

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF **YUAN HUA (MIKE) WANG**

APPLICATION UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985, c. B-3, AS AMENDED

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 OTHER COMPANIES
LISTED ON SCHEDULE "A" HERETO

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

**SUPPLEMENTARY MOTION RECORD OF
FERINA CONSTRUCTION LIMITED
(Motions returnable March 31, 2020)**

March 17 , 2020

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TO: THIS HONOURABLE COURT

AND TO: THE PARTIES ON THE SERVICE LIST ATTACHED

SCHEDULE "A"
THE 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.

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

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 shar.champ@hotmail.com; timeless1515@gmail.com; darteh@yahoo.com; huiw775@hotmail.com;
 hanjie7963@gmail.com; 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; dward@casselsbrock.com; lellis@casselsbrock.com;
 ecraddock@casselsbrock.com; asoutter@tgf.ca; jbornstein@casselsbrock.com; jharnum@kmlaw.ca;
 avisheau@kmlaw.ca; rrspmortgagelegal@olympiatrust.com; johnsons@olympiatrust.com;
 luongj@olympiatrust.com; cho@laishleyreed.com; jasonhuang@lawyer.com;
 moonriver518@hotmail.com; mike@formeddevelopmentgroup.com; bsachdeva@millერთhompson.com;
 sdecaria@millერთhompson.com; Dan.Wootton@ca.gt.com; cbesant@grllp.com; jbartlett@msmlaw.net

Court File No.: 31-2610052
Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY
ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF **YUAN HUA (MIKE) WANG**

APPLICATION UNDER THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

SERVICE LIST

TO:	<p>BLANEY McMURTRY LLP Barristers and Solicitors 1500 - 2 Queen Street East Toronto, ON M5C 3G5</p> <p>David Ullmann Tel: (416) 596-4289 Fax: (416) 594-2437 Email: dullmann@blaney.com</p> <p>Jessica Wuthmann Tel: (416) 593-3924 Email: jwuthmann@blaney.com</p> <p><i>Lawyers for Yuan Hua (Mike) Wang</i></p>
------------	--

AND TO:	<p>MILLER THOMSON LLP 100 New Park Place, Suite 700 Vaughan, Ontario L4K 0H9</p> <p>Bobby H. Sachdeva Tel: (905) 532-6670 Fax: (905) 660-0139 Email: bsachdeva@millერთhompson.com</p> <p><i>Lawyers for Grant Thornton Limited (“Proposal Trustee”)</i></p>
AND TO:	<p>GRANT THORNTON LIMITED 11th Floor – 200 King Street West Toronto, ON M5H 3T4</p> <p>Dan Wootton Tel: (416) 360-3063 Fax: (416) 360-4949 Email: Dan.Wootton@ca.gt.com</p> <p><i>The Proposal Trustee</i></p>
AND TO:	<p>Mr. Yuan Hua (Mike) Wang</p> <p>Mike@formeddevelopmentgroup.com</p> <p><i>The Debtor</i></p>
AND TO:	<p>GARDINER ROBERTS LLP Bay Adelaide Centre – East Tower 22 Adelaide Street West, Suite 3600 Toronto, ON M5H 4E3</p> <p>Chris Besant Tel: (416) 865-4022 Fax: (416) 865-6636 Email: cbesant@grllp.com</p> <p><i>Lawyers for the “Non-Applicant Companies”</i></p>

AND TO:	<p>THORNTON GROUT FINNIGAN LLP TD West Tower, Toronto-Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7</p> <p>D.J. Miller (LSO# 34393P) Tel: (416) 304-0559 Fax: (416) 304-1313 Email: djmiller@tgf.ca</p> <p>Alexander Soutter (LSO# 74203T) Tel.: (416) 304-0595 Email: asoutter@tgf.ca</p> <p><i>Lawyers for Ferina Construction Limited</i></p>
AND TO:	<p>PALIARE ROLAND ROSENBERG ROTHSTEIN LLP 155 Wellington Street West, 35th Floor Toronto, ON M5V 3H1</p> <p>Jeffrey Larry Tel: (416) 646-4330 Fax: (416) 646-4301 Email: Jeff.Larry@paliareroland.com</p> <p><i>Lawyers for First Source Financial Management Inc.</i></p>
AND TO:	<p>ROBINS APPLEBY LLP Barristers & Solicitors 120 Adelaide Street, West Toronto, ON M5H 1T1</p> <p>Dominique Michaud Tel: (416) 360-3795 Fax: (416) 868-0306 Email: dmichaud@robapp.com</p> <p><i>Lawyers for 2586614 Ontario Inc., 2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc., 2638796 Ontario Inc., 2646429 Ontario Inc., 2603616 Ontario Inc., 2611622 Ontario Inc., 10226190 Canada Ltd., 2557725 Ontario Inc., 2612316 Ontario Inc., Wenguang Liu and Yan Yan</i></p>

AND TO:	TORYS LLP 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2 Adam Slavens Tel: (416) 865-7333 Email: aslavens@torys.com <i>Lawyers for Tarion Warranty Corporation</i>
AND TO:	CHAITONS LLP 5000 Yonge St., 10th Floor Toronto, ON M2N 7E9 George Benchetrit Tel: (416) 218-1141 Fax: (416) 218-1841 Email: George@chaitons.com <i>Lawyers for Home Trust Company</i>
AND TO:	KOSKIE MINSKY LLP 20 Queen Street West Suite 900, Box 52 Toronto, ON M5H 3R3 James Harnum Tel: (416) 542-6285 Fax: (416) 204-2819 Email: jharnum@kmlaw.ca <i>Representative Counsel for the Birchmount Purchasers</i>
AND TO:	YI ZHOU LAW FIRM 100 Cowdray Court, Suite 209 Toronto, ON M1S 5C8 Yi Zhou Tel: (416) 916-2068 Email: yizhoulawoffice@yahoo.ca

EMAIL SERVICE LIST

dullmann@blaney.com; jwuthmann@blaney.com; bsachdeva@millerthomson.com;
Dan.Wootton@ca.gt.com; Mike@formeddevelopmentgroup.com; cbesant@grllp.com;
djmillier@tgf.ca; asoutter@tgf.ca; Jeff.Larry@paliareroland.com; dmichaud@robapp.com;
aslavens@torys.com; George@chaitons.com; jharnum@kmlaw.ca; yizhoulawoffice@yahoo.ca

TAB 1

Court File No.: 31-2610052
Estate No. 31-2610052

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF **YUAN HUA (MIKE) WANG**

APPLICATION UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

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 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 MARIA MAGNI
(Sworn March 17, 2020)

I, **MARIA MAGNI**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH**
AND SAY AS FOLLOWS:

1. I am a legal assistant with the law firm of Thornton Grout Finnigan LLP ("**TGF**"), counsel for Ferina Construction Limited ("**Ferina**") in this proceeding, and as such I have


knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge I am advised by others so identified, and verily believe it to be true.

2. By Endorsement dated February 25, 2020, Justice Hainey imposed a timetable Yuan Hua (Mike) Wang's motion to extend the time for him to file a proposal, and for Ferina to terminate that time period. The timetable's dates were peremptory on Mr. Wang, and included a deadline for cross-examination of March 9, 2020. A copy of that Endorsement is attached as **Exhibit "A"**.
3. On March 4, 2020, Yuan Hua (Mike) Wang was served with a Notice of Examination for a cross-examination scheduled for March 9, 2020. A copy of the Notice of Examination and the Affidavit of Service of Gloria Kalkounis in respect of same are attached collectively as **Exhibit "B"**.
4. On Thursday, March 5, 2020, TGF received the letter attached as **Exhibit "C"** from Blaney McMurtry LLP ("**Blaney**"), counsel to Mr. Wang. In discussing Mr. Wang's cross-examination, the letter provides,
 4. Any questions related to Exhibit "B" of Mr. Wang's affidavit¹ will be refused on the basis of irrelevance.
 5. Any questions related to Mr. Wang's funding from third parties will be refused on the basis of irrelevance.
5. On Friday, March 6, 2020, TGF wrote the letter attached as **Exhibit "D"** to Blaney.

¹ Being another affidavit sworn by Mr. Wang on February 19, 2020, which I am advised by Alexander Soutter, a lawyer with TGF, and believe, was filed in connection with a motion in the *Companies' Creditors Arrangement Act* proceeding involving Forme Development Group Inc. *et al.*

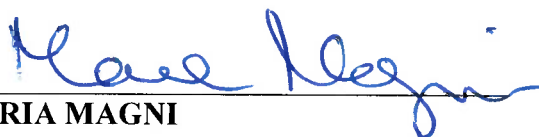
6. On Sunday, March 8, 2020, Mr. Soutter received the e-mail attached as **Exhibit “E”** from Mr. Ullmann, a lawyer at Blaney. Mr. Ullmann’s e-mail enclosed a letter from Mr. Wang’s physician dated March 6, 2020, together with copies of certain prescriptions. I am advised by Mr. Soutter that, given Mr. Ullmann’s request to keep the attachment confidential, it will be handed up to the Court at the return of the motions relating to Mr. Wang’s Notice of Intention to Make a Proposal and either filed under seal or to not form part of the Court’s record.
7. On Monday, March 9, 2020, Mr. Soutter received an e-mail from Mr. Ullmann confirming that Mr. Wang would not attend at his cross-examination. A copy of that e-mail is attached as **Exhibit “F”**. Given that it was too late to cancel the cross-examination, Mr. Soutter attended and obtained a Certificate of Non-Attendance, a copy of which is attached as **Exhibit “G”**.
8. On March 13, 2020, TGF wrote the letter attached as **Exhibit “H”** to Blaney.
9. I swear this affidavit in support of a motion brought by Ferina Construction Limited to terminate the period during which Mr. Wang can make a proposal.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 17th day of
March, 2020.



Commissioner for Taking Affidavits, etc.

Adam Drieger



MARIA MAGNI

This is **Exhibit "A"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, appearing to be 'A. P.', written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Court File No.: 31-2610052
Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,
AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
YUAN HUA (MIKE) WANG
APPLICATION UNDER THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-
3, AS AMENDED

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 OTHER COMPANIES LISTED ON
SCHEDULE "A"**
APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED

ENDORSEMENT

1. Ferina Construction Limited ("**Ferina**") served a motion on February 19, 2020 to terminate the time set out in section 50.4(8) of the *Bankruptcy and Insolvency Act* for Yuan Hua (Mike) Wang ("**Mr. Wang**") to make a proposal. Mr. Wang also served a motion on February 19, 2020 to extend the time for him to make a proposal. Each of these motions was stated to be returnable on February 20, 2020 to coincide with the return of motions brought by the court-appointed Monitor and the Non-Applicant companies in the related CCAA proceeding. The motions brought by Ferina and Mr. Wang were not heard that day pursuant to my direction, and were to be scheduled by counsel.
2. Counsel have now attended on this 9:30 Chambers attendance to schedule the motions. The motions brought by Ferina and Mr. Wang will be heard together on March 23, 2020 at 10 a.m. for a total of 90 minutes. 31
3. Given the related nature of these motions to the Forme Development Group Inc. *et al* CCAA proceeding of which I am seized, I am also seized of these motions. GA

4. I am advised that the time period within which Mr. Wang may make a proposal currently expires on February 26, 2020. That time period is hereby extended to March 23, 2020 on a without prejudice basis, including to any argument that Ferina or any other party or participant on the motion may make. If, prior to the return of the motions, Mr. Wang files a proposal, Ferina's motion may proceed as a motion pursuant to section 50(12) of the BIA, rather than section 50.4(8), without the need for any further or amended Notice of Motion being filed.

5. The following conditions apply to the Ferina motion and the motion brought by Mr. Wang:

a. Mr. Wang may be served with any materials by e-mailing him a copy at mike@formeddevelopmentgroup.com;

b. Unless and until such time as Mr. Ullmann advises counsel for Ferina that his firm no longer represents Mr. Wang, a copy of any materials served by e-mail on Mr. Wang will also be served by e-mail on Mr. Ullmann at dullmann@blaney.com.

c. the March 23, 2020 motion date and all dates set out below are preemptory to Mr. Wang, regardless of whether he continues to be represented by his current counsel.

6. The parties will each adhere to the following timetable:

Step to be completed	By which party	Date to be completed
Responding Motion Record, if any	Any	March 2, 2020
Cross-Examinations, if any	All	March 9, 2020
Answers to Undertakings	All	March 12, 2020
Factum/Book of Authorities	All	March 17, 2020

Handwritten signature: Harvey

Handwritten signature: GH

31

Nothing in this Endorsement or the order requires Blaney to remain as counsel to Mr. Wang.

This is **Exhibit "B"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

Court File No. 31-2610052
Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF **YUAN HUA (MIKE) WANG**

APPLICATION UNDER THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

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 OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO

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

NOTICE OF EXAMINATION

TO: **Yuan Hua (Mike) Wang**

YOU ARE REQUIRED TO ATTEND, on Monday, March 9, 2020 at 10:00 a.m. at the
office of Neesons Court Reporting, 77 King Street West, Suite 2020, Toronto, ON M5K 1A2
Telephone: (416) 413-7755, for:

Cross-examination on your affidavits sworn February 19, 2020

- Examination for discovery
- Examination for discovery on behalf of or in place of (identify party)
- Examination in aid of execution
- Examination in aid of execution on behalf of or in place of (identify party)

YOU ARE REQUIRED TO BRING WITH YOU and produce at the examination the documents mentioned in subrule 30.04(4) of the *Rules of Civil Procedure*, and the following documents and things:

all documents, books, papers, letters, contracts, statements, records, bills, notes, securities, vouchers and copies of or extracts from the same in your custody, possession or power or under your control, whether stored electronically or otherwise, in any way relating to the matters which are within the scope of these proceedings or have any reference thereto, including but not limited to copies of any agreement entered into in connection with any security granted in the last two years.

-3-

March 4, 2020

THORNTON GROUT FINNIGAN LLP

100 Wellington Street West
Suite 3200, TD West Tower
Toronto ON M5K 1K7

D.J. Miller (LSO #34393P)

Tel: (416) 304-0559

Email: djmiller@tgf.ca

Alexander Soutter (LSO #72403T)

Tel: (416) 304-0595

Email: asoutter@tgf.ca

Fax: (416) 304-1313

Lawyers for Ferina Construction Limited

TO: YUAN HUA (MIKE) WANG
710 Woodbine Avenue, Suite 206
Markham, ON L3R 5J2

Tel: (416) 604-5766
Fax: (416) 604-5768
Email: mike@formeddevelopmentgroup.com

AND TO: BLANEY McMURTRY LLP
Barristers and Solicitors
1500 – 2 Queen Street East
Toronto, ON M5C 3G5

David Ullmann (LSO #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Lawyers for Yuan Hua (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.

APPLICATION UNDER the Companies' Creditors Arrangement Act, R.S.C. 1985, cC-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. et al

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

APPLICATION UNDER the Bankruptcy and Insolvency Act, R.S.C. 1985, cC-36, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF YUAN HUA (MIKE) WANG
Court File No.: 31-2610052, Estate No.: 31-2610052

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

Proceedings commenced at Toronto

NOTICE OF EXAMINATION

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559
Email: djmiller@tfg.ca

Alexander Soutter (LSO# 74203T)
Tel: (416) 304-0595
Email: asoutter@tfg.ca

Lawyers for Ferina Construction Limited

Court File No. 31-2610052
Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF **YUAN HUA (MIKE) WANG**

APPLICATION UNDER THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

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 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 SERVICE

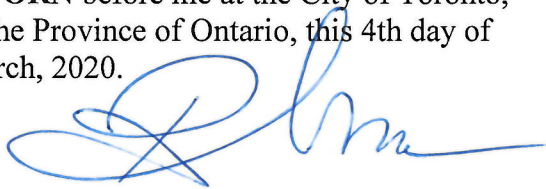
I, **GLORIA KALKOUNIS**, of the City of Toronto, in the Province of Ontario, **MAKE**

OATH AND SAY AS FOLLOWS:

1. On Wednesday, March 4, 2020, I served the parties listed on the Email Service List attached hereto as Exhibit "A" with a copy of the Notice of Examination for Yuan Hua (Mike) Wang scheduled for Monday, March 9th, 2020 at 10:00 a.m. at Neesons Court Reporting, by

sending a copy of same via email transmission. Attached hereto as Exhibit "B" is a true copy of the email (without attachments).

SWORN before me at the City of Toronto, in the Province of Ontario, this 4th day of March, 2020.



Commissioner for Taking Affidavits, etc.



GLORIA KALKOUNIS

Roxana Gabriela Manea, a Commissioner, etc.,
Province of Ontario, for
Thomson Groot Finnigan LLP,
Barristers and Solicitors.
Expires June 5, 2021.

EMAIL SERVICE LIST

TO: **YUAN HUA (MIKE) WANG**
710 Woodbine Avenue, Suite 206
Markham, ON L3R 5J2

Tel: (416) 604-5766
Fax: (416) 604-5768
Email: mike@formeddevelopmentgroup.com

AND TO: **BLANEY McMURTRY LLP**
Barristers and Solicitors
1500 – 2 Queen Street East
Toronto, ON M5C 3G5

David Ullmann (LSO #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Lawyers for Yuan Hua (Mike) Wang

Gloria Kalkounis

From: Gloria Kalkounis
Sent: March-04-20 2:34 PM
To: 'mike@formeddevelopmentgroup.com'
Cc: David Ullmann ; Alexander Soutter; D. J. Miller
Subject: In the matter of Yuan Hua (Mike) Wang etc. (Court File No.: 31-2610052)
Attachments: Notice of Examination - Wang (2).PDF

Dear Mr. Wang,

Please find enclosed a Notice of Examination, hereby served upon you pursuant to the *Rules of Civil Procedure* and the Endorsement of Justice Hailey dated February 25, 2020.

Yours truly,
Gloria Kalkounis on behalf of Alexander Soutter

APPLICATION UNDER the Companies' Creditors Arrangement Act, R.S.C. 1985, cC-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. et al

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

APPLICATION UNDER the Bankruptcy and Insolvency Act, R.S.C. 1985, cC-36, as amended
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF YUAN HUA (MIKE) WANG

Court File No.: 31-2610052, Estate No.: 31-2610052

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

Proceedings commenced at Toronto

AFFIDAVIT OF SERVICE

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Alexander Soutter (LSO# 74203T)
Tel: (416) 304-0595
Email: asoutter@tgf.ca

Lawyers for Ferina Construction Limited

This is **Exhibit "C"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

Jessica Wuthmann
416-593-3924
jwuthmann@blaney.com

March 5, 2020

VIA EMAIL

Ms. D.J. Miller and Mr. Alexander Soutter
Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
Toronto, ON, M5K 1K7

Dear Counsel:

Re: In the matter of the Intention to Make a Proposal of Yuan Hua (Mike) Wang (Court File No. 31-2610042)

We are in receipt of your Notice of Examination of Yuan Hua (Mike) Wang ("**Mr. Wang**"), which requires Mr. Wang to attend for a cross-examination at 10:00 a.m. on March 9, 2020.

We can confirm that Mr. Wang is available to attend for his cross-examination on that day but we would ask that the examination begin at noon instead of 10:00 a.m. In the alternative, Mr. Wang is available to attend an examination at 10:00 a.m. on Tuesday, March 10, 2020.

We would like to advise you that Mr. Wang has advised us that he is unwell, with flu-like symptoms. He saw his doctor on Tuesday and has a further appointment tomorrow afternoon. We will advise you if we receive any further information from Mr. Wang or his doctor.

In addition, as you are aware, Mr. Wang requires a Mandarin interpreter for his examination. We would ask that you please make the appropriate arrangements for the attendance of such an interpreter.

We wish to make the following points clear prior to Mr. Wang's cross-examination:

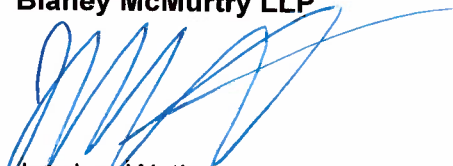
1. Mr. Wang is being produced for cross-examination solely In the Matter of the Notice of Intention to Make a Proposal of Yuan Hua (Mike) Wang (the "**NOI Proceedings**"). This cross-examination is not in any way to be considered a cross-examination relevant to or within the *Companies' Creditors Arrangement Act* proceeding of Forme Development Group Inc. bearing court file number CV-18-608313-00CL (the "**CCAA Proceedings**") because there is no motion in the CCAA Proceedings being heard on March 31, 2020.
2. Though your Notice of Examination refers to "affidavits", the cross-examination will only be on Mr. Wang's affidavit sworn February 19, 2020 seeking an extension of the NOI Proceeding. That is the only affidavit submitted by Mr. Wang that is in evidence on this motion.

3. As you are aware, Mr. Wang's affidavit is provided solely in support of that motion and not as a response to Ferina's motion scheduled for March 31, 2020. Accordingly, the scope of Mr. Wang's cross-examination will be limited to Mr. Wang's motion for an extension of the NOI Proceedings and the limited matters in issue on such a motion.
4. Any questions related to Exhibit "B" of Mr. Wang's affidavit will be refused on the basis of irrelevance.
5. Any questions related to Mr. Wang's funding from third parties will be refused on the basis of irrelevance.
6. Mr. Wang will only respond to questions from your firm and no other parties.

As discussed at Court, we also continue to reserve the right to file more materials to support Mr. Wang's motion seeking an extension in order to provide the Court with the most updated information necessary for the motion to be heard on a full evidentiary record on March 31, 2020.

Yours very truly,

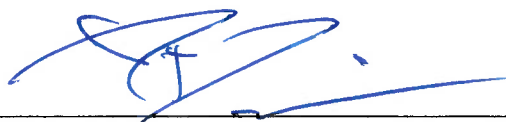
Blaney McMurtry LLP



Jessica Wuthmann
JW/JW

cc. David Ullmann

This is **Exhibit "D"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

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

A Commissioner for taking Affidavits, etc.



Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Alexander Soutter
T: 416-304-0595
E: asoutter@tgf.ca
File No. 1977-001

March 6, 2020

VIA EMAIL (dullmann@blaney.com / jwuthmann@blaney.com)

Blaney McMurtry LLP
2 Queen St. E., Suite 1500
Toronto ON M5C 3G5

Attention: David Ullmann / Jessica Wuthmann

Dear Madam/Sir:

**Re: Ferina Construction Limited re: Yuan Hua Wang / Mike Wang
Court File Nos.: CV-18-608313-00CL / 31-2610052**

We consent to have the examination commence on March 9, 2020 at 12PM. The examination remains preemptory to Mr. Wang.

We refer you to Rules 34.09(2) and 39.02 of the *Rules of Civil Procedure*. Mr. Wang should bring his own interpreter if he requires one. We require any interpreter to be competent and independent as required by the Rules. We will ask for their accreditation.

Mr. Wang's affidavit filed in respect of his motion to extend the time for him to file a proposal attaches another affidavit as an exhibit, hence our use of the word "affidavits". Our position is that the transcript of the cross-examination is admissible on both motions.

Your position that questions regarding any exhibit would be irrelevant is incomprehensible. Your position that questions regarding Mr. Wang's funding would be irrelevant is equally incomprehensible given the issues on the motions and the statements made in his affidavit.

We will ask our questions. If you have objections, you may state them briefly on the record. Justice Haaney will of course rule on any evidentiary issues that arise, including your purported reservation of rights to file additional material on the motion, which flies in the face of the timetable that you consented to, and which His Honour endorsed.

Yours truly,

Thornton Grout Finnigan LLP


Alexander Soutter

/gk

This is **Exhibit "E"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

From: [David T. Ullmann](#)
To: [Alexander Soutter](#)
Cc: [D. J. Miller](#); ["ZweigS@bennettjones.com"](#); [Jessica Wuthmann](#); [Mike Wang](#); ["Jessica Wang"](#); [Aimie Yang](#); [John Polyzogopoulos](#)
Subject: Postponing Examination due to Medical Reasons
Date: Sunday, March 8, 2020 5:05:01 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image013.png](#)
[image014.png](#)
[image015.png](#)
[image016.png](#)
[Doctor Note_Redacted.pdf](#)

Good Afternoon Alex,

Further to our correspondence on Thursday, we have been provided with the enclosed note from Mr. Wang's physician (and the related prescriptions) following his medical examination on Friday. In the circumstances we understand that Mr. Wang will not be attending the examination in our proceeding tomorrow. We have not been able to contact him so far today. We will be canvassing with him tomorrow whether or not he believes he might be able to undertake the examination later this week or at a convenient time prior to March 31st. We acknowledge that the examination was pre-emptory and have previously advised Mr. Wang of that fact. We do not think that precludes Mr. Wang from not attending due to health reasons. We also point out that the March 9th date was agreed to prior to the court changing the date of the motion from March 23rd to March 31st. As such, there is some built in flexibility in our current timetable in any event.

We will report to you further tomorrow once we have spoken with Mr. Wang. We may also speak to his physician.

Although I expect I need not do so, I remind you that the enclosed, even redacted, constitutes confidential personal and health information about Mr. Wang and should not be distributed widely, or at all. Please do not do so. In any event, we are unaware of anyone intending to attend the examination other than yourself.

Regards,

David



David T. Ullmann
Partner

dullmann@blaney.com

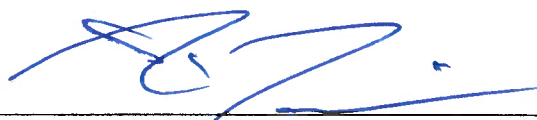
416-596-4289 | 416-594-2437

Blaney.com



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This is **Exhibit "F"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

From: [David T. Ullmann](#)
To: [Alexander Soutter](#)
Cc: [D. J. Miller](#); [ZweigS@bennettjones.com](#); [Jessica Wuthmann](#); [Mike Wang](#); [Jessica Wang](#); [Aimie Yang](#); [John Polyzogopoulos](#)
Subject: RE: Postponing Examination due to Medical Reasons
Date: Monday, March 9, 2020 11:41:26 AM
Attachments: [image001.png](#)
[image002.png](#)

Good Morning Alex,

I have just completed a call with Jessica Wang and Aimie Wang. Mike was unable to attend. We wish to confirm that we will not be attending the examination today. We hope to discuss with you the rescheduling of this examination tomorrow at some point once we have connected with Mike. I just wanted you to know we were not attending. If you wish to avoid attending today and avoid the cost of doing so, we are prepared to concede that Mike Wang did not attend for health reasons as per our email yesterday.

If you do attend, please provide us with the certificate of non-attendance. We believe we have cancelled the translator now. If they do show up, please advise them that we are not attending and they should check with their office.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com

☐ 416-596-4289 | ☐ 416-594-2437

From: Alexander Soutter [mailto:ASoutter@tgf.ca]

Sent: Sunday, March 8, 2020 6:33 PM

To: David T. Ullmann

Cc: D. J. Miller ; [ZweigS@bennettjones.com](#); [Jessica Wuthmann](#) ; [Mike Wang](#) ; [Jessica Wang](#) ; [Aimie Yang](#) ; [John Polyzogopoulos](#)

Subject: Re: Postponing Examination due to Medical Reasons

Dear Mr. Ullmann,

We will be attending tomorrow and will obtain a certificate of non-attendance. There would be no time to cancel the examination and avoid its attendant costs in any event.

We will also inform the Service List that you advise Mr. Wang will not be attending the examination for health reasons.

On the return of the motions we will present this e-mail exchange and the attachment to your e-mail to Justice Hainey. We will ask that they be filed under seal given your request that they be treated confidentially.

We look forward to your report tomorrow.

Yours truly,



Alexander Soutter | Direct Line: +1 416-304-0595 | Thornton Grout Finnigan LLP | www.tgf.ca

PRIVILEGED & CONFIDENTIAL - This electronic transmission is subject to solicitor-client privilege and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this e-mail in error, please notify our office immediately by calling (416) 304-1616 and delete this e-mail without forwarding it or making a copy.

On Mar 8, 2020, at 5:05 PM, David T. Ullmann <DUllmann@blaney.com> wrote:

Good Afternoon Alex,

Further to our correspondence on Thursday, we have been provided with the enclosed note from Mr. Wang's physician (and the related prescriptions) following his medical examination on Friday. In the circumstances we understand that Mr. Wang will not be attending the examination in our proceeding tomorrow. We have not been able to contact him so far today. We will be canvassing with him tomorrow whether or not he believes he might be able to undertake the examination later this week or at a convenient time prior to March 31st. We acknowledge that the examination was pre-emptory and have previously advised Mr. Wang of that fact. We do not think that precludes Mr. Wang from not attending due to health reasons. We also point out that the March 9th date was agreed to prior to the court changing the date of the motion from March 23rd to March 31st. As such, there is some built in flexibility in our current timetable in any event.

We will report to you further tomorrow once we have spoken with Mr. Wang. We may also speak to his physician.

Although I expect I need not do so, I remind you that the enclosed, even redacted, constitutes confidential personal and health information about Mr. Wang and should not be distributed widely, or at all. Please do not do so. In any event, we are unaware of anyone intending to attend the examination other than yourself.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com

416-596-4289 |

416-594-2437

Blaney.com

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This is **Exhibit "G"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

CERTIFICATE OF NON-ATTENDANCE

Court File No. 31-2610052

Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF YUAN HUA (MIKE) WANG**

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 OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO**

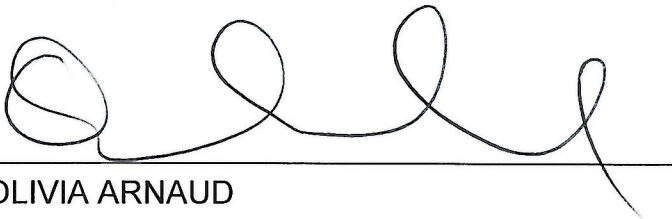
**APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

I, Olivia Arnaud, make oath and say as follows:

THAT on Monday, March 9, 2020 at 12:00 p.m., I attended the appointment with respect to the Cross-examination of Yuan Hua (Mike) Wang, at the offices of Neesons, 77 King Street West, Suite 2020, Toronto, Ontario, M5K 1A2 herein;

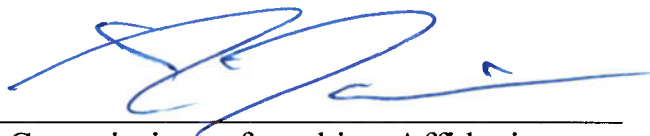
AND THAT at the above-noted time and place, I was attended upon Alexander Soutter of the law firm THORNTON GROUT FINNIGAN LLP, TD West Tower, 77 King Street West, Suite 3200 Toronto, Ontario, M5K 1K7. Mr. Soutter waited until 12:20 p.m., but Yuan Hua (Mike) Wang did not attend.

DATED, this 9th day of March, 2020



OLIVIA ARNAUD

This is **Exhibit "H"**, referred to in the
Affidavit of Maria Magni, sworn before me
this 17th day of March, 2020.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits, etc.

March 13, 2020

VIA EMAIL (dullmann@blaney.com)

Blaney McMurtry LLP
2 Queen St. E., Suite 1500
Toronto ON M5C 3G5

Attention: David Ullmann

Dear Sir:

Re: Ferina Construction Limited re: Yuan Hua Wang / Mike Wang
Court File Nos.: CV-18-608313-00CL / 31-2610052

We refer to our telephone call on March 12th.

The doctor's note given to us provides that Mr. Wang should rest at home from March 2-31 (despite the note being dated March 6). Your suggestion that Mr. Wang might be available during the week of March 23 is incongruous with the doctor's advice that your client rest at home. In any event, there would be too little time to incorporate the transcript of an examination conducted in the week of the 23rd in our factums while ensuring that they are filed in a reasonable period of time before the motion. Accordingly, we will not be cross-examining Mr. Wang. We will rely instead on the refusals made in the letter from your office dated March 5, 2020.

We look forward to receiving your client's factum on March 17, 2020.

Yours truly,

Thornton Grout Finnigan LLP



Alexander Soutter

/gk

APPLICATION UNDER the Companies' Creditors Arrangement Act, R.S.C. 1985, cC-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. et al

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

APPLICATION UNDER the Bankruptcy and Insolvency Act, R.S.C. 1985, cC-36, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF YUAN HUA (MIKE) WANG

Court File No.: 31-2610052, Estate No.: 31-2610052

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF MARIA MAGNI
(Sworn March 17, 2020)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Alexander Soutter (LSO# 74203T)
Tel: (416) 304-0595
Email: asoutter@tgf.ca

Lawyers for Ferina Construction Limited

TAB 2



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

February 26, 2019

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Emails from Birchmount purchasers.....	D
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Confidential Appendix

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

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

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

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

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

**THIRD REPORT OF KSV KOFMAN INC. AS MONITOR
February 26, 2019**

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" (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 (the "Monitor"). A copy of the Initial Order is attached as Appendix "B".
2. The principal purpose of these proceedings is to create a stabilized environment to conduct a Court-approved sale process ("Sale Process") for the Applicants' real property. The Initial Order approved the Sale Process, including a listing agreement between the Applicants and TD Cornerstone Commercial Realty Inc. The bid deadline for all properties included in the Sale Process is March 27, 2019.
3. Several real estate development companies related to the Applicants initially applied for but were not granted protection in these CCAA proceedings (the "Non-Applicants", and together with the Applicants, the "Forme Group") due to opposition from one or more mortgagees on each of the Non-Applicants' real property. The Non-Applicants are listed on Appendix "C".

4. The Monitor understands that Yuan (Mike) Hua Wang (“Wang”) is the sole shareholder of each of the Applicants and the Non-Applicants. Wang has guaranteed millions of dollars of mortgages on the majority of the Applicants’ and Non-Applicants’ real property; however, the amount of those guarantees has not yet been quantified by the Monitor. The Monitor believes that it will be necessary to do so through a Court-approved claims process. Pursuant to the terms of the Initial Order, Wang has the benefit of a broad stay of proceedings relating to his guarantees of the commitments or loans of any of the Applicants and certain other mortgage obligations. The stay of proceedings in favour of Wang does not include his guarantees of the commitments or loans of the Non-Applicants.
5. KSV is filing this report (“Report”) in its capacity as Monitor.

2.0 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these proceedings;
 - b) report on the Monitor’s concerns regarding Wang, including concerns that arose during the week of February 18, 2019 in respect of the potential sale of certain of the Non-Applicants’ real property;
 - c) set out the basis on which the Monitor believes that the sale proceeds from the Non-Applicants’ real property should be paid to the Monitor net of all *bona fide* mortgage obligations and transaction costs, and, in light of Wang’s guarantee obligations to certain of the Applicants’ creditors, only be distributed subject to further order of the Court after completion of a claims process; and
 - d) recommend that the Court issue an order directing the Non-Applicants, any mortgagee of the Non-Applicants (if real property is sold through a mortgagee enforcement process) or any other person to remit the net proceeds of any transaction to the Monitor. In the event that the Court does not make this order, the Monitor is of the view that the stay of proceedings granted to Wang under the Initial Order should be terminated.

3.0 Currency

1. All currency references in this Report are to Canadian dollars.

4.0 Background

1. The Forme Group is comprised of several commercial and residential real estate development companies, each of which is believed to be owned by Wang. Wang is also the sole director of each entity. The Forme Group’s properties are primarily located in the Greater Toronto Area, with a few located in Southwestern Ontario.

2. Except for one project, known as Birchmount Gardens, the Forme Group's projects have not advanced beyond the planning stage. Birchmount Gardens is a condominium project located in Scarborough, Ontario. All of the condominiums in this project have been sold and the Monitor believes that all purchasers are occupying their units; however, the transactions have not closed. Closings were to have occurred approximately three years ago. The Monitor is working to close these transactions. Construction and other issues need to be resolved before closings can take place. The level of frustration with Wang and the Forme Group's management by Birchmount purchasers is illustrated by the emails provided in Appendix "D"¹.
3. According to Wang's affidavit sworn November 5, 2018 filed as part of the Forme Group's initial CCAA application (the "Wang Affidavit"), the causes of the Forme Group's financial difficulties include:
 - a) the Forme Group has approximately \$220 million of mortgage debt, which it is unable to service²; and
 - b) the Forme Group's liquidity issues resulted in delays in the planning and development of several of its projects. Wang states that the delays were caused by the following factors:
 - delays from municipalities which required the Forme Group to incur substantial legal and consulting fees for resubmission;
 - appeals filed in respect of zoning, planning and development applications;
 - a slowdown in the real estate market in the Greater Toronto Area; and
 - rising interest rates.
4. It was initially contemplated that the CCAA proceedings would include the entire Forme Group. Several mortgagees of the Non-Applicants opposed the CCAA application. The Initial Order was the result of multiple Court attendances and extensive negotiation between the Monitor and mortgagees. Several mortgagees have commenced power of sale proceedings.
5. When Wang first met with KSV, he explained that some of his projects have millions of dollars of equity (the "Positive Equity Projects") while others likely do not have sufficient value to repay in full their mortgage debt (the "Negative Equity Projects"). Wang explained to KSV that he had personally guaranteed millions of dollars of mortgage debt and that his objective was to use the surplus from the Positive Equity Projects to satisfy his guarantee obligations on the Negative Equity Projects. Wang also explained that he had no other means to satisfy his obligations under his personal guarantees. This was a principal reason that KSV supported the Forme Group's application for CCAA protection and the extension of the stay of proceedings to Wang in connection with his personal guarantees.

¹ The senders' names have been redacted for privacy reasons.

² KSV has a mortgage on certain of the Forme Group's real property in respect of its and its counsel's fees and disbursements. Goldman Sloan Nash & Haber LLP, counsel to the Forme Group, also has a mortgage on certain of the Non-Applicants' real property. These mortgages are junior to all other mortgages on the relevant property and were provided prior to the commencement of these proceedings as protection for the unpaid fees and costs of the professionals.

6. Paragraph 39 of the Wang Affidavit states:

*“A stay of proceedings is required to provide protective relief during this process. In addition to the stay of proceedings for the Forme Group, the Applicants are also requesting a limited third party stay for my benefit given my personal guarantees on many of the mortgages. Allowing enforcement on personal guarantees during the pendency of the CCAA proceedings will only result in an end run around the primary purpose of the main stay of proceedings, which is to maximize recoveries for all creditors. **As most of my net worth is tied up in the equity in these projects, and my intention is to use the equity realized in the CCAA proceedings to repay my creditors, I require the benefit of a stay while an orderly restructuring process is conducted. I do not believe that any creditor will be prejudiced by the stay as I do not have the financial means to satisfy my guarantees until I can realize on my equity in certain of the Projects in any event.**” [emphasis added]*

A copy of the Wang Affidavit is provided in Appendix “E”, without exhibits.

7. Paragraph 16 of the Initial Order provides, among other things, a stay of proceedings against Wang or any of Wang’s current and future assets, businesses, undertakings and properties arising upon or as a result of any default under the terms of any document entered into in connection with any of Wang’s guarantees of any of the commitments or loans of any of the Applicants or default by Wang in respect thereof.
8. The Initial Order provides the Monitor with powers beyond those contemplated by the model Initial Order. KSV is the “super” Monitor. It is controlling the Applicants’ receipts and disbursements, the Sale Process and overseeing the Applicants’ operations generally. Paragraph 24 of the Initial Order provides:

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.

9. Copies of Court materials filed in these proceedings, including the Monitor’s Reports to Court, are available on the Monitor’s website at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc.>

5.0 Monitor's Concerns

1. It is now apparent to the Monitor that the majority of the Forme Group's stakeholders have lost confidence in Wang and the Forme Group's management team.
2. Throughout these proceedings, the Monitor has advised Wang of the need for transparency in light of, *inter alia*, the stay of proceedings afforded to him under the Initial Order, including in respect of the Non-Applicants' real property and the stated purpose of these proceedings, which is to maximize the proceeds available to repay Wang's creditors, including his obligations under his personal guarantees. The Monitor has expressed concerns to Wang and his management team about a lack of transparency, communication and respect for the CCAA process. The most recent issues arose during the weeks of February 18, 2019 and February 25, 2019 and are described below.
 - a) KSV is the Proposal Trustee in proceedings involving three development companies that comprise one assembly on Old Kennedy Road (the "NOI Companies"). Each of the three NOI Companies filed Notices of Intention to Make a Proposal on October 26, 2018. A transaction was completed for the sale of the real estate owned by the NOI Companies (the "Old Kennedy Transaction") and these companies have each since filed a proposal. KSV, as Proposal Trustee, is statutorily required to perform a review of transactions for the year preceding the filing of the notice of intention to make a proposal. KSV identified \$2.8 million of disbursements from the NOI Companies during that period, for which it sought an explanation from the Forme Group's management³;
 - b) On February 21, 2019, in response to KSV's inquiry, the Applicants inadvertently sent KSV copies of four cheques payable to the Forme Group's real estate lawyer, Yi Zhou, as summarized in the table below.

Date on Cheque	Payor	Non-Applicant Real Property Referenced on Cheque
December 11, 2018	Canada Feng Tai International Inc.	22 Old Kennedy Road
December 11, 2018	Cheng Yi Wei	4550 Steeles Ave.
February 4, 2019	5008830 Ontario Inc. and 5008831 Ontario Inc.	22 Old Kennedy Road
February 4, 2019	5008830 Ontario Inc. and 5008832 Ontario Inc.	Unknown

- c) As a result of the names of the payors (5008830 Ontario Inc. is the purchaser in the Old Kennedy Road Transaction and Cheng Yi Wei is its counsel), and the Non-Applicants' real property referenced on the cheques, it appeared to the Monitor that Wang is attempting to complete transactions for the real property owned by Non-Applicants referenced on the cheques.

³ As of the date of this Report, no explanation or support has been provided for these transactions.

- d) It is noteworthy that Wang never disclosed these transactions to the Monitor notwithstanding that:
- i. two of the cheques are dated December 11, 2018, which is more than two months ago and only 11 days after the Initial Order was granted; and
 - ii. on many occasions after the Initial Order was granted, KSV suggested that an orderly process should be conducted for the Non-Applicants' real property in order to maximize its value. Wang refused to do so and never once suggested to KSV that he was in discussions for the sale of the properties nor that he had received deposits for 22 Old Kennedy Road and 4550 Steeles Avenue.
- e) The Monitor believes that if the cheques were not inadvertently disclosed to it, it would not have found out about the proposed transactions of the Non-Applicants until after they had closed.
- f) On learning of these cheques, the Monitor sent an email on February 21, 2019 to Wang and his management team asking for an explanation. A further email was sent the following morning. Copies of these emails are attached as Appendices "F" and "G" (Appendix "F" has been redacted for the reasons noted in the following paragraph).
- g) Wang did not respond to the Monitor's email until February 24, 2019, at which time he sent an email to the Monitor (the "February 24th Email"). His response provided the value of the transaction and other information; however, it did not provide the name of the purchaser, copies of the agreements with the purchaser nor the contemplated closing date/dates. A redacted copy of Wang's response is provided in Appendix "H". The unredacted email is provided in Confidential Appendix "I". The Monitor respectfully requests that the redacted email, copies of the cheques and a preliminary calculation of net proceeds available to the Non-Applicants be filed with the Court on a confidential basis and be sealed as they contain confidential information. If the redacted terms are not sealed, the information may negatively impact realizations. The Monitor is not aware of any party that will be prejudiced if the information is sealed.
- h) On February 25, 2019, the Monitor responded to the February 24th Email. A copy of the Monitor's response is provided in Appendix "I". An excerpt from the Monitor's email is provided below:

"In light of your representations to the court and your creditors in your affidavit at the application for the Initial Order ... which is the stated purpose of the CCAA proceedings, KSV will be finalizing a report to court by no later than tomorrow morning that provides the following:

1. For as long as you have the benefit of a stay of proceedings in the CCAA:

a. The proceeds generated from the sale (or any other transaction) involving any real property owned by Non-Applicants are to be paid to the Monitor, net of all amounts owing on bond [sic] fide mortgages;

b. The sale proceeds will be held pending a further order of the court;

c. The distribution of any of the sale proceeds is subject to a claims process that will include all creditors for whom you provided a personal guarantee.”

- i) In addition to concerns regarding the potential transactions for the Non-Applicants' real property and a lack of transparency, the Monitor has frequently conveyed to Wang its concerns about its lack of communication and respect for the CCAA process, as well as concerns regarding the timeliness of its responses to the Monitor's questions.
- j) On the morning of February 26, 2019, the Monitor received an email from Cassels Brock & Blackwell LLP ("Cassels Brock") advising that it has been approached to represent the Applicants. Cassels Brock provided a follow-up email later on the same day advising it had been retained. The Applicants are presently and have been represented by Goldman Sloan Nash & Haber LLP ("GSNH") throughout these proceedings and GSNH has extensive knowledge about the Forme Group as a result. The Monitor knows of no reason to replace GSNH as the Applicants' counsel and no reason has been provided to the Monitor by Wang or the Forme Group's other management representatives. The Monitor is aware, however, that GSNH has advised Wang of his requirement to act transparently and to make full disclosure of his activities as it relates to the Forme Group's real property. It is the Monitor's respectful submission that as a result of paragraph 24 of the Initial Order (which was reproduced above), neither the Applicants nor Wang have the authority to replace GSNH and/or engage Cassels Brock without the Monitor's consent. The Monitor is concerned that changing counsel, or having Cassels Brock act as co-counsel to GSNH, will result in unnecessary cost and potentially adversely affect these proceedings.
- k) During the week of February 18, 2019, the Monitor learned that Wang's personal counsel in the CCAA proceedings resigned for reasons that it was not prepared to disclose to the Monitor. The Monitor understands that its resignation was not related to fees.
- l) As a result of the foregoing events, the Monitor is concerned about the possibility that Wang may seek to put any funds received by him as shareholder of the Non-Applicants beyond the reach of his creditors, including those with guarantee claims against Wang in respect of the Applicants' mortgages. The Monitor is also concerned that there be a process to deal with Wang's guarantee obligations under the supervision of the Court and not under the control and direction of Wang. This process should be conducted at the conclusion of the Sale Process.

6.0 Good Faith and Due Diligence

1. Pursuant to section 11.02(3)(b) of the CCAA, a debtor company is required to act in good faith and with due diligence to be afforded the benefit of a stay of proceedings.
2. It is the Monitor's view that in CCAA proceedings where the Court finds it appropriate to grant the monitor powers beyond those contemplated by the model Initial Order, the good faith and due diligence standard should focus on the Monitor's conduct. In this case, the Monitor is exercising control and oversight over the Applicants' business and affairs, as well as over the Sale Process. The Monitor exercises these powers under the Court's supervision.
3. The Monitor is also of the view that terminating the stay of proceedings against the Applicants would disrupt the Sale Process and that the significant time and cost incurred to-date in the Sale Process will have been wasted. Completion of the Sale Process is likely to result in more timely transactions for the Applicants' real property than would separate mortgagee enforcements. Additionally, terminating the stay of proceedings against the Applicants would adversely impact the Monitor's efforts to close the condominium sales on the Birchmount Project.

7.0 Recommendation

1. The Monitor believes that if Wang is to continue to have the benefit of the stay of proceedings with respect to his guarantees, it is appropriate for the Court to direct that any surplus proceeds generated from the sale of the Applicants' and the Non-Applicants' real property, after payment of *bona fide* mortgage debt and transaction expenses, be paid to the Monitor for the following reasons:
 - a) the stated purpose of the CCAA proceedings is to allow for an orderly sale process of the Forme Group's real property so that Wang could maximize recoveries for the benefit of the Forme Group's creditors, including his obligations under his personal guarantees. This was a primary reason that KSV supported these proceedings;
 - b) the Monitor has concerns about the level of communication, transparency and respect for the CCAA process from the Forme Group's management;
 - c) there is a risk that Wang could move the proceeds of sale out of the reach of his creditors;
 - d) a process is required to deal with Wang's guarantee claims – such a process should be conducted under the supervision of the Court at the conclusion of the Sale Process; and
 - e) it is apparent to the Monitor that most of the stakeholders in these proceedings have lost confidence in Wang.
2. It is also KSV's intention in its capacity as Proposal Trustee not to distribute any funds to Wang as shareholder of the NOI Companies until the guarantee claims are quantified and addressed. A process will be established in this regard in due course.

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 this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS MONITOR OF
FORME DEVELOPMENT GROUP INC. AND
THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
AND NOT IN ITS PERSONAL CAPACITY**

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)

MONDAY, THE 18TH

JUSTICE HAINEY)

DAY OF MARCH, 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

ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor (the "**Monitor**") 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 Monitor, including the Third Report of the Monitor dated February 26, 2019 (the "**Third Report**") and the First Supplement to the Third Report of the Monitor dated March 12, 2019, and upon hearing the submissions of counsel for the Monitor and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of Jason M. Berall sworn February 26, 2019 and the affidavit of service of Aiden Nelms sworn March 12, 2019, filed;

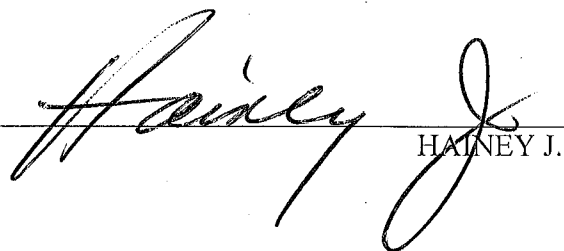
1. **THIS COURT ORDERS** that the Undertaking of the Forme Group (the "**Undertaking**") attached hereto as Schedule "B" be and is hereby approved.
2. **THIS COURT ORDERS** that the Forme Group and the Principal (each as defined in the Undertaking) and all other persons referenced in the Undertaking are authorized and directed to perform their obligations thereunder.
3. **THIS COURT ORDERS** that Confidential Appendix "1" to the Third Report be sealed, kept confidential and not form part of the public record pending further Order of this Court.
4. **THIS COURT ORDERS** that if an intercompany advance is made in accordance with Section 5(a), 5(b) or 5(d) of the Undertaking with the consent of the Monitor or further Order of this Court (each an "**Intercompany Advance**") the funding Non-Applicant shall be entitled to the benefit of a charge (each an "**Intercompany Charge**") on the receiving Non-Applicant's real property, which Intercompany Charge shall not secure an obligation that exists before this Order is made.
5. **THIS COURT ORDERS** that such Intercompany Charge shall be limited to the amount of the Intercompany Advance.
6. **THIS COURT ORDERS** that the filing, registration or perfection of the Intercompany Charge shall not be required, and that the Intercompany Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Intercompany Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that each Intercompany Charge shall constitute a charge on the receiving Non-Applicant's real property and such Intercompany Charge shall rank immediately subordinate to the mortgages registered against the receiving Non-Applicant's real property as of the date of this Order.

8. **THIS COURT ORDERS** that except as may be approved by this Court, the receiving Non-Applicant shall not grant any mortgages or other encumbrances over the receiving Non-Applicant's real property that rank in priority to, or *pari passu* with the Intercompany Charge, unless the receiving Non-Applicant also obtains the prior written consent of the Monitor.

9. **THIS COURT ORDERS** that the Intercompany Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Intercompany Charge (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; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (the "**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 receiving Non-Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Intercompany Charge nor the execution of the Undertaking shall create or be deemed to constitute a breach by the receiving Non-Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the receiving Non-Applicant entering into the Undertaking or by the creation of the Intercompany Charge; and
- (c) the payments made by the receiving Non-Applicant pursuant to this Order, the Undertaking and the granting of the Intercompany Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.


HAYLEY J.

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

MAR 18 2019

PER/PAR: RW

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"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

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

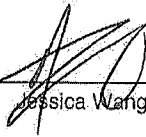
9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

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



Witness


Name: Jessica 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"

Former 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 Papaikononou 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.
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.

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")

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

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

PROCEEDING COMMENCED AT TORONTO

ORDER

BENNETT JONES LLP
Suite 3400, One First Canadian Place
Toronto, ON M5X 1A4

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Sean Zweig (#57307I)
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Fax: (416) 863-1716

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

TAB 4



COUNSEL SLIP

COURT FILE NO. CV-18-608313-0001

DATE: Aug 7th, 2019

No. ON LIST 10

TITLE OF PROCEEDING

Forme Development Group Inc. et al v. Windsor Family Credit Union et al

COUNSEL FOR:

Phone & Fax No

Plaintiff (s)

Applicant (s)

Petitioner (s)

416 505 6765
416 901 7189

COUNSEL FOR:

Phone & Fax No

Defendant (s)

Respondent (s)

JTGROU JTGROU

Don Michaud for various mortgages on Camille and Apple

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E dmichaud@robey.com

D.J. Miller for Ferina Construction (mortgage)
(T&F)

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F: 416-304-1313
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SHAYNE KUKULOWICZ
FOR NON-APPLICANT FORME ENTITIES

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Cynthia Kuehl, Lerner LLP
for Mike Wang

T: 416 601 2363
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Sean Zweig
Aiden Nelms

For KSV Kofman Inc., in its capacity
as court appointed Monitor

T: 416-777-6254
F: 416-863-1717
E: zweigs@bennettjones.com

Vince R. ... in ...

T: 416 895 9823

August 7/19⁹⁸

My Endorsement is
attached.

Fahey J

pursuant to this Endorsement

Mr. Wang's motion is adjourned sine die on the terms set out below, pending and following: (i) the expiry of the claims bar date in the claims order to be sought by the Monitor at a later date, and (ii) the filing of a budget by Mr. Wang's counsel seeking funding for any fees that may be sought to be incurred as part of the claims process, as set out below, at which time the return of Mr. Wang's motion may be scheduled on notice to the Service List, with sufficient time for arguments to be made by all parties who wish to do so (the "**Return Date**"). Capitalized terms used herein and not otherwise defined are as defined in the Undertaking attached as Schedule "B" to the Order of this Court dated March 18, 2019 (the "**Undertaking**").

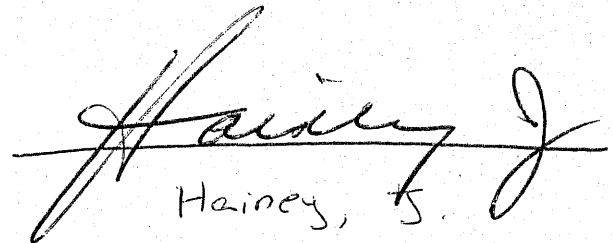
1. Amounts incurred for Mr. Wang personally by Grout to June 30, 2019 (\$127,000) and Lerner to July 24, 2019 (\$50,000) (collectively, the "**Accrued Wang Fees**") may be paid from the Trust Account. However, all such payments are subject to an undertaking from the recipient in favour of this Court and the Monitor ~~as reflected in this Endorsement to hold such amounts in trust subject to the same terms as the Undertaking, and to immediately repay any or all of such amounts to the Trust Account if so Ordered by this Court.~~
2. On the basis of no objection by the parties represented by counsel in attendance on this motion, and expressly subject to paragraph 5 herein, Grout and Lerner shall be entitled to be paid an amount of up to \$20,000 each (including disbursements and taxes) from the Trust Account for the period from and after July 24, 2019 to the Return Date (the "**Permitted Payment**").
3. Not less than twenty-one days (21) days prior to the Return Date, counsel for Mr. Wang shall prepare and deliver to the Monitor, for delivery to the Service List, a budget outlining the fees expected to be incurred by counsel for Mr. Wang for which reimbursement is sought from the Trust Account (the "**Wang Claims Budget**"). Without waiver of any privilege, the Wang Claims Budget shall contain sufficient details to permit the Monitor and any interested stakeholder to be able to assess and consider their respective position on the hearing of Mr. Wang's motion on the Return Date.
4. All rights are expressly reserved with respect to the fees incurred by CBB on behalf of the Non-Applicants, as disclosed in the Monitor's Supplement to Seventh Report. For greater certainty, nothing in the Order or in this Endorsement constitutes an approval of such fees or an acknowledgement of their reasonableness in any way whatsoever.
5. All rights are reserved with respect to Mr. Wang's motion to be argued on the Return Date, or any further motion that may be brought or request that may be made for any other amounts sought to be paid to Grout or Lerner as counsel for Mr. Wang from the Trust Account. For greater certainty, the fact that the Permitted Payment is permitted to be made in accordance with this Endorsement negotiated by counsel shall not in any way prejudice or be perceived as waiving or pre-judging any argument that any party may wish to make on the Return Date

and the terms of paragraph 1 hereof,

The Accrued Wang Fees (as defined above),

that: (i) no amounts whatsoever ought to be paid from the Trust Account until all claims of creditors against Mr. Wang are paid in full, or that (ii) no other amounts, save and except the Permitted Payment hereunder, should be permitted to be paid to Mr. Wang's counsel from the Trust Account, regardless of whether any portion of same may have already been paid from the Trust Account.

6. This Court notes that the Monitor has advised counsel for Mr. Wang that, unless the Monitor is confident that there are sufficient funds in the Trust Account to repay all claims of creditors against Mr. Wang in full and amounts requested for funding, it would not be prepared to consider any request for funding of Mr. Wang's legal fees from the Trust Account, whether on the Return Date or otherwise, unless and until full financial disclosure of all of Mr. Wang's personal assets, income and interests is provided to the Monitor.
7. Any objection to the Accrued Wang Fees or any or all of CBB's fees as disclosed in the Supplement to the Monitor's Seventh Report shall be brought to the Monitor's attention not later than seven (7) days' prior to the Return Date, unless otherwise agreed by the parties to the motion.


Hailey, J.

August 7, 2019

TAB 5



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

September 11, 2019

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

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

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

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

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

NINTH REPORT OF KSV KOFMAN INC. AS MONITOR

September 11, 2019

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" (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 is to create a stabilized environment to conduct a Court-approved sale process for the Applicants' real property.
3. Yuan Hua Wang ("Mr. Wang") is the sole shareholder of the Applicants and of 13 affiliated real estate development companies which are not subject to the CCAA proceedings (the "Non-Applicants"). The Non-Applicants have sold, or are in the process of selling, their real estate development projects. Cushman & Wakefield ULC ("C&W") has been engaged by the Non-Applicants to list certain properties for sale, including:
 - a) properties located in Markham, Ontario at 186 Old Kennedy Road and 31 Victory Avenue (the "186 Old Kennedy Project");

- b) properties located in Mississauga, Ontario at 376 Derry Road and 390 Derry Road; and
 - c) a property at 101 Columbia Street in Waterloo, Ontario (collectively, the “Properties”).
4. KSV is filing this report (the “Report”) in its capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to provide an update on:
 - a) the Monitor’s recent discussions with C&W and its dealings with the Non-Applicants with respect to the status of the sale process for the Properties;
 - b) the status of the claims process; and
 - c) certain challenges experienced by the Monitor obtaining information from Mr. Wang and his management team.
2. **This Report is being filed for information purposes only. It is not filed in connection with a specific motion.**

2.0 Background

1. The Applicants and Non-Applicants comprise a commercial and residential real estate group of 29 companies comprising 18 projects (the “Forme Group”) which sought to develop low-rise, high-rise, mixed-use and hospitality projects in the Greater Toronto Area. Since the commencement of the CCAA proceedings, all but one of the Applicants’ projects have been sold; discussions are continuing concerning the unsold property.
2. In advance of these 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 these 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 all Court materials filed in these proceedings, including the Proposed Monitor’s Report and the Supplemental Reports, are available on the Monitor’s website at <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 in favour of the Court (the “Undertaking”), which was approved pursuant to a Court order made on March 18, 2019 (the “March 18th Order”). A copy of the March 18th Order is attached as Appendix “C”¹. 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 “D”, without appendices (the “Monitor’s Supplemental Report”).
2. The purpose of the Undertaking is to, *inter alia*, provide a mechanism to facilitate the orderly sale of the Non-Applicants’ real property and to hold in a trust account of Cassels Brock & Blackwell LLP (“CBB”), the Non-Applicants’ legal counsel, any surplus funds realized therefrom for the benefit of all creditors, including those with personal guarantee claims against Mr. Wang. As detailed in the Monitor’s Supplemental Report, the Monitor was concerned with the proceeds of the Non-Applicants’ properties being paid directly to Mr. Wang or otherwise not being made available to satisfy guarantee and other potential claims against Mr. Wang, as well as unsecured claims against the Non-Applicants.
3. Certain of the Applicants’ stakeholders are impacted by the results of the Non-Applicants’ sale process given that: (a) the pool of funds available for distribution to certain of the Applicants’ creditors – those with valid guarantee or other personal claims against Mr. Wang - will be increased to the extent there is a surplus realized on the sale of the Non-Applicants’ projects; and (b) there will be additional claims against those surplus funds to the extent mortgagees and/or other parties with a guarantee claim against Mr. Wang (if any) incur a shortfall on the sale of the Non-Applicants’ projects. The unsecured creditors of the Non-Applicants, and any creditor of the Non-Applicants that has a guarantee or other personal claim against Mr. Wang, are also impacted by the results of the Non-Applicants’ sale process for the same reasons. Accordingly, pursuant to Paragraph 3 of the Undertaking, the Non-Applicants are required to keep the Monitor apprised, on a confidential basis, of their efforts to sell their projects, including by providing weekly written updates.

3.0 Non-Applicants’ Sale Process

1. In accordance with the Undertaking, the Monitor has received written weekly updates on the Non-Applicants’ sale process from CBB. The Monitor has also requested that CBB arrange conference calls between the Monitor and C&W. On August 29, 2019, the Monitor attended its second update call with C&W; lawyers from CBB and Bennett Jones LLP (“Bennett Jones”), the Monitor’s counsel, also attended the call.
2. As a result of the August 29th call, the Monitor is concerned with the status of the Non-Applicants’ sale process notwithstanding the *bona fide* efforts of C&W, at least in part due to the actions and/or inactions of Mr. Wang. The Monitor has also expressed concerns to CBB about the accuracy of the information provided in the Non-Applicants’ weekly written updates provided pursuant to the Undertaking. In this regard, on September 1, 2019, the Monitor’s legal counsel responded to the Non-Applicants’ weekly update dated August 30, 2019 with an email stating: “*This written update does not accord with the oral update we received from Cushman on Thursday*”. A copy of Bennett Jones’ email is attached as Appendix “E”.

¹ The Undertaking is appended to the March 18th Order.

3. The Monitor was advised by CBB on September 4, 2019 that the first mortgagees of the 186 Old Kennedy Project are intending to bring applications on October 9, 2019 to appoint a receiver over the 186 Old Kennedy Project².
4. Due to the confidentiality provisions in the Undertaking, the Monitor is unable to provide a detailed update in respect of C&W's sale process. However, in light of the call on August 29th, the Monitor believes it is necessary to file this Report so that the Forme Group's stakeholders are apprised, to the extent possible, of the status of the sale process for the Properties.

4.0 Other

4.1 Claims Process

1. The Undertaking contemplates, *inter alia*, that the Monitor conduct a claims process for the Forme Group and certain claims against Mr. Wang. The Monitor has prepared a draft Claims Procedure Order, which it has shared with legal counsel to Mr. Wang and Koskie Minsky LLP ("Koskie"), the Court-appointed Representative Counsel to a group of purchasers at the Applicant's condominium development known as "Birchmount Gardens". Comments have been received from Koskie. The Monitor received preliminary legal comments from Mr. Wang's counsel, but is awaiting further comments from Mr. Wang.
2. In the context of the proposed claims process, the Monitor has reviewed certain of the Applicants' financial records to consider the treatment of intercompany transactions in the claims process. The Monitor's review of the Forme Group's general ledger reflects significant transfers of monies among the entities in the Forme Group. The Monitor is attempting to confirm whether the general ledgers can be relied upon for the purpose of filing claims in the claims process, i.e. to the extent that one Forme Group entity has a claim against another, a claim would be filed by the Monitor on behalf of that entity in the process.
3. To determine the accuracy of the general ledgers, the Monitor requested that the Forme Group's management provide it with copies of the bank statements for each Forme Group entity. After a significant number of follow-ups and several months of waiting, Forme Group's management, through Mr. Wang's personal counsel, provided bank statements for certain entities in the Forme Group to the Monitor on September 5, 2019. To the extent the bank statements are reasonably consistent with the general ledgers, the general ledgers can be used by the Monitor to file intercompany claims in the claims process. If the general ledgers are not consistent with the bank statements, the Monitor will need to consider how to treat the intercompany transactions in the claims process. The Monitor intends to seek the Court's approval for the treatment of intercompany claims in the claims process.

² The 186 Old Kennedy Project is comprised of the 186 Old Kennedy Road and 31 Victory Road properties owned by 186 Old Kennedy Development Inc. and 31 Victory Development Inc., respectively.

4.2 Birchmount Gardens

1. The Monitor facilitated the closing of each sale of the Birchmount Gardens' 35 condominium units. Closings took place in May and June 2019.
2. Prior to closing, the Board of Directors of the condominium corporation, being TSCC 2693 (the "Condo Corp."), was comprised of three representatives of the Forme Group, being Mr. Wang, Jessica Wang (who is Mr. Wang's daughter) and Aimie Yang (the "Old Board"). On June 11, 2019, the "turnover meeting" was convened, at which the Condo Corp. appointed a new board (the "New Board").
3. During these proceedings, and particularly since the turnover meeting, the Monitor has received numerous requests from the New Board and the Birchmount Gardens' purchasers for the Condo Corp.'s financial records. The Monitor has in turn made numerous requests of the Forme Group/the Old Board.
4. Pursuant to the *Condominium Act, 1998, S.O. 1998, c. 19*, the Old Board was required to provide within 30 days of the turnover meeting all financial records of the Condo Corp. and 2358825 Ontario Ltd. ("2358"), being the Applicant which developed the Birchmount Gardens project, relating to the operation of the Condo Corp. from the date of registration. The Old Board did not provide the bank statements, internal financial statements or other financial records within the required timeline.
5. As at the date of this Report, the Old Board has not provided any of the Condo Corp.'s financial records to the Monitor and/or the Condo Corp. The bank statements referenced above as being provided to the Monitor on September 5, 2019 do not include the Condo Corp.'s bank statements. However, on September 6, 2019, the Monitor provided the Condo Corp. with copies of 2358's bank statements it received on September 5, 2019.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS MONITOR OF
FORME DEVELOPMENT GROUP INC. AND
THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
AND NOT IN ITS PERSONAL CAPACITY**

TAB 6

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)

TUESDAY, THE 22nd

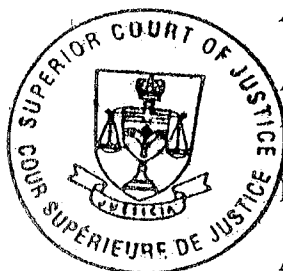
JUSTICE HAINEY)

DAY OF OCTOBER, 2019

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

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

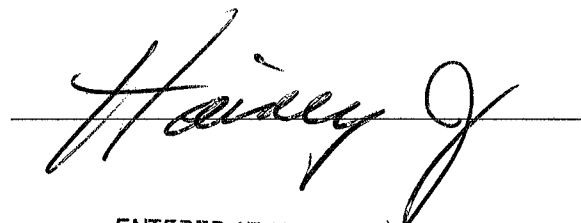
MISCELLANEOUS

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

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

III. PARTICULARS OF CLAIM

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

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

IV. FILING OF CLAIM

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

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

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

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

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

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

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

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

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

I require hardcopy correspondence.

DATED at _____ this ____ day of _____, 2019.

(Signature of Witness)

(Signature of Claimant or its authorized representative)

(Please print name)

(Please print name)

**SCHEDULE "A"
APPLICANTS**

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

SCHEDULE "E"

**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: [name and address of Claimant]

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 (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/Mr. Wang] has reviewed your Proof of Claim dated _____, 2019 bearing the Claim Reference Number _____, and has revised or disallowed your Claim for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be allowed as a Proven Claim 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
[Insert name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$

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

KSV Kofman Inc.

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

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

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

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

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

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

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

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

SCHEDULE "F"

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

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

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

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

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

Claim Reference Number:

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number:

Facsimile Number:

Email Address:

Attention (*Contact Person*):

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

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

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

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

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

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

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

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

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

Name: _____

Title: _____

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

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

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

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

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

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

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

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

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

TAB 7



**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.**

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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

**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

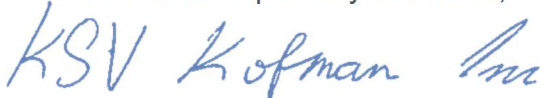
1. The Monitor supports an extension of the stay of proceedings from February 28, 2020 to May 31, 2020 for the following reasons:
 - a) as “super” Monitor in these CCAA proceedings, it is the Monitor’s view that the good faith and due diligence standard should focus on the Monitor’s conduct. In this 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**

TAB 8



**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.**

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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

**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**

TAB 9

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

March 16, 2020

and

**Second 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.**

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

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

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

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

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

ESTATE FILE NO.: 31-2436568

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

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

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

March 16, 2020

1.0 Introduction

1. This report (the "Second Supplemental Report") is the second supplement to 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. The Second Supplemental Report will be jointly filed in the CCAA Proceedings and the NOI Proceedings, and will also be served on the Service List for Mr. Wang's NOI Proceedings.

2. The Second Supplemental Report is subject to the restrictions and qualifications set out in the Report.
3. Defined terms in the Second Supplemental Report have the meaning provided to them in the Report.

2.0 The Wang NOI Proceedings

1. Ferina's motion to terminate Mr. Wang's NOI Proceedings is scheduled to be heard on March 31, 2020. The Monitor did not intend to file any additional materials in respect of Ferina's motion given that: (a) the Report includes the Monitor's views on Mr. Wang's NOI Proceedings, to the extent applicable; and (b) the Monitor's relief with respect to the treatment of Wang Claims was granted pursuant to the February 20th Order. However, due to the responding materials filed by Mr. Wang on March 2, 2020, the Monitor believes a response is warranted. The Second Supplemental Report provides that response.
2. Pursuant to a Court order made on February 20, 2020 (the "February 20th Order"), Wang Claims (as defined in the Claims Procedure Order), as determined under the Claims Procedure Order, constitute proven claims in Mr. Wang's NOI Proceedings and in any future bankruptcy of Mr. Wang. Based on the Monitor's preliminary review of the Wang Claims filed in the Claims Procedure, it appears probable that the Surplus will not be sufficient to fully or substantially satisfy the proven Wang Claims.
3. Mr. Wang's responding materials include support letters from: (a) Alan Tregebov, an architect on various Forme Group projects; (b) Yuk Yin Ho Leung and Ping Sang Stephen Leung, being investors in a syndicated mortgage investment on the Applicants' Kingston Road project; (c) Hasson Pereira, a mortgage broker with Sans Souci Mortgage Services Corp., who the Monitor understands was a broker involved in arranging the syndicated mortgages on the Applicants' Danforth and Kingston projects; and (d) Yi Zhou, the bare trustee for the third mortgage on the Applicants' Danforth and Kingston projects (together, Alan Tregebov, Yuk Yin Ho Leung, Ping Sang Stephen Leung, Hasson Pereira and Yi Zhou are referred to as the "Supporting Parties"). In respect of these letters, the Monitor notes the following:
 - a) the context of the support letters is unclear. There is no discussion of the questions asked of the Supporting Parties that gave rise to the support letters and there is no discussion about the information that was provided to the Supporting Parties so that they could consider the issue. Certain of the Supporting Parties provided no rationale for their support. Understanding the information provided and the rationale is particularly important given that the activities to be performed in Mr. Wang's NOI Proceedings will result in incremental professional costs and serve no specific benefit to creditors, particularly as all Wang Claims constitute proven claims in Mr. Wang's NOI Proceedings and distributions in respect of proven claims in the CCAA Proceedings (including Wang Claims) will be made in the CCAA Proceedings;

- b) the only Supporting Party that filed a Wang Claim is Mr. Tregebov, and Mr. Tregebov did not include any basis upon which he asserts a claim against Mr. Wang in his personal capacity. Mr. Tregebov provided services to certain Applicants and Non-Applicants. Mr. Zou filed a D&O Claim (as defined in the Claims Procedure Order) against Mr. Wang (a D&O Claim is not a Wang Claim);
- c) certain of the letters allege that the Sale Process for the Applicants' real property resulted in realizations less than fair market value. The Monitor notes that the Sale Process and each sale was approved by the Court, and none of the motions to approve the Sale Process or the sale of any of the Applicants' real property were opposed by any party;
- d) the letter signed by Yuk Yin Ho Leung and Ping Sang Stephen Leung states that there are approximately 51 investors/lenders in that mortgage; however, only two of the investors/lenders signed the letter (being Yuk Yin Ho Leung and Ping Sang Stephen Leung);
- e) Mr. Pereira does not represent the syndicated mortgage investors on either of the Applicants' Danforth or Kingston projects. Yuce Baykara is the Trustee under the syndicated mortgage documents and Mr. Baykara is named as the mortgagee on title to those properties. Accordingly, the Monitor is not aware of any role or authority Mr. Pereira has with respect to the claim of the syndicated mortgage investors. Over the course of these proceedings, the Monitor's dealings in respect of the syndicated mortgage investors have been with Mr. Baykara. As at the date of the Second Supplemental Report, Mr. Baykara has not advised the Monitor that he opposes any of the relief sought by the Monitor in the CCAA Proceedings. Mr. Baykara has not to-date taken a position on Ferina's motion;
- f) Mr. Pereira's letter raises issues that the Monitor has previously addressed in the CCAA Proceedings, including in respect of the Sale Process and Mr. Wang's involvement in it. Mr. Pereira raised these issues with the Monitor in April 2019 and the Monitor responded to him in a letter dated April 8, 2019. A copy of that letter is attached as Appendix "B";
- g) Mr. Wang's responding materials fail to disclose that Mr. Zhou is conflicted as he acts and has acted as legal counsel to Mr. Wang in numerous real estate transactions, including the transactions that resulted in the Surplus¹;
- h) Mr. Zhou's letter includes his views on the results of the Sale Process. As set out in the Report, the Monitor sent the January Letter to each mortgagee on the Applicants' CCAA properties, including Mr. Zhou. The January Letter provided, *inter alia*, 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"). Mr. Zhou did not sign the NDA;

¹ Mr. Zhou acted as legal counsel in the sale transactions completed by 22 Old Kennedy Development Inc., 19 Turff Development Inc., 35 Thelma Development Inc. and 4550 Steeles Development Inc.

- i) both Mr. Zhou and Mr. Pereira have not provided evidence that they have the support of the investors they purport to represent, nor have they included any communications with the parties they purport to represent;
 - j) the letters all reference the relief the Non-Applicants were seeking that the Court dismissed on February 20, 2020, including a bankruptcy of all of the Applicants and Non-Applicants. It is unclear why those letters reference that relief, particularly the letters from Mr. Zhou, which are dated February 24, 2020, being four days after the hearing giving rise to the February 20th Order; and
 - k) certain of the letters reference the Non-Applicants' 186 Old Kennedy property as the "crown jewel project". The responding record fails to disclose that on January 31, 2020, the Court made an order that 186 Old Kennedy Development Inc. ("186 Old Kennedy") would be subject to a receivership order, which was to be held in escrow until March 1, 2020 subject to 186 Old Kennedy paying forbearance fees totalling \$165,000 to its first and second mortgagees. A final forbearance fee of \$25,000 was not paid and the receivership order over 186 Old Kennedy was issued and entered on March 3, 2020.
4. Pursuant to an endorsement issued by the Court on February 25, 2020 (the "Endorsement"), Mr. Wang was to be cross-examined on March 9, 2020 by Thornton Grout Finnigan LLP, Ferina's legal counsel. The schedule set out in the Endorsement was peremptory to Mr. Wang. On March 8, 2020, Mr. Wang's legal counsel advised that Mr. Wang would not be attending the examination on March 9, 2020 due to health reasons. A copy of the Endorsement is attached as Appendix "C".

3.0 Other Matters

- 1. The following is a brief update on other developments since the Monitor's motion was heard on February 20, 2020:
 - a) pursuant to the Undertaking, the Non-Applicants are required to provide weekly status updates on the sale of the remaining Non-Applicant properties. The Non-Applicants had not provided one since January 28, 2020. Upon request by the Monitor, the Non-Applicants provided an update on March 12, 2020;
 - b) Mr. Wang has not been examined by the Monitor in connection with his financial affairs, and accordingly, no funding is available from the Surplus for Mr. Wang's legal counsel;
 - c) Lerner's LLP and James Grout Professional Corp., both former counsel to Mr. Wang, have served a motion returnable March 30, 2020, seeking payment of their outstanding professional fees from the Surplus. The Monitor is considering its position with respect to that motion; and
 - d) the Kennedy Transaction closed on March 11, 2020.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**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**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF YUAN HUA (MIKE) WANG**

Court File No. / Estate No.: 31-2610052

**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., et al**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto, Ontario

**SUPPLEMENTARY MOTION RECORD OF
FERINA CONSTRUCTION LIMITED
(Motions returnable March 31, 2020)**

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