525.00
Aiden Nelms	4.80 \$	630.00
GST/HST \$		1,228.31
TOTAL DUE \$		10,676.81



Bennett Jones

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: March 4, 2022
Invoice: 1441418

Remittance Statement

Professional Services	\$	9,448.50
Total Due before GST/HST	\$	9,448.50
GST/HST	\$	1,228.31
Total Due in CAD	\$	10,676.81



Bennett Jones

Bennett Jones LLP
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1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: April 5, 2022
Invoice: 1445452

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	14,353.50
Disbursements	\$	7.50
Total Due before GST/HST	\$	14,361.00
GST/HST	\$	1,866.93
Total Due in CAD	\$	16,227.93

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Date	Name	Description	Hours
01/03/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising claims summary workbook in respect of claims against 186 Old Kennedy and 31 Victory; Reviewing supporting documents provided by KSV in connection with same	2.10
02/03/22	Aiden Nelms	Reading and responding to file related emails	0.40
02/03/22	Sean Zweig	Correspondence with C. Besant; Emails with T. Dunn	0.20
03/03/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising workbook summarizing the status of claims against 186 Old Kennedy and 31 Victory; Compiling supporting documents; Phone calls with J. Foster in connection with same	2.50
03/03/22	Joshua Foster	Reviewing and supplementing workbook created by A. Nelms regarding claims against 31 Victory Development and 186 Old Kennedy Development; Participating in call with A. Nelms regarding same; Preparing Zip folder of additional claim materials	1.80
04/03/22	Aiden Nelms	Reading and responding to file related emails; Finalizing workbook regarding 186 Old Kennedy and 31 Victory claims; Finalizing HubShare dropbox with supporting materials in respect of same	1.60
04/03/22	Sean Zweig	Correspondence regarding 186 Old Kennedy and 31 Victory claims process, and reviewing summary of same	0.50
07/03/22	Sean Zweig	Various correspondence regarding outstanding claims in claims process	0.30
08/03/22	Sean Zweig	Emails with Monitor regarding various issues	0.30
09/03/22	Sean Zweig	Correspondence regarding two outstanding claims	0.20
11/03/22	Aiden Nelms	Reading and responding to file related emails; Dealing with issues in connection with 186 Old Kennedy and 31 Victory	0.90
11/03/22	Sean Zweig	Correspondence with creditor; Emails with T. Dunn	0.20
13/03/22	Sean Zweig	Reviewing correspondence from C. Ho and emails regarding same	0.10
14/03/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering correspondence in	2.30

Date	Name	Description	Hours
		connection with 186 Old Kennedy stakeholder inquiry; Reviewing and considering past reports to court in connection with same; Phone call with C. Ho regarding same; Drafting and revising follow-up correspondence regarding same; Drafting and revising correspondence to 186 Old Kennedy Trustee regarding dataroom and claims summary	
14/03/22	Sean Zweig	Various correspondence with KSV and A. Nelms in connection with 186 Old Kennedy inquiry	0.30
21/03/22	Sean Zweig	Correspondence regarding outstanding claims	0.20
22/03/22	Joshua Foster	Reviewing First Source Wang Claim with respect to Kennedy; Beginning to prepare summary of same	1.80
23/03/22	Joshua Foster	Finalizing review and analysis of First Source claim; Finalizing summary of same; Participating in call with A. Nelms regarding same	3.10
23/03/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering J. Foster's summary regarding First Source claim; Reviewing and considering supporting and ancillary documents in connection with same; Drafting and revising further summary for S. Zweig	1.20
23/03/22	Leslie Stacey	Emails to and from J. Foster; Obtain and circulate standard charge terms	0.20
23/03/22	Sean Zweig	Reviewing analysis regarding outstanding claim and considering next steps to settle same	0.30
24/03/22	Sean Zweig	Considering and corresponding regarding outstanding claims	0.60
28/03/22	Sean Zweig	Emails regarding potential settlement of outstanding claim	0.20
30/03/22	Sean Zweig	Discussion with A. Nelms regarding outstanding issues and next steps in CCAA proceeding	0.30
31/03/22	Aiden Nelms	Reading and responding to file related emails; Corresponding regarding next steps in CCAA proceedings	0.40

Total Hours 22.00
Total Professional Services \$ 14,353.50

Name	Hours	Rate
Sean Zweig	3.70 \$	960.00



Name	Hours	Rate
Joshua Foster	6.70 \$	525.00
Aiden Nelms	11.40 \$	630.00
Leslie Stacey	0.20 \$	510.00

Disbursements	Amount
Courier	\$ 7.50
Total Disbursements	\$ 7.50
GST/HST	\$ 1,866.93
TOTAL DUE	\$ 16,227.93



Bennett Jones

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: April 5, 2022
Invoice: 1445452

Remittance Statement

Professional Services	\$	14,353.50
Disbursements	\$	7.50
Total Due before GST/HST	\$	<u>14,361.00</u>
GST/HST	\$	1,866.93
Total Due in CAD	\$	<u>16,227.93</u>



Bennett Jones

Bennett Jones LLP
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1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: May 4, 2022
Invoice: 1450428

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	32,313.00
Other Charges	\$	77.75
Total Due before GST/HST	\$	<u>32,390.75</u>
GST/HST	\$	4,210.80
Total Due in CAD	\$	<u>36,601.55</u>

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Date	Name	Description	Hours
01/04/22	Aiden Nelms	Reading and responding to file related emails; Corresponding with the Court regarding Court time; Completing paperwork in connection with same; Considering relief to be sought	1.00
01/04/22	Sean Zweig	Correspondence regarding outstanding claims and next steps; Emails regarding [REDACTED]	0.30
04/04/22	Aiden Nelms	Reading and responding to file related emails; Preparing list of relief to be sought at May hearing; Finalizing appearance details in connection with May appearance	0.70
05/04/22	Aiden Nelms	Reading and responding to file related emails; Preparing list of proposed relief to be sought at next appearance; Preparing for and participating in videoconference with S. Zweig and Monitor; Conversation with S. Zweig regarding same	1.50
05/04/22	Sean Zweig	Preparing for and attending call with Monitor regarding relief to be sought at upcoming hearing, and related matters; Correspondence regarding outstanding claims	1.20
06/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering past correspondence and past Reports to Court in light of query from 186 Old Kennedy and 31 Victory Trustee; Phone call with S. Zweig regarding same	0.70
06/04/22	Sean Zweig	Reviewing correspondence from T. Dunn, and discussing same with A. Nelms	0.20
07/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering past Reports and emails in preparation for call with T. Dunn; Phone call with T. Dunn regarding intercompany claims and 186 Old Kennedy	0.80
07/04/22	Sean Zweig	Discussion with A. Nelms regarding distribution to Trustee	0.10
12/04/22	Aiden Nelms	Reading and responding to file related emails	0.20
20/04/22	Aiden Nelms	Reading and responding to file related emails; Dealing with issues in connection with 250 Danforth cash collateral; Dealing with claims-related [REDACTED]; Drafting and revising riders for Report; Considering issues [REDACTED]	2.30



Date	Name	Description	Hours
20/04/22	Sean Zweig	Correspondence regarding various issues in connection with wrapping up CCAA proceedings	0.30
21/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering correspondence from J. Joffe; Reviewing and considering file related documents in connection with same; Phone call with J. Joffe regarding same; Further reviewing certain documents following call regarding same; Phone call with S. Zweig regarding same; Drafting and revising correspondence regarding same; Further call with J. Joffe regarding same	3.40
21/04/22	Sean Zweig	Reviewing correspondence regarding [REDACTED]; Call with A. Nelms regarding same; Further correspondence regarding same	0.60
22/04/22	Aiden Nelms	Reading and responding to file related emails; Dealing with certain [REDACTED]; Reviewing and considering past correspondence and materials in connection with same; Phone call with J. Foster regarding same	4.00
22/04/22	Joshua Foster	Reviewing questions raised regarding discrete [REDACTED]	1.00
22/04/22	Sean Zweig	Correspondence regarding 250 Danforth bond; Correspondence regarding [REDACTED]; Correspondence regarding various outstanding claims	0.60
24/04/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising riders for Monitor's Report	1.00
25/04/22	Aiden Nelms	Reading and responding to file related emails; Further reviewing and considering materials in connection with claims-related queries from Monitor; Phone call with S. Zweig regarding same; Drafting and revising response to the Monitor regarding same; Preparing for and participating in videoconference with representative counsel to Birchmount purchasers and Tarion; Drafting and revising riders for Monitor's Report	3.70
25/04/22	Sean Zweig	Call with A. Nelms regarding outstanding claims; Call with A. Slavens and J. Harnum regarding Birchmount claims; Considering same and follow-up correspondence; Correspondence regarding other outstanding claims	1.20



Date	Name	Description	Hours
26/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering materials in connection with Claims Procedure, distributions and allocation; Drafting and revising riders for Monitor and Proposal Trustee Report; Reviewing materials and correspondence in connection with same; Phone call with S. Zweig	4.90
26/04/22	Sean Zweig	Correspondence regarding outstanding Birchmount claims; Discussion regarding Gardiner Roberts claim	0.60
27/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and revising riders for upcoming Monitor's Report; Reviewing and considering materials in connection with same; Drafting and revising CCAA Termination Order; Discussions with S. Zweig throughout the day	3.70
27/04/22	Preet Bell	Phone call with S. Zweig regarding [REDACTED]	0.10
27/04/22	Sean Zweig	Emails with Monitor and A. Nelms regarding distributions and related matters; Call with J. Harnum regarding Birchmount claims; Considering same; Call with P. Bell regarding same	1.30
28/04/22	Aiden Nelms	Reading and responding to file related emails; Drafting and revising CCAA Termination and Distribution Order; Drafting and revising Notice of Motion; Reviewing and considering S. Zweig's comments on Report riders; Further drafting and revising riders in connection with same; Reviewing and considering past materials in connection with same; Phone call with S. Zweig regarding file generally	3.70
28/04/22	Preet Bell	Reviewing prior materials on unitholder claims; Discussing same and potential next steps with S. Zweig	0.50
28/04/22	Sean Zweig	Emails with Monitor regarding Birchmount claims; Discussion with P. Bell regarding Birchmount claims and further considering same; Call with D. Sieradzki regarding same; Other correspondence; Call with A. Nelms regarding relief to be sought; Reviewing and commenting on draft riders for Report	1.70
29/04/22	Joshua Foster	Providing materials related to claims advanced by	0.40

Date	Name	Description	Hours
		Gardiner Roberts LLP to A. Nelms and discussing same	
29/04/22	Aiden Nelms	Reading and responding to file related emails; Reviewing and revising Monitor Report riders; Reviewing and considering S. Zweig's comments on same; Further revising same; Preparing for and participating in conference call with S. Zweig and Monitor team regarding CCAA Termination, [REDACTED] Drafting and revising CCAA Termination Order	4.00
29/04/22	Sean Zweig	Reviewing and commenting on revised draft of riders for Report; Correspondence regarding Danforth bond; Call with Monitor regarding upcoming motion	0.90
Total Hours			46.60
Total Professional Services			\$ 32,313.00

Name	Hours	Rate
Preet Bell	0.60	\$ 850.00
Sean Zweig	9.00	\$ 960.00
Joshua Foster	1.40	\$ 525.00
Aiden Nelms	35.60	\$ 630.00

Other Charges	Amount
Library Computer Search - WestlawNext Canada	\$ 75.75
Printing	\$ 2.00
Total Other Charges	\$ 77.75
GST/HST	\$ 4,210.80
TOTAL DUE	\$ 36,601.55



Bennett Jones

KSV Restructuring Inc.
SUITE 2308, 150 KING STREET WEST
TORONTO, ON M5H 1J9

**Attention: Mr. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: Forme Development Group
Our File Number: 074735.00022

Date: May 4, 2022
Invoice: 1450428

Remittance Statement

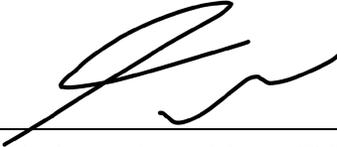
Professional Services	\$	32,313.00
Other Charges	\$	77.75
Total Due before GST/HST	\$	<u>32,390.75</u>
GST/HST	\$	4,210.80
Total Due in CAD	\$	<u>36,601.55</u>

THIS IS EXHIBIT "B" REFERRED TO IN THE

AFFIDAVIT OF SEAN ZWEIG

SWORN

THE 19th DAY OF MAY 2022

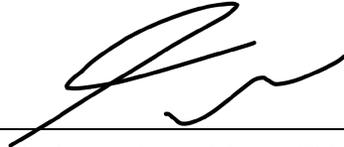
A handwritten signature in black ink, appearing to be 'S. Zweig', written over a horizontal line.

A Commissioner for taking affidavits, etc.

Exhibit "B"

Invoice #	Period Ending	Date of Account	Fees	Expenses/ Disbursements	GST/HST	Total
1437181	31-Jan-22	3-Feb-22	\$ 26,538.00	\$ 100.00	\$ 3,462.94	\$ 30,100.94
1441418	28-Feb-22	4-Mar-22	\$ 9,448.50	\$ -	\$ 1,228.31	\$ 10,676.81
1445452	31-Mar-22	5-Apr-22	\$ 14,353.50	\$ 7.50	\$ 1,866.93	\$ 16,227.93
1450428	29-Apr-22	4-May-22	\$ 32,313.00	\$ 77.75	\$ 4,210.80	\$ 36,601.55
TOTAL			\$ 82,653.00	\$ 185.25	\$ 10,768.98	\$ 93,607.23

**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SEAN ZWEIG
SWORN
THE 19th DAY OF MAY 2022**

A handwritten signature in black ink, appearing to be 'S. Zweig', written over a horizontal line.

A Commissioner for taking affidavits, etc.

Exhibit "C"

Timekeeper	Year of Call (if applicable)	Hourly Rate	Total Time	Fees
Sean Zweig	2009	\$ 960.00	24.8	\$ 23,808.00
Preet Bell	2008	\$ 850.00	0.6	\$ 510.00
Aiden Nelms	2018	\$ 630.00	79.1	\$ 49,833.00
Joshua Foster	2020	\$ 525.00	16.0	\$ 8,400.00
Leslie Stacey	Real Estate Clerk	\$ 510.00	0.2	\$ 102.00
TOTAL		Total Hours:	120.7	\$ 82,653.00

Blended Rate (excluding expenses and HST) $\$82,653.00 \div 120.7 \text{ hours} =$	\$684.78
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SCHEDULE "A"
APPLICANTS

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

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

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

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

Proceeding commenced at Toronto

FEE AFFIDAVIT

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Counsel to KSV Restructuring Inc., solely in
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not in its personal capacity