

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

THE HONOURABLE) TUESDAY, THE 5TH
JUSTICE BLACK) DAY OF MARCH, 2024
)

B E T W E E N :

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR CAPITAL
CORPORATION**

Plaintiffs

- AND -

STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI, and CARLO TAURASI

Defendants

SECOND DISTRIBUTION ORDER

THIS MOTION, made by KSV Restructuring Inc. (“KSV”) in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of the property, assets and undertakings of Stateview Homes (NAO Towns II) Inc. (the “**Debtor**”), pursuant to the Order of this Court dated May 2, 2023 (the “**Receivership Order**”), for an order, among other things: (i) approving the Seventh Report of the Receiver dated February 7, 2024 and the supplement thereto dated February 23, 2024 (collectively, the “**Seventh Report**”) and the Receiver’s conduct and activities described therein; (ii) approving the fees and disbursements of the Receiver, as set out in the affidavit of Robert Kofman sworn February 7, 2024 and of the Receiver’s counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”), as set out in the Affidavit of Beatrice Loschiavo sworn February 5, 2024; and (iii) authorizing and directing

the Receiver to make certain payments and distributions and establish, hold and maintain certain reserves as recommended and described in the Seventh Report, was heard on February 15, 2024 by judicial videoconference via Zoom in Toronto, Ontario. For the reasons set out in the endorsement of the same date, an order was made on that day (the “**Ancillary Relief Order**”) which granted some of the foregoing relief on terms while certain of the foregoing matters were adjourned and were heard this day at the courthouse at 330 University Avenue, Toronto.

ON READING the materials filed by the Receiver and by Dharmi Mehta, and on hearing the submissions of counsel for the Receiver and counsel for Dharmi Mehta, and the other parties listed on the counsel slip, no one appearing for any other party although duly served,

SERVICE

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

RESERVE

2. **THIS COURT ORDERS** that the quantum of the Class Action Holdback (as defined in the Ancillary Relief Order) shall be reduced from \$1,523,400 to \$37,191.65, with the difference in the two sums being the “**Holdback Reduction Amount**”.

SECOND DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to distribute up to the full amount of the Holdback Reduction Amount to Atrium Mortgage Investment Corporation and Dorr Capital Corporation (together, the “**Lenders**”) as partial payment of the balance owing by the Debtor to the Lenders.

GENERAL

4. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele dated May 2, 2023; and (ii) all charges security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.
5. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts

are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and 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 respective agents in carrying out the terms of this Order.
9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Justice W.D. Black

ATRIUM MORTGAGE INVESTMENT CORP et al.
Plaintiffs

STATEVIEW HOMES (NAO II) INC. et al.
Defendants

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PROCEEDING COMMENCED AT
TORONTO

ORDER

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