

**COURT OF APPEAL FOR ONTARIO**

B E T W E E N :

**ONTARIO SECURITIES COMMISSION**

Applicant  
(Respondent in Appeal)

– 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  
(Appellants)

**APPLICATION UNDER**  
**Sections 126 and 129 of the *Securities Act*, R.S.O. 1990 c. s.5, as amended**

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**RESPONDENT'S COMPENDIUM**

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March 14, 2022

**ONTARIO SECURITIES COMMISSION**  
20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto, Ontario M5H 3S8

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AND TO: Service List in Commercial List File No. CV-21-00673521-00CL

**TABLE OF CONTENTS**

No.	Description	Page No.
<b><i>Orders, Endorsements and Reasons for Judgment</i></b>		
1.	<a href="#"><u>Reasons for Judgment of Justice Pattillo dated December 10, 2021</u></a>	5-11
2.	<a href="#"><u>Receivership Order of Justice Pattillo dated December 10, 2021</u></a>	12-36
3.	<a href="#"><u>Email from Pattillo J. December 10, 2021, without enclosures</u></a>	37
4.	<a href="#"><u>Endorsement of Sossin J.A. on Appellants' Motion for a Stay, released December 29, 2021</u></a>	38-39
<b><i>Evidence from Application Referred to in Respondent's Factum</i></b>		
5.	<a href="#"><u>Affidavit of Stephanie Collins sworn December 6, 2021</u></a>	40-72
6.	<a href="#"><u>Application Record Index dated December 6, 2021</u></a>	73-79
<b><i>Appendices and Exhibits from the Collins Affidavit – Excerpts</i></b>		
7.	<a href="#"><u>Appendix B – Funds Raised from Investors for all Go-To Limited Partnerships</u></a>	80-82
8.	<a href="#"><u>Appendix C – Funds Raised from Investors for the Adelaide LP</u></a>	83-84
9.	<a href="#"><u>Appendix D – Excerpt from Draft Source and Application Analysis for Furtado Holdings Account in the Dividend Period</u></a>	85-89
10.	<a href="#"><u>Exhibit 33 – Assignment Fee Agreement between ASD and the Adelaide LP</u></a>	90-95
11.	<a href="#"><u>Exhibit 35 – Direction Re: Disbursement of Funds</u></a>	96-97
12.	<a href="#"><u>Exhibit 37 – Re-Direction dated April 15, 2019</u></a>	98-99
13.	<a href="#"><u>Exhibit 43 – Cheque from Concorde Law to Furtado Holdings Inc. in the amount of \$388,087.33</u></a>	100-103
14.	<a href="#"><u>Exhibit 44 – Cheque from Concorde Law to AKM Holding Corp. in the amount of \$388,087.33</u></a>	104-105
15.	<a href="#"><u>Exhibit 49 – ASD Share Certificate</u></a>	106-107

16.	<a href="#">Exhibit 51 – Subscription of ASD Shares dated April 15, 2019</a>	108-109
17.	<a href="#">Exhibit 53 – Shareholders Agreement re ASD dated April 15, 2019</a>	110-125
18.	<a href="#">Exhibit 64 – Memo Re: Direction Re Funds</a>	126-127
19.	<a href="#">Exhibit 67 – T5 – Statement of Investment Income (2019) - AKM</a>	128-131
20.	<a href="#">Exhibit 68 – T5 – Statement of Investment Income (2019) - Furtado Holdings</a>	132-133
21.	<a href="#">Exhibit 77 – Memorandum of Agreement between ASD, the Adelaide LP, and Furtado dated March 26, 2019</a>	134-135
22.	<a href="#">Exhibit 78 – Memorandum of Agreement dated March 26, 2019</a>	136-137
23.	<a href="#">Freeze Directions to Furtado and RBC Direct dated December 6, 2021</a>	138-141
<b><i>Additional Documents Referred to in Respondent’s Factum</i></b>		
24.	<a href="#">Applicant’s Factum dated December 6, 2021</a>	142-183
25.	<a href="#">Appellants Notice of Motion for a Stay dated December 14, 2021</a>	184-193
26.	<a href="#">Appellants’ Certificate Respecting Evidence dated December 14, 2021</a>	194-197
27.	<a href="#">Respondent’s Certificate Respecting Evidence dated December 24, 2021</a>	198-202
<b><i>Fresh Evidence</i></b>		
n/a	<i>Refer to: Motion Record – Fresh Evidence Tendered By The Respondent</i>	

**CITATION:** Ontario Securities Commission v. Go-To Developments Holdings Inc.,  
2021 ONSC 8133  
**COURT FILE NO.:** CV-21-00673521-00CL  
**DATE:** 20211210

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

<b>BETWEEN:</b>	)	
	)	
ONTARIO SECURITIES COMMISSION	)	
	)	<i>Erin Houlton and Braden Stapleton, for the</i>
Applicant	)	Applicant
	)	
– and –	)	
	)	<i>Darryl Mann, for the Respondents</i>
GO-TO DEVELOPMENTS HOLDINGS	)	
INC., OSCAR FURTADO, FURTADO	)	
HOLDINGS INC., GO-TO	)	
DEVELOPMENTS ACQUISITIONS INC.,	)	<i>Steven Graff and Ian Aversa, for KSV</i>
GO-TO GLENDALE AVENUE INC., GO-	)	Restructuring Inc., proposed Receiver and
TO GLENDALE AVENUE LP, GO-TO	)	Manager
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	)	<b>HEARD:</b> December 9, 2021

**L. A. PATTILLO J**

[1] On December 6, 2021, the Ontario Securities Commission (the “Commission”) issued two freeze directions under s. 126(1) of the Securities Act, R.S.O. 1990 c.s.5 (the “Act”) which require the respondent Oscar Furtado (“Furtado”) to maintain and refrain from imperiling assets derived from investor funds and require RBC Direct Investing to maintain the assets in Furtado’s RBC Direct Account.

[2] The Commission brings this application to continue those directions and for the appointment of KSV Restructuring Inc. as receiver and manager of the respondent Go-To entities.

[3] At the outset of the hearing, Furtado requested a short adjournment to permit him to retain new counsel (Mr. Mann appears on a limited retainer) and file responding material. He submitted, notwithstanding the Commission’s Staff’s investigation has been ongoing since March 2019, he was only advised of this proceeding on Monday and did not receive the Commission’s material until Monday evening. He disagrees with the Commission’s allegations, particularly that he misled Staff during the investigation and wants to respond. Nothing in the Commission’s material indicates anything precipitous was about to happen.

[4] In support of his request, Furtado has offered terms including continuing the freeze directions (with some access for living expenses and legal fees), production of the investigation transcripts and the appointment of a monitor as opposed to a receiver at the Commission’s expense.

[5] The Commission opposed the request. It submitted that a monitor would not be sufficient as it would leave Furtado in charge. Rather, in light of the record, a receiver was necessary to safeguard the interests of the investors. Further, while it could have proceeded *ex parte* under s. 129 of the Act, it gave Furtado notice and sufficient time to file material if required. In that regard, in the absence of material, many of Furtado’s submissions were unsubstantiated.

[6] Based on the allegations concerning Furtado’s actions in respect of his dealings with the Go-To projects and specifically the Go-To Spadina Adelaide Square Limited Partnership. (“Adelaide LP”) as set out in the Commission’s material and which I will address shortly, I was satisfied, despite the length of time the Commission’s investigation has been ongoing, that it was necessary having regard to the interests of the investors to deal with the application rather than adjourn it to a future date and leave Furtado in charge. I also was of the view that Furtado had sufficient notice to file material.

[7] Accordingly, I dismissed Furtado’s adjournment request.

[8] Furtado is the founder and directing mind of the Go-To entities which are limited partnerships. Between 2016 and 2020, Furtado and the respondent Go-To Developments Holdings Inc. (GTDH) raised almost \$80 million from Ontario investors for nine Go-To real estate projects by selling limited partnership units. The projects are not complete, and the investors’ funds remain outstanding.

[9] One of the projects is Adelaide LP, whose business is described as purchasing, holding an interest in, conducting pre-development planning with respect to development and construction of two properties, 355 Adelaide St. W. and 46 Charlotte Street in downtown Toronto (the

“Properties”). Beginning in February 2019, Furtado began to raise capital for Adelaide LP by selling units.

[10] The Adelaide LP agreement provides that investors would be paid returns pro-rata, after all investors received a return of their capital. It also provides no investor could require return of any capital contributions back until the dissolution, winding up or liquidation of the partnership.

[11] The purchase rights to the Properties were secured by Adelaide Square Developments Inc. (ASD) a company owned, in part, by AKM Holdings Corp. (AKM) which was in turn owned by the wife of Alfredo Malanca (Malanca). Furtado negotiated the Adelaide LP’s acquisitions of the Properties with Malanca as a representative of ASD.

[12] In late March, early April 2019, Adelaide LP and ASD entered into agreements whereby ASD assigned the purchase and sale agreements for the properties to Adelaide LP (the purchase price for the Properties was \$53.3 million plus a density bonus on one of the properties). They also entered into an Assignment Fee agreement which provided Adelaide LP would pay ASD an assignment fee of \$20.95 million. Adelaide LP paid the assignment fee from investors monies.

[13] At the same time, Furtado pledged the assets of two other Go-To LP’s to secure Adelaide LP obligations contrary to the LP agreements and without notice to any of the unit holders.

[14] On April 4, 2019, Adelaide LP entered into a demand loan agreement with ASD for \$19.8 million. The proceeds were paid by ASD to an investor in Adelaide LP for its redemption of \$16.8 million units and a \$2.7 million flat fee return and \$300,000 to Goldmount Financial Group Corp. (Goldmount), a mortgage brokerage in which Malanca is a director, as a referral fee for introducing the investor.

[15] On April 15, 2019, the respondent Furtado Holdings Inc. and AKM each received from ASD 11 shares of ASD and \$388,087.33 paid by ASD out of the assignment fee.

[16] On September 19 to 30, 2019, Furtado raised \$13.25 million for Adelaide LP from four investors. On October 1, 2019, Adelaide LP paid ASD \$12 million on the demand loan although no payment was due or demand made. On the same day, ASD paid both Furtado Holdings and AKM a “dividend” of \$6 million each. Furtado denied that he planned to profit on Adelaide LP’s purchase of the Properties and said that ASD decided to give Furtado Holdings “a thank you”.

[17] By August 2020, Furtado Holdings had used the bulk of the \$6 million dividend to transfer \$2.25 million to Furtado’s personal bank account and loan or otherwise transfer approximately \$3.265 million to every Go-To General Partner (GP), GTDH and Go-To Developments Acquisitions Inc. The Commission states it appears the transfers to the GPs were spent on operating costs and payments due to LP investors.

[18] Further, from Furtado’s bank account, approximately \$2.026 million was transferred to his RBC Direct Investing account in close proximity to the transfers received from Furtado Holdings.

[19] In addition to the above events involving Adelaide LP, Furtado and ASD, the Commission also submits that Furtado misled Staff during its investigation in respect of some of the answers

he gave. As noted, Furtado denies that allegation and submits that he co-operated with Staff and answered all of their questions.

[20] Section 129(1) and (2) of the Act gives the court the discretion, on application by the Commission, to appoint a receiver and manager of the property of any person or company where: (a) it is in the best interests of the creditors, security holders, or subscribers of such person or company; or (b) it is appropriate for the due administration of securities law.

[21] In *Ontario Securities Commission v. Sextant Strategic Opportunities Hedge Fund L.P.*, 2009 CanLII38503 (ONSC) at para. 54, Morawetz J. (as he then was) emphasized that the analysis of the “best interests” of the creditors and security holders in s. 129 is broader than the solvency test. Instead the court should consider “all the circumstances and whether, in the context of those circumstances, it is in the best interests of creditors that a receiver be appointed. The criteria should also take into account the interests of all stakeholders.”

[22] In my view, having regard to all the circumstances, I am satisfied based on the Commission’s evidence of Furtado’s dealings in respect of Adelaide LP that it is in the best interests of the investors in the Go-To projects that a receiver be appointed to ensure that the Go-To projects are managed in a proper fashion to protect the investors’ investments.

[23] The Commission’s investigation has revealed evidence of undisclosed payments to Furtado arising from Adelaide LP’s purchase of the Properties, resulting in misappropriation and improper use of Adelaide LP funds through his dealings with ASD.

[24] The Commission’s evidence establishes Furtado:

- a) Arranged to personally profit from Adelaide LP’s purchase of the Properties;
- b) Misused other Go-To LP assets to secure Adelaide LP’s acquisition of the Properties; and
- c) Gave false and/or misleading evidence to Staff about his dealings with ASD and Furtado Holdings’ receipt of shares and moneys from ASD.

[25] While I acknowledge that Furtado disputes the Commission’s allegation that he misled Staff, in my view his dealings in respect of Adelaide LP and the cross-collateralization are of great concern by themselves.

[26] I agree with the Commission’s submission that the gravity of the potential breaches of the Act indicated by the evidence raises significant concerns about Furtado’s ability to operate in capital markets in a manner compliant with securities laws.

[27] Accordingly, I am satisfied the Commission has met the requirements of s. 126 of the Act. The appointment of a receiver will ensure that the investors’ interests are protected and that the Go-To entities are properly administered.

[28] Furtado submits that the appointment of a receiver will be the “death knell” for the Go-To projects. It will result in defaults under the various Go-To LP loan agreements. The receivership

is not in respect of an insolvency. There is no reason that the various projects can not continue under the control of a receiver. Further, with a stay in place, none of the loan agreements can be placed in default.

[29] Section 126(5.1) of the Act permits the court to continue a freeze direction where it is satisfied that such order would be reasonable and expedient in the circumstances, having due regard to the public interest and either (a) the due administration of Ontario securities law; or (b) the regulation of capital markets in Ontario.

[30] In order to continue a freeze direction, the Commission must establish: (a) there is a serious issue to be tried in respect of the respondents' breaches of the Act; (b) there is a basis to suspect, suggest or prove a connection between the frozen assets and the conduct in issue; and (c) the freeze directions are necessary for the due administration of securities laws or the regulation of capital markets, in Ontario or elsewhere: *OSC v. Future Solar Developments*, 2015 ONSC 2334 at para. 31.

[31] In my view, the evidence establishes all three parts of the above test. There is at least a serious issue to be tried as to potential breaches of the act by Furtado and Furtado Holdings, including fraud; the directions freeze Furtado's RBC Direct Account and any other assets he derived from investor funds. The evidence of Furtado's uses of the \$6 million dividend shows at least a basis to "suspect, suggest or prove" a connection between the assets frozen and the conduct in issue. Finally, continuation of the directions is necessary for the due administration of securities laws. They address inappropriate use of investor funds, dissipation of assets and preservation of assets.

[32] The application is allowed. KSV is appointed as receiver and manager without security of the respondent Go-To entities and the directions are continued until withdrawn or altered by the Commission or further order of the court.

[33] The Commission shall redact any personal information concerning any individual (excluding name, title, contact information or designation of business, profession or official capacity) contained in the exhibits to the affidavit filed in support of the application.



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L. A. Pattillo J.

**CITATION:** Ontario Securities Commission v. Go-To Developments Holdings Inc.,  
2021 ONSC 8133  
**COURT FILE NO.:** CV-21-00673521-00CL  
**DATE:** 20211210

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

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

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**REASONS FOR JUDGMENT**

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Pattillo J.

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

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

THE HONOURABLE  
JUSTICE L. PATTILLO

)  
)  
)

FRIDAY, THE 10th  
DAY OF DECEMBER, 2021



**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**

**ORDER  
(appointing Receiver)**

**THIS APPLICATION**, made by the Ontario Securities Commission ("**OSC**") for an Order pursuant to sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the

"Act"), appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**") without security, of the real property listed on **Schedule "A"** hereto (the "**Real Property**") and all the other assets, undertakings and properties of each of the parties listed on **Schedule "B"** hereto (the "**Receivership Respondents**"), was heard this day by judicial videoconference via Zoom due to the COVID-19 emergency.

**ON READING** the affidavit of Stephanie Collins sworn December 6, 2021 and the exhibits thereto (the "**Collins Affidavit**"), and on hearing the submissions of counsel for the OSC and counsel for the Respondents, and on reading the consent of KSV to act as the Receiver,

### **SERVICE**

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

### **FREEZE DIRECTIONS**

2. **THIS COURT ORDERS** that the Freeze Directions issued by the OSC to Oscar Furtado and RBC Direct Investing on December 6, 2021, copies of which are attached at **Schedule "C"** hereto, shall continue until further order of this Court or until the OSC revokes the Freeze Directions or consents to release funds, securities or property from the Freeze Directions.

### **APPOINTMENT**

3. **THIS COURT ORDERS** that pursuant to section 129 of the Act, KSV is hereby appointed Receiver, without security, of the Real Property and all the other assets, undertakings and properties of each of the Receivership Respondents, including all of the assets held in trust or required to be held in trust by or for any of the Receivership Respondents, or by their lawyers, agents and/or any other Person (as defined below), and all proceeds thereof (together with the Real Property, the "**Property**").

## RECEIVER'S POWERS

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of any of the Receivership Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business or cease to perform any contracts of any of the Receivership Respondents;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of any of the Receivership Respondents or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Receivership Respondents and to exercise all remedies of any

of the Receivership Respondents in collecting such monies, including, without limitation, to enforce any security held by any of the Receivership Respondents;

- (g) to settle, extend or compromise any indebtedness owing to any of the Receivership Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any of the Receivership Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Receivership Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, and, in each such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Receivership Respondents;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Receivership Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Receivership Respondents;
- (q) to exercise any shareholder, partnership, joint venture or other rights which any of the Receivership Respondents may have;
- (r) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Receivership Respondents, including, without limitation, any present or former director, officer, employee or any other person registered or previously registered with the OSC or subject to or formerly subject to the jurisdiction of the OSC or any other regulatory body respecting or having jurisdiction over any of the Property and the affairs of any of the Receivership Respondents; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Receivership Respondents, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. **THIS COURT ORDERS** that (i) each of the Receivership Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, securities, or other Property held by or in the name of any of the Receivership Respondents, or by any third party for the benefit of any of the Receivership Respondents.

7. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of any of the Receivership Respondents, or the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

## **NO PROCEEDINGS AGAINST ANY OF THE RECEIVERSHIP RESPONDENTS OR THE PROPERTY**

11. **THIS COURT ORDERS** that no Proceeding against or in respect of any of the Receivership Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Receivership Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings in respect of the Receivership Respondents, or any of them, by or before the OSC and its enforcement staff.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

12. **THIS COURT ORDERS** that all rights and remedies against any of the Receivership Respondents, the Receiver or affecting the Property are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Receivership Respondents to carry on any business which the Receivership Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Receivership Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH THE RECEIVER**

13. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Receivership Respondents, without written consent of the Receiver or leave of this Court.

## **CONTINUATION OF SERVICES**

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Receivership Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Receivership Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Receivership Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Receivership Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

15. **THIS COURT ORDERS** that all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

16. **THIS COURT ORDERS** that all employees of the Receivership Respondents, if any, shall remain the employees of the Receivership Respondents until such time as the Receiver, on the Receivership Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA AND ANTI-SPAM LEGISLATION**

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Receivership Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

18. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

19. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste

or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act* or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

20. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

21. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

24. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

25. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

26. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "D"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

27. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

## SEALING

28. **THIS COURT ORDERS** that the OSC is authorized to redact any Personal Information (as defined below) contained in the exhibits to the Collins Affidavit (as so redacted, the “**Redacted Exhibits**”) and file with the Court the Collins Affidavit with the Redacted Exhibits. “Personal Information” means information about an identifiable individual, including, but not limited to, the following: (i) social insurance number; (ii) driver’s license number; (iii) passport number; (iv) license plate number; (v) health plan number; (vi) date of birth; (vii) address (not including city or province); (viii) telephone number; and (ix) bank or trading account number (including a joint account). For greater certainty, “Personal Information” does not include an individual’s name or the title, contact information, or designation of an individual in a business, professional, or official capacity.

29. **THIS COURT ORDERS** that the OSC shall file with the Court the Collins Affidavit without exhibits pending filing of the Redacted Exhibits with the Court. The OSC shall file the Redacted Exhibits with the Court as soon as reasonably practicable.

30. **THIS COURT ORDERS** that the OSC is authorized to deliver the Collins Affidavit containing the unredacted exhibits to each of the following parties and its respective lawyers: the Receiver and the Respondents (each such party, a “**Recipient**”). Each Recipient shall keep the unredacted exhibits to the Collins Affidavit confidential and shall not disclose the unredacted exhibits to the Collins Affidavit to any other party without further order of the Court.

31. **THIS COURT ORDERS** that the unredacted exhibits to the Collins Affidavit shall be sealed, kept confidential and shall not form part of the public record pending further Order of the Court.

## SERVICE AND NOTICE

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

*Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/go-to>.

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

#### **GENERAL**

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

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Receivership Respondents.

36. **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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

37. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

38. **THIS COURT ORDERS** that the Receiver may engage as its legal counsel Aird & Berlis LLP, notwithstanding that Aird & Berlis LLP has had an advisory role with respect to the OSC in connection with this proceeding.

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

40. **THIS COURT ORDERS** that this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing.



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**SCHEDULE "A"**  
**REAL PROPERTY**

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
17. 4951 Aurora Road  
Stouffville, ON  
PIN: 03691-0193

**SCHEDULE "B"**  
**RECEIVERSHIP RESPONDENTS**

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
23. 2506039 ONTARIO LIMITED

**SCHEDULE "C"**  
**FREEZE DIRECTIONS**

See attached.



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto, ON M5H 3S8

22<sup>e</sup> étage  
20, rue Queen West  
Toronto, ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.O. 1990, c. 5.5, AS AMENDED**

**- AND -**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.,  
OSCAR FURTADO, and FURTADO HOLDINGS INC.**

**FREEZE DIRECTION  
(Sections 126(1)(b) and 126(1)(c))**

**TO:** Oscar Furtado (DOB July 15, 1962)  
2354 Sainsome Drive  
Oakville, Ontario  
L6H 7N3

**RE:** Proceeds of sale of units of Go-To limited partnerships

**TAKE NOTICE THAT** pursuant to paragraph 126(1)(b) of the *Securities Act*, R.S.O. 1990, c. 5.5, as amended (the "Act"), you are directed to refrain from withdrawing any funds, securities or property that constitute or are derived from the proceeds of, or are otherwise related to the sale of units in any limited partnership related to Go-To Developments Holdings Inc. ("GTDH"), from another person or company who has them on deposit, under control or for safekeeping, and, without limiting the generality of the foregoing, in RBC Direct Investing account no. 685-92809-14 ("RBC Direct Account"), and to hold these funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, securities or property from this Direction or until the Ontario Superior Court of Justice orders otherwise.

**AND TAKE FURTHER NOTICE** that pursuant to paragraph 126(1)(c) of the Act, you are directed to maintain funds, securities or property that constitute or are derived from the proceeds of, or are otherwise related to the sale of units in any limited partnership related to GTDH, and, without limiting the generality of the foregoing, in the RBC Direct Account, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value

2

of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, security or property from this Direction or until the Ontario Superior Court of Justice orders otherwise, except that you may dispose of securities or derivatives already held in the RBC Direct Account provided that any disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the RBC Direct Account.

**DATED** at Toronto, Ontario this 6<sup>th</sup> day of December, 2021.

Timothy Maseley



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

13<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

13<sup>e</sup> étage  
20, rue Queen ouest  
Toronto ON M5H 3S8

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**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.O. 1990, c. 5.5, AS AMENDED**

**- AND -**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.,  
OSCAR FURTADO, and FURTADO HOLDINGS INC.**

**FREEZE DIRECTION  
(Section 126(1)(a))**

**TO:** The Manager  
RBC Direct Investing Inc.  
200 Bay Street  
P.O. Box 75  
Toronto ON M5J 2E5

**RE:** FURTADO, Oscar  
Account No 685-92808-2-4  
(CAD and USD)

**TAKE NOTICE** that pursuant to paragraph 126(1)(a) of the *Securities Act*, R.S.O. 1990, c. 5.5, as amended (the "Act"), RBC Direct Investing Inc. ("RBC Direct") is directed to retain any funds, securities or property that it has on deposit or under its control or for safekeeping in the name of or otherwise under the control of Oscar Furtado, including any funds, securities or property on deposit in account no. 685-92808-2-4 (the "Account"), and hold the funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, securities or property from this Direction or until the Ontario Superior Court of Justice orders otherwise with the exception that securities or derivatives already held in the Account may be sold provided that any disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the Account.

**AND TAKE FURTHER NOTICE THAT** this Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

**AND TAKE FURTHER NOTICE THAT** this Direction may be served by e-mail, fax or courier to the above-noted address for and the last known address of the parties named in this Direction in the records of RBC Direct.

**DATED** at Toronto, Ontario this 6<sup>th</sup> day of December, 2021.

Timothy Moseley

**SCHEDULE "D"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of the real property listed on Schedule "A" of the Receivership Order (as defined below) (the "**Real Property**") and all the other assets, undertakings and properties of each of the parties listed on Schedule "B" of the Receivership Order (the "**Receivership Respondents**"), including all of the assets held in trust or required to be held in trust by or for any of the Receivership Respondents, or by their lawyers, agents and/or any other Person (as defined in the Receivership Order), and all proceeds thereof (together with the Real Property, the "**Property**"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 9<sup>th</sup> day of December, 2021 (the "**Receivership Order**") made in an application having Court file number CV-21-00673521-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$250,000.00 which the Receiver is authorized to borrow under and pursuant to the Receivership Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Receivership Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Receivership Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Receivership Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

KSV Restructuring Inc., solely in its capacity as  
Receiver of the Property, and not in its personal  
capacity

Per: \_\_\_\_\_

Name:

Title:

**ONTARIO SECURITIES COMMISSION**

**GO-TO DEVELOPMENTS HOLDINGS INC., ET AL.**

Applicant

Respondents

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

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

**Proceedings commenced at Toronto**

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**ORDER**  
**(appointing Receiver)**

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**Ontario Securities Commission**  
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**From:** Pattillo, Mr. Justice Laurence (SCJ) <Laurence.Pattillo@scj-csj.ca>  
**Sent:** December 10, 2021 10:05 PM  
**To:** Erin Hoult; Braden Stapleton; dmann@torkinmanes.com; sgraff@airdberlis.com; iaversa@airdberlis.com  
**Cc:** Anissimova, Alsou (MAG)  
**Subject:** OSC v. Go-To Developments Holdings Inc. et al.  
**Attachments:** OSC Receivership Order, Dec 10, 2021[84].pdf; Endorsement, OSC v. Go-To Developments, Dec 10 2021 (003)[44].pdf

**ATTENTION:** This email originated from outside of the OSC. Use caution when clicking links or opening attachments.

Counsel. I attach my reasons granting the receivership order and the signed order. L. Pattillo J.

## COURT OF APPEAL FOR ONTARIO

BEFORE: SOSSIN J.A.

DATE: FRIDAY, DECEMBER 24, 2021

DISPOSITION OF COURT HEARING:



COURT FILE NO.: M53047 (C70114)

TITLE OF PROCEEDING:  
ONTARIO SECURITIES COMMISSION  
V. GO-TO DEVELOPMENTS HOLDINGS

The moving party, Go-To Development Holdings (“GTDH”), brings this motion for an Order staying the Order of Patillo J. issued on December 10, 2021, which, *inter alia*, appointed KSV Restructuring Inc. (“KSV”) as receiver and manager of the moving party and other entities as well as their properties and assets (the “Receivership Order”). The Receivership Order was granted on an application by the Ontario Securities Commission (the “OSC”) after its investigation led to allegations of fraud and giving false evidence against GTDH’s directing mind, Oscar Furtado.

The test for a stay is not in dispute, and is adapted from the test for an interlocutory injunction set out by the Supreme Court in *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 S.C.R. 311, at p. 334. The factors to be considered are whether: (a) there is a serious issue to be adjudicated; (b) there will be irreparable harm if the stay is refused; and (c) the balance of convenience favours granting or refusing the stay.

The threshold for establishing a serious issue to be adjudicated is low. Among other grounds, GTDH argues that Patillo J. erred by hearing the application on short notice and justifying this decision by the fact that the OSC could have brought an *ex parte* motion. In my view, GTDH meets the first threshold of a serious issue to be adjudicated.

With respect to irreparable harm, GTDH alleges that it will suffer significant reputational damage due to the Receivership Order, which will impact its investors, refinancing and certain business transactions. According to GTDH, the Receivership Order “will effectively end Go-To Developments as an ongoing enterprise.” GTDH’s arguments are speculative. There is no evidence in the record that the Receivership Order will give rise to this impact.

With respect to the balance of convenience, this court has accepted that the balance of convenience favours a public entity carrying out a public interest mandate; see, for example, *Reynolds v. Alcohol and Gaming (Registrar)* 2019 ONCA 788, 60 C.P.C. (8th) 43, at paras. 15-16, 18. Other affected parties whose interests the OSC seeks to protect, such as the GTDH investors, may also be considered in the balance of convenience analysis. The balance of convenience in this case favours the OSC, as it brought its application for a Receivership Order in order to protect investors and as part of its public interest mandate.

The three factors in a motion for a stay are not to be considered in isolation. In this case, while GTDH is seeking to adjudicate a serious issue on appeal, the OSC has the stronger

Page: 2

position with respect to irreparable harm and balance of convenience. Considering these factors as a whole, the interests of justice do not favour a stay. The motion is dismissed. Any costs consequences arising from this motion will be determined by the panel hearing the appeal.

L. SOSSIN J.A.

Court File No.

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

AFFIDAVIT OF STEPHANIE COLLINS  
(Sworn via Videoconference December 1, 2021)

**TABLE OF CONTENTS – AFFIDAVIT OF STEPHANIE COLLINS**

A.	OVERVIEW .....	1
B.	THE RESPONDENTS’ BUSINESS .....	3
C.	BRIEF HISTORY OF ASD AND THE PROPERTIES PRIOR TO BEING PURCHASED BY THE ADELAIDE LP.....	6
D.	INITIAL ADELAIDE LP CAPITAL RAISES .....	8
E.	ACQUISITION OF THE PROPERTIES BY THE ADELAIDE LP .....	9
F.	TRANSACTIONS WITH ASD IN APRIL 2019.....	10
	1)    Redirection of the Assignment Fee by ASD.....	11
	(i)    West Maroak Developments.....	11
	(ii)   Payment to Goldmount .....	13
	(iii)  Payments to Furtado Holdings and AKM.....	13
	2)    The Demand Loan from ASD to the Adelaide LP.....	13
	3)    ASD Shares.....	14
G.	ADELAIDE LP’S FURTHER SALES OF LP UNITS AND DEMAND LOAN PAYMENT - FALL 2019.....	14
	1)    Further Sales of LP Units.....	14
	(i)    Discussions prior to Marek’s \$12 million investment .....	15
	2)    Demand Loan Payment and its Source of Funds .....	17
H.	PAYMENT OF ASD DIVIDENDS TO FURTADO HOLDINGS AND AKM.....	18
I.	FURTADO’S USE OF THE \$6 MILLION FROM ASD .....	19
J.	FURTADO’S EXPLANATIONS FOR THE ASD SHARES AND PAYMENTS.....	21
	1)    First Examination – September 24, 2020.....	21
	2)    Second Examination – November 5, 2020 .....	22
	3)    Documents Produced After the Second Examination.....	23
	4)    Third Examination – July 7, 2021.....	24

K.	FURTADO’S ADDITIONAL BUSINESS DEALINGS WITH MALANCA AND/OR AKM.....	25
L.	CROSS-COLLATERALIZATION – USE OF OTHER LPS’ ASSETS FOR ADELAIDE LP.....	28
M.	CONCLUSION.....	30

**APPENDIX “A”** – Go-To Limited Partnerships’ Properties

**APPENDIX “B”** – Funds Raised from Investors for all Go-To Limited Partnerships

**APPENDIX “C”** – Funds Raised from Investors for the Adelaide LP

**APPENDIX “D”** – Excerpt from Draft Source and Application Analysis for Furtado Holdings Account in the Dividend Period

**AFFIDAVIT OF STEPHANIE COLLINS**  
**(Sworn via Videoconference December 1, 2021)**

I, Stephanie Collins, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. This affidavit is sworn in relation to the application by the Ontario Securities Commission (the **Commission**) for the appointment of a receiver and manager and other relief.

2. I am a Senior Forensic Accountant in the Enforcement Branch (**Staff**) of the Commission. I joined the Commission in February 1998 as a Forensic Accountant. I am a member of the Chartered Professional Accountants of Ontario, Certified in Financial Forensics. I am also a member of the Institute of Chartered Accountants in England and Wales and a Certified Fraud Examiner.

3. Staff have been conducting an investigation into Go-To Developments Holdings Inc. (**GTDH**) and its principal, Oscar Furtado (**Furtado**), among others (the **Investigation**). I am the forensic accountant assigned to the Investigation. As such, I have personal knowledge of the matters set out in this affidavit, except where I have been informed by others and I believe that information to be true. The Investigation has focused on potential contraventions of the *Securities Act*, including fraud. In this affidavit, I summarize Staff's findings and concerns identified to date that are relevant to this application.

**A. OVERVIEW**

4. GTDH operates a property development business. Furtado is a Chartered Professional Accountant, the founder of GTDH, and the directing mind of all of the other respondents, including Go-To Spadina Adelaide Square LP (**Adelaide LP**).

2.

5. As briefly summarized in this Overview and described in this affidavit, it appears that Furtado received benefits, via his holding company, that were not disclosed to the unitholders of the Adelaide LP as a result of the Adelaide LP's acquisition of properties.

6. Since 2016, Furtado has raised almost \$80 million from approximately 85 Ontario investors by selling limited partnership units in respect of nine real estate projects (the **Go-To Projects**). For each Go-To Project, investors were told, among other things, that their funds would be used to buy properties and fund soft costs. A summary of the Go-To limited partnerships' properties is attached at **Appendix "A"**.

7. In or before the fall of 2018, Alfredo Malanca (**Malanca**) contacted Furtado to see if he was interested in acquiring property in downtown Toronto, including 355 Adelaide St. West and 46 Charlotte Street (collectively, the **Properties**). Prior to contacting Furtado, Malanca, through certain entities, had obtained agreements of purchase and sale for each of the Properties.

8. Malanca is the sole officer and director of Goldmount Financial Group Corporation. His wife, Katarzyna Pikula is the sole officer and director of Goldmount Capital Inc. (collectively **Goldmount**) and of AKM Holdings Inc. (**AKM**). Goldmount has assisted with the mortgage financing for at least five Go-To Projects, including the Adelaide LP. For the most part, Furtado's communications with any of these three companies take place with Malanca. Copies of the corporation profile reports for the Goldmount corporations and AKM are attached as **Exhibits "1", "2" and "3"** respectively.

9. In early April 2019, as a result of a variety of transactions, the Adelaide LP purchased the Properties, the rights to which it acquired from Adelaide Square Developments Inc. (**ASD**). The

3.

total acquisition cost of both Properties to the Adelaide LP at closing was \$74.25 million, which included the payment of a \$20.95 million assignment fee (**Assignment Fee**) to ASD.

10. After the Adelaide LP acquired the Properties, ASD issued shares and made payments to both Furtado's holding company, Furtado Holdings Inc. (**Furtado Holdings**), and AKM. In particular, each of Furtado Holdings and AKM received 11 shares of ASD and payments of \$388,087.33 in April 2019 and \$6 million in October 2019 from ASD. Furtado did not disclose, to the Adelaide LP investors, the shares or the payments that Furtado Holdings received from ASD.

11. Furtado used the proceeds of the \$6 million received from ASD in October 2019 to, among other things, make personal investments and to provide funds to Go-To limited partnerships. The funds provided to Go-To limited partnerships appear to have been used to fund their operations including payments due to investors.

12. Further, Furtado pledged the assets of two other limited partnerships to secure obligations of the Adelaide LP in relation to the acquisition of the Properties, contrary to the relevant limited partnership agreements. He did not disclose the pledges to the investors in those LPs until more than a year later and only after being questioned about the pledges by Staff.

13. In addition, it appears that during the Investigation Furtado has attempted to conceal information from and given conflicting and misleading evidence to Staff.

## **B. THE RESPONDENTS' BUSINESS**

14. GTDH is an Ontario corporation with its head office in Oakville; a copy of its corporation profile report is attached as **Exhibit "4"**. According to correspondence provided to Staff by GTDH's counsel on April 18, 2019, a copy of which is attached as **Exhibit "5"**:

4.

- (a) GTDH's shares are owned by Furtado Holdings;
- (b) GTDH owns all of the shares of Go-To Developments Acquisitions Inc. (**GTDA**);
- (c) GTDH organizes limited partnerships to acquire and develop land;
- (d) GTDH owns all of the shares of each corporate general partner for each limited partnership;
- (e) Furtado is the only 'key individual' of GTDH; and
- (f) GTDH has a staff of eight persons, including Furtado and five members of his family.

15. As part of the Investigation, I reviewed the Corporation Profile Reports for each of the incorporated respondents, all of which are Ontario corporations. Furtado is the sole officer and director of each of them.

16. The incorporated respondents, other than GTDH, Furtado Holdings and GTDA, are the general partners (**GPs**) of the limited partnership (**LPs**) respondents. Although there are nine Go-To projects, there are ten GPs and ten LPs, as one project (Major Mackenzie South Block) has two of each. A copy of a "Corporate Structure" chart that GTDH provided to Staff is attached as **Exhibit "6"**.

17. Each of the LPs owns, alone or with others, one or more real properties in Ontario, all of which are subject to one or more secured charges, as summarized in Appendix A. Furtado's evidence to Staff in July 2021 was that none of the projects has begun construction, but one has entered site servicing. An excerpt of the examination of Furtado is attached as **Exhibit "7"**.

5.

18. Between May 2016 and June 2020, almost \$80 million was raised from approximately 85 Ontario residents via distributions of units of the 10 limited partnerships. Attached at **Appendix “B”** is a table summarizing the funds that were raised from investors for each LP, compiled from a review of a unitholder list provided by Furtado, banking records for the partnerships, subscription agreements signed by investors, and written answers to Staff’s written questions, provided by GTDH and Furtado via counsel. Bank accounts for the respondents are primarily held at the Royal Bank of Canada (RBC). In addition, 2506039 Ontario Limited has account(s) with TD Canada Trust and Go-To Glendale Avenue Inc. has account(s) with Meridian Credit Union.

19. Furtado’s evidence to Staff was that he met with and provided information to all investors in the LPs before they invested. Excerpts of the transcript of the examinations of Furtado are attached as **Exhibit “8”**. Investors were also provided with written materials in relation to their investments. By way of example, I attach copies of:

- (a) an “Investment Opportunity” document and sample corporate and individual subscription agreements for the Go-To Niagara Falls Eagle Valley LP (**Eagle Valley LP**), as **Exhibits “9”**, **“10”**, and **“11”**, respectively; and
- (b) an “Investment Opportunity” document and sample corporate and individual subscription agreements for the Go-To Stoney Creek Elfrida LP (**Elfrida LP**), as **Exhibits “12”**, **“13”**, and **“14”**, respectively.

20. Copies of the limited partnership agreements for each of the Go-To LPs are attached as Exhibits **“15”** to **“24”**. In order to protect investors’ information, redactions have been applied to some of the exhibits, including Exhibit 23.

6.

21. Specifically, the Adelaide LP raised approximately \$42 million from 23 investors from February 15, 2019 to June 18, 2020. Attached as **Appendix “C”** is a spreadsheet summarizing the funds raised by the Adelaide LP, compiled from a unitholder list provided by Furtado, banking records for the Adelaide LP, subscription agreements signed by investors, written answers to Staff’s questions provided by GTDH and Furtado, and other supporting documentation.

**C. BRIEF HISTORY OF ASD AND THE PROPERTIES PRIOR TO BEING PURCHASED BY THE ADELAIDE LP**

22. Beginning in approximately February 2018, Malanca was engaged in obtaining agreements of purchase and sale (**PSAs**) for 355 Adelaide Street West, Toronto (**Adelaide Property**) and 46 Charlotte Street, Toronto (**Charlotte Property**). The initial PSAs for the Properties were each subsequently amended, and in the case of the agreement for the Charlotte Property ultimately replaced with a fresh agreement. ASD obtained the purchasers’ rights for each of the Properties, via either amendment or assignment of the PSAs.

23. Beginning in at least April 2018, Malanca liaised with, at least, various non-bank lenders, potential investors, real estate appraisers, planners, architects, environmental consultants and performed due diligence regarding the Properties. Malanca also circulated a promotional “presentation deck” for a project involving the Properties which was called “Adelaide Square”. The contact information on that presentation deck is Malanca’s. For example, a copy of an email from Malanca dated November 26, 2018 with the attached presentation deck is attached as **Exhibit “25”**.

24. At the beginning of 2018, Malanca contacted Furtado to determine if he was interested in acquiring property in downtown Toronto. Furtado subsequently became involved with Malanca

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and others in discussing, among other things, options for the structure and financing of the purchase of the Properties. During the Investigation, Furtado's evidence to Staff included that:

- (a) he first met Malanca before he formed Go-To Developments;
- (b) it was his understanding that Malanca was a representative of ASD; and
- (c) before Malanca approached him about the Properties, they had prior business dealings. In particular, Malanca was Furtado's "go-to brokerage person" to find private debt lending for the majority of the Go-To limited partnerships.

An excerpt of the transcript of the examination of Furtado reflecting the foregoing is attached as **Exhibit "26"**.

25. The Adelaide LP and ASD entered into the Acquisition Agreements (defined below), pursuant to which, among other things, ASD assigned the rights to purchase the Properties to the Adelaide LP and the Adelaide LP agreed to pay ASD the Assignment Fee.

26. Angelo Pucci (**Pucci**) is the sole registered officer and director of ASD; copies of its corporation profile report are attached as **Exhibit "27"**.

27. During the Investigation, I attempted to contact and speak to Pucci but was not successful. I have been advised by two individuals, who identified themselves to me as Pucci's former landlord and his son that Pucci has health issues including dementia. Pucci's landlord told me that his first episode of leaving the house and not knowing where he was or how to get back occurred in approximately August 2019.

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28. During the Investigation, Furtado's evidence to Staff included that:

- (a) Malanca was his primary contact for the negotiation of the Memorandum of Agreement regarding the \$388K Payment (defined below);
- (b) in the summer of 2019, Furtado was told during a lunch meeting with Malanca and Pucci that ASD intended to pay Furtado Holdings the \$6M Dividend (defined below) "*when they had the funds to pay*". Further, that Malanca had the lead in the discussion; and
- (c) Furtado said that Malanca was present each of the three times that Furtado met Pucci.

29. Furtado's evidence to Staff about his interactions with ASD is discussed in further detail below.

#### **D. INITIAL ADELAIDE LP CAPITAL RAISES**

30. Between February 15 and April 2, 2019, approximately 16 investors invested \$25.25 million in the Adelaide LP, as reflected in Appendix C. Included in this amount is the purchase of 336 Class A units for \$16.8 million by Anthony Marek (**Marek**).

31. Investors in the Adelaide LP signed subscription agreements and were provided with a limited partnership agreement effective April 4, 2019 (**LP Agreement**), a copy of which is attached as Exhibit 23 above. Copies of sample corporate and individual subscription agreements for the Adelaide LP are attached as **Exhibits "28"** and **"29"**, respectively.

32. A copy of a brochure that was given to potential investors about the project is attached as **Exhibit "30"**.

**E. ACQUISITION OF THE PROPERTIES BY THE ADELAIDE LP**

33. Ultimately, the Adelaide LP entered into four agreements to acquire the Properties (together, the **Acquisition Agreements**), as follows:

- (a) an Assignment of Agreement of Purchase and Sale with ASD, in respect of the Adelaide Property, dated March 26, 2019, a copy of which together with the agreement of purchase and sale and its amendments are attached as **Exhibit “31”**;
- (b) an Assignment of Agreement of Purchase and Sale with ASD, in respect of the Charlotte Property, dated March 29, 2019, a copy of which together with the agreement of purchase and sale referred to therein are attached as **Exhibit “32”**;
- (c) an Assignment Fee Agreement with ASD, dated March 29, 2019, a copy of which is attached as **Exhibit “33”**; and
- (d) a Memorandum of Understanding, dated April 3, 2019, relating to Charlotte Street with, among others, ASD and FAAN Mortgage Administrators Inc. (**FAAN**), a copy of which is attached as **Exhibit “34” (MOU)**. FAAN is the Court-appointed trustee of one of the mortgage holders on the Charlotte Property.

34. Pursuant to the Acquisition Agreements:

- (a) the purchase price for the Adelaide Property was \$36.8 million;
- (b) the purchase price for the Charlotte Property, on closing, was \$16.5 million. As discussed below in (d), a density bonus was subsequently due;
- (c) the Adelaide LP owed ASD the Assignment Fee of \$20.95 million; and,

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- (d) under the MOU, further payments were required in the future for the Charlotte Property, namely a “density bonus” ranging from \$1.95 million to \$7.15 million depending on the size of the allowable residential gross floor area of the Adelaide Square project.

35. Torkin Manes LLP (**Torkin**) acted for the Adelaide LP in relation to the acquisition of the Properties. The funds used on closing to pay for the Properties, the Assignment Fee, taxes and expenses, included mortgages from Canadian Mortgage Service Corporation and Scarecrow Capital Inc. (**Scarecrow**), and investor funds. Furtado, as president of Go-To Spadina Adelaide Square Inc. (**Adelaide GP**), directed Torkin to pay the amounts required to close the transactions. A copy of the Direction to Torkin is attached as **Exhibit “35”**. The Direction provides that the Assignment Fee was to be paid to Concorde Law Professional Corporation, in trust. Attached as **Exhibit “36”** is an excerpt of written answers provided to Staff by Furtado’s counsel, Torkin, summarizing the flow of funds to complete the transactions.

36. The parcel registers for the Properties record their transfers to the Adelaide LP on April 5, 2019. Copies of the parcel registers for the Adelaide Property and the Charlotte Property comprise Exhibit 108 to Appendix A.

#### **F. TRANSACTIONS WITH ASD IN APRIL 2019**

37. In this section, the transactions involving ASD, Furtado Holdings, and AKM that occurred after the Adelaide LP acquired the Properties in April 2019 are detailed. In brief summary, after the payment of the Assignment Fee to ASD:

- (a) on April 5, 2019, the Adelaide LP redeemed Marek’s \$16.8 million of units;

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- (b) the redemption of Marek’s units, together with a \$2.7 million fixed fee return, was funded via a redirection by ASD of most of the Assignment Fee (\$19.5 million). The Adelaide LP entered a demand loan agreement dated April 4, 2019, pursuant to which it owed ASD \$19.8 million;
- (c) on April 15, 2019, Furtado Holdings, AKM and two others received shares in ASD; and
- (d) Furtado Holdings and AKM each received a cheque dated April 15, 2019 for \$388,087.33 from the Assignment Fee via a redirection by ASD.

**1) Redirection of the Assignment Fee by ASD**

38. In a Re-Direction dated April 15, 2019, a copy of which is attached as **Exhibit “37”**, ASD instructed its lawyers, Concorde Law, to redirect the Assignment Fee funds as follows:

West Maroak Developments	\$19,500,000.00
Goldmount Financial Group	300,000.00
Concorde Law	115,500.00
RAR Litigation Lawyers	200,000.00
AKM Holdings Corp.	388,087.33
AKM Holdings Corp.	58,325.34
Furtado Holdings Inc.	<u>388,087.33</u>
<b>Total</b>	<b>\$20,950,000.00</b>

**(i) *West Maroak Developments***

39. Marek is an officer and director, and the controlling mind of West Maroak Developments (**West Maroak**). A copy of the corporation profile report is attached as **Exhibit “38”**. As noted above, Marek subscribed for 336 units of the Adelaide LP for \$16.8 million on March 17, 2019.

40. As part of the Investigation, Staff examined Marek over two days. His evidence to Staff, excerpts of the transcript of which are attached as **Exhibit “39”**, included that:

- (a) Marek was introduced to the Adelaide Square project by a lawyer at Concorde Law, who then introduced Marek to Malanca. Marek subsequently met with Furtado;
- (b) prior to the investment in the Adelaide LP, Marek had never bought limited partnership units; and
- (c) Marek did not have a role in the structuring of his initial investment of \$16.8 million. His understanding was that he was providing short-term funding and would receive his \$16.8 million investment back, together with a fixed return of \$2.7 million once the acquisition of the Properties closed. A copy of a limited partnership agreement for the Adelaide LP, which was produced to Staff by Marek and reflects the \$2.7 million flat fee, is attached as **Exhibit “40”**.

41. On April 5, 2019, a resolution of the sole director (Furtado) of the Adelaide GP noted that the Adelaide LP would make a return of capital to Marek in the amount of \$16.8 million. A copy of the resolution with Marek’s signed acknowledgement is attached as **Exhibit “41”**.

42. The initial investment of \$16.8 million plus the fixed return of \$2.7 million totals the \$19.5 million noted in the Re-Direction. While the Re-Direction is dated April 15, 2019, banking records show that West Maroak received \$19.5 million from Concorde Law on April 5, 2019, the date of the resolution to return Marek’s capital. An excerpt of the banking records for West Maroak is attached as **Exhibit “42”**.

(ii) *Payment to Goldmount*

43. As discussed below, Furtado told Staff that \$300,000 was paid to Goldmount for introducing Marek to the Adelaide LP.

(iii) *Payments to Furtado Holdings and AKM*

44. Furtado Holdings received a cheque dated April 15, 2019, from Concorde Law for \$388,087.33 (the **\$388K Payment**) a copy of which is attached as **Exhibit “43”**. Furtado’s changing explanations of that payment are noted below. AKM also received a cheque from Concorde Law for the same amount that day, a copy of which is attached as **Exhibit “44”**.

**2) The Demand Loan from ASD to the Adelaide LP**

45. Furtado told Staff that the Adelaide LP borrowed \$19.8 million from ASD in order to finance the return of capital plus the flat fee to Marek and the \$300,000 payment to Goldmount for referring Marek. Attached as **Exhibit “45”** are excerpts from the transcripts of the examination of Furtado. During the Investigation, Furtado produced a demand loan agreement dated April 4, 2019, for \$19.8 million between the Adelaide LP as the borrower and ASD as the lender (the **Demand Loan**), a copy of which is attached as **Exhibit “46”**. The Demand Loan agreement states that the purpose of the loan was “... *to reimburse the bridge equity loan received from an equity investor who deposited directly to lawyer’s trust account for closing of Adelaide Project [sic]. The Lender reimbursed the funds directly to the equity investor and set up a receivable from the Borrower*”.

46. After being asked by Staff about the loan, on June 29, 2021, Furtado authorized the registration of a \$19.8 million charge against the Properties on behalf of ASD, in relation to the Demand Loan. A copy of that charge is attached as **Exhibit “47”**.

### 3) ASD Shares

47. One week after the Adelaide LP acquired the Properties, on April 12, 2019, the articles of ASD were amended to change the share structure. A copy of the Articles of Amendment is attached as **Exhibit “48”**.

48. Furtado Holdings received 11 Class A common shares in ASD on April 15, 2019; a copy of the share certificate is attached as **Exhibit “49”**. Several documents, each dated April 15, 2019, were executed in relation to the issuance of ASD shares to Furtado Holdings, including:

- (a) A Resolution of the Board of Directors of ASD, resolving to issue 11 shares to each of Furtado Holdings, AKM, and FIM Holdings Inc., and 67 shares to Pucci, a copy of which is attached as **Exhibit “50”**;
- (b) A Subscription of Shares, in which Furtado Holdings agreed to subscribe for 11 common shares of ASD for \$11, a copy of which is attached as **Exhibit “51”**;
- (c) A Special Resolution of the Shareholders of ASD, resolving to reorganize the capital stock of the corporation, a copy of which is attached as **Exhibit “52”**; and
- (d) A Shareholders’ Agreement, a copy of which is attached as **Exhibit “53”**.

## **G. ADELAIDE LP’S FURTHER SALES OF LP UNITS AND DEMAND LOAN PAYMENT - FALL 2019**

### 1) Further Sales of LP Units

49. Between September 19 and 30, 2019, Furtado raised additional funds totalling \$13.25 million for the Adelaide LP from four investors, including a further \$12 million from Marek on September 26, as seen in Appendix C.

(i) *Discussions prior to Marek's \$12 million investment*

50. During his examination, Marek told Staff that Furtado contacted him in August 2019 to seek further investment in the Adelaide LP. Furtado, however, told Staff at his examination in September 2020 that Marek approached him in August 2019 indicating that he was willing to come back as an investor. Excerpts of the transcripts of Marek and Furtado, respectively, are attached as **Exhibits “54”** and **“55”**.

51. Both Furtado and Marek gave evidence that they met to discuss a potential new investment by Marek in the Adelaide LP, in late August and/or early September 2019. They also agree that Furtado provided Marek with a copy of the brochure attached as **Exhibit “56”**.

52. Furtado and Marek also both gave evidence that Furtado did not expressly tell Marek how the proceeds of any further investment would be used by the Adelaide LP, nor did Marek ask. In this respect:

- (a) Marek's evidence was that, during the meeting, Furtado presented to him about the Adelaide Square project, including about the building, the architects involved, the timing and direction of the total project. Marek's evidence was that he understood that the Adelaide LP was raising funds *“In order to pay its consultants and the development fees and going forward with the project”*. His evidence was that Furtado said *“that they needed another \$12 million to flow through to complete the project”*; and
- (b) Furtado's evidence was that he told Marek *“we are raising equity for the LP. We didn't get into the details of what the money was to be used for.”*

Excerpts of the transcript of the examinations of Marek and Furtado, respectively, that reflect the foregoing are attached as **Exhibits “57” and “58”**.

53. Furtado and Marek were each asked about a portion of the brochure attached as Exhibit 56 above which, again, was provided to Marek in August or September 2019. In particular, each were shown this page 10 of that Exhibit:

**10** **ADELAIDE SQUARE** | **PROJECT OVERVIEW**  
**Land Acquisition**

- The Partnership closed the acquisition of the Project property in April 2019.
- Go-To Developments and its partners in the Project (see Section III) have collectively invested approximately \$19.8 million of the total \$27 million equity required.

Sources		Uses	
Equity – third-party investors	\$ 7.5	Acquisition of land	\$ 74.3
Equity – Atria Development	3.0	Interest reserves & other fees	9.9
Equity – Adelaide Square Developments	16.8	Land transfer tax	3.0
1 <sup>st</sup> Mortgage	48.3	Cost to Achieve ZBA & SPA	2.0
2 <sup>nd</sup> Mortgage	13.7		
	<b>\$ 89.2</b>		<b>\$ 89.2</b>

54. Furtado’s evidence about page 10 was that it reflected the circumstances as of the day the acquisitions of the Properties closed. Furtado stated that the line “*Equity – Adelaide Square Developments – 16.8*” indicated that ASD was, on April 4, 2019, holding Marek’s \$16.8 million investment and would be the entity paying him back. Furtado asserted that he explained that fact to Marek during their meeting. Among other things, Furtado stated “*It was clearly made clear to [Marek] that that is all that was, was his own money, and he said yes, okay...*”. Furtado acknowledged that ASD had not invested any equity in the Adelaide LP, and stated that the

document “*Could have been worded better...*” An excerpt of the transcript of the examination of Furtado that reflects the foregoing is attached as **Exhibit “59”**.

55. Marek’s evidence, on the other hand, was that Furtado told him “*nothing*” about the line “*Equity – Adelaide Square Developments – 16.8*”. Marek’s evidence was that Furtado did not tell him, nor did he understand before making the investment of \$12 million in September 2019, any of the following:

- (a) the “16.8” figure on page 10 represented Marek’s previous investment of \$16.8 million in the Adelaide LP;
- (b) ASD was the entity that had paid back Marek’s earlier investment;
- (c) the Adelaide LP had received a loan from ASD to repay Marek’s investment; and
- (d) Marek’s \$12 million investment was to be used to repay part of the loan owed to ASD.

An excerpt of the transcript of the examination of Marek that reflects the foregoing is attached as **Exhibit “60”**.

## **2) Demand Loan Payment and its Source of Funds**

56. On October 1, 2019, less than a week after Marek’s \$12 million investment, the Adelaide LP transferred \$12 million to Schneider Ruggiero Spencer Milburn LLP (**Schneider Ruggiero**). The Adelaide LP’s bank balance immediately prior to the payment was approximately \$13.2 million. Based on a review of the bank statements and supporting documentation, the majority of the payment to Schneider Ruggiero must have been comprised of the \$12 million investment by Marek. Copies of the bank statements and supporting documentation are attached as **Exhibit “61”**.

57. Furtado's evidence to Staff was that the \$12 million payment by the Adelaide LP to Schneider Ruggiero on October 1, 2019 was a partial payment on the Demand Loan. He further stated that such payment was not due and had not been demanded by ASD. Furtado also asserted that one of the Adelaide LP's goals was to raise equity to pay down debts. It appears from the Demand Loan agreement and a summary of the status of the loan provided by Furtado's counsel that the interest payable on the Demand Loan was a fixed monthly amount that increased over time but was not changed by the \$12 million payment. Excerpts of written answers provided to Staff by Furtado's counsel, and from the transcripts of the examinations of Furtado on these matters are attached as Exhibit 36 above, **Exhibits "62"** and **"63"** respectively.

#### **H. PAYMENT OF ASD DIVIDENDS TO FURTADO HOLDINGS AND AKM**

58. In a document titled "Re Direction Re Funds" dated September 30, 2019, a copy of which is attached as **Exhibit "64"**, ASD instructed Schneider Ruggiero to pay a \$6M partial dividend to Furtado Holdings (**\$6M Dividend**). The direction states that it is "*Re: Adelaide Square Developments Inc. dividend distribution relating to the properties municipally known as 355 Adelaide St. W., Toronto, Ontario 46 Charlotte St., Toronto, Ontario*".

59. On October 1, 2019, Furtado Holdings and AKM were each paid a \$6M dividend by Schneider Ruggiero; an excerpt of the Furtado Holdings bank statement is attached as **Exhibit "65"** and a copy of a wire payment confirmation for AKM's account is attached as **Exhibit "66"**. For the year ending 2019, AKM and Furtado Holdings each received a T5 Statement of Investment Income in the amount of \$6,388,087 for dividend income, copies of which are attached as **Exhibits "67"** and **"68"** respectively. It thus appears that the payments in the amounts of \$388,087 and \$6 million to each of AKM and Furtado Holdings were recorded as dividends for their shareholding in ASD.

60. Thus, on the same day that the Adelaide LP paid \$12 million to Schneider Ruggiero, purportedly as a partial payment on the Demand Loan with ASD, Furtado Holdings and AKM were each wired a \$6 million dividend payment from ASD via Schneider Ruggiero.

#### **I. FURTADO'S USE OF THE \$6 MILLION FROM ASD**

61. Prior to the receipt of the \$6 million dividend on October 1, 2019, the balance in the Furtado Holdings Royal Bank account was approximately \$2,000. Between October 1, 2019 and August 17, 2020 (the **Dividend Period**), the only other funds deposited in the account were: (a) a repayment of a loan by the Adelaide LP in the amount of \$75,000; and (b) approximately \$1,800 from an unknown source. An excerpt from my draft source and application of funds analysis and the relevant bank statements for the Furtado Holdings account for the Dividend Period are attached, respectively, as **Appendix "D"** and **Exhibit "113"** thereto. In summary, during the Dividend Period approximately:

- (a) \$2.25 million was transferred from Furtado Holdings to Furtado's personal account at RBC between November 28, 2019 and March 31, 2020 (**Furtado Bank Account**);
- (b) \$3.265 million was loaned or otherwise transferred to various Go-To entities;
- (c) \$541,000 was transferred to law firms;
- (d) \$10,000 was paid to Humberstone Lands Inc. in relation to "MF Georgetown Expenses"; and
- (e) as at August 17, 2020, the balance in the Furtado Holdings account had diminished to approximately \$11,861.

62. With respect to the approximately \$2.25 million transferred to the Furtado Bank Account, there were transfers out of that account totalling approximately \$2.026 million to Furtado's RBC Direct Investing account (**RBC Direct Account**) which were made close in time to the transfers in from Furtado Holdings. Attached as **Exhibit "69"** are copies of the account statements for the Furtado Bank Account for the period November 8, 2019 to April 9, 2020, together with the supporting documents for the transfers in from Furtado Holdings and the transfers out to the RBC Direct Account in that period.

63. The approximately \$2.026 million which went to the RBC Direct Account was transferred into that account over time, with the first transfer occurring in January 2020. As at the end of December 2019, Furtado's RBC Direct Account had assets valued at CAD (6,822.24) and USD 307,235.58. I reviewed the RBC Direct Account statements for the period January 2020 to October 2021, which is the most recent month for which I have statements. Over that period, Furtado purchased and sold various securities within the RBC Direct Account, in both CAD and USD, the valuations of which fluctuated over time, and made transfers in and out of the RBC Direct Account. As of October 29, 2021, the market values of the securities and cash in the RBC Direct Account were CAD 1,240,041.27 and USD 463,056.44. Attached as **Exhibit "70"** are copies of the CAD and USD December 2019 and October 2021 statements for the RBC Direct Account.

64. Appendix D above contains a summary of the receipts of the \$3.265 million by the Go-To entities in the Dividend Period. I have not yet completed a full source and application analysis of the approximately \$3.265 million that went to other Go-To entities. Generally speaking, however, it appears that those funds were spent on operating costs and payments to LP investors.

## **J. FURTADO'S EXPLANATIONS FOR THE ASD SHARES AND PAYMENTS**

65. In addition to providing, via counsel, answers to written questions, Furtado was examined by Staff over 2.5 days, on September 24, 2020, November 5, 2020 and July 7, 2021. Furtado's evidence to Staff as to Furtado Holdings' receipt of the ASD shares, the \$388K Payment, and the \$6M Dividend has changed over time, and is discussed in chronological order below.

66. Furtado confirmed that none of the \$388K Payment, Furtado Holdings' shareholding in ASD, nor the \$6M Dividend were disclosed to Adelaide LP investors. It was Furtado's position that the shareholding and dividend took place after the Properties were acquired, had no impact on unitholders and there was no disclosure requirement. Attached as **Exhibit "71"** are excerpts of the transcripts of the examination of Furtado reflecting the foregoing.

### **1) First Examination – September 24, 2020**

67. On the first day of his examination, Furtado was shown the deposit slip and cheque for the \$388K Payment dated April 16, 2019, attached as Exhibit 43 above, which refers to 46 Charlotte in the memo line. Furtado was asked what the cheque represents. Furtado's answer was "*I don't recall. I don't recall offhand*". Attached as **Exhibit "72"** is an excerpt of the transcript containing this exchange.

68. During that examination, Furtado was also shown the Furtado Holdings bank statement showing a \$6 million transfer from Schneider Ruggiero on October 1, 2019 and was asked what the funds were for. Furtado's answer was "*I don't recall offhand*". Attached as **Exhibit "73"** is an excerpt of the transcript containing this exchange.

**2) Second Examination – November 5, 2020**

69. During the second day of his examination in November 2020, Furtado's evidence regarding the \$388K Payment was that:

- (a) by agreement with ASD, Furtado Holdings was paid \$388,087.33 as a return for having "*assumed the risk*" for a non-refundable deposit of \$800,000 that was paid to the vendor of the Adelaide Property with funds from the Adelaide LP;
- (b) ASD did not have the money to fund the deposit, so Furtado offered to fund it. Furtado Holdings "*assumed the risk that it would be lost*" if the transaction did not close and asked ASD to pay a fee if the deal did close; and
- (c) There was no contract or other written document relating to the foregoing and the return was agreed during a "*verbal discussion*" he had with Pucci.

Attached as **Exhibit "74"** is an excerpt of the transcript of the examination of Furtado reflecting the above.

70. Regarding the ASD shares and the \$6M Dividend, Furtado's evidence at the second examination was that:

- (a) ASD's management approached him after the closing of the Properties and said they wanted to give him shares in ASD, comprising a minority interest of 11%, and that he "*was not aware they were going to do so*";
- (b) he met with ASD and completed the paperwork to receive the shares;

- (c) ASD subsequently decided to declare a dividend of \$6 million on Furtado Holdings' shares;
- (d) ASD wanted to give him shares as "*they saw the value that [he] brought to the transaction*". Furtado claimed that certain negotiation strategies and aspects of the transactions, for example the density bonus for the Charlotte Property, were his ideas and his ideas "*save[d] the deal*". He stated that his receipt of the \$6M Dividend "*was more of a thank you than anything else*"; and
- (e) His usual contact at ASD was Pucci, and that the conversation about ASD giving Furtado Holdings shares was with Pucci.

Attached as **Exhibit "75"** is an excerpt of the transcript of the examination of Furtado reflecting the above.

### **3) Documents Produced After the Second Examination**

71. After the second examination, Staff sought, via summons, additional documents from Furtado relating to the Adelaide LP transactions and Furtado Holdings' receipt of payments and shares from ASD, including all correspondence with ASD or its representatives in relation to the purchase and sale of the Properties. A copy of Furtado's written answers in response, provided to Staff by his counsel on January 28, 2021, is attached as **Exhibit "76"**.

72. In addition, with the January 2021 written answers Furtado produced:

- (a) a "Memorandum of Agreement" between Furtado, ASD and the Adelaide LP relating to the \$388K Payment, despite his evidence at the second examination that there was no written document regarding the \$388K Payment; a copy is attached as

24.

**Exhibit “77”**. (Furtado also produced a Memorandum of Agreement between himself, Furtado Holdings and the Adelaide LP, a copy of which is attached as **Exhibit “78”**); and

- (b) versions of the Re-Direction and certain of the ASD shareholding documents containing redactions, which removed references to anyone other than Furtado and Pucci, copies of which are attached as **Exhibit “79”**. The unredacted versions of these documents, which are attached as Exhibits 37, 53, 50 and 52 above, were produced to Staff on February 23, 2021.

**4) Third Examination – July 7, 2021**

73. Furtado’s evidence at the third examination included that:

- (a) Malanca was his primary contact for the negotiation of the Memorandum of Agreement regarding the \$388K Payment;
- (b) in the summer of 2019, Furtado was told during a lunch meeting with Malanca and Pucci that ASD intended to pay Furtado Holdings the \$6M Dividend “*when they had the funds to pay*”. Further, that Malanca had the lead in the discussion; and
- (c) he had limited exposure to Pucci, only recalled meeting him 3 times in person, and that Malanca was present at all those meetings.

Attached as **Exhibit “80”** are excerpts of the transcript of the July 2021 examination of Furtado reflecting the above.

74. In addition, with respect to the \$388K Payment to Furtado Holdings, Furtado’s evidence at this examination was that, if the acquisition of the Properties failed to close and the \$800,000

deposit was forfeited, Furtado Holdings would have reimbursed the Adelaide LP the \$800,000 it had advanced. When asked what assets Furtado Holdings had at the time it provided this assurance to the Adelaide LP, Furtado's evidence was that he could not recall offhand and, via counsel, he refused to provide that information by way of undertaking. Attached as **Exhibits "81" and "82"** respectively are excerpts of the transcript reflecting the foregoing and from his written answers to undertakings delivered thereafter.

75. As mentioned above, for the year ending 2019, AKM and Furtado Holdings each received a T5 in the amount of \$6,388,087 for dividend income. When asked why Furtado Holdings received a T5 indicating that the \$388K was a dividend, Furtado's evidence was that payment in that manner was more tax effective. Furtado further indicated that he had "*no idea*" why, or if, AKM also received a payment of \$388,087. Attached as **Exhibit "83"** are excerpts of the transcript reflecting the foregoing.

#### **K. FURTADO'S ADDITIONAL BUSINESS DEALINGS WITH MALANCA AND/OR AKM**

76. During the third examination, Staff also entered as exhibits for identification and questioned Furtado about four email exchanges between him and Malanca in February and March 2019, copies of which, including the exhibit stamps, are attached as **Exhibits "84", "85", "86", and "87"** respectively. All of these Exhibits, which pre-dated the closing of the Properties, refer to a "lift" or "lift payment" within them. An excerpt of the transcript relating to these email exchanges is attached as **Exhibit "88"**.

77. Furtado asserted that "lift" was a term that could imply many things. Further, Furtado stated that in relation to the Properties, Malanca used the term 'lift' in conversations with Furtado relating to "*the profitability that he was making on – that [ASD] was making*". It appears that

ASD's profit, before expenses, on the sale of the Properties to the Adelaide LP was the \$20.95 million Assignment Fee. Furtado's evidence to Staff was that when he was negotiating the Properties' acquisition, he did not negotiate, expect or intend to receive part of the benefit of the Assignment Fee payable to ASD. An excerpt of the transcript reflecting the foregoing is attached as **Exhibit "89"**.

78. Furtado's evidence at the third examination also included that:

- (a) Malanca continues to be involved with the Adelaide LP project, including that he has been assisting with the development application process; and
- (b) Furtado has provided Malanca with a Go-To email account under the name "Alfredo Palmeri", because Malanca asked for the email account to be in that name. Furtado claimed that he did not know why some people know Malanca as Palmeri, other than that Palmeri is Malanca's mother's maiden name.

Excerpts of the transcript reflecting the foregoing are attached as **Exhibit "90"**.

79. In contrast to Furtado's evidence, Marek gave evidence to Staff that, in summary:

- (a) he received emails from both "Alfredo Malanca" and "Alfredo Palmeri" and, at some point after making the \$12 million investment in September 2019, he did some internet searching of those names and discovered, among other things, documents relating to criminal conviction of "Alfredo Italo Malanca";
- (b) he then contacted Furtado to ask if the person they were dealing with was Alfredo Italo Malanca. Furtado invited Marek to a meeting. Among other things, Furtado

27.

confirmed Marek's conclusion about Malanca's history. Further, Marek had a subsequent meeting with Furtado and Malanca, in which Malanca himself confirmed he had spent time in prison; and

- (c) When Marek asked why Malanca sometimes goes by Palmeri, he was told "*...because of his storied past, he could not get financing...because [sic] would do a check on him and most likely ... he would not fall within the requirements ... of what a lender would looking at from a borrower*".

Excerpts of the transcript of the examination of Marek reflecting the foregoing are attached as **Exhibit "91"**. Attached as **Exhibits "92"**, **"93"**, and **"94"** respectively are copies of the reasons of the Superior Court of Justice, the Court of Appeal, and the Supreme Court of Canada (denying leave) in the proceeding against Alfredo Italo Malanca.

80. The Adelaide GP entered into a Project Management Agreement dated July 31, 2020, with GTDH and AKM as consultants (the **PMA**). In the PMA produced to Staff by Furtado's counsel, the manager is listed as "TBD"; a copy is attached as **Exhibit "95"**. Among other things, the PMA provides that each of GTDH and AKM are to be paid a "Development Consultant Fee" of \$750,000 and a "Construction Consultant Fee" in an amount to be determined (see article 5.2 of the PMA). Note 5 to the draft financial statements for the Adelaide LP for the calendar year ended 2020 states that the Adelaide LP accrued \$750,000 in development management fees owing to both GTDH and AKM in 2020; a copy of those draft financial statements is attached as **Exhibit "96"**.

**L. CROSS-COLLATERALIZATION – USE OF OTHER LPS’ ASSETS FOR ADELAIDE LP**

81. In addition, as part of the transactions to acquire the Properties for the Adelaide LP, Furtado pledged the assets of two other limited partnerships to secure obligations of the Adelaide LP.

82. Furtado signed the MOU attached at Exhibit 34 on behalf of the Adelaide LP and Adelaide GP, himself, and on behalf of the Elfrida LP and Go-To Stoney Creek Elfrida Inc. (**Elfrida GP**). Under the MOU, the Elfrida GP and Elfrida LP are guarantors of obligations of the Adelaide LP, as set out in that agreement. Among other things in the MOU, the Elfrida GP and Elfrida LP agreed to the registration of a \$7.15 million collateral charge on the Elfrida LP’s property. A \$7.15 million charge was registered against the Elfrida LP’s property by FAAN on April 5, 2019 (**FAAN Charge**) and removed from title on November 9, 2021; copies of the FAAN Charge and the discharge are attached as **Exhibit “97”**.

83. Furtado also caused the Eagle Valley LP and Go-To Niagara Falls Eagle Valley Inc. to agree to the registration of a \$13,712,500 charge on the Eagle Valley LP’s property as collateral for Scarecrow in respect of its mortgage loan to the Adelaide LP. The charge was registered against the Eagle Valley LP’s property on April 4, 2019, a copy of which is attached as **Exhibit “98” (Scarecrow Charge)**. The Scarecrow Charge was transferred and subsequently removed from title by the transferee on April 1, 2021. Copies of the transfer and discharge of the Scarecrow Charge are attached as **Exhibit “99”**.

84. The LP Agreements for the Elfrida LP and the Eagle Valley LP, respectively, which are attached at Exhibits 19 and 15 above, both state at section 5.16:

**5.16 Restrictions upon the General Partner.** ... *The General Partner covenants that it shall not:*

- (a) Cause the Partnership to guarantee the obligations or liabilities of, or make loans to, the General Partner or any Affiliate of the General Partner; or*
- (b) Commingle the funds and assets of the Partnership with the funds or assets of any other Person, including those of the General Partner or any Affiliate of the General Partner.*

85. Furtado was asked about uses of other limited partnership assets as security for obligations of the Adelaide LP during Staff's examinations of him. In summary, his evidence included that:

- (a) cross collateralization, which is the nature of the FAAN Charge and Scarecrow Charge, is common in the industry;
- (b) investors were not told of the FAAN Charge and the Scarecrow Charge before they occurred. It was Furtado's position that notice to or approval of investors was not required. Further, he stated that investors were subsequently informed of the charges either via their receipt of audited financial statements for the relevant limited partnership (sent when requested by the investor), a progress report on the relevant project, or in discussions with him. The disclosure to investors via the progress reports occurred only after Staff questioned Furtado about the cross collateralizations; and
- (c) Furtado did not obtain any compensation for either the Eagle Valley LP or the Elfrida LP in exchange for the pledging of their assets for the FAAN Charge and the Scarecrow Charge.

Excerpts of the transcripts of the examination of Furtado reflecting the foregoing are attached as **Exhibit "100"**.

86. Staff began asking questions about these cross-collateralizations at the first examination of Furtado on September 24, 2020. The progress reports to Eagle Valley LP and Elfrida LP investors which first mention the April 2019 cross-collateral charges are dated November 9, 2020 and December 18, 2020, respectively; copies are attached as **Exhibits “101”** and **“102”**.

### M. CONCLUSION

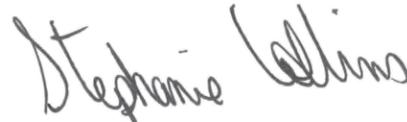
87. I make this affidavit in relation to the Commission’s application pursuant to the *Securities Act*, and for no other purpose.

SWORN before me remotely by Stephanie Collins stated as being located at the City of Toronto in the Province of Ontario, before me at the City of Mississauga in the Province of Ontario, on this 1<sup>st</sup> day of December, 2021, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.



Commissioner for taking affidavits

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**



STEPHANIE COLLINS

## APPLICATION RECORD INDEX

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
1	Notice of Application dated December 6, 2021 (to be issued)	1-13
2	Affidavit of Stephanie Collins sworn December 6, 2021	1-33
A	Appendix “A” – Go-To Limited Partnerships’ Properties	34-35
B	Appendix “B” – Funds Raised from Investors for all Go-To Limited Partnerships	36-38
C	Appendix “C” – Funds Raised from Investors for the Adelaide LP	39-40
D	Appendix “D” – Excerpt from Draft Source and Application Analysis for Furtado Holdings Account in the Dividend Period	41-45
1	Exhibit 1 – Corporation Profile Report Re: Goldmount Financial Group Corporation	46-51
2	Exhibit 2 – Corporation Profile Report Re: Goldmount Capital Inc.	52-57
3	Exhibit 3 – Corporation Profile Report Re: AKM Holdings Corp.	58-61
4	Exhibit 4 – Corporation Profile Report Re: Go-To Developments Holdings Inc.	62-66
5	Exhibit 5 – Email dated April 18, 2019 from Torkin Manes to Staff Responding to Staff’s Enquiry Letter of March 20, 2019	67-73
6	Exhibit 6 – Go-To Developments Corporate Organizational Chart	74-75
7	Exhibit 7 – Furtado Transcript Excerpts (pp. 9-10)	76-78
8	Exhibit 8 – Furtado Transcript Excerpts (pp. 210-235, 344-345)	79-107
9	Exhibit 9 – Investment Opportunity Re: Eagle Valley	108-127
10	Exhibit 10 – Corporate Subscription Agreement Re: Eagle Valley	128-143
11	Exhibit 11 – Individual Subscription Agreement Re: Eagle Valley	144-159
12	Exhibit 12 – Investment Opportunity Re: Stoney Creek Elfrida	160-185
13	Exhibit 13 – Corporate Subscription Agreement Re: Stoney Creek Elfrida	186-201

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
14	Exhibit 14 – Individual Subscription Agreement Re: Stoney Creek Efrida	202-217
15	Exhibit 15 – Limited Partnership Agreement Re: Niagara Falls Eagle Valley	218-261
16	Exhibit 16 – Limited Partnership Agreement Re: Glendale Avenue	262-305
17	Exhibit 17 – Limited Partnership Agreement Re: Niagara Falls Chippawa	306-349
18	Exhibit 18 – Limited Partnership Agreement Re: St. Catharines Beard	350-393
19	Exhibit 19 – Limited Partnership Agreement Re: Stoney Creek Elfrida	394-438
20	Exhibit 20 – Limited Partnership Agreement Re: Vaughan Islington Avenue	439-482
21	Exhibit 21 – Limited Partnership Agreement Re: Major MacKenzie South Block 1	483-526
22	Exhibit 22 – Limited Partnership Agreement Re: Major MacKenzie South Block 2	527-570
23	Exhibit 23 – Limited Partnership Agreement Re: Spadina Adelaide	571-616
24	Exhibit 24 – Amended and Restated Limited Partnership Agreement Re: Aurora Road	617-657
25	Exhibit 25 – Email from Malanca attaching Adelaide Square Presentation Deck	658-699
26	Exhibit 26 – Furtado Transcript Excerpts (pp. 32-46)	700-715
27	Exhibit 27 – Corporation Point in Time Report and Corporation Profile Report Re: Adelaide Square Developments Inc. (ASD)	716-731
28	Exhibit 28 – Corporate Subscription Agreement Re: Adelaide LP	732-747
29	Exhibit 29 – Individual Subscription Agreement Re: Adelaide LP	748-763
30	Exhibit 30 – Brochure Re: Adelaide Square	764-807
31	Exhibit 31 – Agreement of Purchase and Sale Re: 355 Adelaide St W., amendments thereto and assignment thereof	808-837
32	Exhibit 32 – Agreement of Purchase and Sale Re: 46 Charlotte Street, and assignment thereof	838-859
33	Exhibit 33 – Assignment Fee Agreement between ASD and the Adelaide LP	860-865
34	Exhibit 34 – Memorandum of Understanding	866-893

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
35	Exhibit 35 – Direction Re: Disbursement of Funds	894-896
36	Exhibit 36 – Written Answers from Furtado, dated July 24, 2020, to Questions from OSC Staff	897-903
37	Exhibit 37 – Re-Direction dated April 15, 2019	904-905
38	Exhibit 38 – Corporation Profile report Re: West Maroak Developments Inc.	906-913
39	Exhibit 39 – Marek Transcript Excerpts (pp. 25-31, 41-44, 73-74, 77-81, 84-85, 157-158)	914-936
40	Exhibit 40 – Limited Partnership Agreement Re: Adelaide LP	937-978
41	Exhibit 41 – Resolution of the Sole Director of Adelaide GP	979-982
42	Exhibit 42 – RBC Business Account Statement Re: West Maroak Developments Inc. (March 29, 2019 to April 30, 2019)	983-984
43	Exhibit 43 – Cheque from Concorde Law to Furtado Holdings Inc. in the amount of \$388,087.33	985-987
44	Exhibit 44 – Cheque from Concorde Law to AKM Holding Corp. in the amount of \$388,087.33	988-989
45	Exhibit 45 – Furtado Transcript Excerpts (pp. 112-115, 111-119)	990-1003
46	Exhibit 46 – Demand Loan Agreement between ASD and the Adelaide LP	1004-1011
47	Exhibit 47 – Land Registry Documents Re: ASD Charge on Adelaide LP properties	1012-1014
48	Exhibit 48 – Articles of Amendment Re: ASD	1015-1020
49	Exhibit 49 – ASD Share Certificate	1021-1022
50	Exhibit 50 – Resolution of the Board of Directors of ASD	1023-1025
51	Exhibit 51 – Subscription of ASD Shares dated April 15, 2019	1026-1027
52	Exhibit 52 – Special Resolution of the Shareholders of ASD	1028-1033
53	Exhibit 53 – Shareholders Agreement re ASD dated April 15, 2019	1034-1050
54	Exhibit 54 – Marek Transcript Excerpts (pp. 84-85, 173-175)	1051-1056

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
55	Exhibit 55 – Furtado Transcript Excerpts (pp. 102-105)	1057-1061
56	Exhibit 56 – Brochure Re: Adelaide Square	1062-1090
57	Exhibit 57 – Marek Transcript Excerpts (pp. 104-105, 140, 175-179)	1091-1099
58	Exhibit 58 – Furtado Transcript Excerpts (pp. 219-220)	1100-1102
59	Exhibit 59 – Furtado Transcript Excerpts (pp. 216-219)	1103-1107
60	Exhibit 60 – Marek Transcript Excerpts (pp. 206-210)	1108-1113
61	Exhibit 61 – RBC Business Account Statement Re: Go-To Spadina Adelaide Square Inc. and supporting documentation	1114-1122
62	Exhibit 62 – Written Answers to Summons Provided by Furtado dated March 31, 2021 (excerpt)	1123-1124
63	Exhibit 63 – Furtado Transcript Excerpts (pp. 120-123)	1125-1129
64	Exhibit 64 – Memo Re: Direction Re Funds	1130-1131
65	Exhibit 65 – RBC Business Account Statement Re: Furtado Holdings	1132-1134
66	Exhibit 66 – Wire Payment Statement Re: AKM	1135-1136
67	Exhibit 67 – T5 – Statement of Investment Income (2019) - AKM	1137-1139
68	Exhibit 68 – T5 – Statement of Investment Income (2019) - Furtado Holdings	1140-1141
69	Exhibit 69 – RBC Bank Account Statements Re: Furtado with supporting documents	1142-1179
70	Exhibit 70 – RBC Direct Investing Account Statements Re: Furtado	1180-1198
71	Exhibit 71 – Furtado Transcript Excerpts (pp. 275-276, 85)	1199-1202
72	Exhibit 72 – Furtado Transcript Excerpts (pp. 202-203)	1203-1205
73	Exhibit 73 – Furtado Transcript Excerpts (p. 208)	1206-1207
74	Exhibit 74 – Furtado Transcript Excerpts (pp. 259-262)	1208-1212
75	Exhibit 75 – Furtado Transcript Excerpts (pp. 265-276)	1213-1225

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
76	Exhibit 76 – Written Answers to Summons Provided by Furtado	1226-1234
77	Exhibit 77 – Memorandum of Agreement between ASD, the Adelaide LP, and Furtado dated March 26, 2019	1235-1236
78	Exhibit 78 – Memorandum of Agreement dated March 26, 2019	1237-1238
79	Exhibit 79 – Redacted Copies of ASD Shareholding Documents and Re-Direction of Assignment Fee Provided to Staff by Furtado	1239-1263
80	Exhibit 80 – Furtado Transcript Excerpts (pp. 81-83, 92-98)	1264-1274
81	Exhibit 81 – Furtado Transcript Excerpts (pp. 87-91)	1275-1280
82	Exhibit 82 – Furtado’s Answers to Questions Taken Under Advisement from July 2021 Examination	1281-1283
83	Exhibit 83 – Furtado Transcript Excerpts (pp. 84-85, 110)	1284-1287
84	Exhibit 84 – Email chain between Malanca and Furtado	1288-1291
85	Exhibit 85 – Email chain between Malanca and Furtado Re: Spadina Adelaide Land Proforma	1292-1295
86	Exhibit 86 – Email chain between Malanca and Furtado Re: Lift Analysis	1296-1299
87	Exhibit 87 – Email chain between Malanca and Furtado Re: Numbers run using Louis spreadsheet	1300-1304
88	Exhibit 88 – Furtado Transcript Excerpts (pp. 149-201)	1305-1358
89	Exhibit 89 – Furtado Transcript Excerpts (pp. 137-147)	1359-1370
90	Exhibit 90 – Furtado Transcript Excerpts (pp. 201-205)	1371-1376
91	Exhibit 91 – Marek Transcript Excerpts (pp. 44-55)	1377-1389
92	Exhibit 92 – <i>R. v. Malanca</i> [2006] O.J. No. 1974 – Reasons for Sentence	1390-1430
93	Exhibit 93 – <i>R. v. Malanca</i> (2007), 88 O.R. (3d) 570 (C.A.)	1431-1450
94	Exhibit 94 – <i>R. v. Malanca</i> – SCC Case Summary	1451-1452
95	Exhibit 95 – Project Management Agreement re: Adelaide LP dated July 31, 2020	1453-1489

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
96	Exhibit 96 – Correspondence and Draft Adelaide LP 2020 Financial Statements	1490-1503
97	Exhibit 97 – Land Registry Documents Re: Charge by FAAN on Elfrida LP Property and Discharge thereof	1504-1516
98	Exhibit 98 – Land Registry Documents Re: Charge by Scarecrow on Eagle Valley Property	1517-1542
99	Exhibit 99 – Land Registry Documents Re: Transfer and Discharge of Scarecrow Charge on Eagle Valley	1543-1546
100	Exhibit 100 – Furtado Transcript Excerpts (pp. 77-81, 147-149, 284-288, 126-137)	1547-1572
101	Exhibit 101 – Progress Report dated November 9, 2020 Re: Go-To Niagara Falls Eagle Valley Inc.	1573-1574
102	Exhibit 102 – Progress Report dated December 18, 2020 Re: Go-To Stoney Creek Elfrida Inc.	1575-1577
103	Exhibit 103 – Land Registry Documents Re: Go-To Glendale Avenue LP	1578-1600
104	Exhibit 104 – Land Registry Documents Re: Go-To Major Mackenzie South Block LP	1601-1653
105	Exhibit 105 – Land Registry Documents Re: Go-To Major Mackenzie South Block II LP	1654-1707
106	Exhibit 106 – Land Registry Documents Re: Go-To Niagara Falls Chippawa LP	1708-1724
107	Exhibit 107 – Land Registry Documents Re: Go-To Niagara Falls Eagle Valley LP	1725-1764
108	Exhibit 108 – Land Registry Documents Re: Go-To Spadina Adelaide Square LP	1765-1828
109	Exhibit 109 – Land Registry Documents Re: Go-To Stoney Creek Elfrida LP	1829-1844
110	Exhibit 110 – Land Registry Documents Re: Go-To St. Catharines Beard LP	1845-1856
111	Exhibit 111 – Land Registry Documents Re: Go-To Vaughan Islington Avenue LP	1857-1889
112	Exhibit 112 – Land Registry Documents Re: Aurora Road Limited Partnership	1890-1932
113	Exhibit 113 - RBC Business Account Statements Re: Furtado Holdings Inc.	1933-1958
3	Consent of KSV Restructuring Inc. dated December 6, 2021	1-2

<b>Tab</b>	<b>Document</b>	<b>PDF Page Range</b>
4	Freeze Directions issued by the Commission dated December 6, 2021	1-4
5	Draft Order	1-26
6	Blackline of Draft Order to Model Order Appointing Receiver	1-26

This is Appendix “B” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.  
Analysis of Fundraising Activities for Each Limited Partnership**

<b>Limited Partnership</b>	<b>Period of Sales [1]</b>	<b>Total Number of Investors</b>	<b>Total Funds Raised</b>	<b>Cost of Units Redeemed</b>	<b>Current Unitholders</b>	<b>Funds Raised from Current Unitholders</b>
Aurora Road Limited Partnership	March 2016 to August 1, 2018 [2]	6	\$1,500,000	\$0	6	\$1,500,000
Go-To Glendale Avenue LP	May 2, 2016 to November 16, 2017	14	3,400,000	0	14	3,400,000
Go-To Major Mackenzie South Block LP and Go-To Major Mackenzie South Block II LP	September 29, 2016 to August 22, 2019	27	[3] 5,250,000	0	27	5,250,000
Go-To Niagara Falls Chippawa LP	January 18, 2017 to October 5, 2017	19	3,150,000	100,000	18	3,050,000
Go-To Niagara Falls Eagle Valley LP	April 10, 2017 to May 23, 2019	20 [4]	4,250,000	0	20	4,250,000
Go-To Spadina Adelaide Square LP	February 15, 2019 to June 18, 2020	23	42,000,000	17,500,000	27 [5]	24,500,000
Go-To St. Catharines Beard LP	November 17, 2017 to February 2, 2018	1	1,600,000	0	1	1,600,000
Go-To Stoney Creek Elfrida LP	September 7, 2017 to February 14, 2019	11	10,600,000	0	11	10,600,000
Go-To Vaughan Islington Avenue LP	November 6, 2017 to February 1, 2019	8	7,900,000	0	8	7,900,000
<b>Total Funds Raised</b>	<b>March 2016 to June 18, 2020</b>		<b>\$79,650,000</b>	<b>\$17,600,000</b>		<b>\$62,050,000</b>

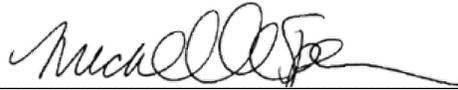
**Notes:**

[1] The Period of Sales dates represent the date that investor funds were deposited into the relevant account/remitted to lawyers except for Go-To St. Catharines Beard LP. The initial subscription agreement for the Beard investor is dated November 17, 2017 and that date was used as the funds were transferred directly to a lawyer and from another project on later dates.

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.****Analysis of Fundraising Activities for Each Limited Partnership**

- [2] Maax Financial Inc. invested \$1.3m in March 2016 (we do not have the subscription agreement) directly with Schwarz Law. On August 1, 2018, Maax Financial redeemed \$1m in units and four investors invested a total of \$1m.
- [3] Each investor purchased an equal number of units in each of Go-To Major Mackenzie South Block LP and Go-To Major Mackenzie South Block II LP. Transactions for both LPs, including the receipt of investor funds, were processed through one account in the name of Go-To Major Mackenzie South Block I LP or the GP.
- [4] On December 20, 2019, \$15,000 was transferred to the Eagle Valley bank account by Marshall Zehr. The reason for remitting these funds is unclear and, thus, has not been included in the number of investors or the funds raised.
- [5] Anthony Marek redeemed units totalling \$17.5 million during the period but remains a unitholder.

This is Appendix "C" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021



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A COMMISSIONER FOR TAKING AFFIDAVITS  
**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**IN THE MATTER OF GO-TO DEVELOPMENTS INC. et al**  
**Analysis of Subscription Agreements for Go-To Spadina Adelaide Square LP**

<u>Investor [1]</u>	<u>Class</u>	<u>Units</u>	<u>Unit Price</u>	<u>Total Cost</u>	<u>Agreement Date</u>
			\$	\$	
	B	50	50,000	2,500,000	15-Feb-19
	B	4	500,000	200,000	24-Feb-19
	B	10	50,000	500,000	25-Feb-19
	B	6	50,000	300,000	25-Feb-19
	B	4	50,000	200,000	28-Feb-19
	B	9	50,000	450,000	1-Mar-19
	B	6	50,000	300,000	2-Mar-19
	B	8	50,000	400,000	5-Mar-19
	B	2	50,000	100,000	5-Mar-19
	B	2	50,000	100,000	5-Mar-19
	B	2	50,000	100,000	6-Mar-19
	B	4	50,000	200,000	8-Mar-19
	B	2	50,000	100,000	14-Mar-19
Marek, Anthony	A	336	50,000	16,800,000	17-Mar-19 [2]
	A	20	50,000	1,000,000	22-Mar-19
	A	40	50,000	2,000,000	2-Apr-19
	A	6	50,000	300,000	17-Apr-19
	A	5	50,000	250,000	19-Sep-19
North Maroak Developments Inc.	A	120	50,000	6,000,000	26-Sep-19
West Maroak Developments	A	120	50,000	6,000,000	26-Sep-19
	A	20	50,000	1,000,000	30-Sep-19
	A	20	50,000	1,000,000	2-Oct-19
	A	2	50,000	100,000	13-Nov-19
AKM Holdings	B	1	50,000	50,000	14-Feb-20
AKM Holdings	A	1	50,000	50,000	14-Feb-20
Marek, Anthony	A	20	50,000	1,000,000	12-Jun-20
Marek, Anthony	A	20	50,000	1,000,000	18-Jun-20
<b>TOTAL UNIT SALES</b>		<b>840</b>		<b>42,000,000</b>	

**Notes:**

- [1] On April 2, 2019 [REDACTED] transferred \$1m to the Spadina Adelaide LP bank account. On April 12, 2019, the \$1m was refunded to [REDACTED] via a transfer to Schneider Ruggiero. It does not appear that a subscription agreement or any other documentation was completed for this transaction.
- [2] On April 5, 2019, the LP redeemed these units [10223-0003710].

This is Appendix “D” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", with a long horizontal flourish extending to the right.

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A COMMISSIONER FOR TAKING AFFIDAVITS  
**Michelle Spain, a Commissioner, etc.,**  
**Province of Ontario, for the Government of Ontario,**  
**Ontario Securities Commission.**  
**Expires March 22, 2024.**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.  
 Summary of the Excerpt from Source and Application of Funds Analysis  
 for RBC Account 1047257 in the Name of Furtado Holdings Inc.  
 for the Period October 1, 2019 to August 17, 2020**

	<b>CAD</b>
<b>Opening Balance as at October 1, 2019</b>	<b>1,975.23</b>
<b>SOURCE OF FUNDS</b>	
Schneider Ruggiero	6,000,000.00
Transfer from Spadina Adelaide LP (Account 1035484)	75,000.00
Unknown	1,839.30
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>6,076,839.30</u></b>
<b>APPLICATION OF FUNDS</b>	
Oscar Furtado	(2,250,000.00)
Go-To Development Holdings Inc.	(120,000.00)
Go-To LPs:	
Major Mackenzie South Block	(1,005,000.00)
Niagara Falls Eagle Valley	(535,000.00)
Stoney Creek Elfrida	(280,000.00)
Vaughan Islington	(270,000.00)
GTD Acquisitions	(265,302.31)
Niagara Falls Chippawa	(240,000.00)
Aurora Road	(215,000.00)
Spadina Adelaide Square	(195,000.00)
St. Catharines Beard	(85,000.00)
Glendale Avenue	(55,000.00)
	<u>(3,145,302.31)</u>
Nanar Law/Royal Lepage (82 Laurier Ave., Milton)	(441,357.36)
Borden Ladner	(100,045.00)
Humberstone Lands Inc. (MF Georgetown Expenses)	(10,000.00)
Service Charges	(248.88)
<b>TOTAL APPLICATION OF FUNDS</b>	<b><u>(6,066,953.55)</u></b>
<b>Closing Balance as at August 17, 2020</b>	<b><u><u>11,860.98</u></u></b>

**BANK STATEMENT DETAILS**

Date	Description	Debit	Credit	Balance	Sort Code	Comments	Docid
		\$	\$	\$			
1-Oct-19	Opening Balance			1,975.23			
1-Oct-19	Transfer from Schneider Ruggiero		6,000,000.00	6,001,975.23	11	Schneider Ruggiero	
1-Oct-19	Service Charge	(17.00)		6,001,958.23	7	x	
4-Oct-19	Service Charge	(4.50)		6,001,953.73	7	x	
4-Oct-19	Service Charge	(8.50)		6,001,945.23	7	x	
17-Oct-19	Transfer to Account 1046788 - Chippawa	(120,000.00)		5,881,945.23	23	Chippawa	10223-0005512
17-Oct-19	Transfer to Account 1002542 - Elfrida	(230,000.00)		5,651,945.23	23	Elfrida	10223-0003104, 10223-0005511
21-Oct-19	Draft 63689541 - Aurora Road	(165,000.00)		5,486,945.23	23	Loan to Aurora Road	10223-0005513
21-Oct-19	Service Charge	(8.50)		5,486,936.73	7	x	
30-Oct-19	Transfer to Account 1046812 - MMSB	(40,000.00)		5,446,936.73	23	Major Mackenzie South Block	10223-0005514
6-Nov-19	Service Charge	(10.25)		5,446,926.48	7	x	
6-Nov-19	Service Charge	(8.50)		5,446,917.98	7	x	
12-Nov-19	Transfer to Account 1046812 - MMSB	(150,000.00)		5,296,917.98	23	Loan to Major Mackenzie South Block	10223-0003105
14-Nov-19	Transfer to Account 1035484 - Spadina Adelaide	(75,000.00)		5,221,917.98	23	Loan to Spadina Adelaide	10223-0003106
28-Nov-19	Cheque 9	(100,000.00)		5,121,917.98	14	Oscar Furtado	10223-0005602, P3, 10223-0005516
5-Dec-19	Service Charge	(8.25)		5,121,909.73	7	x	
5-Dec-19	Service Charge	(8.50)		5,121,901.23	7	x	
12-Dec-19	Transfer to Account 1046804 - Eagle Valley	(100,000.00)		5,021,901.23	23	Eagle Valley	10223-0005680
12-Dec-19	Transfer to Account 1035484 - Spadina Adelaide	(100,000.00)		4,921,901.23	23	Spadina Adelaide	10223-0005691
16-Dec-19	Transfer to Account 1046804 - Eagle Valley	(150,000.00)		4,771,901.23	23	Eagle Valley	10223-0005702
20-Dec-19	Transfer to Account 1046812 - MMSB	(100,000.00)		4,671,901.23	23	Major Mackenzie South Block	10223-0005713
7-Jan-20	Service Charge	(9.50)		4,671,891.73	7	x	
7-Jan-20	Service Charge	(8.50)		4,671,883.23	7	x	
10-Jan-20	Loan to Major Mackenzie	(100,000.00)		4,571,883.23	23	Major Mackenzie South Block	
21-Jan-20	Draft 63690685 - Remax Gold Realty	(50,000.00)		4,521,883.23	20	Remax Gold Realty Inc. (3046 Turbine Cres., Mississauga)	10223-0005679, 10223-0005717
21-Jan-20	Transfer to Account 1046804 - Eagle Valley	(100,000.00)		4,421,883.23	23	Loan to Eagle Valley	10223-0005719
23-Jan-20	Deposit		50,000.00	4,471,883.23	20	Remax Gold Realty Inc. - Draft Re Deposited	10223-0005679, 10223-0005720
24-Jan-20	Deposit		70,000.00	4,541,883.23	22	Partial Repayment - Spadina Adelaide Loan	10223-0005721
24-Jan-20	Transfer to Account 1046820 - GTDH	(70,000.00)		4,471,883.23	3	Loan - GTDH	10223-0005681
27-Jan-20	Transfer to Account 5020425 - Oscar Furtado	(100,000.00)		4,371,883.23	14	x	10223-0005516, P6
29-Jan-20	Draft 64730033 - Loan to Aurora Road	(50,000.00)		4,321,883.23	23	Aurora Road - TD	10223-0005679, 10223-0005682

**BANK STATEMENT DETAILS**

Date	Description	Debit	Credit	Balance	Sort Code	Comments	Docid
		\$	\$	\$			
29-Jan-20	Service Charge	(8.50)		4,321,874.73	7	x	
31-Jan-20	Transfer to Account 5020425 - Oscar Furtado	(500,000.00)		3,821,874.73	14	x	10223-0005683
5-Feb-20	Draft 64730076 - Royal LePage	(50,000.00)		3,771,874.73	10	Royal LePage Meadowtowne Realty (82 Laurier Ave, Milton)	10223-0005679, 10223-0005684
5-Feb-20	Service Charge	(8.50)		3,771,866.23	7	x	
6-Feb-20	Service Charge	(16.19)		3,771,850.04	7	x	
6-Feb-20	Service Charge	(8.50)		3,771,841.54	7	x	
11-Feb-20	Transfer to Account 1018084 - Beard	(50,000.00)		3,721,841.54	23	Loan to Beard	10223-0005685
11-Feb-20	Transfer to Account 1046267 - Vaughan Islington	(100,000.00)		3,621,841.54	23	Loan to Vaughan Islington	10223-0005686
11-Feb-20	Transfer to Account 1046812 - MMSB	(200,000.00)		3,421,841.54	23	Loan to Major Mackenzie South Block	10223-0005687
25-Feb-20	Loan to Major Mackenzie South Block	(150,000.00)		3,271,841.54	23	Loan to Major Mackenzie South Block	
28-Feb-20	Transfer to Account 5020425 - Oscar Furtado	(400,000.00)		2,871,841.54	14	x	10223-0006052
4-Mar-20	Transfer to Borden Ladner	(100,045.00)		2,771,796.54	16	Borden Ladner	
5-Mar-20	Deposit		5,000.00	2,776,796.54	22	Spadina Adelaide - Repayment of Balance	10223-0006053
5-Mar-20	Service Charge	(12.00)		2,776,784.54	7	x	
5-Mar-20	Service Charge	(8.50)		2,776,776.04	7	x	
11-Mar-20	Transfer to Account 1046804 - Eagle Valley	(50,000.00)		2,726,776.04	23	Loan to Eagle Valley	10223-0005688
12-Mar-20	Transfer to Account 5020425 - Oscar Furtado	(500,000.00)		2,226,776.04	14	x	10223-0005689
18-Mar-20	Transfer to Account 5020425 - Oscar Furtado	(400,000.00)		1,826,776.04	14	x	10223-0005690
24-Mar-20	Transfer to Account 1046812 - MMSB	(50,000.00)		1,776,776.04	23	Major Mackenzie South Block	10223-0005692
24-Mar-20	Transfer to Account 1046804 - Eagle Valley	(50,000.00)		1,726,776.04	23	Eagle Valley	10223-0005692
31-Mar-20	Transfer to Account 5020425 - Oscar Furtado	(250,000.00)		1,476,776.04	14	x	10223-0005693
2-Apr-20	Transfer to Account 1046267 - Vaughan Islington	(25,000.00)		1,451,776.04	23	Vaughan Islington	10223-0005694
6-Apr-20	Transfer to Account 1046788 - Chippawa	(50,000.00)		1,401,776.04	23	Loan to Chippawa	10223-0005695
6-Apr-20	Service Charge	(13.47)		1,401,762.57	7	x	
6-Apr-20	Service Charge	(8.50)		1,401,754.07	7	x	
7-Apr-20	Transfer to Account 1046788 - Chippawa	(50,000.00)		1,351,754.07	23	Chippawa	10223-0005696
23-Apr-20	Transfer to Account 1002542 - Elfrida	(50,000.00)		1,301,754.07	23	Elfrida	10223-0005697
27-Apr-20	Transfer to account 1046242 - Acquisitions	(115,302.31)		1,186,451.76	23	Acquisitions	10223-0005698
27-Apr-20	Transfer to account 1046242 - Acquisitions	(150,000.00)		1,036,451.76	23	Acquisitions	10223-0005699
27-Apr-20	Draft 65128672 - Nanar Law Office	(391,357.36)		645,094.40	16	Nanar Law Office in Trust (Purchase 82 Laurier Ave. Milton)	10223-0005679, 10223-0005700
30-Apr-20	Transfer to Account 1046812 - South Block	(50,000.00)		595,094.40	23	Major Mackenzie South Block	10223-0005701

**BANK STATEMENT DETAILS**

Date	Description	Debit	Credit	Balance	Sort Code	Comments	Docid
		\$	\$	\$			
6-May-20	Service Charge	(11.50)		595,082.90	7	x	
6-May-20	Service Charge	(8.50)		595,074.40	7	x	
19-May-20	Transfer to Account 1046820 - GTDH	(50,000.00)		545,074.40	3	Loan to GTDH	10223-0006054
25-May-20	Transfer to Account 1046788 - Chippawa	(20,000.00)		525,074.40	23	Chippawa	10223-0005703
25-May-20	Transfer to Account 1018084 - Beard	(35,000.00)		490,074.40	23	Beard	10223-0005704
25-May-20	Transfer to Account 1046267 - Vaughan Islington	(50,000.00)		440,074.40	23	Vaughan Islington	10223-0005705
25-May-20	Transfer to Account 1046796 - Glendale	(55,000.00)		385,074.40	23	Glendale	10223-0005706
26-May-20	Transfer to Account 1046804 - Eagle Valley	(20,000.00)		365,074.40	23	Eagle Valley	10223-0005707
26-May-20	Transfer to Account 1046812 - MMSB	(100,000.00)		265,074.40	23	Major Mackenzie South Block	10223-0005708
29-May-20	Transfer to Account 1035484 - Spadina Adelaide	(20,000.00)		245,074.40	23	Spadina Adelaide	10223-0005709
29-May-20	Transfer to Account 1046267 - Vaughan Islington	(25,000.00)		220,074.40	23	Vaughan Islington	10223-0005710
4-Jun-20	Service Charge	(11.75)		220,062.65	7	x	
4-Jun-20	Service Charge	(8.50)		220,054.15	7	x	
17-Jun-20	Deposit		1,839.30	221,893.45	17	x	
17-Jun-20	Transfer to Account 1046804 - Eagle Valley	(50,000.00)		171,893.45	23	Eagle Valley	10223-0005711
18-Jun-20	Transfer to Account 1046267 - Vaughan Islington	(50,000.00)		121,893.45	23	Vaughan Islington	10223-0005712
22-Jun-20	Cheque 102	(10,000.00)		111,893.45	10	Humberstone Lands Inc. (MF Georgetown Expenses)	10223-0005516, P18
26-Jun-20	Transfer to Account 1046804 - Eagle Valley	(15,000.00)		96,893.45	23	Eagle Valley	10223-0005714
26-Jun-20	Transfer to Account 1046267 - Vaughan Islington	(20,000.00)		76,893.45	23	Vaughan Islington	10223-0005715
26-Jun-20	Wire to Account 1046812 - MMSB	(65,000.00)		11,893.45	23	Major Mackenzie South Block	10223-0005716
7-Jul-20	Service Charge	(10.97)		11,882.48	7	x	
7-Jul-20	Service Charge	(8.50)		11,873.98	7	x	
6-Aug-20	Service Charge	(4.50)		11,869.48	7	x	
6-Aug-20	Service Charge	(8.50)		11,860.98	7	x	

This is Exhibit “33” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain".

---

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

ASSIGNMENT FEE AGREEMENT

THIS ASSIGNMENT AGREEMENT is made as of the 29<sup>th</sup> day of March, 2019.

B E T W E E N:

ADELAIDE SQUARE  
DEVELOPMENTS INC.

(hereinafter referred to as the  
"Assignor")

OF THE FIRST PART

- and -

GO-TO SPADINA ADELAIDE  
SQUARE LP

(hereinafter referred to as the "Assignee")

OF THE SECOND PART

A. **WHEREAS** Quantum Capital Developments Inc. ("**Quantum**") purchased, in trust for a corporation to be named, the lands and premises municipally known as 46 Charlotte Street, Toronto, Ontario (the "Real Property") from Fortress Charlotte 2014 Inc. (the "**Seller**") pursuant to the Agreement of Purchase and Sale dated March 28, 2019, which agreement is attached hereto as Schedule "A" (the "**Agreement of Purchase and Sale**")

B. **AND WHEREAS** Quantum Capital Developments Inc. at all times held the Property in trust for Adelaide Square Developments Inc. and pursuant to an assignment agreement dated March 28, 2019, assigned all right title and interest in said Agreement of Purchase and Sale to Adelaide Square Developments Inc.;

C. **AND WHEREAS** the Agreement of Purchase and Sale and the transaction of purchase and sale contemplated therein shall hereinafter be referred to as the "**Purchase Transaction**";

D. **AND WHEREAS** deposits totalling One Hundred and Fifty Thousand Dollars (\$150,000.00) (hereinafter the "**Deposits**") have already been paid to the Seller by Quantum, under the terms of the Agreement of Purchase and Sale;

E. AND WHEREAS the Assignee is desirous of acquiring all of the rights and obligations of the Assignor under the Agreement of Purchase and Sale;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Ten Dollars (\$10.00) and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. The Assignor hereby agrees to grant and assign to the Assignee all its right, title and interest, in, under and to the Agreement of Purchase and Sale and the Real Property for the Assignment Purchase Price of TWENTY MILLION NINE HUNDRED AND FIFTY DOLLARS (CDN \$20,950,000.00) (the "Assignment Purchase Price"), payable by wire transfer to the Assignor's solicitors in trust on the closing date set out in the Agreement of Purchase and Sale (concurrent with the completion of the transaction contemplated by the Agreement of Purchase and Sale).
2. The Assignee and Assignor covenant and agree that in addition, to the payment of the Assignment Purchase Price, the Assignee shall repay to Assignor the Deposits already paid to the Seller and to be credited against the purchase price on the closing of the Purchase Transaction. The repayment of the Deposits shall be payable directly to the Assignee following closing of the Purchase Transaction and reconciled directly between the Assignor and Assignee after closing.
3. The Assignor covenants, represents and warrants that:
  - (a) it has the full right, power and authority to assign the Agreement of Purchase and Sale and its interest in the Real Property;
  - (b) the Agreement of Purchase and Sale annexed hereto as Schedule "A" contains the entire and only agreement between the Assignor and the Seller with respect to the subject matter thereof regarding their rights and obligations with respect to the Assignor's agreement to purchase the Real Property that no amendment, either written or oral, exists with respect thereto;
  - (c) the Assignor has not and shall not mortgage, pledge or otherwise encumber the APS, or any part thereof, or grant any other security interest therein;
  - (d) no other person has been granted a right of first refusal or option to purchase the Real Property or part thereof;

- (e) the Agreement of Purchase and Sale is good and valid and in full force and effect and there has been no default thereunder by any party thereto; and
- (f) it is not now and on the closing date will not be a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada).

4. The Assignee hereby covenants and agrees with the Assignor that forthwith upon execution of this Agreement, it shall assume all obligations, warranties and representations of the Assignor as contained in the Agreement of Purchase and Sale as if the Assignee had originally executed the Agreement of Purchase and Sale as buyer with the Seller.

5. For the sake of clarity, the Assignee acknowledges and confirms that, in addition to the Assignment Purchase Price payable to the Assignor in accordance with the Terms and provisions of this Assignment Agreement, the Assignee will be responsible for paying the balance of the purchase price due and payable to the Seller on the date of completion of the Purchase Transaction pursuant to the terms and provisions of the Agreement of Purchase and Sale.

6. On closing, the Assignor shall deliver a Certificate that the representations, warranties and covenants set out in Section 3 of this Assignment Agreement are true and correct as of the date of this Assignment Agreement and as of the closing date. The representations, warranties and covenants set out in Section 3 of this Assignment Agreement shall survive the closing of the Purchase Transaction.

7. Any tender of documents or money hereunder may be made upon the Assignor and Assignee or their respective solicitors.

8. If this transaction is subject to harmonized sales tax ("HST") then such tax shall be included in the Assignment Purchase Price. On closing, the Assignee shall deliver to the Assignor, evidence that the Assignee is registered under the *Excise Tax Act* together in the form of a copy of the Assignee's registration under such Act, a warranty that the Assignee shall self-assess and remit any HST payable and file the prescribed form and shall deliver an indemnity to the Assignor in respect of any HST payable in a form satisfactory to the Assignor's solicitor. The foregoing warranty shall not merge but shall survive the completion of this transaction. The Assignee shall pay the costs and expenses of registering its own documents and shall pay any retail sales or land transfer tax in connection with this transaction and the transaction pertaining to the acquisition of the Real Property.

9. The Assignor agrees to notify the Seller of the Assignment of the Agreement of Purchase and Sale to the Assignee, and all further dealings with respect to the Agreement of Purchase and Sale shall be conducted and concluded between the Seller and the Assignee and their respective solicitors.

10. Time shall be of the essence of this Assignment Agreement, but no extension of time for the making of any payment or for the doing of any act hereunder shall be deemed to be a waiver or modification of or affect this provision.

11. This Assignment Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

12. Any notice herein provided, permitted or required to be given, shall be delivered to the Assignor or the Assignee, as the case may be, together with their respective solicitors. Notice shall be deemed to have been received by the parties to this transaction on the latest date that such notice was received by the Assignors solicitors or the Assignee's solicitors or the parties hereto, as the case may be. For the purposes of delivering such notices, such notice shall be deemed to be delivered if delivered to the Assignor at:

Assignor: Adelaide Square  
Development Inc.  
c/o Concorde Law Professional  
Corporation  
260 Edgeley Blvd., Unit 12  
Vaughan, Ontario L4K 3Y4  
Attention: Mr. Louis  
Raffaghello

Email:

and delivered to the Assignee at:  
Go-To Spadina Adelaide Square  
LP  
or its solicitors: Concorde Law Professional  
Corporation  
Torkin Manes LLP  
151 Yonge Street Suite 1500  
Toronto, Ontario M5C 2W7  
Attention: Stephanie B. Eiley

Email: [seiley@torkinmanes.com](mailto:seiley@torkinmanes.com)

13. This Assignment Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, and permitted assigns.

14. The Assignee shall pay the costs of registering and taxes (including Land Transfer) on its own documents.

15. It is understood and agreed that this Assignment Agreement shall be effective to create an interest in the Real Property only if the subdivision control provisions of the Planning Act are complied with on or before the Closing Date.

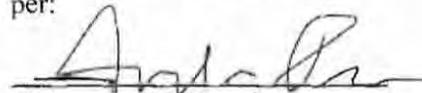
16. This Assignment Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by both parties receipt of an original counterpart as signed by the other party (whereby this Assignment Agreement shall be deemed to be executed & exchanged by both parties).

**IN WITNESS WHEREOF** the parties hereto have hereunder caused to be affixed their respective corporate seals duly attested to by the hands of the proper signing officers authorized in that behalf on the date above first written.

Assignor:

**ADELAIDE SQUARE  
DEVELOPMENTS INC.**

per:



Name: Angelo Pucci.

Title: A. S. O.

I have authority to bind the  
Corporation.

Assignee:

**GO-TO SPADINA ADELAIDE  
SQUARE LP, by its general partner  
GO-TO SPADINA ADELAIDE  
SQUARE INC.**

per:



Name: Oscar Furtado

Title: President

I have authority to bind the  
Corporation.

This is Exhibit “35” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**DIRECTION RE DISBURSEMENT OF FUNDS**

TO: Torkin Manes LLP

RE: Go-To Spadina Adelaide Square LP by its general partner Go-To Spadina Adelaide Square Inc. (the "**Purchaser**") purchase from 1708305 Ontario Inc. (the "**Vendor**") of 355 Adelaide Street West, Toronto, Ontario (the "**Property**"), pursuant to, and as more particularly described in, the agreement of purchase and sale dated February 14<sup>th</sup>, 2018 as amended time to time (the "**Purchase Agreement**") made between the Vendor and **Adelaide Square Developments Inc.** (the "**Original Purchaser**"), as assigned by the Original Purchaser to the Purchaser

---

You are hereby irrevocably authorized and directed to make the funds being held by you in trust payable as set out in Schedule "A", and for so doing this shall be your good and sufficient authority.

This Direction may be executed and delivered by facsimile or other electronic transmission.

DATED as of the 3<sup>rd</sup> day of April, 2019.

**GO-TO SPADINA ADELAIDE SQUARE LP,  
by its general partner GO-TO SPADINA  
ADELAIDE SQUARE INC.**

Per: 

Name: Oscar Furtado

Title: President

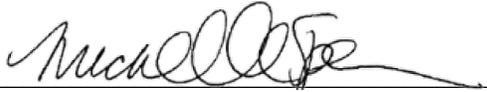
I have the authority to bind the corporation.

- 2 -

## SCHEDULE "A"

Balance due to Vendor on closing, as per Statement of Adjustments re 355 Adelaide	\$34,747,638.78
Balance due to Vendor on closing, as per Statement of Adjustments re 46 Charlotte	16,457,607.50
Assignment Fee due to Adelaide Square Developments Inc. to be paid to Concorde Law Professional Corporation, In Trust	20,950,000.00
Return of deposits to Adelaide Square Developments Inc. re 46 Charlotte payable to Go-To Spadina Adelaide Square Inc.	150,000.00
Return of deposits to Adelaide Square Developments Inc. re 355 Adelaide payable to Go-To Spadina Adelaide Square Inc.	1,000,000.00
Payment to 2566989 Ontario Inc. for the referral fee	274,248.00
Land Transfer Tax payable	
<u>355 Adelaide</u>	
• Provincial \$732,475.00	
• Municipal \$732,475.00	1,464,950.00
<u>46 Charlotte</u>	
• Provincial \$745,475.00	
• Municipal \$745,475.00	1,490,950.00
Registrations on closing (\$76.55 x 12)	918.60
LTT Administration Fee (\$89.84 x 1)	89.84
Payment of Account for FCT owner and lender title insurance policies	50,134.95

This is Exhibit “37” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
6<sup>th</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

RE-DIRECTION

TO: CONCORDE LAW PROFESSIONAL CORPORATION

RE: Adelaide Square Developments Inc. (the "Assignor") assignment of Agreement of Purchase and Sale dated March 28, 2019, as amended time to time (the "APS") between Quantum Capital Developments Inc., in trust for the Assignor (the "Purchaser") and Fortress Charlotte 2014 Inc. (the "Vendor") for the property municipally known as 46 Charlotte Street, Toronto, Ontario (the "Property") and assigned to the Assignee by Assignment Fee Agreement dated March 29<sup>th</sup>, 2019 for the assignment purchase price of \$20,950,000.00 (the "Assignment Agreement")

---

This is to further direct you and shall constitute your good and sufficient and irrevocable authority to make the Assignment Purchase Price in the above transaction payable as follows:

West Maroak Developments Inc.	\$19,500,000.00
Goldmount Financial Group Corp.	\$300,000.00
Concorde Law Professional Corporation	\$113,000.00
Concorde Law Professional Corporation	\$2,500.00
R A R Litigation Lawyers	\$200,000.00
AKM Holdings Corp.	\$388,087.33
AKM Holdings Corp.	\$58,325.34
Furtado Holdings Inc.	\$388,087.33
<b>TOTAL:</b>	<b><u>\$20,950,000.00</u></b>

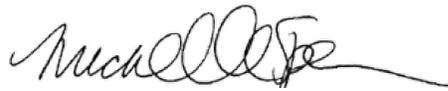
DATED at Vaughan, this 15 day of April, 2019.

ADELAIDE SQUARE DEVELOPMENTS INC.

Per:   
 Name: Angelo Pucci  
 Title: President

I have authority to bind the Corporation

This is Exhibit “43” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain".

---

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**



DEPOSIT SLIP

DATE: 16 04 19 INITIALS: YR

LIST OF CHEQUES

Concord Law Firms	388,087	33

LIST OF CHEQUES


DETAILS	CASH
X 5	
X 10	
X 20	
X 50	
X 100	
COIN	
CDN CASH TOTAL	
CHEQUES TOTAL	388,087 33
RATE	
RATE	

CHEQUES	TOTAL	388,087 33
US CASH	TOTAL	
US CHEQUES	TOTAL	

FURTADO HOLDINGS INC.

TOTAL # OF CHEQUES 1

\$ 388,087 33

Transit No. Institution No. Account No.

00001 00932003 1047257 51

Routing Transit/Acct.:00932003-1047257 Proc Date: 2019/04/16 \$0.00 ISN#: 9938353703

Virtual Endorsement  
 DSPACC: 1047257  
 DSPTR: 00932-003  
 CSID: 3191063521978700932  
 TXNID: 1  
 SCANSES: 100,616,178  
 ITMSEQ: 1  
 CHANID: 003  
 APPCD: 5900  
 TRANSIT: 00932  
 DSPCUR: CAD  
 TEFDT: 16/04/19  
 OPID: 532928652



Routing Transit/Acct.:00932003-1047257 Proc Date: 2019/04/16 \$0.00 ISN#: 9938353703

1767 1767

**CONCORDE LAW PROFESSIONAL CORPORATION**  
260 EDGELEY BOULEVARD, UNIT 12  
VAUGHAN, ONTARIO L4K 3Y4  
Phone: 647-792-1272

RBC ROYAL BANK  
3300 HIGHWAY #7 WEST, SUITE 100  
CONCORD, ONTARIO L4K 4M3

Three Hundred Eighty Eight Thousand Eighty Seven \*\*\*\*\* 33/100

PAY

15/Apr/2019 \$388,087.33

Furtado Holdings Inc.

TO THE ORDER OF



CONCORDE LAW PROFESSIONAL CORPORATION  
TRUST ACCOUNT

46 Charlotte Street, Toronto

⑈0001767⑈ ⑆00192⑈003⑆ 108⑈45⑈6⑈

Routing Transit/Acct.:00192003-1084516 Proc Date: 2019/04/16 \$388,087.33 ISN#: 9938353705

Virtual Endorsement  
DSPACC: 1047257  
DSPTR: 00932-003  
CSID: 3191063521978700932  
TXNID: 1  
SCANSES: 100,616,178  
ITMSEQ: 2  
CHANID: 003  
APPCD: S900  
TRANSIT: 00932  
DSPCUR: CAD  
TEFDT: 16/04/19  
OPID: 532928652

Endorsement - Signature or Stamp

BACK/ENDOS

Printer ID # / NI d'imprimeur 1014

Routing Transit/Acct.:00192003-1084516 Proc Date: 2019/04/16 \$388,087.33 ISN#: 9938353705

This is Exhibit "44" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

GREEN SECURELINK CHAIN AND GREEN DIAMOND DISAPPEAR WHEN COPIED HEAT SENSITIVE RED LOCK DISAPPEARS WHEN HEATED

1766  
1766

**CONCORDE LAW PROFESSIONAL CORPORATION**  
260 EDGELEY BOULEVARD, UNIT 12  
VAUGHAN, ONTARIO L4K 3Y4  
Phone: 647-792-1272

RBC ROYAL BANK  
3300 HIGHWAY #7 WEST, SUITE 100  
CONCORD, ONTARIO L4K 4M3

Three Hundred Eighty Eight Thousand Eighty Seven \*\*\*\*\* 33/100

PAY

15/Apr/2019 \$388,087.33

AKM Holding Corp.

TO THE  
ORDER  
OF



CONCORDE LAW PROFESSIONAL CORPORATION  
TRUST ACCOUNT



PER \_\_\_\_\_

46 Charlotte Street, Toronto

⑈0001766⑈ ⑆00192⑈003⑆

108⑈451⑈6⑈

This is Exhibit "49" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
6<sup>th</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

Certificate No. CAC-1

For 11

From whom transferred

Received Certificate No.

Shares

for

Shares

Issued to

Dated

this

day of

(year)

Furtado Holdings Inc.

No. Original Certificate

(year)

No. Original Shares

No. of Shares Transferred

Dated April 15th,

2019

(year)

CLASS A  
COMMON  
Share  
Certificate

No. CAC-1

INCORPORATED UNDER THE LAW OF THE PROVINCE OF ONTARIO

11

Shares

Adelaide Square  
Developments Inc.

This is to Certify that

Furtado Holdings Inc.

is the registered holder of

11 Class A Common shares of

Adelaide Square Developments Inc.

The class or series of shares represented by this certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of,

- (i) the rights, privileges, restrictions and conditions attached to the said shares and, if applicable, to each class authorized to be issued and to each series insofar as the same have been fixed by the directors, and
- (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

**LIEN ON SHARES.** The Corporation may have a lien on the shares represented by this Certificate for any debt of the shareholder to the Corporation, if so provided by the articles or, if applicable, by the by-laws of the Corporation.

**RESTRICTIONS ON TRANSFER.** There are restrictions on the right to transfer the shares represented by this Certificate.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized

officers this

15th

day of

April,

2019

(year)

*[Signature]*  
Authorized signatory

NO PAR VALUE

This is Exhibit "51" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
6<sup>th</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**ADELAIDE SQUARE DEVELOPLMENTS INC.**  
(the "Corporation")

**SUBSCRIPTION OF SHARES**

**TO THE BOARD OF DIRECTORS  
OF THE CORPORATION**

The undersigned hereby subscribes for Eleven (11) Class "A" Common shares in the capital stock of the Corporation and agrees to pay, upon call by the Board of Directors, the sum of \$1.00 per share.

DATED this April 15, 2019.

**FURTADO HOLDINGS INC.**

  
\_\_\_\_\_  
Oscar Furtado A.S.O.

This is Exhibit “53” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
6<sup>th</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", with a long horizontal flourish extending to the right.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**SHAREHOLDERS AGREEMENT**

**THIS AGREEMENT** made effective as of the 15<sup>th</sup> day of April 2019

**AMONG:**

Adelaide Square Developments Inc.  
(hereinafter called the "**Corporation**")

OF THE FIRST PART

- and -

Furtado Holdings Inc.  
(hereinafter called "**Furtado**")

OF THE SECOND PART

- and -

AKM Holdings Corp.  
(hereinafter called "**AKM**")

OF THE THIRD PART

- and -

FIM Holdings Inc.  
(hereinafter called "**FIM**")

OF THE FOURTH PART

- and -

Angelo Pucci  
(hereinafter called "**Pucci**")

OF THE FIFTH PART

**WHEREAS** the Parties hereto have agreed to enter into this Agreement for the purposes of clarifying their respective interests in the Corporation and have agreed to be bound by the terms and conditions of this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

**ARTICLE 1- DEFINITIONS**

**1.1** In this Agreement and in all amendments hereto the following words shall have the following meanings:

"**Accountants**" means such firm of accountants as the shareholders of the Corporation may appoint from time to time;

- 2 -

"**Act**" means the *Business Corporations Act* (Ontario), as may be amended and in force from time to time and any successor statute;

"**Agreement**" means this shareholders agreement, as same may be amended from time to time together with all schedules attached hereto;

"**Articles**" means the Articles of Incorporation of the Corporation dated July 30<sup>th</sup>, 2018 and the Articles of Amendment dated April 12<sup>th</sup>, 2019, as such Articles may be further amended or restated from time to time;

"**Business**" means the acquisition, management and sale of the Lands as described in Section 2.11 together with any other lawful activities which are necessary, advisable, convenient or incidental to the foregoing;

"**Business Day**" means every day except Saturdays, Sundays and statutory holidays in the Province of Ontario;

"**Class A Common shares**" means the Class A Common shares in the capital of the Corporation;

"**Class B Common shares**" means the Class B Common shares in the capital of the Corporation;

"**Class C Common shares**" means the Class C Common shares in the capital of the Corporation;

"**Class D Common shares**" means the Class D Common shares in the capital of the Corporation;

"**Control**" means (a) in relation to a Person that is a corporation, the ownership, directly or indirectly, of voting securities of such Person carrying more than 50% of the voting rights attaching to all voting securities of such Person and which are sufficient, if exercised, to elect a majority of its board of directors; and (b) in relation to a Person that is a partnership, limited partnership, business trust or other similar entity, the ownership, directly or indirectly, of voting securities of such Person carrying more than 50% of the voting rights attaching to all voting securities of the Person or the ownership of other interests entitling the holder to exercise control and direction over the activities of such Person;

"**Debt**" means in relation to any Person:

- (a) all indebtedness of such Person for borrowed money;
- (b) all indebtedness of such Person for the deferred purchase price of property or services represented by a note or other evidence of indebtedness;
- (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person;
- (d) all obligations under lease which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which such Person is liable as lessee;
- (e) all reimbursement obligations, contingent or otherwise, in respect of letters of credit issued at the request of such Person; and
- (f) all Debt Guaranteed by such Person;

- 3 -

**"Debt Guaranteed"** by any Person means all Debt of the kinds referred to in (a) through (e) of the definition of Debt which is directly or indirectly guaranteed by such Person, or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which such Person has otherwise assured or agreed to indemnify a creditor against loss;

**"Fiscal Year"** means the twelve calendar month fiscal period of the Corporation as determined, from time to time, by the board of directors;

**"Immediate Family"** means, with respect to a natural Person, the spouse, parents, children, grandchildren and siblings of such Person;

**"Parties"** means collectively the Persons that are parties to this Agreement, and **"Party"** means such Persons individually;

**"Person"** means an individual, partnership, corporation, trust, unincorporated association, joint venture, governmental entity or other entity;

**"Prime Rate"** means the annual rate of interest established and quoted by the principal banker of the Corporation from time to time at its head office in Toronto, Ontario, as its prime rate for purposes of calculating interest on commercial loans in Canadian dollars;

**"Project"** means completion of the sale of the Lands;

**"Shareholder"** means any one of Furtado, AKM, FIM or Pucci and **"Shareholders"** means all of them;

**"Shareholders Loans"** means the monies advanced as a loan to the Corporation by any of the Shareholders;

**"Shares"** means collectively the Class A Common Shares, the Class B Common Shares, the Class C Common Shares and the Class D Common Shares in the capital of the Corporation;

**"Third Party"** means a Person with whom the Shareholders are reasonably considered to be acting at arm's length (as that term is construed for the purposes of the *Income Tax Act (Canada)*) and which Person is demonstrably capable of completing the purchase of the Shares contemplated by this Agreement;

**"Total Net Profit"** means the total of all revenues received from the Business less any and all costs and expenditures of any nature whatsoever and less any income taxes, sales taxes, real property taxes and any other taxes of any nature whatsoever paid or payable until the proposed Business and the Project of the Corporation are completed as described in Section 2.11(a) hereafter;

**1.2** All payments contemplated herein shall be paid in Canadian funds, in cash, bank draft, certified cheque or wire transfer.

**1.3** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement or any part thereof. Any reference herein to "this Agreement" shall mean this Shareholders Agreement and any amendments, modifications, deletions or alterations which may be made thereto in accordance with the provisions hereof and includes any schedule hereto and any supplementary or confirming agreement or agreements hereafter executed.

- 4 -

**1.4** All words and personal pronouns shall be read and construed as the number and gender of the Party or Parties referred to in each case requires and the verb shall be construed as agreeing with the required word and pronoun.

**1.5** Any references herein to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

## **ARTICLE 2 PURPOSE AND SCOPE**

### **2.1 Compliance with Agreement**

The Shareholders shall vote or cause to be voted their respective Shares to accomplish and give effect to the terms and conditions of this Agreement. The Corporation confirms its knowledge of this Agreement and agrees it will carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

### **2.2 Application of this Agreement**

The terms of this Agreement shall apply to the Shares currently owned by the Shareholders and to any other shares in the capital of the Corporation that they may acquire by any means whatsoever, including by way of a merger, amalgamation, arrangement or other reorganization of or including the Corporation, and prior to any such action being taken, the parties shall give due consideration to any changes which may be required to this Agreement in order to give effect to the intent of this Section.

### **2.3 Constatng Documents**

Unless otherwise provided in this Agreement the conduct of the business of the Corporation shall be governed in accordance with its constating documents. In the event of any conflict between this Agreement and the Articles, the constating documents shall govern and, if necessary, the Shareholders will amend this Agreement in order that there is no conflict.

## **ARTICLE 3 - MANAGEMENT**

**3.1** Except as otherwise provided herein, the affairs of the Corporation shall be managed by one director. Angelo Pucci shall be the sole director of the board of directors as of the date of this Agreement. The board of directors shall at all times have at least one resident Canadian. Angelo Pucci is a resident Canadian and satisfies the qualifications of being a director under the Act.

**3.2** The current officers of the Corporation are:

President:	Angelo Pucci
Secretary:	Angelo Pucci

and such additional officers as the board of directors may appoint from time to time. Notwithstanding the foregoing, if an above-named officer resigns his or her office or is terminated, then the board of directors shall be entitled to appoint a replacement.

- 5 -

**3.3** A quorum for a meeting of the board of directors shall be one director unless otherwise expressly provided for herein or pursuant to applicable law.

**3.4** A quorum for a meeting of the Shareholders of the Corporation shall be those Shareholders present, in person or represented by proxy, holding Shares which entitle the holders thereof to exercise not less than 66% of the votes attaching to the Shares.

**3.5** The Chairman at any meeting of the board of directors or at any meeting of the Shareholders of the Corporation shall be entitled to a second, extra or casting vote in the case of a vote at any such meeting. The Chairman shall be the President of the Corporation.

**3.6** Upon any Shareholder ceasing to be a shareholder of the Corporation, then any director who was a nominee to the board of directors of such Shareholder shall cease to be a director and shall tender their resignation forthwith.

**3.7** The Shareholders shall vote and act in all respects to ensure that the nominees of the Parties provided for in this Article are elected and appointed and maintained in office from time to time as members of the board of directors of the Corporation as herein contemplated.

**3.8 Business Management and Corporate Action**

(a) Subject to Section 2.9(b), the board of directors shall manage the business and affairs of the Corporation in accordance with the Act. Unless otherwise expressly provided in this Agreement, all decisions of the board of directors and of the Shareholders of the Corporation shall be decided by not less than 66% of votes cast at such a meeting or by such greater percentage of votes as may be required by the Act.

(b) Except as otherwise provided herein, the Corporation shall not undertake to, perform or do any of the matters set out in Section 2.9(b) without the prior approval of all Shareholders:

**Corporate Changes**

- (i) the amendment of the Articles, except for a change of name or change of the registered office of the Corporation;
- (ii) the amendment or revocation of the by-laws in whole or in part or enactment of any additional by-law of the Corporation;

**Share Capital**

- (iii) the allotment, reservation, setting aside, reclassification or issuance of any Shares or other securities of the Corporation, or the granting of any rights, warrants or options to purchase, acquire or otherwise obtain any unissued shares or other securities of the Corporation other than in accordance with the provisions of this Agreement;
- (iv) the declaration or payment of any dividend or other distribution on or in respect of any Shares or other securities of the Corporation other than in accordance with the provisions of this Agreement;

- 6 -

- (v) the purchase, redemption or acquisition by the Corporation of any Shares or other securities of the Corporation other than the purchase for cancellation of Shares from a Shareholder in accordance with the provisions of this Agreement;

**Debt Financing**

- (vi) the incurring of any Debt by the Corporation in excess of the amount as set out in the Annual Business Plan; or
- (vii) the repayment of any Debt owing by the Corporation to any Shareholder or any non-arm's length Person other than as permitted by this Agreement;

**Financial Matters**

- (viii) the approval of:
  - (A) the Annual Business Plan or any modification thereto; and
  - (B) the manner of obtaining any additional funds required for any purpose specified in an Annual Business Plan;
- (ix) the conduct by the Corporation of any business activity or operations other than:
  - (A) the Business or any other business contemplated under an Annual Business Plan; and
  - (B) any activity which is reasonably ancillary to or complementary with the foregoing;
- (x) the:
  - (A) sale, lease or exchange of any assets by the Corporation out of the ordinary course of business;
  - (B) making of any investment, loan, or advance by the Corporation out of the ordinary course of business; or
  - (C) purchase of shares of any company or any interest in any partnership, joint venture or similar entity by the Corporation.

**Fundamental Changes**

- (xi) the acknowledging of the insolvency of the Corporation, the making of a voluntary assignment under the *Bankruptcy and Insolvency Act* (Canada), or the consenting to the appointment of a receiver, receiver-manager, monitor or other Person acting in a similar capacity by any secured creditor of the Corporation.

- 7 -

### 3.9 Annual Business Plan

(a) The President and Secretary of the Corporation shall prepare a draft annual business plan for each Fiscal Year no less than 45 days prior to the end of the previous Fiscal Year for consideration by the Shareholders as contemplated by Section 2.9(b)(ix) no later than 30 days prior to the beginning of such Fiscal Year. Such draft annual business plan shall consist of a pro forma balance sheet, income statement and cash flow statement for such Fiscal Year, shall be accompanied by a statement of all capital expenditures to be incurred during such Fiscal Year, and shall be supported by the explanations, notes and information upon which the projections underlying such annual business plan have been based.

(b) The draft annual business plan, as reviewed and approved as contemplated by Section 2.9(b)(viii), with such amendments and modifications as are determined in accordance with Section 2.9(b)(ix), shall become the "Annual Business Plan" for such Fiscal Year. In the event that the Annual Business Plan is not settled and approved as contemplated by Section 2.9(b)(viii), in whole or in part, prior to the commencement of a Fiscal Year, the expenditure programme contained in the Annual Business Plan for the prior Fiscal Year shall continue to apply with respect to any expenditures that have not yet been made to the extent of such disagreement until a complete Annual Business Plan is approved as contemplated by Section 2.9(b)(viii).

### 3.10 Business of the Corporation

The Parties hereto acknowledge and agree that the Corporation has been incorporated for the purposes of purchasing the lands described on Schedule "A" hereto (the "Lands") to allow for either the sale of the Lands or the development and construction thereon of the Lands (the "Development").

## ARTICLE 4- SHARE OWNERSHIP

### 4.1 Share Ownership

The parties confirm that as of the date hereof they are the owners of the number of Shares as set out below opposite their respective names:

Furtado	11			
AKM		11		
FIM			11	
Pucci				67
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>67</b>

- 8 -

#### 4.2 General Prohibition

(a) Save and except as hereinafter provided, the Shareholders agree that no Shareholder shall, without the prior consent of the other Shareholders, directly or indirectly sell, transfer, mortgage, charge, pledge or otherwise alienate or dispose of or in any way encumber or create a security interest in or grant any option on any Shares owned or hereafter acquired by such Shareholder. Any attempt to accomplish or effect any or all of the acts prohibited hereby shall be null and void.

(b) Subject to the provisions of this Section 3.2(b), a Shareholder shall be entitled, upon prior written notice to the Corporation and the other Shareholders, to transfer all of its Shares to a Permitted Transferee. No such transfer shall be or become effective until such Permitted Transferee executes and delivers to the Corporation a counterpart copy of this Agreement or a written agreement in form and substance satisfactory to the other Parties agreeing to be bound by the terms and conditions hereof formerly applicable to the Shareholder. No such transfer shall release or discharge such Shareholder from any of his or her liabilities or obligations under this Agreement until it becomes effective and, then, only to the extent provided herein.

(c) No transfer of any Shares owned by any Shareholder may be made indirectly, including the transfer of Shares of any Shareholder that would result in any change in Control of said Shareholder. No transfer of any Shares owned by the any Shareholder may be made pursuant to an order under the Family Law Act or similar legislation with respect to a legal separation or separation agreement between any Shareholder and their respective spouses.

#### ARTICLE 5 - GENERAL SALE PROVISIONS – NOT APPLICABLE

#### ARTICLE 6 - FINANCIAL MATTERS

##### 6.1 Initial Capitalization

It is expected that the Corporation shall be initially capitalized in an aggregate amount of \$100.00 (the "**Initial Capitalization**"). The Shareholders acknowledge and agree that each Shareholder has or shall be responsible and personally liable for the Initial Capitalization *pro rata* on a proportionate basis in the ratio of their ownership of the Shares. As of the date of this agreement, the Corporation acknowledges that the Shareholders shall make their Initial Capitalization contributions on the following terms and conditions:

(a) the Corporation shall issue 11 Class A Common shares in consideration for the \$11.00 advanced by Furtado. The said shares shall be issued at a price of \$1.00 per Class A Common Share;

(b) the Corporation shall issue 11 Class B Common shares in consideration for the \$11.00 advanced by AKM. The said Shares shall be issued at a price of \$1.00 per Class B Common Share;

(c) the Corporation shall issue 11 Class C Common shares in consideration for the \$11.00 advanced by FIM. The said Shares shall be issued at a price \$1.00 per Class C Common Share;

(d) the Corporation shall issue 67 Class D Common shares in consideration for the \$67.00 advanced by Pucci. The said Shares shall be issued at a price \$1.00 per Class D Common Share.

- 9 -

## 6.2 Funding of Costs

The Corporation shall fund all of its costs and liabilities from its own cash on hand and other assets. If the Corporation requires additional funds for any purpose specified in an Annual Business Plan, as hereinafter defined, the Corporation shall obtain such funds by borrowing from the Shareholders and recording a debt owed to the respective shareholder ("Shareholder Loan") and/or issuing additional securities to each Shareholder *pro rata* based on their respective shareholdings and pursuant to Section 5.5 of this Agreement or by borrowing from a Canadian chartered bank or other senior lender.

## 6.3 Bank Financing

If the incurring of Debt to a Canadian chartered bank or other senior lender has been approved by the board of directors, the board of directors shall decide from whom such Debt will be borrowed and the terms and conditions of such borrowing.

## 6.4 Guarantees

No Shareholder shall be required to guarantee any of the debts or obligations of the Corporation. If a Shareholder is required to guarantee any of the debts or obligations of the Corporation a fee may apply.

## 6.5 Corporate Distributions

(a) Subject to the provisions of this Agreement, following the completion of the then current fiscal year end financial statements, any funds which are determined by the board of directors to be available for a corporate distribution from the after-tax Total Net Profit of the Corporation shall be distributed by the Corporation in the following order of priorities:

- (i) to repay any Shareholder Loan;
- (ii) any remaining amount shall be distributed by way of dividends amongst the holders of the Shares in accordance with the Articles and constating documents..

## 6.6 Banking

(a) The Corporation shall maintain a bank account or accounts at such bank as may be determined by the board of directors.

(b) Any cheques, promissory notes, drafts, acceptances or bills of exchange may be signed by either the President or the Secretary, or as determined from time to time by resolution of the board of directors.

(c) All bank accounts relating to the business of the Corporation shall be opened and maintained in the name of the Corporation or in such other name as the Board may from time to time approve. The signing authorities for such bank accounts shall be the President and the Secretary or such Persons as determined by resolution of the board of directors.

(d) Unless otherwise provided herein, all monies received from time to time for the Corporation shall be deposited immediately into its bank to the credit of the Corporation's account in the

- 10 -

same drafts, cheques, bills, cash or other form in which it is received and all disbursements on account of the Corporation shall only be made by cheque drawn on such bank.

(e) The Corporation shall maintain insurance in such amounts, in respect of such risks and with insurers as shall be acceptable to the unanimous decision of the board including, without limitation, and at the option of the board, appropriate bonding in respect of its officers.

#### **6.7 Accountants**

The Accountants of the Corporation shall be a firm of accountants as the Shareholders of the Corporation shall from time to time appoint in accordance with the terms hereof.

#### **6.8 Termination of Agreement**

(a) In addition to the further provisions as set out in this Agreement, this Agreement shall be terminated upon:

- (i) the written agreement of all the Parties hereto;
- (ii) one of the Shareholders becoming the owner of all of the issued Shares of the Corporation and having fulfilled all obligations to the former Shareholders required by this Agreement; or
- (iii) upon the time that the Corporation is wound-up or dissolved.

(b) Termination of this Agreement shall not affect or prejudice any rights or responsibilities that may have arisen pursuant to this Agreement prior to the termination of this Agreement and those rights and obligations that shall survive the termination of this Agreement.

#### **6.9 Arbitration**

All matters in dispute which relate in any way to this Agreement, but excluding any dispute as to how the Business of the Corporation should be carried on, shall be submitted to arbitration. Such arbitration shall be conducted by a single arbitrator chosen by the Parties to the dispute or appointed by a judge.

Arbitration will take place in the municipality where the primary business premises of the Corporation are located. The laws of the Province of Ontario, especially the *Arbitration Act, 1991 (Ontario)*, shall govern any arbitration.

There shall be no appeal from arbitration under this Section. The costs of arbitration shall be awarded by the arbitrator based on the success of each Party to the arbitration.

### **ARTICLE 7- RESTRICTIVE COVENANTS**

#### **7.1 Confidential Information**

The Shareholders agree with and for the benefit of the Corporation to hold in strict confidence, and not to use, except for the benefit of the Corporation, or to disclose to any Person, firm or corporation without written authorization of the board of directors, any Confidential Information (as such term is defined

- 11 -

herein), and such agreement with respect to Confidential Information shall remain in effect at all times from the date hereof and at any time thereafter.

For the purposes of this Section "**Confidential Information**" means any and all information and knowledge regarding the Business of the Corporation to which the Shareholder has access including, but not limited to, information about the Corporation's proprietary methods, methodologies and disciplines, technical data, trade secrets, know-how, copyrights, patents, research and development information, product plans, products, services, clients and prospective clients as identified from time to time in the records of the Corporation, customer information, employees, books and records of the Corporation, corporate relationships, suppliers, markets, computer software development, inventions, processes, formulas, technology, designs, business plans, and matters of a business nature such as information regarding marketing, recruiting, costs, pricing, finances, financial models and projections or other similar business information.

The Shareholders further understand that Confidential Information does not include any of the foregoing items which has become publicly known and made generally available through no act of the Shareholder, or any information which a Shareholder or Principal is required to disclose by order of any court or tribunal of competent jurisdiction or to comply with any law, rule or regulation. The Shareholders agree that if they become legally compelled to disclose any of the Confidential Information, they shall provide the Corporation with prompt written notice thereof, unless it is legally prohibited to do so, so that the Corporation may seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, the Shareholders covenant and agree that they will only furnish such information relating to the Confidential Information that is legally required and will exercise reasonable efforts so that confidential treatment will be accorded to the information disclosed.

The Shareholders further agree and acknowledge that all Confidential Information shall at all times remain the property of the Corporation.

## **7.2 Non-Competition**

(a) During the Restricted Period (as such term is defined herein), the Shareholders shall not, on their own behalf or in connection with any other Person, directly or indirectly, in any capacity whatsoever including, without limitation, as an employer, employee, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser, franchisee, distributor, consultant, supplier, trustee, or by and through any corporation, company, co-operative, partnership, trust, entity with juridical personality, unincorporated association or otherwise carry on, be engaged in, have any financial or other interest in or be otherwise commercially involved in any endeavour, activity or business which is in competition with the Business of the Corporation, within a radius of five (5) miles of the Lands.

(b) During the Restricted Period, the Shareholders shall not directly or indirectly, without the prior written consent of the Corporation, provide services to, accept employment with or seek remuneration from any of the clients or customers of the Corporation or any entity controlled by, controlling or under common control with, any client or customer of the Corporation.

(c) For the purposes of this Section, the "Restricted Period" shall commence on the date hereof and shall continue for a period ending on the second anniversary of the date that a Shareholder ceases to be a Shareholder of the Corporation.

- 12 -

**7.3 Non-Solicitation**

The Shareholders agree with and for the benefit of the Corporation that during the Restricted Period (the "**Non-Solicitation Period**"), such Shareholder shall not on his or her own behalf or on behalf of or in connection with any other Person, directly or indirectly, in any capacity whatsoever including, without limitation, as an employer, employee, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser, franchisee, distributor, consultant, supplier, trustee, or by and through any corporation, company, co-operative, partnership, trust, entity with juridical personality, unincorporated association or otherwise solicit, induce, procure, entice away or hire any person who was an employee or consultant of the Corporation during the Non-Solicitation Period, to work or perform services for any other person or to discontinue working or performing services for the Corporation.

**7.4 Non-Interference**

The Shareholders agree with and for the benefit of the Corporation that during the Restricted Period (the "**Non-Interference Period**"), such Shareholder shall not on his or her own behalf or on behalf of or in connection with any other Person, directly or indirectly, in any capacity whatsoever including, without limitation, as an employer, employee, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser, franchisee, distributor, consultant, supplier, trustee, or by and through any corporation, company, co-operative, partnership, trust, entity with juridical personality, unincorporated association or otherwise interfere or attempt to interfere with the Business of the Corporation or persuade or attempt to persuade any customer, employee or supplier of the Corporation to discontinue or alter such Person's relationship with the Corporation.

**ARTICLE 8- GENERAL CONTRACT PROVISIONS**

**8.1** Time shall be of the essence of this Agreement and of every part hereof.

**8.2** All Share certificates of the Corporation shall have the following memorandum endorsed thereon forthwith after the execution of this Agreement:

"The Shares represented by this certificate are subject to an Agreement made between all the Shareholders of the Corporation and are not transferable or chargeable, except in compliance with the terms and conditions of the said Agreement."

**8.3** This Agreement shall not constitute a unanimous shareholders agreement within the meaning of the Act. Each Shareholder and each person who intends to become a Shareholder through a transfer of additional securities in accordance with this Agreement shall have executed and delivered to the Corporation before becoming a Shareholder, a counterpart copy of this Agreement or a written agreement in form and substance satisfactory to the Parties under which it agrees to be bound by the terms and conditions hereof.

**8.4** The Shareholders shall at all times vote the Shares now or hereafter during the term of this Agreement owned by them respectively and otherwise exercise their respective rights as shareholders to cause such meetings to be held, resolutions to be passed, by-laws to be enacted, documents to be executed and, to cause the respective nominees to the board to act so that at all times the conditions, restrictions and prohibitions as herein set out relating to their respective shareholdings in the Corporation and relating to the business and corporate affairs of the Corporation shall fully apply.

- 13 -

**8.5** In the event of conflict between the provisions of this Agreement and any of the articles of the Corporation, by-laws or resolutions of the board or of the Shareholders of the Corporation, the Shareholders shall cause such meetings to be held and shall each vote so as to cause this Agreement, the articles, by-laws or resolutions, as the case may be, to be amended or repealed to the extent necessary to resolve any conflict in favour of the constating documents so that those documents shall at all times prevail.

**8.6** (a) All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one Party hereto to the other shall be given in writing and shall be given by personal service, telex, telegram, telecopier, facsimile or other similar electronic transmission or by registered mail, postage prepaid, addressed to the other Party, or delivered to such other Party at his or her address on the first page hereof or at such other addresses as may be given by any of them to the other in writing from time to time and in accordance with the provisions hereof.

(b) Any notice, request, demand or other communication delivered or transmitted by telex, telegram, telecopier, facsimile or similar form of electronic transmission shall be deemed to have been received by and given to the addressee on the day of delivery or transmission and if mailed as aforesaid shall be deemed to have been received by and given to the addressee on the third Business Day following the date of mailing, provided that for such purpose no day during which there shall be a strike or other occurrence which shall interfere with normal mail service shall be considered a Business Day. In the event normal mail service is so interrupted then, until normal postal services resume, all notices, requests, demands or other communications required or permitted to be given hereunder shall be required to be given by personal service, telex, telegram, telecopier facsimile or other similar electronic transmission.

**8.7** The Parties hereto shall sign such further and other papers, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

**8.8** The provisions of this Agreement shall apply *mutatis mutandis* to any Shares into which the Shares of the Corporation may hereafter be converted or changed, or to any Shares resulting from a reclassification, subdivision or consolidation of any Shares of the Corporation, and also to any Shares of the Corporation which are received by the holders of Shares as a stock dividend or to any Shares or other securities of the Corporation or any successor corporation which may be received by the holders of Shares of the Corporation on an amalgamation, reorganization or reconstruction of the Corporation.

**8.9** This Agreement shall be deemed to be made in and construed in accordance with the laws of the Province of Ontario and the Parties hereto agree to attorn to the courts thereof.

**8.10** All prior agreements except those specifically provided for herein between some or all of the Parties hereto regarding the organization and affairs of the Corporation and or the sale of any Shareholder's Shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated.

**8.11** No modification, amendment or variation hereof shall be of effect or binding upon the Parties unless made by an agreement or instrument in writing signed by each of the Shareholders.

**8.12** The Corporation hereby agrees to be bound by each of the terms and provisions of this Agreement.

- 14 -

**8.13** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, legal personal representatives, successors and assigns.

**8.14** Each of Furtado, AKM, FIM and Pucci has been advised to seek independent legal and financial advice prior to their execution of this Agreement. Each of Furtado, AKM, FIM and Pucci hereby acknowledges to the other Parties that each of Furtado, AKM, FIM and Pucci has reviewed the Articles and this Agreement and has sought and obtained such independent advice, or, after consideration has declined seeking such advice despite having been given the opportunity to do so.

**[Signature Page Follows]**

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first above written.

**ADELAIDE SQUARE DEVELOPMENTS INC. FURTADO HOLDINGS INC.**

  
\_\_\_\_\_  
**ANGELO PUCCI**  
Director  
*I have authority to bind the corporation*

  
\_\_\_\_\_  
**OSCAR FURTADO**  
President  
*I have authority to bind the corporation*

**AKM HOLDINGS CORP.**

**FIM HOLDINGS INC.**

  
\_\_\_\_\_  
**KASIA PIKULA**  
President  
*I have authority to bind the corporation*

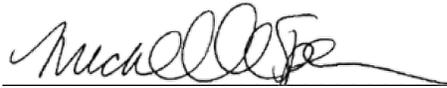
  
\_\_\_\_\_  
**ROCCO RUSO**  
President  
*I have authority to bind the corporation*

**Schedule "A"****The Lands**

355 Adelaide Street West, Toronto, Ontario and legally described in PIN 21412-0150(LT)

46 Charlotte Street, Toronto, Ontario, and legally described in PIN 21412-0151(LT)

This is Exhibit "64" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**RE DIRECTION RE FUNDS**

TO: Schneider Ruggiero Spencer Milburn LLP  
RE: Adelaide Square Developments Inc. dividend distribution relating to the properties municipally known as 355 Adelaide St. W., Toronto, Ontario 46 Charlotte St., Toronto, Ontario  
NO. 41351

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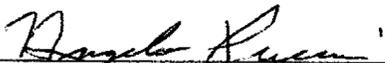
**YOU ARE HEREBY AUTHORIZED AND DIRECTED** to pay the proceeds in the above-noted transaction as follows regarding partial dividend payments:

**FURTADO HOLDINGS INC.                      \$6,000,000.00**

**AND FOR SO DOING** this shall be your good, sufficient and irrevocable authority.

DATED at Toronto this 30 day of September 2019

**ADELAIDE SQUARE DEVELOPMENTS INC.**

Per:   
Name: Angelo Pucci  
Title: President/ Secretary

I have authority to bind the Corporation

This is Exhibit "67" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
6<sup>th</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

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A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

Clear Data

Canada Revenue Agency  
Agence du revenu du Canada**T5 Statement of Investment Income**  
**État des revenus de placement**Year  
2019Protected B / Protégé B  
when completed / une fois rempli

130

Dividends from Canadian corporations – Dividendes de sociétés canadiennes			Federal credit – Cré dit fédéral			Année					
24	Actual amount of eligible dividends	25	Taxable amount of eligible dividends	26	Dividend tax credit for eligible dividends	13	Interest from Canadian sources	18	Capital gains dividends		
Montant réel des dividendes dé terminés		Montant imposable des dividendes dé terminés		Cré dit d'impôt pour dividendes dé terminés		Intérêts de source canadienne		Dividendes sur gains en capital			
10	Actual amount of dividends other than eligible dividends 6,388,087.00	11	Taxable amount of dividends other than eligible dividends	12	Dividend tax credit for dividends other than eligible dividends	21	Report Code 0	22	Recipient identification number 805291838RZ0001	23	Recipient type 3
Montant réel des dividendes autres que des dividendes dé terminés		Montant imposable des dividendes autres que des dividendes dé terminés		Cré dit d'impôt pour dividendes autres que des dividendes dé terminés		Code du feuillet		Numéro d'identification du bénéficiaire		Type de bénéficiaire	
Other information (see the back) Autres renseignements (lisez le verso)			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
			Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	

Recipient's name (last name first) and address – Nom, pré nom et adresse du bénéficiaire	Payer's name and address – Nom et adresse du payeur
AKM HOLDINGS CORP. 22 ROWLEY DRIVE PALGRAVE, ON L7E 0C6	ADELAIDE SQUARE DEVELOPMENTS INC. 21 TYNEVALE DRIVE TORONTO, ON M9R 2B3

Currency and identification codes  
Codes de devise et d'identification

27

28

29

Foreign currency  
Devises étrangères

Transit – Succursale

Recipient account  
Numéro de compte du bénéficiaireFor information, see the back.  
Pour obtenir des renseignements,  
lisez le verso.See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration.  
T5 (19)Canada Revenue Agency  
Agence du revenu du Canada**T5 Statement of Investment Income**  
**État des revenus de placement**Year  
2019Protected B / Protégé B  
when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes			Federal credit – Cré dit fédéral			Année					
24	Actual amount of eligible dividends	25	Taxable amount of eligible dividends	26	Dividend tax credit for eligible dividends	13	Interest from Canadian sources	18	Capital gains dividends		
Montant réel des dividendes dé terminés		Montant imposable des dividendes dé terminés		Cré dit d'impôt pour dividendes dé terminés		Intérêts de source canadienne		Dividendes sur gains en capital			
10	Actual amount of dividends other than eligible dividends 6,388,087.00	11	Taxable amount of dividends other than eligible dividends	12	Dividend tax credit for dividends other than eligible dividends	21	Report Code 0	22	Recipient identification number 805291838 RZ 0001	23	Recipient type 3
Montant réel des dividendes autres que des dividendes dé terminés		Montant imposable des dividendes autres que des dividendes dé terminés		Cré dit d'impôt pour dividendes autres que des dividendes dé terminés		Code du feuillet		Numéro d'identification du bénéficiaire		Type de bénéficiaire	
Other information (see the back) Autres renseignements (lisez le verso)			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
			Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	

Recipient's name (last name first) and address – Nom, pré nom et adresse du bénéficiaire	Payer's name and address – Nom et adresse du payeur
AKM HOLDINGS CORP. 22 ROWLEY DRIVE PALGRAVE, ON L7E 0C6	ADELAIDE SQUARE DEVELOPMENTS INC. 21 TYNEVALE DRIVE TORONTO, ON M9R 2B3

Currency and identification codes  
Codes de devise et d'identification

27

28

29

Foreign currency  
Devises étrangères

Transit – Succursale

Recipient account  
Numéro de compte du bénéficiaireFor information, see the back.  
Pour obtenir des renseignements,  
lisez le verso.See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration.  
T5 (19)Canada Revenue Agency  
Agence du revenu du Canada**T5 Statement of Investment Income**  
**État des revenus de placement**Year  
2019Protected B / Protégé B  
when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes			Federal credit – Cré dit fédéral			Année					
24	Actual amount of eligible dividends	25	Taxable amount of eligible dividends	26	Dividend tax credit for eligible dividends	13	Interest from Canadian sources	18	Capital gains dividends		
Montant réel des dividendes dé terminés		Montant imposable des dividendes dé terminés		Cré dit d'impôt pour dividendes dé terminés		Intérêts de source canadienne		Dividendes sur gains en capital			
10	Actual amount of dividends other than eligible dividends 6,388,087.00	11	Taxable amount of dividends other than eligible dividends	12	Dividend tax credit for dividends other than eligible dividends	21	Report Code 0	22	Recipient identification number 805291838 RZ 0001	23	Recipient type 3
Montant réel des dividendes autres que des dividendes dé terminés		Montant imposable des dividendes autres que des dividendes dé terminés		Cré dit d'impôt pour dividendes autres que des dividendes dé terminés		Code du feuillet		Numéro d'identification du bénéficiaire		Type de bénéficiaire	
Other information (see the back) Autres renseignements (lisez le verso)			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
			Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	

Recipient's name (last name first) and address – Nom, pré nom et adresse du bénéficiaire	Payer's name and address – Nom et adresse du payeur
AKM HOLDINGS CORP. 22 ROWLEY DRIVE PALGRAVE, ON L7E 0C6	ADELAIDE SQUARE DEVELOPMENTS INC. 21 TYNEVALE DRIVE TORONTO, ON M9R 2B3

Currency and identification codes  
Codes de devise et d'identification

27

28

29

Foreign currency  
Devises étrangères

Transit – Succursale

Recipient account  
Numéro de compte du bénéficiaireFor information, see the back.  
Pour obtenir des renseignements,  
lisez le verso.See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration.  
T5 (19)

If you are using this page for the recipient's copies, keep the bottom slip for your records.

For information on how to complete this form, see the back.

Detach this part before filing your T5 information return.

Si vous utilisez cette page pour les copies du bénéficiaire, conservez la copie du bas pour vos dossiers.

Les renseignements sur la façon de remplir ce formulaire se trouvent au verso.

Dé tachez cette partie avant de produire votre déclaration de renseignements T5.

Clear Data

T5 Guide

**Report these amounts on your income tax and benefit return**

For information on how to report your income, see your tax guide.

**10 Dividends from Canadian corporations other than eligible dividends** – The amount an individual has to report as income is the amount shown in box 11.  
**11** The dividend tax credit to which an individual is entitled is shown in box 12. For more information, see lines 12000 and 40425 in your tax guide.

**13 Interest from Canadian sources** – For information on how to report this amount on your return, see line 12100 in your tax guide.

**Box 14** – Other income from Canadian sources

**Box 15** – Foreign income

For information on how to report box 14 or 15 amounts on your return, see line 12100 in your tax guide.

**Box 16** – Foreign tax paid

We use this amount to calculate your foreign tax credit. For more information, see line 40500 of your tax guide.

**Box 17** – Royalties from Canadian sources

If royalties are from a work or invention of yours with no associated expenses, enter the amount on line 10400 of your return. Enter on line 13500 your royalties that have expenses associated with them. Enter on line 12100 all other royalties.

**18 Capital gains dividends** – Enter this amount on line 17400 of Schedule 3, "Capital Gains (or Losses)."

**Box 19** – Accrued income: Annuities

This amount is the earnings part of a general annuity. If you were 65 or older at the end of the year, or if you received the annuity payments because of the death of your spouse or common-law partner, report this amount on line 11500 of your return. Otherwise, enter this amount on line 12100 of your return.

**21 Report code** – The code in this box indicates that this slip is the original ("O"), an amended ("A"), or a cancelled slip ("C").

**22 Recipient identification number** – If you are an individual (other than a trust), the number in this box is your social insurance number. In all other cases, the number is your 15 character business number.

**23 Recipient type** – The code in this box indicates if the amount was paid to an individual ("1"), a joint account ("2"), a corporation ("3"), an association, trust, club, or partnership ("4"), or a government ("5").

**24 Eligible dividends from Canadian corporations** – The amount an individual has to report as income is the amount shown in box 25. The dividend tax credit to which an individual is entitled is shown in box 26. For more information, see lines 12000 and 40425 in your tax guide.

**27 Foreign currency** – Leave this area blank if you are reporting amounts in Canadian dollars. For more information, see box 27 in the Guide T4015, T5 Guide – Return of Investment Income.

**28 Transit** – If you are reporting for a financial institution or any similar business, enter the recipient's transit code or branch identification code (up to eight characters) in this area.

**29 Recipient account** – If you can identify the recipient by an account number or policy number, enter the appropriate characters (up to 12) in this area.

**Box 30** – Equity linked notes interest

Identify a box in the "Other information" area as box 30. In the "Amount box," enter the total interest that is deemed to accrue pursuant to subsection 20(14.2) of the Act from the assignment or transfer of linked notes. Report this amount on line 12100 of your return.

You may have to pay your taxes by instalments. For more information, go to [canada.ca/taxes-instalments](http://canada.ca/taxes-instalments) or call **1-800-959-8281**.

Under the Income Tax Act, you have to give your social insurance number (SIN) on request to any person who prepares an information slip for you. If you do not have a SIN, apply for one at any Service Canada Centre.

For more information, consult the section "Other information" in Guide T4015, T5 Guide – Return of Investment Income.

**Déclarez ces montants dans votre déclaration de revenus et de prestations**

Pour en savoir plus sur la façon de déclarer votre revenu, consultez votre guide d'impôt.

**10 Dividendes de société s canadiennes autres que des dividendes dé terminés** –

**11** Le montant qu'un particulier doit déclarer comme revenu est le montant de la case 11.  
**12** Le crédit d'impôt pour dividendes auquel un particulier a droit figure à la case 12. Pour en savoir plus, lisez les renseignements aux lignes 12000 et 40425 de votre guide d'impôt.

**13 Inté r é t s de source canadienne** – Lisez les renseignements à la ligne 12100 de votre guide d'impôt pour savoir comment indiquer ce montant dans votre déclaration.

**Case 14** – Autres revenus de source canadienne

**Case 15** – Revenus é trangers

Lisez les renseignements à la ligne 12100 de votre guide d'impôt pour savoir comment indiquer les montants des cases 14 et 15 dans votre déclaration.

**Case 16** – Impô t é tranger payé

Ce montant sert à calculer votre cré dit pour impô t é tranger. Pour en savoir plus, lisez les renseignements à la ligne 40500 de votre guide d'impôt.

**Case 17** – Redevances de source canadienne

Inscrivez à la ligne 10400 de votre déclaration les redevances sur un ouvrage ou une invention dont vous é tes l'auteur et auquel aucune dé pense n'est associée e. Si des dé pense s lui sont associées es, la redevance doit é tre dé claré e comme revenu d'un travail indé pendant à la ligne 13500. Inscrivez les autres redevances que vous touchez à la ligne 12100.

**18 Dividendes sur gains en capital** – Inscrivez ce montant à la ligne 17400 de l'annexe 3, « Gains (ou pertes) en capital ».

**Case 19** – Revenu s accumulés : Rentes

Ce montant est la partie « revenu » des rentes ordinaires. Si vous aviez 65 ans ou plus à la fin de l'année e, ou si vous avez reçu des paiements de rentes en raison du dé cès de votre é poux ou conjoint de fait, dé clarez ce montant à la ligne 11500 de votre déclaration. Autrement, inscrivez-le à la ligne 12100.

**21 Code du feuillet** – Le code dans cette case indique que ce feuillet est l'original (« O »), un feuillet modifié (« M ») ou un feuillet annulé (« C »).

**22 Numé ro d'identification du bé né ficiaire** – Si vous é tes un particulier (autre qu'une fiducie), ce numé ro est votre numé ro d'assurance sociale. Dans tous les autres cas, il s'agit de votre numé ro d'entreprise de 15 caractères.

**23 Type de bé né ficiaire** – Le code dans cette case indique si le montant a é té payé à un particulier (« 1 »), à un compte conjoint (« 2 »), à une société (« 3 »), à une association, à une fiducie, un club ou à une société de personnes (« 4 ») ou à un gouvernement (« 5 »).

**24 Dividendes dé terminés de société s canadiennes** – Le montant qu'un particulier doit dé clarer comme revenu est le montant de la case 25. Le cré dit d'impôt pour dividendes auquel un particulier a droit figure à la case 26. Pour en savoir plus, lisez les renseignements aux lignes 12000 et 40425 de votre guide d'impôt.

**27 Devises é trangé res** – N'inscrivez rien dans cette section si les sommes que vous dé clarez sont en dollars canadiens. Lisez les renseignements à la case 27 dans le guide T4015, Guide T5 – Dé clarification des revenus de placement.

**28 Succursale** – Si vous remplissez une déclaration de renseignements T5 au nom d'un é tablissement financier ou d'une entreprise semblable, inscrivez à la case 28 le code de domiciliation approprié ou le code d'identification de la succursale bancaire du bé né ficiaire (jusqu'à huit caractères).

**29 Numé ro de compte du bé né ficiaire** – Si vous connaissez le bé né ficiaire par son numé ro de compte ou de police, inscrivez ce numé ro (jusqu'à 12 caractères).

**Case 30** – Inté r é t s de billets lié s à des actions

Dans la section « Autres renseignements », dé signez une case 30. Dans la case « Montant », inscrivez la somme totale ré puté e et constituez le montant d'inté r é t s courus conformément au paragraphe 20(14.2) de la Loi à la suite de la cession ou du transfert des billets lié s. Dé clarez ce montant à la ligne 12100 de votre déclaration.

Il se peut que vous deviez payer votre impô t par acomptes provisionnels. Pour en savoir plus, allez à [canada.ca/impots-acomptes-provisionnels](http://canada.ca/impots-acomptes-provisionnels) ou composez le **1-800-959-7383**.

Selon la Loi de l'impôt sur le revenu, vous devez fournir, sur demande, votre numé ro d'assurance sociale (NAS) à toute personne qui é tablit un feuillet de renseignements à votre nom. Si vous n'avez pas de NAS, vous devez en obtenir un auprès d'un Centre Service Canada.

Pour en savoir plus, consultez la section "Autres renseignements" de la publication T4015, Guide T5 – Dé clarification des revenus de placements.

**HOW TO COMPLETE THIS FORM**

You can use this form whether you file electronically or on paper.

Before completing any T5 slip, see Guide T4015, T5 Guide – Return of Investment Income. To get a copy, go to [canada.ca/cra-forms](http://canada.ca/cra-forms) or call **1-800-959-5525**.

For more information about filing electronically, go to [canada.ca/taxes-iref](http://canada.ca/taxes-iref).

**If you file your T5 slips on paper:**

- Use one sheet for three different recipients for the copy you are sending to us. Do not separate the slips when you send them with your T5 Summary.
- Use a separate sheet for the two copies you are giving to the recipient and the copy you are keeping in your records.

Send a copy with the T5 Summary to:

T5 Program  
 Jonquière Tax Centre  
 PO Box 1300 LCD Jonquière  
 Jonquière QC G7S 0L5

**COMMENT REMPLIR CE FORMULAIRE**

Vous pouvez utiliser ce formulaire si vous produisez votre déclaration par voie é lectronique ou sur papier.

Avant de remplir les feuillets T5, consultez la publication T4015, Guide T5 – Dé clarification des revenus de placements. Pour l'obtenir, allez à [canada.ca/arc-formulaires](http://canada.ca/arc-formulaires) ou composez le **1-800-959-7775**.

Pour en savoir plus sur la façon de produire par voie é lectronique, allez à [canada.ca/impots-tedr](http://canada.ca/impots-tedr).

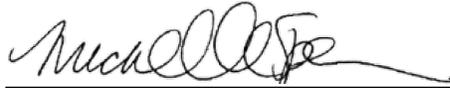
**Si vous produisez vos feuillets T5 sur papier :**

- Utilisez une page pour trois bé né ficiaires distincts pour la copie que vous nous envoyez. Ne sé parez pas les feuillets avant de nous les envoyer avec le T5 Sommaire.
- Utilisez une page distincte pour les deux copies que vous remettez à chaque bé né ficiaire et la copie que vous gardez dans vos dossiers.

Envoyez une copie avec le formulaire T5 Sommaire à :

Programme T5  
 Centre fiscal de Jonquière  
 CP 1300 PDF Jonquière  
 Jonquière QC G7S 0L5

This is Exhibit "68" referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021



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A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

Canada Revenue Agency / Agence du revenu du Canada **T5 Statement of Investment Income / État des revenus de placement** Year 2019 **Protected B / Protégé B** when completed / une fois rempli

Dividends from Canadian corporations - Dividendes de sociétés canadiennes		Federal credit - Crédit fédéral		Année	
24 Actual amount of eligible dividends Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	26 Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital	
10 Actual amount of dividends other than eligible dividends 6,388,087.00 Montant réel des dividendes autres que des dividendes déterminés	11 Taxable amount of dividends other than eligible dividends Montant imposable des dividendes autres que des dividendes déterminés	12 Dividend tax credit for dividends other than eligible dividends Crédit d'impôt pour dividendes autres que des dividendes déterminés	21 Report Code 0 Code du feuillet	22 Recipient identification number 741055321RZ0001 Numéro d'identification du bénéficiaire	23 Recipient type 3 Type de bénéficiaire
Other information (see the back) / Autres renseignements (lisez le verso)					
Recipient's name (last name first) and address - Nom, prénom et adresse du bénéficiaire FURTADO HOLDINGS INC. 2354 SALCOME DRIVE OAKVILLE, ON L6H 7N3			Payer's name and address - Nom et adresse du payeur ADELAIDE SQUARE DEVELOPMENTS INC. 21 TYNEVALE DRIVE TORONTO, ON M9R 2B3		
Currency and identification codes / Codes de devise et d'identification					
27 Foreign currency / Devises étrangères		28 Transit - Succursale		29 Recipient account / Numéro de compte du bénéficiaire	

See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration. T5 (19) For information, see the back. / Pour obtenir des renseignements, lisez le verso.

Canada Revenue Agency / Agence du revenu du Canada **T5 Statement of Investment Income / État des revenus de placement** Year 2019 **Protected B / Protégé B** when completed / une fois rempli

Dividends from Canadian corporations - Dividendes de sociétés canadiennes		Federal credit - Crédit fédéral		Année	
24 Actual amount of eligible dividends Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	26 Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital	
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Other information (see the back) / Autres renseignements (lisez le verso)					
Recipient's name (last name first) and address - Nom, prénom et adresse du bénéficiaire FURTADO HOLDINGS INC. 2354 SALCOME DRIVE OAKVILLE, ON L6H 7N3			Payer's name and address - Nom et adresse du payeur ADELAIDE SQUARE DEVELOPMENTS INC. 21 TYNEVALE DRIVE TORONTO, ON M9R 2B3		
Currency and identification codes / Codes de devise et d'identification					
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See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration. T5 (19) For information, see the back. / Pour obtenir des renseignements, lisez le verso.

Canada Revenue Agency / Agence du revenu du Canada **T5 Statement of Investment Income / État des revenus de placement** Year 2019 **Protected B / Protégé B** when completed / une fois rempli

Dividends from Canadian corporations - Dividendes de sociétés canadiennes		Federal credit - Crédit fédéral		Année	
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Currency and identification codes / Codes de devise et d'identification					
27 Foreign currency / Devises étrangères		28 Transit - Succursale		29 Recipient account / Numéro de compte du bénéficiaire	

See the privacy notice on your return / Consultez l'avis de confidentialité dans votre déclaration. T5 (19) For information, see the back. / Pour obtenir des renseignements, lisez le verso.

If you are using this page for the recipient's copies, keep the bottom slip for your records.

Si vous utilisez cette page pour les copies du bénéficiaire, conservez la copie du bas pour vos dossiers.

For information on how to complete this form, see the back.

Les renseignements sur la façon de remplir ce formulaire se trouvent au verso.

Detach this part before filing your T5 information return.

Détachez cette partie avant de produire votre déclaration de renseignements T5.

This is Exhibit “77” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**MEMORANDUM OF AGREEMENT****BETWEEN:****OSCAR FURTADO (the "Oscar")**

- and -

**ADELAIDE SQUARE DEVELOPMENTS INC. (the "Square")**

- and -

**GO-TO SPADINA ADELAIDE SQUARE LP (the "LP")**

WHEREAS Adelaide Square Developments Inc. requires an extension of the closing date from March 26<sup>th</sup>, 2019 to April 4<sup>th</sup>, 2019 for the purchase of the property municipally known as 355 Adelaide St. W., Toronto, Ontario from 1708305 Ontario Inc.;

AND WHEREAS Adelaide Square Developments Inc. was to offer 1708305 Ontario Inc. \$800,000.00 for an extension to April 4<sup>th</sup>, 2019;

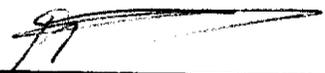
AND WHEREAS Adelaide Square Developments Inc. requires funding of the \$800,000.00 in order to satisfy the extension;

NOW THEREFORE the parties agree as follows:

THAT Oscar Furtado, as signing officer for Go-To Spadina Adelaide Inc. as general partner on behalf of the LP, shall wire transfer the amount of \$800,000.00 as a non-refundable payment to obtain an extension of Square's transaction with 1708305 Ontario Inc.

AND THAT as consideration for doing so, the Square shall, upon successful completion of the sale of the assembly of 355 Adelaide St. W., Toronto, Ontario and 46 Charlotte St., Toronto, Ontario to the LP, pay a fee of fifty (50%) percent of \$800,000.00 being \$400,000.00 less legal expenses to Furtado Holdings Inc., a company owned by Oscar Furtado.

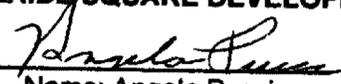
DATED at Toronto, this 26<sup>th</sup> day of March 2019




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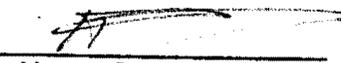
Oscar Furtado

**ADELAIDE SQUARE DEVELOPMENTS INC.**

Per:   
 Name: Angelo Pucci  
 Title: President

I/We have authority to bind the corporation.

**GO-TO SPADINA ADELAIDE SQUARE INC. as general partner  
 on behalf of GO-TO SPADINA ADELAIDE SQUARE LP**

Per:   
 Name: Oscar Furtado  
 Title: President

I/We have authority to bind the corporation.

This is Exhibit “78” referred to  
in the Affidavit of Stephanie Collins  
sworn before me, this  
1<sup>st</sup> day of December, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,  
Province of Ontario, for the Government of Ontario,  
Ontario Securities Commission.  
Expires March 22, 2024.**

**MEMORANDUM OF AGREEMENT****BETWEEN:****OSCAR FURTADO (the "Oscar")**

- and -

**FURTADO HOLDINGS INC. (the "Holdings")**

- and -

**GO-TO SPADINA ADELAIDE SQUARE LP (the "LP")**

WHEREAS Oscar Furtado, as signing officer for Go-To Spadina Adelaide Square Inc. being the general partner on behalf of the LP, shall release a non-refundable deposit in the amount of \$800,000.00 on March 26<sup>th</sup>, 2019 in order to obtain an extension of Adelaide Square Developments Inc.'s transaction with 1708305 Ontario Inc. from March 26<sup>th</sup>, 2019 to April 4<sup>th</sup>, 2019;

AND WHEREAS Furtado Holdings Inc. agrees to assume all the risk of the non-refundable deposit if the final transaction does not close on April 4<sup>th</sup>, 2019;

AND WHEREAS Furtado Holdings Inc. shall incur the expense of any loss of the non-refundable deposit if the transaction does not close;

NOW THEREFORE the parties agree as follows:

THAT upon a successful completion of the LP's purchase of 355 Adelaide St. W., Toronto, Ontario and 46 Charlotte St., Toronto, Ontario any agreed upon returns shall be paid to Furtado Holdings Inc.

DATED at Toronto, this 26<sup>th</sup> day of March 2019




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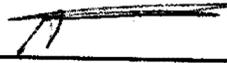
Oscar Furtado

**FURTADO HOLDINGS INC.**

Per:   
 Name: Oscar Furtado  
 Title: President

I/We have authority to bind the corporation.

**GO-TO SPADINA ADELAIDE SQUARE INC. as general partner  
 on behalf of GO-TO SPADINA ADELAIDE SQUARE LP**

Per:   
 Name: Oscar Furtado  
 Title: President

I/We have authority to bind the corporation.



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.O. 1990, c. S.5, AS AMENDED**

**- AND -**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.,  
OSCAR FURTADO, and FURTADO HOLDINGS INC.**

**FREEZE DIRECTION  
(Sections 126(1)(b) and 126(1)(c))**

**TO:** Oscar Furtado (DOB: July 15, 1962)  
2354 Salcome Drive  
Oakville, Ontario  
L6H 7N3

**RE:** Proceeds of sale of units of Go-To limited partnerships

**TAKE NOTICE THAT** pursuant to paragraph 126(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), you are directed to refrain from withdrawing any funds, securities or property: that constitute or are derived from the proceeds of, or are otherwise related to the sale of units in any limited partnership related to Go-To Developments Holdings Inc. (“GTDH”), from another person or company who has them on deposit, under control or for safekeeping; and, without limiting the generality of the foregoing, in RBC Direct Investing account no. 685-92809-2-4 (“**RBC Direct Account**”); and to hold these funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, securities or property from this Direction or until the Ontario Superior Court of Justice orders otherwise.

**AND TAKE FURTHER NOTICE** that pursuant to paragraph 126(1)(c) of the Act, you are directed to maintain funds, securities or property: that constitute or are derived from the proceeds of, or are otherwise related to the sale of units in any limited partnership related to GTDH; and, without limiting the generality of the foregoing, in the RBC Direct Account; and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value

of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, security or property from this Direction or until the Ontario Superior Court of Justice orders otherwise, except that you may dispose of securities or derivatives already held in the RBC Direct Account provided that any disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the RBC Direct Account.

**DATED** at Toronto, Ontario this 6<sup>th</sup> day of December, 2021.

*"Timothy Moseley"*



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.O. 1990, c. S.5, AS AMENDED**

**- AND -**

**IN THE MATTER OF GO-TO DEVELOPMENTS HOLDINGS INC.,  
OSCAR FURTADO, and FURTADO HOLDINGS INC.**

**FREEZE DIRECTION  
(Section 126(1)(a))**

**TO:** The Manager  
RBC Direct Investing Inc.  
200 Bay Street  
P.O. Box 75  
Toronto, ON M5J 2Z5

**RE:** FURTADO, Oscar  
Account No. 685-92809-2-4  
(CAD and USD)

**TAKE NOTICE** that pursuant to paragraph 126(1)(a) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "**Act**"), RBC Direct Investing Inc. ("**RBC Direct**") is directed to retain any funds, securities or property that it has on deposit or under its control or for safekeeping in the name of or otherwise under the control of Oscar Furtado, including any funds, securities or property on deposit in account no. 685-92809-2-4 (the "**Account**"), and hold the funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Direction or consents to release a particular fund, securities or property from this Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception that securities or derivatives already held in the Account may be sold provided that any disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the Account.

**AND TAKE FURTHER NOTICE THAT** this Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

**AND TAKE FURTHER NOTICE THAT** this Direction may be served by e-mail, fax or courier to the above-noted address for and the last known address of the parties named in this Direction in the records of RBC Direct.

**DATED** at Toronto, Ontario this 6<sup>th</sup> day of December, 2021.

*"Timothy Moseley"*

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

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

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**FACTUM OF THE ONTARIO SECURITIES COMMISSION**

---

December 6, 2021

ONTARIO SECURITIES COMMISSION  
20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto, Ontario M5H 3S8

Erin Hoult (LSO No. 54002C)  
Tel.: (416) 593-8290  
Email: ehoult@osc.gov.on.ca

Lawyers for the Ontario Securities Commission

## TABLE OF CONTENTS

PART I – OVERVIEW .....	1
PART II – FACTS .....	3
The Respondents, the Go-To Business, and Investors .....	3
Other Key Persons – Malanca et al. ....	3
Chronology of Key Events .....	5
Furtado’s Misappropriation of Funds and Broken Obligations to Investors.....	7
Investments in Go-To LPs Generally .....	7
Adelaide LP – Misappropriation of Partnership Funds .....	7
Furtado Planned to Profit from the Adelaide LP’s Acquisition of the Properties .....	8
Funds to Make the Demand Loan Payment – September 2019 Investments .....	11
Eagle Valley and Elfrida LPs – Improper Use of Partnership Assets.....	14
Furtado’s Attempts to Mislead Staff and Conduct During the Investigation.....	15
Furtado’s Use of the \$6 Million Dividend .....	17
Freeze Directions Issued by the Commission .....	18
PART III – THE ISSUES .....	18
PART IV – LAW AND ARGUMENT .....	19
Grounds to Appoint a Receiver .....	19
Appointing the Receiver is the Best Interests of the Go-To Respondents’ Stakeholders .....	19
Receivership Necessary for the Due Administration of Securities Law.....	21
Fraud .....	21
Misleading Staff.....	22
Furtado’s Misconduct .....	22
Continuation of the Directions .....	23
PART V – RELIEF SOUGHT .....	25
Schedule “A” – Cases and Authorities Cited.....	26
Schedule “B” – Statutory Provisions .....	27
Schedule “C” – Excerpts of Furtado’s Evidence re: Payments from and Dealings with ASD ....	30
Schedule “D” – Annotated Key Persons Chart and Chronology of Key Events .....	35

## PART I – OVERVIEW

1. In this case, it appears that Oscar Furtado (**Furtado**), the founder and directing mind of the respondent entities (collectively **Go-To**), arranged and received a kickback of at least \$6 million on the acquisition of two properties, which were funded, in part, with investor funds. Furtado then spent those millions on himself and to keep the Go-To businesses afloat.
2. By his actions, Furtado has demonstrated that he lacks the necessary integrity to continue to control projects involving investor funds. Accordingly, the Ontario Securities Commission (**Commission**) seeks the appointment of KSV Restructuring Inc. as receiver and manager (**Receiver**) over Go-To and the continuation of freeze directions it issued relating to Furtado.
3. Between 2016 and 2020, Furtado raised almost \$80 million from Ontario investors for nine Go-To real estate projects by selling limited partnership (**LP**) units. The projects are not complete, and investors' funds remain outstanding.
4. An investigation by Enforcement Staff of the Commission (**Staff**) has found evidence that:
  - (a) beginning in February 2019, Furtado raised capital from investors to acquire and develop two properties in downtown Toronto by selling LP units in Go-To Spadina Adelaide Square LP (**Adelaide LP**);
  - (b) investors were not told that Furtado's holding company (**Furtado Holdings**) was to and did receive shares and payments of over \$6.3 million from Adelaide Square Developments Inc. (**ASD**) after the Adelaide LP paid ASD \$20.95 million for the assignment of the rights to purchase these properties;

- (c) Furtado used monies from ASD on personal expenses, investments, and in the operation of the Go-To businesses, including to make payments due to investors;
- (d) Furtado's key contact for ASD was Alfredo Malanca (**Malanca**). Furtado's relationship with Malanca pre-dates the Adelaide LP project. Malanca's spouse's company received the same quantum of shares and payments from ASD that Furtado Holdings did, on the same dates. Further, Malanca continues to be involved with and, indirectly, earn fees from the Adelaide LP project. Also, Furtado has given Malanca a Go-To email account under a different last name; and
- (e) Furtado pledged the assets of two other Go-To LPs to secure obligations of the Adelaide LP during its property acquisitions, in breach of the applicable LP agreements. Furtado did not disclose these uses of assets to investors for over a year, and only did so after he was questioned by Staff about it.

5. During the investigation, Furtado gave varying and misleading evidence about his dealings with ASD. For example, Furtado initially stated he could "not recall" why Furtado Holdings received the payments in issue. Subsequently, Furtado said he received ASD shares unexpectedly, "as a thank you", some ten days after the Adelaide LP's property acquisitions, and that a \$6 million payment to Furtado Holdings six months later was a dividend on those shares.

6. The evidence raises serious concerns that Furtado has committed fraud and misled Staff of the Commission in breach of the *Securities Act* (the **Act**). The Commission accordingly seeks the appointment of the Receiver in the interests of all stakeholders in the Go-To businesses, and for the sake of the administration of Ontario securities law. Likewise, it seeks the continuation of the freeze directions to maintain assets Furtado obtained from the misconduct.

## **PART II – FACTS**

### **The Respondents, the Go-To Business, and Investors**

7. Furtado is the founder and directing mind of all the other respondents. He is a Chartered Accountant and an Ontario resident. Each of the Go-To respondents are Ontario entities.

Affidavit of Stephanie Collins sworn December 6, 2021 (**Collins Affidavit**), paras. 4, 14-16, Application Record (**Record**) Tab 2.

8. Between 2016 and 2020, Furtado and Go-To Developments Holdings Inc. (**GTDH**) raised almost \$80 million from approximately 85 Ontario investors for nine projects, by selling LP units. For most LPs, investors were promised semi-annual payments on their investments. Investors in the Adelaide LP were not promised semi-annual payments.

Collins Affidavit paras. 6, 18, Appendix (**App.**) B and, e.g., Exhibits (**Ex.**) 9 (p. 122) and 12 (p. 180), Record Tab 2.

9. For each project, Furtado and GTDH set up an LP and a wholly-owned subsidiary of GTDH to act as the general partner (**GP**) (one project has two LPs and GPs). Together, the Go-To LPs own multiple properties in Ontario. The Go-To projects contemplate the development of land and/or of a variety of buildings. No project has begun construction, although Furtado has indicated to Staff that one project (the Eagle Valley project) has begun site servicing.

Collins Affidavit paras. 14, 16-17 and App. A. See also: LP Agreements, Exs. 15-24, Record Tab 2.

### **Other Key Persons – Malanca et al.**

10. The events in issue involve persons beyond the respondents. Malanca (aka Alfredo Palmeri) is a central figure. Among other things:

(a) Furtado negotiated the Adelaide LP's property acquisitions with Malanca, as a representative of ASD, and discussed funding strategies with him;

- (b) AKM Holdings Corp. (**AKM**), which is Malanca’s spouse’s company, received the same quantum of payments and shares from ASD as Furtado Holdings;
- (c) Furtado first met Malanca before he established GTDH. Malanca was Furtado’s “go-to brokerage person” to arrange debt financing for the Go-To projects;
- (d) Malanca also goes by the name Palmeri and Furtado has given him a Go-To email address under that name;<sup>1</sup> and
- (e) Furtado’s evidence is that Malanca continues to assist with the development application process for the Adelaide LP project. In July 2020, Furtado caused the Adelaide LP to enter into an agreement giving ‘consultant’ roles to GTDH and AKM, under which they are to be paid at least \$750,000 each. Draft 2020 financial statements for the Adelaide LP show a \$1.5 million accrual for those fees.

Collins Affidavit paras. 7-8, 24, 44, 59, 78-80, Record Tab 2.

11. The events in issue also involve, among others:<sup>2</sup>

Katarzyna (Kasia) Pikula ( <b>Pikula</b> )	Malanca’s spouse. The director of AKM and Goldmount Capital Inc., a mortgage brokerage.
AKM	A holding company. A shareholder of ASD. Pikula is the director.
Goldmount Financial Group Corp. ( <b>Goldmount</b> )	Malanca is the director.
Angelo Pucci ( <b>Pucci</b> )	The sole registered director, and a shareholder of ASD. Furtado claims to have met him 3 times, with Malanca present. When Staff tried to contact Pucci, his son and former landlord advised that he has dementia (one said his symptoms began in 2019).
Anthony Marek ( <b>Marek</b> )	A repeat investor in the Adelaide LP. Marek had never dealt with Furtado or Go-To before his first investment in the Adelaide LP.

<sup>1</sup> For Furtado and an investor’s evidence on why Malanca also goes by Palmeri, see para. 36 below.

<sup>2</sup> Schedule “D” contains annotated copies of this chart and the chronology below, with cites to the Collins Affidavit.

### Chronology of Key Events

May 2016-June 2020	Furtado raises ~\$80M from investors for 9 Go-To projects, including: <ul style="list-style-type: none"> <li>- \$4.25M for Eagle Valley LP between Apr. 2017-May 2019</li> <li>- \$10.6M for Elfrida LP between Sept. 2017-Feb. 2019</li> <li>- \$42M for Adelaide LP between Feb. 2019-June 2020</li> </ul>
February 2018 and following	Malanca is engaged in: <ul style="list-style-type: none"> <li>- securing purchase rights for 355 Adelaide Street W. and 46 Charlotte Street in downtown Toronto (together, the <b>Properties</b>) via agreements with the then-current owners;</li> <li>- due diligence on the Properties, and promotional efforts for the proposed project, called “Adelaide Square”.</li> </ul>
July 30, 2018	ASD incorporated.
In or before October 2018	Malanca, as a representative of ASD, asks Furtado if he is interested in acquiring the Properties.
December 2018	Adelaide LP makes an offer to buy the Properties from ASD for \$74.25M, which is accepted. This particular agreement does not close; the transaction is restructured in late March 2019.
February 15 – April 2, 2019	Furtado raises ~\$25M from investors for the Adelaide LP in this period, which includes a \$16.8M investment by Marek.
March 26, 2019 to April 3, 2019	Adelaide LP and ASD enter into 4 agreements for the acquisition of the Properties (the <b>Acquisition Agreements</b> ): <ul style="list-style-type: none"> <li>- assignment of purchase and sale agreement for 355 Adelaide;</li> <li>- assignment of purchase and sale agreement for 46 Charlotte;</li> <li>- <b>Assignment Fee</b> agreement, under which the Adelaide LP owes ASD a fee of \$20.95M; and</li> <li>- Memo of Understanding (<b>MOU</b>) with others, including FAAN Mortgage Administrators Inc. (the Court-appointed trustee re: a mortgage on 46 Charlotte). MOU requires further payments on Charlotte after closing (the <b>Density Bonus</b>).</li> </ul>
April 3, 2019	In the MOU, Furtado pledges assets of Elfrida LP to secure Adelaide LP obligations. A charge is registered on the Elfrida LP’s properties. <sup>3</sup>
	Furtado directs Go-To counsel to pay funds in trust (mortgage and investor funds) for the acquisition of the Properties, including to pay the \$20.95M Assignment Fee to ASD.
April 4, 2019	Furtado pledges assets of Eagle Valley LP to secure Adelaide LP obligations to one of its mortgage lenders, Scarecrow Capital Inc. <sup>4</sup>

<sup>3</sup> This charge was removed from title of the Elfrida properties on November 9, 2021.

<sup>4</sup> This charge was removed from title of the Eagle Valley property on April 1, 2021.

	Date of a demand loan agreement for a \$19.8M loan from ASD to Adelaide LP (the <b>Demand Loan</b> ). Loan proceeds are paid by ASD to Marek and Goldmount, as below.
April 5, 2019	Transfer of Properties to Adelaide LP recorded.
	Marek paid \$19.5M by ASD from the Assignment Fee (for redemption of \$16.8M of Adelaide LP units plus a \$2.7M flat fee return).
April 12, 2019	ASD articles amended to change share structure.
April 15, 2019	Furtado Holdings and AKM each receive: <ul style="list-style-type: none"> <li>- 11 shares of ASD; and</li> <li>- \$388,087.33 cheques (<b>\$388K Payment</b>) of this date, paid out of the Assignment Fee.</li> </ul>
	Goldmount paid \$300,000 by ASD from the Assignment Fee. Per Furtado: this payment was a referral fee as Malanca introduced Marek to the Adelaide LP and the LP thus owed the \$300,000 to ASD.
Summer 2019	Per Furtado: Malanca advised, at a lunch with Pucci, that ASD intended to pay Furtado a \$6M dividend “ <i>when they had the funds to pay</i> ”.
By August 2019	Furtado begins seeking further investments for Adelaide LP.
August/September 2019	Furtado meets with Marek to seek further investment for Adelaide LP
September 19-30, 2019	Furtado raises \$13.25M for the Adelaide LP from 4 investors, which includes \$12M invested by companies belonging to Marek.
October 1, 2019	Adelaide LP pays ASD \$12M on the Demand Loan. No payment had been due or demanded.
	ASD pays a \$6M dividend to Furtado Holdings ( <b>\$6M Dividend</b> ).
	ASD pays a \$6M dividend to AKM.
July 31, 2020	Adelaide LP enters into a Project Management Agreement with GTDH and AKM as consultants; the ‘manager’ thereunder remains TBD.
September 24, 2020	First examination of Furtado by Staff.
November 5, 2020	Second examination of Furtado by Staff.
November 9 and December 18, 2020	Progress reports sent to Eagle Valley LP and Elfrida LP investors advising them of the pledges of LP assets that occurred in April 2019.
June 29, 2021	Demand Loan agreement registered on title to the Properties (more than two years after the date of the loan agreement).
July 7, 2021	Third examination of Furtado by Staff.

## **Furtado's Misappropriation of Funds and Broken Obligations to Investors**

### ***Investments in Go-To LPs Generally***

12. For each Go-To LP, investors were told that funds were being raised to acquire properties and pay soft costs, such as taxes, due diligence and development costs. The terms for the investments were set out in a subscription agreement and an LP agreement.

Collins Affidavit paras. 6, 19-20 and, e.g., Exs. 9 (p. 123) and 12 (p. 181), Record Tab 2.

13. Each LP agreement permits the GP and its affiliates to earn certain fees, receive reimbursement for reasonable expenses, and to provide services to the LP at a reasonable and competitive cost.

Exs. 15-24, Record Tab 2. See, e.g., Adelaide LP agreement, Ex. 23 at ss. 4.1, 5.3(f), 5.4, 5.12, 10.1 (pp. 586-591, 594-595, 606).

14. Consistent with typical partnership principles, each LP agreement requires, among other things, the GP to act prudently, reasonably, honestly, in good faith, and in the best interests of the LP. Furtado is the principal of all the GPs.

Exs. 15-24, Record Tab 2. See, e.g., Adelaide LP agreement, Ex. 23 at ss. 5.1, 5.9 (pp. 589, 594).

### ***Adelaide LP – Misappropriation of Partnership Funds***

15. The business of the Adelaide LP, as per its LP agreement, is “purchasing, holding an interest in, conducting pre-development planning with respect to, development and construction of” the Properties, up to obtaining site plan approval for the proposed project.

Adelaide LP agreement, Ex. 23 at ss. 1.11, 5.3 (pp. 579, 591), Record Tab 2.

16. The Adelaide LP agreement provides that investors would be paid returns pro-rata, after all investors received a return of their capital. It also provides no investor could require return of any capital contributions back until the dissolution, winding up or liquidation of the partnership.

Adelaide LP agreement, Ex. 23 at ss. 4.1, 4.9 (pp. 586-588), Record Tab 2.

*Furtado Planned to Profit from the Adelaide LP's Acquisition of the Properties*

17. Notwithstanding the representations, obligations, and fiduciary duties to investors, Furtado planned (with Malanca) to personally profit from the Adelaide LP's acquisition of the Properties.

To carry out that plan, Furtado:

- (a) obligated and caused the Adelaide LP to pay ASD the \$20.95 million Assignment Fee as part of the acquisitions, in addition to the purchase prices owed to the owners of the Properties (which totaled \$53.3 million, plus the Density Bonus on 46 Charlotte);
- (b) caused the Adelaide LP to take the Demand Loan from ASD to redeem Marek's investment, and pay his return and the \$300,000 'referral' fee to Goldmount. The redemption of one investor's units, with return, was contrary to the LP agreement;
- (c) caused Furtado Holdings to subscribe for ASD shares;
- (d) raised further investor funds for the Adelaide LP of \$13.25 million; and
- (e) made an early \$12 million payment on the Demand Loan to ASD and, the same day, received the \$6M Dividend. AKM also received a \$6 million dividend that day.

18. Furtado denies that he planned to profit on the purchase of the Properties by the Adelaide LP. He asserts that ASD decided (mere days after closing) to give Furtado Holdings shares, and subsequently paid a \$6 million dividend, essentially as "a thank you". Furtado's evidence

included: “...they said that they wanted to thank me for the value of the deal, they made a lot of money on the deal, and they wanted to give me some shares in the company. ... They then said to me, as part of the dividend, they were going to give me a dividend of \$6 million, but it was very straightforward. It was more of a thank you than anything else.” Such an assertion is incredible on its own. Additional context only underscores that Furtado planned to profit from the acquisition of the Properties, including:

- (a) emails between Furtado and Malanca pre-dating the closing of the Properties referring to a “lift” or “lift payment” and enclosing calculations showing proposed payments to, among others, Malanca and Furtado;
- (b) Furtado Holdings and AKM ultimately receiving the same number of shares, and quantum of payments, from ASD on the same days; and
- (c) Furtado’s attempts to mislead Staff about the payments Furtado Holdings received from ASD and his dealings with ASD (see paras. 33-36 below).

Collins Affidavit paras. 44, 59-60, 70, 76 and Exs. 84-87 (pp. 1288-1303) and 89 (pp. 1369-1370 at qq. 340-343), Record Tab 2.

19. In July 2021, Staff questioned Furtado about four email exchanges referring to “lift” or “lift payment”, and his evidence included:

- (a) “lift” was a term that could imply many things. In relation to the Properties, Malanca used the term ‘lift’ in conversations with Furtado to refer to “*the profitability that he was making on – that [ASD] was making*”;
- (b) Malanca posed a variety of scenarios to get adequate funding to close the acquisitions of the Properties. The emails reflect some of those potential scenarios, but not the

transactions that in fact occurred. Furtado asserted that, initially, it was not anticipated that the Adelaide LP would raise equity from investors; and

- (c) although the emails show Furtado sending calculations to Malanca, Furtado claimed he was essentially a scribe (in that Malanca would call him and ask him to enter numbers into spreadsheets to see how a potential funding scenario would work).

Collins Affidavit paras. 76-77 and Exs. 88 (e.g., pp. 1325-1335 at qq. 357-363, 368, 372-375) and 89 (pp. 1360-1364 at qq. 327-335), Record Tab 2.

20. Most telling was Furtado's evidence in response to this attachment to a March 13, 2019 email he sent to Malanca:

<b>Alfredo Lift</b>			
355 Adelaide	36,000,000		
46 Charlotte	23,650,000		
Less: VTB	8,050,000		
<b>Net Cash Required</b>	<b>51,600,000</b>	14,600,000	
Land Transfer tax	2,064,000		
Planner	15,000		
Appraisals	12,500		
Environmentals	40,000		
Legal Fees	450,000		
Cost to close	<b>2,581,500</b>	2,581,500	
VTB		3,712,500	
A/Scotty/Michael		1,150,000	
		<b>7,156,000</b>	<b>7,156,000</b>
Less Retained by Alfredo		4,000,000	
		<b>Net</b>	<b>3,156,000</b>
		1,052,000	
Alfredo / Hans / Oscar			
		Roco	1,000,000
		hans	1,052,000
		Alfredo	2,552,000
		Oscar	2,552,000
			<b>7,156,000</b>

21. Furtado admitted that the above scenario, sent about three weeks before the Adelaide LP acquired the Properties, was one in which he would have received a profit share from the acquisitions. Furtado claimed, however, that such scenario:

- (a) contemplated that he and others would 'find a way' to fund the acquisitions themselves;

- (b) would not have involved any investors in the Adelaide LP; and
- (c) would have meant the funds already raised from investors for the Adelaide LP would have been returned.

Ex. 88 (pp. 1340-1348 at qq. 383-384, 392-401), Record Tab 2.

22. When that email was sent, Furtado had already raised about \$5 million from investors. Furtado had not invested any money in the Adelaide LP by the time the properties were acquired.

Collins Affidavit App. C.

*Funds to Make the Demand Loan Payment – September 2019 Investments*

23. Most of the funds used to make the \$12 million payment on the Demand Loan on October 1, 2019, came from investments from Marek in September 2019.

Collins Affidavit para. 56 and App. C, Record Tab 2.

24. Marek first invested in the Adelaide LP in March 2019. His investment of \$16.8 million was redeemed and paid together with a flat fee return of \$2.7 million on April 5, 2019. Marek's March 2019 investment was his first dealing with Furtado and Go-To. He had learned of the Adelaide LP project from a lawyer who first introduced him to Malanca, then Furtado.

Collins Affidavit paras. 39-42 and App. C, Record Tab 2.

25. Marek and Furtado were each examined by Staff about Marek's second investment in the Adelaide LP of \$12 million in September 2019 (which was made through two of Marek's companies). Their evidence conflicts in certain respects. In summary:

- (a) Marek said Furtado approached him in August 2019 seeking further investment.  
Furtado suggested Marek sought him out;

- (b) Furtado and Marek agree that they met to discuss a further investment by Marek, and that Furtado provided Marek with a brochure in August or September 2019; and
- (c) They agree that Furtado did not expressly tell Marek how any further investment would be spent. Marek’s evidence, however, was that Furtado provided him details about the progress of and next steps for the Adelaide LP project, and that he understood that money was needed to advance the project.

Collins Affidavit paras. 50-52, Record Tab 2.

26. Marek and Furtado were each examined about this page of the brochure that Furtado gave Marek in August or September 2019:

**10 ADELAIDE SQUARE PROJECT OVERVIEW Land Acquisition**

- The Partnership closed the acquisition of the Project property in April 2019.
- Go-To Developments and its partners in the Project (see Section III) have collectively invested approximately \$19.8 million of the total \$27 million equity required.

Sources	Uses
Equity – third-party investors	Acquisition of land
Equity – Atria Development	Interest reserves & other fees
Equity – Adelaide Square Developments	Land transfer tax
1 <sup>st</sup> Mortgage	Cost to Achieve ZBA & SPA
2 <sup>nd</sup> Mortgage	
<b>\$ 89.2</b>	<b>\$ 89.2</b>

27. Furtado asserted that the above page was meant to reflect the circumstances as of the day the Adelaide LP acquired the Properties. He claimed the line “*Equity – Adelaide Square Developments – 16.8*” reflected that ASD was holding Marek’s initial \$16.8 million investment as of that date and would be the entity paying Marek back. Furtado admitted ASD was never an

equity investor in the Adelaide LP. Furtado claimed he reviewed this page with Marek and made clear to him that the 16.8 listed next to Adelaide Square Developments was Marek's own money.

Collins Affidavit paras. 53-54 and Exs. 56 and 59, Record Tab 2.

28. Marek's evidence was that Furtado told him no such thing. He said that, at the time of making his \$12 million investment in September 2019, he did not know that:

- (a) ASD had provided the funding that paid back his earlier investment;
- (b) the Adelaide LP received a loan from ASD to repay his earlier investment; and
- (c) his further investment of \$12 million would be used to repay part of the ASD loan.

Collins Affidavit para. 55 and Ex. 60, Record Tab 2.

29. Furtado admitted that he knew ASD was going to pay him a \$6 million dividend once it had the money to do so. In fact, ASD did pay Furtado the \$6M Dividend the same day Furtado caused the Adelaide LP to make a \$12 million loan payment to ASD.

Collins Affidavit paras. 58-60, 73, Record Tab 2.

30. Furtado also admitted that no payment had been due or demanded when he caused the Adelaide LP to pay \$12 million on the Demand Loan to ASD. He claimed the Adelaide LP wanted to pay down debt. However, the Demand Loan has fixed 'interest' payments that vary over time but not from any reduction of the principal. Furtado's own summary of the loan's status (provided via counsel) shows that the \$12 million payment had no effect on the monthly payments owed.

Collins Affidavit para. 57 and Exs. 36 (p. 902), 46 (p. 1005 under "Interest"), 62 (p. 1124), and 63, Record Tab 2.

*Eagle Valley and Elfrida LPs – Improper Use of Partnership Assets*

31. In April 2019, Furtado used assets of both the Eagle Valley LP and the Elfrida LP to secure obligations of the Adelaide LP. The LP agreements prohibited this, as they each provide:

5.16 Restrictions upon the General Partner. ... The General Partner covenants that it shall not:

- (a) Cause the Partnership to guarantee the obligations or liabilities of, or make loans to, the General Partner or any Affiliate of the General Partner; or
- (b) Commingle the funds and assets of the Partnership with the funds or assets of any other Person, including those of the General Partner or any Affiliate of the General Partner.

Collins Affidavit paras. 81-84 and Exs. 15 (p. 246) and 19 (p. 432), Record Tab 2.

32. Furtado asserted that cross-collateralization of assets was typical in the industry and that he disclosed such uses to investors. However:

- (a) Furtado only told investors about the cross-collateralizations after Staff asked him about them, which was more than 1.5 years after they occurred;
- (b) in progress reports to investors, Furtado stated that the cross-collateralization “strategy” benefited the projects. For example, in a December 18, 2020 progress report to Elfrida investors, Furtado said there was a charge against his residence to Elfrida’s benefit. However, Furtado did not tell investors in that report that:

1. the charge against his house was registered that very day (i.e., December 18, 2020); and
2. he was charging the Elfrida LP a 5% fee (on a \$10.35 million charge) for having provided that security; and

(c) Furtado obtained no payment for either the Elfrida LP or the Eagle Valley LP in exchange for the use of their assets to the Adelaide LP's benefit.

Collins Affidavit paras. 85-86 and Exs. 101 (p. 1574) and 102 (p. 1577), Record Tab 2.

### **Furtado's Attempts to Mislead Staff and Conduct During the Investigation**

33. During the investigation, Furtado gave misleading evidence under oath and attempted to conceal information from Staff, particularly relating to his dealings with ASD and the involvement of Malanca. A table comparing Furtado's evidence on these topics is attached as **Schedule "C"**.

34. In summary, Furtado's evidence about his dealings with ASD was that:

(a) at the first examination, he did not recall why Furtado Holdings received payment of the \$388K Payment or the \$6M Dividend;<sup>5</sup>

(b) at the second examination:

1. Furtado Holdings received the \$388K Payment from ASD for having "assumed the risk"<sup>6</sup> of a non-refundable deposit on 355 Adelaide that had been paid with Adelaide LP funds, pursuant to an oral agreement he made with Pucci;
2. Furtado Holdings received the \$6M Dividend on shares of ASD, which ASD decided to give to Furtado as "a thank you" after the acquisitions closed. The conversation about that gift of shares was with Pucci; and
3. his usual contact at ASD was Pucci; and

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<sup>5</sup> Furtado's claim not to recall the reason for the \$6M Dividend payment is particularly notable given that Furtado Holdings had about \$2,000 in its account when it received the \$6M Dividend: Ex. 65 (p. 1133).

<sup>6</sup> At the third examination, Furtado stated this meant that if the Adelaide LP transactions had not closed and the deposit (of \$800,000) was lost, Furtado Holdings would have reimbursed the Adelaide LP. When asked what assets Furtado Holdings had at the relevant time, Furtado said he could not recall and, via counsel, he refused to answer by way of undertaking: Exs. 81 and 82 (p. 1282 re: Q183).

(c) at the third examination,

1. he had written agreements in respect of the \$388K Payment, one of which was with ASD and had been negotiated with Malanca;<sup>7</sup>
2. Malanca told Furtado that ASD intended to pay the \$6M Dividend when it had the funds to do so; and
3. he had limited exposure to Pucci, only recalled meeting him 3 times and that Malanca was present each time.

Collins Affidavit paras. 65-70, 73, Record Tab 2. See also Sch. C.

35. Between the second and third examination, Staff required production of documents from Furtado including: (a) those relating to the payments and shares Furtado Holdings received from ASD; and (b) correspondence with ASD or its representatives in relation to the purchase and sale of the Properties. In his response, provided via counsel, Furtado:

- (a) provided redacted copies of ASD shareholding documents and the Redirection that showed ASD's disbursements from the Assignment Fee. The redactions removed references to anyone other than Furtado and Pucci, the effect of which was to conceal all connections to, among others, Malanca (i.e., AKM, Goldmount, and Pikula); and
- (b) claimed there was "no correspondence" with ASD or its representatives, other than emails or texts arranging meetings which had been discarded. The lift emails discussed

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<sup>7</sup> While the Memoranda of Agreement Furtado produced to Staff assert that the \$388K Payment was made because Furtado Holdings 'assumed the risk' of a non-refundable deposit paid towards 355 Adelaide: (i) AKM received the same amount on the same day; and (ii) both AKM and Furtado Holdings received tax slips indicating those payments were dividend income: Collins Affidavit Exs. 77, 78 and paras. 44, 59.

above (which Staff obtained from Malanca) show that Furtado emailed with Malanca beyond just arranging meetings.

Collins Affidavit paras. 71-72 and Exs. 76 (p. 1227) and 79, Record Tab 2.

36. Lastly, at the third examination, Furtado admitted he provided Malanca a Go-To email address under the name ‘Palmeri’. However, he claimed he did not know why Malanca went by Palmeri, other than it is Malanca’s mother’s maiden name. In contrast, Marek told Staff that he discovered that Malanca had criminal convictions<sup>8</sup> via a Google search sometime before June 2020, and confronted Furtado. Marek said Furtado confirmed Malanca’s criminal history, and that Malanca and Palmeri are one and the same.

Collins Affidavit paras. 78-79, Record Tab 2.

#### **Furtado’s Use of the \$6 Million Dividend**

37. Furtado Holdings received the \$6M Dividend on October 1, 2019. It used the bulk of the \$6M Dividend by August 2020 to:

- (a) transfer approximately \$2.25 million to Furtado’s personal bank account (**Furtado Bank Account**); and
- (b) loan or otherwise transfer approximately \$3.265 million to various Go-To entities.

Collins Affidavit para. 61 and App. D, Record Tab 2.

38. From the Furtado Bank Account, approximately \$2.026 million was transferred to Furtado’s RBC Direct Investing account (**RBC Direct Account**) in close proximity to transfers received from Furtado Holdings. The first transfer was made in January 2020. At the end of

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<sup>8</sup> Per the decision of the Court of Appeal for Ontario, Malanca was convicted, in 2005, of conspiracy to import and importing cocaine and subsequently sentenced to 19 years imprisonment: Ex. 93 (pp. 1435-1436, 1450).

December 2019, the RBC Direct Account had assets valued at approximately USD 300,000. By October 2021, it had assets valued at CAD 1,240,041.27 and USD 463,056.44.

Collins Affidavit paras. 62-63, Record Tab 2.

39. The \$3.265 million sent by Furtado Holdings to Go-To entities included transfers to every Go-To GP, to GTDH and to Go-To Developments Acquisitions Inc. Generally speaking, it appears that transfers to the GPs were spent on operating costs and payments due to LP investors.

Collins Affidavit para. 64 and App. D, Record Tab 2.

### **Freeze Directions Issued by the Commission**

40. On December 6, 2021, the Commission issued two freeze directions (the **Directions**) under s. 126(1) of the Act. The Directions require:

- (a) Furtado to maintain and refrain from imperiling assets derived from investor funds; and
- (b) RBC Direct Investing to maintain the assets in the RBC Direct Account.

Directions, Record Tab 4.

### **PART III – THE ISSUES**

41. The issues on this Application are:

- (a) whether to appoint the Receiver, pursuant to section 129 of the Act; and
- (b) whether to continue the Directions, pursuant to section 126 of the Act.

## PART IV – LAW AND ARGUMENT

### **Grounds to Appoint a Receiver**

42. The Court may, on application by the Commission, appoint a receiver and manager of the property of any person or company where: (i) it is in the best interest of the creditors, security holders, or subscribers of such person or company; or (ii) it is appropriate for the due administration of securities law. Satisfaction of either one of the grounds is sufficient for the appointment of a receiver. Both grounds are met in this case.

Act ss. 129(1)-(2), Sch. B.

43. The Court can appoint a receiver, initially, on an *ex parte* basis for up to fifteen days. An initial *ex parte* order may be continued by the Court on motion by the Commission.

Act s. 129(3), Sch. B.

### **Appointing the Receiver is the Best Interests of the Go-To Respondents' Stakeholders**

44. The first ground upon which the Court may appoint a receiver is where the appointment is in the best interests of stakeholders of the entities in issue. In *Sextant*, Justice Morawetz (as he then was) emphasized that the “best interests” analysis is broader than a solvency test. Instead, the Court should consider “all the circumstances and whether, in the context of those circumstances, it is in the best interest of creditors that a receiver be appointed. The criteria should also take into account the interests of all stakeholders.”

*Ontario Securities Commission v Sextant Strategic Opportunities Hedge Fund L.P.*, [2009 CanLII 38503 \(ON SC\)](#) (*Sextant*) at para. 54.

45. Factors that courts have considered in deciding whether to appoint a receiver under the Act include:

(a) evidence of potential fraud or self-dealing;

- (b) potential regulatory breaches;
- (c) a lack of transparency and failure to disclose material facts;
- (d) the loss of confidence in management;
- (e) evidence that investor interests will not be served by maintaining the *status quo* and the respondent is not in a better position than a receiver to protect investor interests; and,
- (f) evidence that a significant investigation would be required to unravel various transactions and understand the true state of affairs of the respondent.

[Sextant](#) at paras. 15, 55, 56 and 58; *Ontario Securities Commission v Portus Alternative Asset Management Inc.*, [2006 CanLII 8882 \(ON SC\)](#) at para. 58.

46. In *Sextant*, for example, Justice Morawetz granted an order appointing a receiver on the basis of various concerns raised by the Commission, including: (i) significant regulatory non-compliance; (ii) evidence of potential fraud, misappropriation, and forgery; (iii) manipulation of the value of the funds and corresponding management fees; and (iv) precarious financial circumstances, including a capital shortfall for some of the funds.

[Sextant](#) at paras. 15, 57-59.

47. On the basis of these concerns, Justice Morawetz held that: (i) investors' interests would not be served by maintaining the *status quo*; (ii) investors were entitled to an independent review and verifiable reporting process on which they could rely; (iii) a receiver was necessary to ensure that investors' assets were managed in an orderly fashion; and (iv) anything less than the appointment of a receiver would not permit the overview or control of the financial affairs of the *Sextant* group.

[Sextant](#) at paras. 57-63.

48. The reasoning in *Sextant* is apt here. The investigation revealed evidence of undisclosed payments to Furtado, misappropriation, improper use and intermingling of partnership assets, and deception to conceal transactions from investors and from Staff of the Commission. The evidence demonstrates the need for independent management of assets acquired with investor monies and full, independent investigation as to the extent of wrongdoing and harm to investor interests.

### **Receivership Necessary for the Due Administration of Securities Law**

49. The goal of securities legislation is to protect the investing public and the integrity of capital markets. Assessment of whether the appointment of a receiver is appropriate for the “due administration of Ontario securities law” should therefore be animated by the purposes of the Act, which include protecting investors from unfair, improper or fraudulent practices and fostering fair and efficient capital markets.

*Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557 at 592-593; Act ss. 1.1 and 2.1(2), Sch. B.

50. In an application for a receiver, the Commission does not have to prove a breach of the Act. Rather, it is sufficient for the Commission to raise serious concerns with respect to possible breaches of the Act.

*Ontario Securities Commission v. Sbaraglia* (23 December 2010), Toronto, Court File No CV-10-883-00CL (unreported) at 26.

### ***Fraud***

51. Fraud is one of the most egregious securities law violations as it is both “an affront to the individual investors directly targeted” and “decreases confidence in the fairness and efficiency of the entire capital market system.”

*Al-Tar Energy Corp. (Re)*, [2010 ONSEC 11](#) at para. 214; Act s. 126.1(1)(b), Sch. B.

52. Fraud can be committed by deceit, falsehood or other fraudulent means, which the courts have interpreted to include the use of corporate funds for personal purposes, the unauthorized diversion of funds, the non-disclosure of important facts and the failure of a fiduciary to disclose conflicts of interest.

*R v Théroux*, [\[1993\] 2 SCR 5](#) at 15-17; *R v Zlatic*, [\[1993\] 2 SCR 29](#) at 44-45.

### ***Misleading Staff***

53. Every person is prohibited from making misleading or untrue statements to Staff of the Commission, and from omitting facts that are required to be stated so that a statement is not misleading or untrue. In *Wilder*, the Court of Appeal observed that “it is difficult to imagine anything that could be more important to protecting the integrity of capital markets than ensuring those involved in those markets...provide full and accurate information to the OSC.”

Act s. 122(1)(a), Sch. B; *Wilder v Ontario Securities Commission*, [2001 CanLII 24072 \(ON CA\)](#) at para 22.

### ***Furtado’s Misconduct***

54. As set out above, it appears that Furtado: (a) arranged to personally profit from the Adelaide LP’s purchase of the Properties, in a manner contrary to his representations and obligations to investors; (b) misused other partnership assets to secure the Adelaide LP’s acquisition of the Properties; and (c) gave false and/or misleading evidence to Staff about his dealings with ASD and Furtado Holdings’ receipt of shares and payments from ASD.

55. The gravity of the potential breaches of the Act indicated by the evidence raises significant concerns about Furtado’s ability or intention to operate in the capital markets in a manner compliant with securities law. The interests of investors, and all stakeholders, and the integrity of the capital

markets would be better served if Furtado was not to continue in a position of trust over the assets of the Go-To respondents, which were acquired with investor money.

56. The proposed receivership order will ensure that investors' interests are protected and that the Go-To business is properly administered by the Receiver in compliance with Ontario securities law and in the best interests of all stakeholders.

### **Continuation of the Directions**

57. Where the Commission issues a freeze direction, it must apply to the Court to seek its continuation. Per s. 126(5.1) of the Act, the Court may continue a freeze direction where satisfied that such order would be reasonable and expedient in the circumstances, having due regard to the public interest and either (a) the due administration of Ontario securities law; or (b) the regulation of capital markets in Ontario.

Act s. 126(5.1), Sch. B.

58. In *Future Solar*, Justice Pattillo set out the requirements for continuation of a freeze direction under s. 126(5.1) of the Act as follows:

- (a) there is a serious issue to be tried in respect of the respondents' breaches of the *Securities Act* or securities laws in another jurisdiction;
- (b) there is a basis to suspect, suggest or prove a connection between the frozen assets and the conduct at issue; and
- (c) the freeze directions are necessary for the due administration of securities laws or the regulation of capital markets, in Ontario or elsewhere.

*OSC v Future Solar Developments Inc.*, [2015 ONSC 2334](#) (*Future Solar*) at para. 31.

59. *Future Solar* was the Court's first consideration of s. 126(5.1), which was added to the Act in 2014. Justice Pattillo explained the effects of the addition of s. 126(5.1), as follows:

- (a) the terms "reasonable" and "expedient" provide for a lesser standard than the requirement to establish a strong *prima facie* case or even a *prima facie* case;
- (b) s. 126(5.1) requires the Court to consider all the circumstances and, in so doing, the Court must have regard to the public interest; and
- (c) the Commission is not required to establish dissipation of assets. A freeze direction may be used to address inappropriate use of investor funds, dissipation of assets, and preservation of assets, or any other situation where a freeze direction is necessary to protect the investing public or capital markets.

[\*Future Solar\*](#) at paras 22 to 30.

60. The Court of Appeal recently commented, in *Qin*, that the narrow evidentiary focus applied in *Future Solar* was appropriate in the context of an application to continue a freeze direction.

*Qin v Ontario Securities Commission*, [2021 ONCA 165](#) at paras. 20-22, 24-26.

61. The evidence satisfies all three parts of the test as set out in *Future Solar*:

- (a) as discussed above, there is at least a serious issue to be tried as to potential breaches of the Act, including fraud, by Furtado and/or certain Go-To respondents;
- (b) the Directions freeze the RBC Direct Account and any other assets of Furtado derived from investor funds. The evidence of Furtado's uses of the \$6M Dividend shows at least a basis to "suspect, suggest or prove" a connection between the assets frozen and the conduct in issue; and

(c) continuation of the Directions is necessary for the due administration of securities law and/or the regulation of capital markets in Ontario. In particular, the Directions address inappropriate use of investor funds, dissipation of assets, and preservation of assets, any one of which meets the third element of the *Future Solar* test.

#### **PART V – RELIEF SOUGHT**

62. The Commission requests orders appointing the Receiver and continuing the Directions, substantially in the form of the draft order in the Application Record.

Draft Order, Record Tab 5.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6<sup>th</sup> day of December, 2021



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Erin Hoult  
Senior Litigation Counsel, Enforcement



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Braden Stapleton  
Litigation Counsel, Enforcement

Lawyers for the Ontario Securities  
Commission

**Schedule “A” – Cases and Authorities Cited**

1. *Al-Tar Energy Corp. (Re)*, [2010 ONSEC 11](#).
2. *OSC v Future Solar Developments Inc.*, [2015 ONSC 2334](#).
3. *Ontario Securities Commission v Portus Alternative Asset Management Inc.*, [2006 CanLII 8882 \(ON SC\)](#), 146 ACWS (3d) 768.
4. *Ontario Securities Commission v Sbaraglia* (23 December 2010), Toronto, Court File No CV-10-883-00CL (unreported).
5. *Ontario Securities Commission v Sextant Strategic Opportunities Hedge Fund L.P.*, [2009 CanLII 38503 \(ON SC\)](#), 179 ACWS (3d) 345.
6. *Pezim v British Columbia (Superintendent of Brokers)*, [\[1994\] 2 SCR 557](#).
7. *Qin v Ontario Securities Commission*, [2021 ONCA 165](#).
8. *R v Théroux*, [\[1993\] 2 SCR 5](#).
9. *R v Zlatic*, [\[1993\] 2 SCR 29](#).
10. *Wilder v Ontario Securities Commission*, [2001 CanLII 24072 \(ON CA\)](#), 53 OR (3d) 519.

**Schedule “B” – Statutory Provisions**

[Securities Act](#), RSO 1990, c. S.5

**Purposes of the Act**

**1.1** The purposes of this Act are,

- (a) to provide protection to investors from unfair, improper or fraudulent practices;
- (b) to foster fair and efficient capital markets and confidence in capital markets; and
- (c) to contribute to the stability of the financial system and the reduction of systemic risk.

**Principles to consider**

**2.1** In pursuing the purposes of this Act, the Commission shall have regard to the following fundamental principles:

...

2. The primary means for achieving the purposes of this Act are,

- i. requirements for timely, accurate and efficient disclosure of information,
- ii. restrictions on fraudulent and unfair market practices and procedures, and
- iii. requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.

**Offences, general**

**122** (1) Every person or company that,

- (a) makes a statement in any material, evidence or information submitted to the Commission, a Director, any person acting under the authority of the Commission or the Executive Director or any person appointed to make an investigation or examination under this Act that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading;

...

is guilty of an offence and on conviction is liable to a fine of not more than \$5 million or to imprisonment for a term of not more than five years less a day, or to both.

**Freeze direction**

**126** (1) If the Commission considers it expedient for the due administration of Ontario securities law or the regulation of the capital markets in Ontario or expedient to assist in the due administration of the securities laws or the regulation of the capital markets in another jurisdiction, the Commission may,

- (a) direct a person or company having on deposit or under its control or for safekeeping any funds, securities or property of any person or company to retain those funds, securities or property;
- (b) direct a person or company to refrain from withdrawing any funds, securities or property from another person or company who has them on deposit, under control or for safekeeping; or
- (c) direct a person or company to maintain funds, securities or property, and to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property.

...

**Review by court**

(5) As soon as practicable, but not later than 10 days after a direction is issued under subsection (1), the Commission shall serve and file a notice of application in the Superior Court of Justice to continue the direction or for such other order as the court considers appropriate.

**Grounds for continuance or other order**

(5.1) An order may be made under subsection (5) if the court is satisfied that the order would be reasonable and expedient in the circumstances, having due regard to the public interest and,

- (a) the due administration of Ontario securities law or the securities laws of another jurisdiction; or
- (b) the regulation of capital markets in Ontario or another jurisdiction.

**Fraud and market manipulation**

**126.1** (1) A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities, derivatives or the underlying interest of a derivative that the person or company knows or reasonably ought to know,

- (a) results in or contributes to a misleading appearance of trading activity in, or an artificial price for, a security, derivative or underlying interest of a derivative; or
- (b) perpetrates a fraud on any person or company.

**Appointment of receiver, etc.**

**129** (1) The Commission may apply to the Superior Court of Justice for an order appointing a receiver, receiver and manager, trustee or liquidator of all or any part of the property of any person or company.

(2) No order shall be made under subsection (1) unless the court is satisfied that,

(a) the appointment of a receiver, receiver and manager, trustee or liquidator of all or any part of the property of the person or company is in the best interests of the creditors of the person or company or of persons or companies any of whose property is in the possession or under the control of the person or company or the security holders of or subscribers to the person or company; or

(b) it is appropriate for the due administration of Ontario securities law.

(3) The court may make an order under subsection (1) on an application without notice, but the period of appointment shall not exceed fifteen days.

## Schedule "C" – Excerpts of Furtado's Evidence re: Payments from and Dealings with ASD

<i>Re: \$6M Dividend</i>		
First Examination	Second Examination	Third Examination
<p>1 342 Q. So we are looking at the  2 Furtado account holdings. Bank statement.  3 Document 10223-00000911, and on October 1st,  2019,  4 there was a funds transfer from Schneider  Ruggiero  5 for \$6 million. Mr. Furtado, can you tell me  what  6 those funds are for?  7 MR. MANN: Do you remember?  8 THE WITNESS: I don't recall  9 offhand.</p>	<p>24 391 Q. I see, okay. Thank you.  25 So, we're still on question four and the next  1 point, (c). So, \$6 million was transferred or  2 deposited into the account on October 1, 2019 by  3 Schneider Ruggiero, and can you explain to me why  4 Furtado Holdings received those funds?  5 A. It is similar to -- it is  6 related to the Adelaide Square Development  7 project. As I said in my previous answer, the  8 management of Adelaide Square Developments  9 Holdings decided -- approached me, which I was not  10 aware they were going to do so, after the closing  11 and said they wanted to give me some shares in the  12 company in a minority interest.  13 They then decided to declare a  14 dividend of \$6 million with Furtado Holdings, but  15 primarily for the significant contributions that  16 kept the deal together in many aspects of  17 negotiations or the deal would have been lost and  18 they wouldn't have made the significant funds they  19 made, so they issued me a dividend for that loss.  ...  22 407 Q. So then after they get  23 their money, which would include a gross amount of  24 \$20 million that they have to maybe write off  25 certain expenses to, after that happens, they pay  1 you \$6 million?  2 A. I don't know their  3 finances, but I know I received a payment for  4 \$6 million.  5 408 Q. And on what basis did you  6 become invested in their company? Like, how did  7 that arise in the context of this transaction?  8 A. Well, they saw the value  9 that I brought to the transaction. The  10 transaction was going to fail in many aspects,  11 including the negotiations of the density clause  12 with that administration. That was my idea that I  13 put forth because they're going to walk away from</p>	<p>24 207 Q. That is fine. What was  25 discussed at that summer 2019 restaurant meeting  1 with Mr. Pucci and Mr. Malanca?  2 A. There was discussion  3 about -- and Alfredo had the lead in the  4 discussion, discussion about wanting to -- the  5 plan was to give me the 6 million out of their  6 profit share from -- because they did quite well  7 on the deal and they saw the potential of doing  8 future deals with me at the table in the city of  9 Toronto.  10 208 Q. Okay. So I would like to  11 know everything that you can recall about that  12 discussion. How was it introduced? Who said  13 what?  14 A. Alfredo was the primary  15 guy that did the majority of the talking with --  16 he referred to Angelo Pucci as "we". And he did  17 the majority of the talking. They wanted to  18 acknowledge the value that I brought to the  19 project to close the deal. And I was surprised  20 with the amount because I knew I had shares in the  21 company and I was a minority holder of one class  22 of shares. So was just surprised that -- I was  23 more thankful than anything else. There was  24 nothing more discussed.  25 ... [Furtado continues on to describe that  Malanca/Pucci raised another potential project that  went nowhere]</p>

14 the deal and say, we want more money from this  
15 deal or we're not going to sell it to you, approve  
16 the sale to you, so I came up with the whole  
17 concept of the density clause and the terms in  
18 there. So, everything I came up with, Adelaide  
19 Square Developments management did not, I did. I  
20 came up with the ideas to save the deal because I  
21 wanted to save it and protect my investments and  
22 close the deal.

23 409 Q. Okay. So, what you're  
24 saying is that they had an offer in place, then  
25 the offer was in jeopardy of not closing, and you  
1 came up with the density clause that resulted in  
2 the deal being able to close. Is that what you're  
3 saying?

4 A. That is only one aspect.

5 That's only dealing with 46 Charlotte. And you've  
6 received all the paperwork for Adelaide Square,  
7 for 355 Adelaide Square also. There were various  
8 amendments to the original agreement that they  
9 tied up the property with, various amendments  
10 including the additional \$800,000 deposit that was  
11 required to save the deal. So, every time  
12 negotiations were required and deals were  
13 required, I pretty much came up with everything,  
14 the whole strategy, to protect the deals.

...

3 412 Q. -- and I'm wondering can  
4 you tell me about the conversation where they told  
5 you that they were going to give you these shares?  
[counsel interjections omitted]

16 THE WITNESS: The conversation  
17 was very straightforward. They called me, I went  
18 and met with them, and they said that they wanted  
19 to thank me for the value of the deal, they made a  
20 lot of money on the deal, and they wanted to give  
21 me some shares in the company. And they decided  
22 that they were going to give me 11 percent of the  
23 shares and we did the paperwork for that.  
24 They then said to me, as part  
25 of the dividend, they were going to give me a  
1 dividend of \$6 million, but it was very  
2 straightforward. It was more of a thank you than  
3 anything else.

**Re: \$388K Payment**

First Examination	Second Examination	Third Examination
<p>339 Q. Mr. Baik, can you now go 1 to April 2019. Okay. So I am going to show you a 2 deposit that was made April 16th, 2019, in the 3 amount of \$388,087.33. 4 Now, Mr. Baik, can you now 5 pull up document 3099 please. Mr. Baik is going 6 to bring up the supporting documentation for that 7 transaction. As you can see, that is the deposit 8 slip for \$388,087.33. 9 Now let's see the cheque, 10 please, Mr. Baik. Here is the cheque. It has 11 come from Concorde Law Professional Corporation. 12 It says at the bottom: 46 Charlotte Street, 13 Toronto. 14 Can you tell me what that 15 cheque represents? 16 MR. MANN: Do you recall? 17 THE WITNESS: I don't recall. 18 I don't recall offhand.</p>	<p>13 371 Q. Okay. On April 16, 2019, 14 the account received \$388,087.33 from Concorde Law 15 Professional Corporation. Can you tell me what 16 that was in relation to? 17 A. Right. Furtado Holdings 18 assumed the risk for a non-refundable deposit that 19 was put on during negotiations for the Adelaide 20 Square Development acquisitions. And as a return 21 on the deposit, because of the risk assumed, after 22 the closing of the deal Adelaide Square 23 Developments made that payment to Furtado 24 Holdings. 25 372 Q. Okay. Just so I 1 understand, did you say you got a return of the 2 deposit? 3 A. It's a return on the -- 4 sorry. It's an investment return on deposit. 5 MR. MANN: The \$388,000 is a 6 return on the deposit. It is a -- 7 BY MS. VAILLANCOURT: 8 373 Q. Is it like interest on 9 the deposit? Is that what you mean? Was it 10 because it was held in a trust account and there's 11 interest? I'm not following. 12 A. It was interest, yes. ... 4 374 Q. And how was it decided 5 that Spadina Adelaide would pay that return to 6 Furtado Holdings? 7 A. At the time the deposit 8 was required, Adelaide Square Developments did not 9 have the money. And as part of the negotiations 10 for the property, additional funds were requested 11 or the deal would be cancelled, so I offered the 12 deposit on the condition and assumed the risk that 13 it would be lost when the deal closed. And I 14 asked management at Adelaide Square Developments 15 to pay me a fee on the deposit if the deal closes 16 because I was assuming the risk. 17 375 Q. Okay. And is there some</p>	<p>7 156 Q. Okay. But your holding 8 company, Furtado Holdings, entered agreements 9 entitling it to be paid a \$400,000 fee less legal 10 expenses from Adelaide Square Developments for 11 providing the non-refundable deposit? 12 A. There have been two 13 agreements that have been sent to the Securities 14 Commission. The first one was to assume the risk 15 between Furtado Holdings and the LP. In case the 16 800,000 was lost, Furtado Holdings would have to 17 pay the 800,000 back to the LP. To assume that 18 risk, the LP had to enter into an agreement with 19 Adelaide Square that if that deposit was lost -- 20 sorry, if the deal goes through, the return would 21 be paid to Furtado Holdings for assuming that 22 risk. ... 4 161 Q. Were you present when 5 Mr. Pucci signed this document? 6 A. I wasn't. 7 162 Q. Okay. Who did you 8 negotiate this agreement with on behalf of 9 Adelaide Square Developments? 10 A. Alfredo Malanca would 11 have been my primary contact.</p>

	<p>18 kind of a contract or other written document that          19 sets that out?          20 A. No. That's a verbal          21 discussion.          22 376 Q. Okay. And who did you          23 have that discussion with?          24 A. Angelo Pucci.</p>	
--	--	--

<b>Re: ASD Contacts</b>	
<b>Second Examination</b>	<b>Third Examination</b>
<p>16 396 Q. Okay. And so do you          17 know, with respect to that dividend that was paid          18 that you received in 2019, do you know if it was          19 something that all common shareholders got?          20 A. I'm not aware of who got          21 dividends of the shareholders.          22 397 Q. Okay. And who was your          23 usual contact at Adelaide Square Developments? Is          24 it Angelo Pucci?          25 A. Correct.</p> <p>...</p> <p>14 418 Q. That conversation you          15 told us about where they decided to give you          16 shares, who was that conversation with at the          17 Adelaide company, Mr. Furtado?          18 A. I believe I answered that          19 question earlier. All the conversations were with          20 Angelo Pucci.</p>	<p>9 82 Q. Did you have direct          10 dealings with Mr. Pucci?          11 A. As I have mentioned in          12 the previous examinations, I have met him a few          13 times. There was limited exposure.</p> <p>24 207 Q. That is fine. What was          25 discussed at that summer 2019 restaurant meeting          with Mr. Pucci and Mr. Malanca?          2 A. There was discussion          3 about -- and Alfredo had the lead in the          4 discussion, discussion about wanting to -- the          5 plan was to give me the 6 million out of their          6 profit share from -- because they did quite well          7 on the deal and they saw the potential of doing          8 future deals with me at the table in the city of          9 Toronto.</p> <p>10 208 Q. Okay. So I would like to          11 know everything that you can recall about that          12 discussion. How was it introduced? Who said          13 what?          14 A. Alfredo was the primary          15 guy that did the majority of the talking with --          16 he referred to Angelo Pucci as "we". And he did          17 the majority of the talking. They wanted to          18 acknowledge the value that I brought to the          19 project to close the deal. And I was surprised          20 with the amount because I knew I had shares in the          21 company and I was a minority holder of one class          22 of shares. So was just surprised that -- I was          23 more thankful than anything else. There was</p>

24 nothing more discussed.  
25 They did -- as I recall, there  
1 was -- they did bring up the fact that there was  
2 another big property in downtown Toronto that they  
3 had considered  
...  
14 209 Q. Okay. So it was in the  
15 summer of 2019 that they discussed that they were  
16 going to pay you a dividend?  
17 A. It was discussed they  
18 were going to pay me the 6 million when they had  
19 the funds, when they became (inaudible).  
20 210 Q. When they became in  
21 funds? Is that what you said?  
22 A. When they had the funds  
23 to pay.  
24 211 Q. Okay. Why 6 million?  
25 Was there any discussion of that? Where did the  
1 number come from?  
2 A. You have to ask them.  
3 212 Q. Was that the last time  
4 you saw Mr. Pucci in person, that summer 2019  
5 meeting?  
6 A. Correct.  
7 213 Q. Okay. So you only recall  
8 three times that you met Mr. Pucci in person?  
9 That lunch before the deal closed, the meeting at  
10 Louis' office in April 2019, and then a summer  
11 2019 lunch. Is that correct? Sorry, I didn't  
12 hear that.  
13 A. Correct.

**Schedule “D” – Annotated Key Persons Chart and Chronology of Key Events**

<b>Person</b>	<b>Description</b>	<b>Reference to Collins Affidavit</b>
Katarzyna (Kasia) Pikula ( <b>Pikula</b> )	Malanca’s spouse. The director of AKM and Goldmount Capital Inc., a mortgage brokerage.	Para. 8 and Exs. 2-3
AKM	A holding company. A shareholder of ASD. Pikula is the director.	Para. 48 and Exs. 3 and 50
Goldmount Financial Group Corp. ( <b>Goldmount</b> )	Malanca is the director.	Para. 8 and Ex. 1
Angelo Pucci ( <b>Pucci</b> )	The sole registered director, and a shareholder of ASD. Furtado claims to have met him 3 times, with Malanca present. When Staff tried to contact Pucci, his son and former landlord advised that he has dementia (one said his symptoms began in 2019).	Paras. 26-27, 73 and Exs. 27 and 80
Anthony Marek ( <b>Marek</b> )	A repeat investor in the Adelaide LP. Marek had never dealt with Furtado or Go-To before his first investment in the Adelaide LP.	Paras. 40 and 50

Date	Events	Reference to Collins Affidavit
May 2016-June 2020	Furtado raises ~\$80M from investors for 9 Go-To projects, including: <ul style="list-style-type: none"> <li>- \$4.25M for Eagle Valley LP between Apr. 2017-May 2019</li> <li>- \$10.6M for Elfrida LP between Sept. 2017-Feb. 2019</li> <li>- \$42M for Adelaide LP between Feb. 2019-June 2020</li> </ul>	Para. 18, App. B and C
February 2018 and following	Malanca is engaged in: <ul style="list-style-type: none"> <li>- securing purchase rights for 355 Adelaide Street W. and 46 Charlotte Street in downtown Toronto (together, the <b>Properties</b>) via agreements with the then-current owners;</li> <li>- due diligence on the Properties, and promotional efforts for the proposed project, called “Adelaide Square”.</li> </ul>	Paras. 22-23 and Ex. 25
July 30, 2018	ASD incorporated.	Ex. 27
In or before October 2018	Malanca, as a representative of ASD, asks Furtado if he is interested in acquiring the Properties.	Para. 24 and Ex. 26 (qq. 61-72)
December 2018	Adelaide LP makes an offer to buy the Properties from ASD for \$74.25M, which is accepted. This particular agreement does not close; the transaction is restructured in late March 2019.	Ex. 26 (qq. 83-85)
February 15 – April 2, 2019	Furtado raises ~\$25M from investors for the Adelaide LP in this period, which includes a \$16.8M investment by Marek.	Para. 30 and App. C

March 26, 2019 to April 3, 2019	<p>Adelaide LP and ASD enter into 4 agreements for the acquisition of the Properties (the <b>Acquisition Agreements</b>):</p> <ul style="list-style-type: none"> <li>- assignment of purchase and sale agreement for 355 Adelaide;</li> <li>- assignment of purchase and sale agreement for 46 Charlotte;</li> <li>- <b>Assignment Fee</b> agreement, under which the Adelaide LP owes ASD a fee of \$20.95M; and</li> <li>- Memo of Understanding (<b>MOU</b>) with others, including FAAN Mortgage Administrators Inc. (the Court-appointed trustee re: a mortgage on 46 Charlotte). MOU requires further payments on Charlotte after closing (the <b>Density Bonus</b>).</li> </ul>	Para. 33 and Exs. 31-34
April 3, 2019	In the MOU, Furtado pledges assets of Elfrida LP to secure Adelaide LP obligations. A charge is registered on the Elfrida LP's properties. <sup>9</sup>	Para. 82, Exs. 34 (p. 870) and 97
	Furtado directs Go-To counsel to pay funds in trust (mortgage and investor funds) for the acquisition of the Properties, including to pay the \$20.95M Assignment Fee to ASD.	Para. 35 and Ex. 35
April 4, 2019	Furtado pledges assets of Eagle Valley LP to secure Adelaide LP obligations to one of its mortgage lenders, Scarecrow Capital Inc. <sup>10</sup>	Para. 83 and Exs. 98-99
	Date of a demand loan agreement for a \$19.8M loan from ASD to Adelaide LP (the <b>Demand Loan</b> ). Loan proceeds are paid by ASD to Marek and Goldmount, as below.	Para. 45 and Exs. 45-46
April 5, 2019	Transfer of Properties to Adelaide LP recorded.	Para. 36 and Ex. 108 (pp. 1773, 1790)
	Marek paid \$19.5M by ASD from the Assignment Fee (for redemption of \$16.8M of Adelaide LP units plus a \$2.7M flat fee return).	Paras. 38-39, 40(c), 41-42, and Exs. 40 (p. 978), 41, 42
April 12, 2019	ASD articles amended to change share structure.	Para. 47 and Ex. 48

<sup>9</sup> This charge was removed from title of the Elfrida properties on November 9, 2021.

<sup>10</sup> This charge was removed from title of the Eagle Valley property on April 1, 2021.

April 15, 2019	Furtado Holdings and AKM each receive: <ul style="list-style-type: none"> <li>- 11 shares of ASD; and</li> <li>- \$388,087.33 cheques (<b>\$388K Payment</b>) of this date, paid out of the Assignment Fee.</li> </ul>	Paras. 38, 44, 48 and Exs. 37, 43-44, 49-50
	Goldmount paid \$300,000 by ASD from the Assignment Fee. Per Furtado: this payment was a referral fee as Malanca introduced Marek to the Adelaide LP and the LP thus owed the \$300,000 to ASD.	Paras. 38, 45 and Ex. 45 (pp. 1001-1003, qq. 272-281)
Summer 2019	Per Furtado: Malanca advised, at a lunch with Pucci, that ASD intended to pay Furtado a \$6M dividend “ <i>when they had the funds to pay</i> ”.	Para. 73 and Ex. 80 (pp. 1271-1273, qq. 202-210)
By August 2019	Furtado begins seeking further investments for Adelaide LP.	Para. 50 and Exs. 54-55
August/September 2019	Furtado meets with Marek to seek further investment for Adelaide LP	Para. 51 and Exs. 54 (pp 1052-1056, qq. 350-354) and 55 (pp. 1058-1063, qq. 171-173)
September 19-30, 2019	Furtado raises \$13.25M for the Adelaide LP from 4 investors, which includes \$12M invested by companies belonging to Marek.	App. C
October 1, 2019	Adelaide LP pays ASD \$12M on the Demand Loan. No payment had been due or demanded.	Paras. 56-57 and Exs. 46 (p. 1005 at “Interest”), 61-63
	ASD pays a \$6M dividend to Furtado Holdings ( <b>\$6M Dividend</b> ).	Paras. 58-59 and Exs. 64, 65, 68
	ASD pays a \$6M dividend to AKM.	Paras. 58-59 and Exs. 64, 66, 67
July 31, 2020	Adelaide LP enters into a Project Management Agreement with GTDH and AKM as consultants; the ‘manager’ thereunder remains TBD.	Para. 80 and Ex. 95

September 24, 2020	First examination of Furtado by Staff.	Para. 65
November 5, 2020	Second examination of Furtado by Staff.	Para. 65
November 9 and December 18, 2020	Progress reports sent to Eagle Valley LP and Elfrida LP investors advising them of the pledges of LP assets that occurred in April 2019.	Para. 86 and Exs. 101-102
June 29, 2021	Demand Loan agreement registered on title to the Properties (more than two years after the date of the loan agreement).	Para. 46 and Ex. 47
July 7, 2021	Third examination of Furtado by Staff.	Para. 65

ONTARIO SECURITIES COMMISSION  
Applicant

- AND -

GO-TO DEVELOPMENTS HOLDINGS  
INC., et al.  
Respondents

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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**FACTUM OF THE ONTARIO  
SECURITIES COMMISSION**  
(Application under Sections 126 and 129 of  
the *Securities Act*)

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Court of Appeal File No.  
Court File No. CV-20-00650853-00CL

**COURT OF APPEAL FOR ONTARIO**

BETWEEN:

**ONTARIO SECURITIES COMMISSION**

Applicant  
(Respondent in Appeal)

- 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  
(Appellants in Appeal – Moving Party)

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

**NOTICE OF MOTION**

The Appellants (the “**Moving Parties**”) will make a motion to a Judge on Thursday, December 16, 2021 at 10:00 a.m. or as soon after that time as the motion can be heard by way of judicial video conference via Zoom due to the COVID-19 pandemic, at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, M5H 2N5. The estimated length for the oral argument of the Moving Parties is 30 minutes, not including reply.

-2-

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

- In writing under subrule 37.12.1(1) because it is;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

At the following location: *Link to be provided*

**THE MOTION IS FOR**

1. An Order staying the Order of the Honourable Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) in Court File No. CV-21-00673521-00CL dated December 10, 2021 (the “**Receivership Order**”), until the appeal of this matter can be heard;
2. An Order abridging the time for service and the filing of this motion record, and factum, if necessary;
3. Costs of the proceedings below and this appeal on a substantial indemnity basis; and
4. Such further and other relief as counsel may request and this Honourable Court deems just, including, without limitation:
  - (a) the appointment of a monitor to oversee the business and operations of the Moving Parties during the period in which the stay is in effect; and
  - (b) a continuation of the freeze directions dated December 6, 2021 issued under section 126(1) of the *Securities Act*.

**THE GROUNDS FOR THE MOTION ARE**

5. Pursuant to the Application (the “**Receivership Application**”) of the Ontario Securities Commission (the “**Commission**”), on December 10, 2021, the Honourable Mr. Justice Pattillo (the “**Application Judge**”) ordered certain of the Appellants (which Appellants are identified at Schedule “B” to the Receivership Order) to be placed into receivership and appointed KSV Restruturing Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”);
6. There are *prima facie* or serious issues to be decided, as specified in the Notice of Appeal, filed with the Court on December 14, 2021;
7. The respondents first received notice of the Receivership Application during the evening of Monday December 6, 2021, when they were served (through counsel) with a link to an electronic copy of the Application Record (the “**Application Record**”);
8. The Application Record was comprised of a number of documents including the Affidavit of Stephanie Collins sworn December 6, 2021 (the “**Collins Affidavit**”), which is 1,958 pages long, and includes 113 exhibits;
9. The Receivership Application proceeded less than 72 hours after service of the Application Record, despite the respondents’ requests to the Commission for an adjournment on terms that provided safeguards;
10. The Commission refused the adjournment request, despite factors that included the late service of the Application Record, the massive size of the Collins Affidavit, the failure of the

-4-

Commission to disclose certain of the evidence upon which it purported to rely, and the respondents need to engage independent counsel;

11. At the hearing of the Receivership Application, the Honourable Application Judge declined the respondents' adjournment request (which included terms that provided adequate safeguards);

12. Despite being advised that the respondents had been unable to properly respond to the Receivership Application and the factors described at paragraph 10 above, the Honourable Application Judge found that the respondents had received sufficient notice of the Application to have filed responding material, and dismissed the adjournment request;

13. The Appellants will suffer irreparable harm if the stay is not granted;

14. The balance of convenience favours the granting of a stay of the Receivership Order pending a hearing of the Appeal;

15. A failure to stay the Receivership Order will work a substantial injustice and prejudice against the Appellants;

16. There was no evidence before the Application Judge that the appointment of a Receiver is in the best interests of the creditors, security holders, or any other interested party, including the investors;

17. There was no evidence before the Application Judge that it was appropriate for the due administration of securities law to grant the appointment of a Receiver;

-5-

18. There was no evidence before the Application Judge demonstrating any urgency to the hearing of the Receivership Application or to the granting of the Receivership Order;
19. The respondent, Oscar Furtado, was not given sufficient notice or time to file responding material to the Receivership Application;
20. None of the other Moving Parties were given sufficient notice or time to file responding material to the Receivership Application;
21. The Moving Parties were denied a meaningful opportunity to engage independent counsel to respond to the Receivership Application;
22. The allegations made against Mr. Furtado, including the serious concerns related to fraud and misappropriation of funds, necessitated that Mr. Furtado be afforded the opportunity to properly respond to the Receivership Application, including retaining new counsel, cross-examining the Commission's affiant and preparing and filing responding materials;
23. The adjournment sought by Mr. Furtado and which the Honourable Application Judge declined to grant was reasonable in the circumstances;
24. There is no evidence before the Honourable Application Judge that a monitor would be inadequate to address the issues raised by the Commission, particularly in light of the freezing directions imposed on the Appellants to which Mr. Furtado agreed to continue alongside a court-appointed monitor;

-6-

25. The Honourable Application Judge failed to consider and recognize the grave and irreparable harm that may result and the negative impact on the interests of the investors as a result of the Receivership Order;

26. Rules 1.04, 13.1.01(1), and 63.02 of the *Rules of Civil Procedure*, and sections 6 and 106 of the *Courts of Justice Act*, R.S.O. 1990, as amended; and

27. Such further and other grounds as the lawyers may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

1. The Affidavit of Oscar Furtado, sworn December 14, 2021, and the exhibits attached thereto;

2. The Affidavit of Stephanie Collins, sworn December 6, 2021, and the exhibits attached thereto; and

3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

-7-

December 14, 2021

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**ONTARIO SECURITIES COMMISSION** and **GO-TO DEVELOPMENTS HOLDINGS INC. et al** Court of Appeal File No.  
Court File No: CV-21-00673521-00CL

Applicant (Respondent in Appeal)

Respondents (Appellants in Appeal – Moving Party)

***COURT OF APPEAL FOR ONTARIO***

Proceeding Commenced at  
TORONTO

**NOTICE OF MOTION  
(RETURNABLE DECEMBER 16, 2021)**

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RCP-F 4C (September 1, 2020)



Court of Appeal File No. C70114  
Court File No.: CV-21-00673521-00CL

**COURT OF APPEAL FOR ONTARIO**

BETWEEN:

**ONTARIO SECURITIES COMMISSION**

Applicant  
(Respondent in Appeal)

- 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  
(Appellants in Appeal – Moving Party)

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

**APPELLANTS' CERTIFICATE**

The Appellants certify that the following evidence is required for the Appeal, in the Appellants' opinion:

1. The Affidavit of Oscar Furtado, sworn December 14, 2021, and the exhibits attached thereto;

-2-

2. The Affidavit of Stephanie Collins, sworn December 6, 2021, and the exhibits attached thereto; and

3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

December 14, 2021

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Lawyers for the Receiver, KSV Restructuring Inc.

RCP-E 61C (February 1, 2021)

**ONTARIO SECURITIES COMMISSION** and **GO-TO DEVELOPMENTS HOLDINGS INC. et al** Court of Appeal File No. C70114  
Court File No: CV-21-00673521-00CL

Applicant (Respondent in Appeal)

Respondents (Appellants in Appeal – Moving Party)

***COURT OF APPEAL FOR ONTARIO***

Proceeding Commenced at  
TORONTO

**APPELLANTS' CERTIFICATE**

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Lawyers for the Appellants

RCP-F 4C (September 1, 2020)

**COURT OF APPEAL FOR ONTARIO****B E T W E E N :****ONTARIO SECURITIES COMMISSION**Applicant  
(Respondent in Appeal)

– 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  
(Appellants)

**APPLICATION UNDER  
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990 c. s.5, as amended**

**RESPONDENT'S CERTIFICATE**

The Respondent confirms the Appellants' certificate except for the following:

**DELETIONS**

1. The Affidavit of Oscar Furtado sworn December 14, 2021, ought not to be admitted as fresh evidence on the appeal. The Respondent reserves its rights to respond to any motion by the Appellants seeking to introduce that Affidavit as fresh evidence on the appeal, including to file responding evidence and/or cross-examine Furtado, and to amend this certificate as may be necessary thereafter.

December 24, 2021

**ONTARIO SECURITIES COMMISSION**

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ONTARIO SECURITIES COMMISSION  
Applicant (Respondent in Appeal)

- AND -

GO-TO DEVELOPMENTS HOLDINGS INC., *et al.*  
Respondents (Appellants)

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**RESPONDENT'S CERTIFICATE**

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Commission

ONTARIO SECURITIES COMMISSION  
Applicant (Respondent in Appeal)

- AND -

GO-TO DEVELOPMENTS HOLDINGS INC., *et al.*  
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**RESPONDENT'S COMPENDIUM**

**Ontario Securities Commission**

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