

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

B E T W E E N :

ONTARIO SECURITIES COMMISSION

Applicant

- and -

GO-TO DEVELOPMENTS HOLDINGS INC., OSCAR FURTADO, FURTADO HOLDINGS INC., GO-TO DEVELOPMENTS ACQUISITIONS INC., GO-TO GLENDALE AVENUE INC., GO-TO GLENDALE AVENUE LP, GO-TO MAJOR MACKENZIE SOUTH BLOCK INC., GO-TO MAJOR MACKENZIE SOUTH BLOCK LP, GO-TO MAJOR MACKENZIE SOUTH BLOCK II INC., GO-TO MAJOR MACKENZIE SOUTH BLOCK II LP, GO-TO NIAGARA FALLS CHIPPAWA INC., GO-TO NIAGARA FALLS CHIPPAWA LP, GO-TO NIAGARA FALLS EAGLE VALLEY INC., GO-TO NIAGARA FALLS EAGLE VALLEY LP, GO-TO SPADINA ADELAIDE SQUARE INC., GO-TO SPADINA ADELAIDE SQUARE LP, GO-TO STONEY CREEK ELFRIDA INC., GO-TO STONEY CREEK ELFRIDA LP, GO-TO ST. CATHARINES BEARD INC., GO-TO ST. CATHARINES BEARD LP, GO-TO VAUGHAN ISLINGTON AVENUE INC., GO-TO VAUGHAN ISLINGTON AVENUE LP, AURORA ROAD LIMITED PARTNERSHIP and 2506039 ONTARIO LIMITED

Respondents

APPLICATION UNDER SECTIONS 126 AND 129 OF THE *SECURITIES ACT*, R.S.O. 1990, c. S.5, AS AMENDED

**AIDE-MÉMOIRE OF THE COURT-APPOINTED RECEIVER
(Scheduling Appointment – Thursday, March 7, 2024)**

1. This aide-mémoire is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), to schedule a motion to uphold the Receiver’s disallowance of a claim originally filed by Capital Build Construction Management Corp. (“**Capital Build**”) against two of the Respondents, Go-To Niagara Falls Chippawa LP and Go-To Niagara Falls Chippawa Inc. (jointly, “**Go-To Chippawa**”).

2. On December 10, 2021, upon application by the Ontario Securities Commission, KSV was appointed Receiver over all the Respondents except Mr. Oscar Furtado personally (the “**Receivership Respondents**”). The Receivership Respondents were developers of nine residential real estate projects in Ontario, and Mr. Furtado was their founder and directing mind.

3. On April 7, 2022, this Court approved a claims procedure (the “**Claims Procedure**”), pursuant to which the Receiver is authorized, directed and empowered to call for, assess and determine claims against all the Receivership Respondents.

4. Capital Build filed claims pursuant to the Claims Procedure against Go-To Chippawa, alleging secured and priority claims totalling approximately \$324,000 (the “**Subject Claims**”). The Receiver understands that Capital Build acted as project manager and construction manager on several of the Receivership Respondents’ real estate projects, and that Capital Build also guaranteed certain mortgages that had been granted on some of the underlying real property.

5. On October 4, 2022, Capital Build was deemed to have made an assignment in bankruptcy, and Goldhar Associates Ltd. was appointed as its licensed insolvency trustee (“**Goldhar**”).

6. On October 31, 2022, the Receiver issued the requisite notice under the Claims Procedure to Goldhar, disallowing (with reasons) the Subject Claims in full (the “**Receiver’s Disallowance**”).

7. On November 14, 2022, Goldhar issued the requisite notice under the Claims Procedure disputing the Receiver's Disallowance (the "**Goldhar Dispute Notice**").

8. On March 20, 2023: (i) Goldhar advised it would no longer dispute the Receiver's Disallowance; but (ii) Dickinson Wright LLP ("**DW**"), one of Capital Build's creditors, advised it intended to apply under section 38 of the *Bankruptcy and Insolvency Act* (Canada) (the "**Section 38 Application**") to take an assignment of the Subject Claims to dispute the Receiver's Disallowance.

9. On June 15, 2023, the Receiver obtained an Order from this Court, which required DW to serve the Section 38 Application by no later than June 30, 2023, failing which the Receiver's Disallowance would be final and conclusive. DW served the Section 38 Application on June 29, 2023. It was unopposed, but the Court refused to grant it as presented. On November 9, 2023, DW served an amended Section 38 Application, which the Court granted on January 10, 2024.

10. On January 22, 2024, DW issued its own notice disputing the Receiver's Disallowance (the "**DW Dispute Notice**"), which is materially consistent with the contents of the Subject Claims and the Goldhar Dispute Notice. Accordingly, the Receiver continues to disallow the Subject Claims.

11. Pursuant to the terms of the Claims Procedure, the next step is for this dispute between DW and the Receiver to be adjudicated by the Court. The Receiver will serve a short notice of motion and document brief attaching the Subject Claims, the Receiver's Disallowance, the Goldhar Dispute Notice and the DW Dispute Notice (inclusive of attachments).

12. As the Receiver is holding back sufficient reserves to satisfy the Subject Claims, it cannot distribute these monies to Go-To Chippawa's proven claimants until the Subject Claims are resolved. The Receiver therefore requests that this motion be heard as soon as reasonably possible.

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GO-TO DEVELOPMENTS HOLDINGS INC., ET AL

Applicant

Respondents

Court File No. CV-21-00673521-00CL

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Proceedings commenced at Toronto

AIDE-MÉMOIRE OF THE COURT-APPOINTED RECEIVER
(Scheduling Appointment – March 7, 2024)

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and manager of the Receivership Respondents*