



---

## Update #12

September 29, 2022

**To: Investors in projects previously managed by the parties listed on Appendix “A”  
(the “Go-To Parties”)**

**Re: Go-To Parties**

### **1. Introduction**

We are writing to you in our capacity as receiver and manager (the “Receiver”) of the Go-To Parties’ current and previously owned real property listed on Appendix “B” (the “Real Property”) and other property, assets and undertaking related to the Real Property.

In our investor updates dated August 17, 2022 and August 19, 2022, we summarized certain portions of the Receiver’s Fifth Report to Court (the “Fifth Report”) prepared in the context of a motion heard on August 22, 2022 (the “August 22 Hearing”) and the related relief the Receiver was seeking at that motion. The [Fifth Report](#) is available on the [Receiver’s case website](#).

At the August 22 Hearing, the Court made an [Approval and Vesting Order](#) and [Ancillary Order](#) (the “**August 22 Orders**”), among other things:

- a) approving a transaction for the real property owned by Go-To Stoney Creek Elfrida LP and Go-To Stoney Creek Elfrida Inc. (“Go-To Stoney Creek”) and for the Receiver to make distributions to Go-To Stoney Creek’s two mortgagees following closing of the transaction;
- b) approving a stalking horse offer (the “Stalking Horse Offer”) from 2357616 Ontario Inc. (“235 Ontario”) and a stalking horse sale process (the “SH Sale Process”) for the real property owned by Go-To Major Mackenzie South Block LP, Go-To Major Mackenzie South Block Inc., Go-To Major Mackenzie South Block II LP and Go-To Major Mackenzie South Block II Inc. (“Go-To Major Mackenzie”). 235 Ontario is an affiliate of the second mortgage lender on title to Go-To Major Mackenzie’s real property (the “Major Mackenzie Property”);
- c) compelling certain parties to provide information required by the Receiver (the “Flip Information”) in respect of Flip Transactions<sup>1</sup> (as defined in the Fifth Report) by no later than five business days following the August 22 Order, which Flip Transactions relate to the acquisition by Go-To Niagara Falls Eagle Valley Inc. and Go-To Niagara Falls Eagle Valley LP (jointly, “Go-To Eagle Valley”) and Go-To Niagara Falls Chippawa Inc. and Go-To Niagara Falls Chippawa LP (jointly “Go-To Chippawa”); and

---

<sup>1</sup> 2557815 Ontario Inc. (“255”) purchased real property from Queen Properties Inc. on June 22, 2017 for \$3.7 million, which real property was then transferred again that same day, this time from 255 to Go-To Eagle Valley for a purchase price appearing on title of \$5.1 million. 255 also purchased real property on April 21, 2017 for \$330,000 (in the case of the first parcel of land) and \$870,000 (in the case of the second parcel of land), which real property was then transferred for a second time on the same day, this time from 255 to Go-To Chippawa for an aggregate purchase price appearing on title of \$3 million.

- d) approving distributions, on the basis set out in Section 4.2 of the Fifth Report, to the mortgagees of the property formerly owned by Go-To Eagle Valley, and to the second mortgage lender on the property formerly owned by Go-To St. Catharines Beard LP and Go-To St. Catharines Beard Inc. (jointly, “Go-To Beard”).

In addition to the above, at the August 22 Hearing, the Receiver sought approval of the professional fees and disbursements of the Receiver and its counsel, Aird & Berlis LLP (“A&B”), from the commencement of these proceedings (including their pre-filing activities related to preparing for these proceedings) to and including June 30, 2022. The Court adjourned this relief to a hearing on September 13, 2022 (the “September 13 Hearing”) to give stakeholders more time to review these fees and disbursements if they wished to take a position on these fees and disbursements. No parties did so. Accordingly, the Court issued an Order approving the fees and disbursements of the Receiver and A&B at the September 13 Hearing.

## **2. Claims Procedure**

As noted in our ninth investor update, dated July 12, 2022, the Court approved a claims procedure (the “Claims Procedure”) pursuant to an order dated April 7, 2022 (the “Claims Procedure Order”). The deadline for creditors and investors to file claims pursuant to the Claims Procedure Order was June 2, 2022 (the “Claims Bar Date”).

The Receiver and its counsel are reviewing the claims filed against the Go-To Parties. Distributions to unsecured creditors and investors of the entities that own (or owned) the Real Property, in both cases to the extent that there are monies available to fund these distributions, will be made upon completion of the Claims Procedure. The Receiver intends to make distributions on an entity-by-entity basis, i.e. distributions will be made as the Claims Procedure is completed for a specific entity, assuming no other issues prevent the Receiver from making distributions at that time. As discussed below, where the purchase price for certain of the Real Property was not sufficient to repay in full the mortgagees on those properties, creditors and investors are not projected to receive any distributions in respect of their claims against the legal entities that owned that real property.

## **3. Deposit Return Protocol**

Go-To Glendale Avenue Inc. and Go-To Glendale Avenue LP (jointly, “Go-To Glendale”), Go-To Eagle Valley and Go-To Major Mackenzie pre-sold condominium units, and, as such, were paid deposits from condominium unit purchasers (the “Unit Purchasers” and each a “Unit Purchaser”). Trisura Guarantee Insurance Company (“Trisura”) and Tarion Warranty Corporation (“Tarion”) filed significant claims in the Claims Procedure against Go-To Glendale, Go-To Eagle Valley and Go-To Major Mackenzie. Trisura is the bonding company that insures the obligations of Tarion, an organization that, among other things, administers Ontario’s new home warranty program. As the condominium unit purchase agreements were not assumed by the purchasers of the Real Property previously owned by Go-To Glendale and Go-To Eagle Valley, the deposits are being returned to their respective Unit Purchasers.

To address the claims filed by Tarion and Trisura, the Receiver entered into a deposit return protocol (the “Protocol”) with Tarion and Trisura, as required by these parties, in respect of the Real Property previously owned by Go-To Glendale and Go-To Eagle Valley. The Receiver expects that a deposit return protocol will also be required by Tarion and Trisura following the sale of Go-To Major Mackenzie’s Real Property.

The Receiver has returned all deposits paid by the Unit Purchasers<sup>2</sup> of Go-To Glendale and expects to have returned all deposits paid by the Unit Purchasers<sup>3</sup> of Go-To Eagle Valley in the next few weeks. Return of these deposits requires the consent of Trisura and Tarion.

---

<sup>2</sup> Deposits were made by 24 Unit Purchasers.

<sup>3</sup> Deposits were made by 92 Unit Purchasers.

It is the Receiver's understanding that once the deposit return process has been completed, any remaining claims of Trisura and Tarion should not be significant.

#### **4. General Update on Completed Transactions**

The following provides an update on the transactions completed in the context of the sale process approved by the Court on February 9, 2022 for the Real Property and all of the right, title and interest of the Go-To Parties in the Real Property (the "Sale Process").

##### Go-To Spadina Adelaide Square Inc. and Go-To Spadina Adelaide Square LP (jointly, "Go-To Spadina")

- The sale of the property owned by Go-To Spadina closed on July 8, 2022 and the first two mortgagees were repaid in full, resulting in net proceeds of approximately \$15.8 million.
- The Receiver and its counsel are reviewing the claims filed by two parties that registered charges ranking subordinate to the first two mortgagees (the "Spadina Secured Claims"), which were filed in the amounts of \$11 million (of which \$7.8 million was filed on a secured basis) and \$5.2 million (all on a secured basis), by Adelaide Square Developments Inc. and FAAN Mortgage Administrators Inc., as Court-appointed trustee of Building & Development Mortgages Canada Inc., respectively. Both claims are discussed in the [affidavit of Stephanie Collins](#) sworn in support of the Ontario Securities Commission's application to appoint a receiver over the Go-To Parties.
- The expected timing and amount of distributions, if any, to unsecured creditors and investors of Go-To Spadina will depend on the determination of the Spadina Secured Claims, which process is ongoing.

##### Go-To Glendale

- The sale of the property owned by Go-To Glendale closed on May 9, 2022 and both mortgages were paid in full, resulting in net proceeds of approximately \$3.6 million being available for distribution to creditors and investors.
- The Receiver continues to review claims filed against Go-To Glendale, particularly the claims filed on a secured basis by each of Tarion and Trisura in the aggregate amount of approximately \$37.5 million. As discussed in Section 3 above, and in Section 4.1.5 of the Fifth Report, it is the Receiver's understanding that once the deposit return process has been completed, Trisura's and Tarion's claims should be insignificant, thereby allowing the Receiver to seek Court approval to make distributions to Go-To Glendale's unsecured creditors and investors.
- Subject to resolution of the claims filed by Trisura and Tarion, the Receiver projects that Go-To Glendale's investors are expected to receive a full return of their outstanding invested capital.

##### Go-To Eagle Valley

- The sale of the property owned by Go-To Eagle Valley closed on June 30, 2022. The purchase price was \$5.85 million.

- The Receiver sought relief from the Court at the August 22 Hearing to compel certain parties to provide the Flip Information. Following the August 22 Order, the Receiver received the Flip Information and, upon determining (based on the information it received) that neither the first nor second mortgagee benefited from the Flip Transactions, it repaid the first mortgagee in full (approximately \$2.97 million). The Receiver has also made an interim distribution of \$1 million to the second mortgagee, Gabriele Fischer and Imperio SA Holdings Inc. (jointly, “Imperio”), which is projected to incur a shortfall on its secured loan to Go-To Eagle Valley, notwithstanding that this loan was also collaterally secured by Go-To Beard’s Real Property, as discussed below.
- Based on the sale price of the Real Property owned by Go-To Eagle Valley and the corresponding mortgages and construction liens, there will not be sufficient proceeds to make any distributions to Go-To Eagle Valley’s unsecured creditors or investors absent further recoveries, including recoveries associated with the Flip Transactions.

#### Go-To Beard

- The sale of the Real Property owned by Go-To Beard (the “Beard Property”) closed on July 4, 2022 and the first mortgagee was repaid in full, resulting in net proceeds of approximately \$1.54 million. The Receiver also made a partial distribution of \$1.139 million to Imperio, the second mortgagee (which, as set out above under the “Go-To Eagle Valley” subheading, is projected to incur a shortfall).
- Based on the sale price of the Real Property owned by Go-To Beard and the corresponding mortgages, there will not be sufficient proceeds to make any distributions to Go-To Beard’s unsecured creditors or investors.

#### Go-To Chippawa

- The sale of the Real Property owned by Go-To Chippawa closed on July 27, 2022 and the sole mortgagee was repaid in full, resulting in net proceeds of approximately \$2.0 million being available for distribution to Go-To Chippawa’s creditors and investors.
- The Receiver continues to review claims filed against Go-To Chippawa. Subject to the Receiver’s completion of the Claims Procedure on Go-To Chippawa, unsecured creditors are expected to be paid in full and investors are presently estimated to receive between approximately 33% and 60% of their outstanding invested capital<sup>4</sup> before recoveries, if any, associated with the Flip Transactions. The Receiver intends to seek Court approval to make distributions to Go-To Chippawa’s unsecured creditors and investors at its next Court attendance. The Receiver’s review of the Flip Transactions may affect the timing and amount of these distributions.

#### Go-To Stoney Creek

- The sale of the Real Property owned by Go-To Stoney Creek closed on September 21, 2022, following which both mortgagees were repaid in full, resulting in net proceeds of approximately \$3.4 million being available for distribution to creditors and investors.

---

<sup>4</sup> The range largely relates to the determination of certain claims filed against Go-To Chippawa.

- Based on the claims filed against Go-To Stoney Creek, the Receiver presently estimates that investors will receive between approximately 21% and 35% of their outstanding invested capital<sup>5</sup>. The Receiver intends to seek Court approval to make distributions to Go-To Stoney Creek's unsecured creditors and investors at its next Court attendance.

#### Go-To Major Mackenzie

- As noted above, the August 22 Orders approved the Stalking Horse Offer from 235 Ontario as a stalking horse bid and the Receiver was authorized and directed to carry out the SH Sale Process for the Real Property owned by Go-To Major Mackenzie. 235 Ontario is an entity related to the second mortgagee on the Major Mackenzie Property.
- Prior to the Stalking Horse Offer, CBRE Limited ("CBRE"), the realtor retained by the Receiver to sell this property, marketed the Major Mackenzie Property to several potential purchasers for approximately five months. The full details of the process leading to the Receiver's recommendation that the Court approve the Stalking Horse Offer as the stalking horse bid in the SH Sale Process are provided in Section 7.3 of the [Fifth Report](#).
- CBRE is continuing to market the Major Mackenzie Property for sale, and a copy of the Stalking Horse Offer is in the data room available for review by interested parties. The bid procedures in the SH Sale Process provide for, among other things, a bid deadline of September 30, 2022 for interested parties to submit an offer. As part of the marketing efforts for this property, following approval by the Court of the SH Sale Process, the Receiver directed CBRE to contact any party that had previously expressed an interest in this property.
- If the stalking horse bidder is the successful bidder, the approval and vesting order is required to be obtained by no later than November 30, 2022, with closing to follow thereafter. The value of the Stalking Horse Offer is not expected to be sufficient for there to be distributions to the unsecured creditors or investors of Go-To Major Mackenzie, and accordingly, if no superior offers are submitted in this process, there are not anticipated to be any distributions to creditors or investors of Go-To Major Mackenzie.

#### Remaining Real Property

##### Go-To Vaughan Islington Avenue Inc. and Go-To Vaughan Islington Avenue LP ("Go-To Vaughan")

- The Sale Process for the Real Property owned by Go-To Vaughan (the "Vaughan Property") provided that the Vaughan Property would be marketed both on a stand-alone basis and with 7400 Islington Avenue, Woodbridge, an adjacent property owned by a third party (the "Adjacent Property").
- Go-To Vaughan intended to develop the Vaughan Property and Adjacent Property together as one residential development. The bid deadline for the Vaughan Property was April 13, 2022. As no acceptable offers were submitted at that time, the Receiver and CBRE continued to engage with interested parties, including the majority investor in this project, who submitted an offer as of the April 13, 2022 bid deadline.
- As the initial marketing of the Vaughan Property was unsuccessful, it was re-listed by CBRE in July 2022 with an asking price of \$9.45 million. The listing for the adjacent property expired on June 30, 2022 and was not renewed by the owner of that property, who the Receiver understands is arm's length to the Go-To Parties. The mortgage registered on title to the Vaughan Property presently has approximately \$6.4 million outstanding (based on a recent statement from the mortgagee), with interest and costs continuing to accrue.

---

<sup>5</sup> The range largely relates to the determination of certain claims filed against Go-To Stoney Creek.

- The Receiver accepted an offer for the Vaughan Property on September 21, 2022 and received the purchaser's deposit. The offer is subject to a 45-day due diligence condition in favour of the purchaser. The offer is also conditional on the purchaser's acquisition of the Adjacent Property. The Receiver is aware that the purchaser and the Adjacent Property owner have executed an agreement of purchase and sale (the "Adjacent Property APS") with terms similar (as applicable<sup>6</sup>) to those in the agreement of purchase and sale between the Receiver and the Purchaser.
- If the transaction between the purchaser and the Receiver is completed, there are not projected to be any distributions to unsecured creditors and investors.
- The Receiver has engaged extensively with the largest investor of this project; however, this party has not been able to source capital to acquire the Vaughan Property.

2506039 Ontario Limited and Aurora Road Limited Partnership ("Go-To Aurora")

- Go-To Aurora owns a single parcel of land having a municipal address of 4951 Aurora Road, Stouffville (the "Aurora Property"). The Receiver understands that Go-To Aurora planned to develop the Aurora Property with four other adjoining properties owned by a third party.
- The Sale Process for the Aurora Property had a bid deadline of April 20, 2022. The Sale Process provided for the Aurora Property to be marketed both on a stand-alone basis and with the adjacent properties, as a single assembly, which is consistent with the Go-To Aurora's development plans for this site. The Aurora Property is located in the middle of the five parcels and is therefore critical to the development of the project. If sold by itself, it would impair the development potential of the adjacent properties. The Receiver and CBRE marketed the property for sale, and had discussions with numerous parties, including the owner of the adjacent properties. No acceptable offers were submitted on the bid deadline.
- The Receiver and CBRE continue to engage with interested parties. The Receiver has also been working with one of the lead investors in this project on a potential transaction, but no offer has been submitted by this party as of the date of this update.
- It is presently unclear whether a transaction can be completed that would result in distributions to unsecured creditors and investors of this Project.

\* \* \*

The Receiver will continue to provide periodic updates concerning material developments.

Should you have any questions with respect to the above, please contact Jordan Wong (416-932-6025 or [jwong@ksvadvisory.com](mailto:jwong@ksvadvisory.com)) or Mitch Vininsky (416-932-6013 or [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)).

Yours truly,



**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF  
GO-TO DEVELOPMENTS HOLDINGS INC. AND THE ENTITIES LISTED ON APPENDIX "A"  
AND NOT IN ITS PERSONAL CAPACITY**

---

<sup>6</sup> Some terms are not applicable to both agreements. For example, the transaction with the Adjacent Property owner does not require that the Adjacent Property APS be approved by the Court. In addition, the transaction with the Receiver is on an "as is, where is" basis, and contains other standard terms in the insolvency/restructuring context.

## **Appendix “A”**

1. Go-To Developments Holdings Inc.;
2. Furtado Holdings Inc.;
3. Go-To Developments Acquisitions Inc.;
4. Go-To Glendale Avenue Inc.;
5. Go-To Glendale Avenue LP;
6. Go-To Major Mackenzie South Block Inc.;
7. Go-To Major Mackenzie South Block LP;
8. Go-To Major Mackenzie South Block II Inc.;
9. Go-To Major Mackenzie South Block II LP;
10. Go-To Niagara Falls Chippawa Inc.;
11. Go-To Niagara Falls Chippawa LP;
12. Go-To Niagara Falls Eagle Valley Inc.;
13. Go-To Niagara Falls Eagle Valley LP;
14. Go-To Spadina Adelaide Square Inc.;
15. Go-To Spadina Adelaide Square LP;
16. Go-To Stoney Creek Elfrida Inc.;
17. Go-To Stoney Creek Elfrida LP;
18. Go-To St. Catharines Beard Inc.;
19. Go-To St. Catharines Beard LP;
20. Go-To Vaughan Islington Avenue Inc.;
21. Go-To Vaughan Islington Avenue LP;
22. Aurora Road Limited Partnership; and
23. 2506039 Ontario Limited.



## **Appendix “B”**

1. 527 Glendale Avenue, St. Catharines, ON PIN: 46415-0949;
2. 185 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0047;
3. 197 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0049;
4. 209 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0051;
5. 191 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0048;
6. 203 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0050;
7. 215 Major MacKenzie Drive East, Richmond Hill, ON PIN: 03139-0052;
8. 4210 Lyons Creek Road, Niagara Falls, ON PIN: 64258-0110;
9. 4248 Lyons Creek Road, Niagara Falls, ON PIN: 64258-0713;
10. 2334 St. Paul Avenue, Niagara Falls, ON PIN: 64269-0559;
11. 355 Adelaide Street West, Toronto, ON PIN: 21412-0150;
12. 46 Charlotte Street, Toronto, ON PIN: 21412-0151;
13. Highland Road, Hamilton, ON PIN: 17376-0025;
14. Upper Centennial Parkway, Hamilton, ON PIN: 17376-0111;
15. 19 Beard Place St., Catharines, ON PIN: 46265-0022;
16. 7386 Islington Avenue, Vaughan, ON PIN: 03222-0909; and
17. 4951 Aurora Road, Stouffville, ON PIN: 03691-0193.