

Court File No. CV-23-00698576-00CL
CV-23-00698395-00CL
CV-23-00698632-00CL
CV-23-00698637-00CL
CV-23-00699067-00CL

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

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

Applicants

- and -

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

Respondents

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDINGS CORP INC.

Respondent

DORR CAPITAL CORPORATION

Applicant

- and -

STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

STATEVIEW HOMES (ELM & CO) INC.

Respondent

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**MOTION RECORD
(SALE PROCESS APPROVAL ORDER)**

May 30, 2023

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Lawyers for the Receiver (NAO Phase 2, BEA, Highview and Elm Receiverships)

MOTION RECORD INDEX

Tab	Description	
1	Notice of Motion dated May 30, 2023	
	A	Schedule "A" – Form of Sale Process Approval Order
2	First Report of KSV Restructuring Inc. in its capacity as Receiver and Manager of Stateview Homes (Minu Towns) Inc., <i>et al</i>	
	A	Appendix "A" – TD Order dated April 4, 2023
	B	Appendix "B" – Letter to BDO dated May 12, 2023
	C	Appendix "C" – Norton Rose email dated May 17, 2023
	D	Appendix "D" – Tarion Notice to Homebuyers
	E	Appendix "E" – RFP Materials
	F	Appendix "F" – Summary of Realtor Commissions

TAB 1

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**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**NOTICE OF MOTION
(SALE PROCESS APPROVAL ORDER)**

The moving party, KSV Restructuring Inc. (“**KSV**”), in its capacity as receiver and manager (the “**Receiver**”) of the property, assets and undertaking owned by the Stateview Receivership Companies (as defined below), including their real property, will make a motion before the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on June 5, 2023 at 11:00 a.m. or as soon after that time as the motion may be heard by judicial videoconference via Zoom at Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference. The videoconference details will be circulated when available from the Court.

THE MOTION IS FOR:

1. An order in each of the within proceedings substantially in the form attached at Schedule “A” to this Notice of Motion, among other things:
 - (a) approving the sale process (the “**Sale Process**”) as set out in Section 5.0 of the First Report of the Receiver dated May 30, 2023 (the “**First Report**”), and

authorizing and directing the Receiver to conduct the Sale Process, including entering into realtor listing agreements as set out in the Sale Process; and

- (b) approving the First Report and the activities of the Receiver as described therein; and

2. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. On May 2, 2023, pursuant to separate orders issued by the Court (the “**May 2nd Receivership Orders**”), KSV was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties, including the real property, of:

- (a) Stateview Homes (Nao Towns II) Inc. (“**Nao Phase II**”), pursuant to an action commenced by Atrium Mortgage Corporation (“**Atrium**”);
- (b) Stateview Homes (BEA Towns) Inc. (“**BEA**”), pursuant to an application commenced by Dorr Capital Corporation (“**Dorr**”);
- (c) Highview Building Corp Inc. (“**Highview**”), pursuant to an application commenced by Dorr; and
- (d) Stateview Homes (Nao Towns) Inc. (“**Nao Phase I**”), Stateview Homes (Minu Towns) Inc. (“**Minu**”), Stateview Homes (High Crown Estates) Inc. (“**High Crown**”), Stateview Homes (On the Mark) Inc. (“**On the Mark**”) and TLSFD Taurasi Holdings Corp. (“**Taurasi Holdings**”), pursuant to an application commenced by Kingsett Mortgage Corporation (“**Kingsett**”) and Dorr.

4. The Court issued an order (the “**May 18th Receivership Order**” and together with the May 2nd Receivership Orders, the “**Receivership Orders**”) appointing KSV as Receiver of the property, assets and undertakings of Stateview Homes (Elm & Co) Inc. (“**Elm**”), including its real property, pursuant to an application by Meridian Credit Union Limited (“**Meridian**” and together with Atrium, Dorr, and Kingsett, the “**Mortgagees**”).

5. The entities subject to the Receivership Orders are collectively referred to as the “**Receivership Companies**”; the property owned by each of the Receivership Companies is referred to as the “**Property**”; the real property owned by each of the Receivership Companies is referred to as a “**Real Property**”; and collectively, all of the real properties are referred to as the “**Real Properties**”.

6. Each of the Receivership Companies is a single-purpose real estate development company that owns a specific project (each a “**Project**”, and collectively the “**Projects**”), except for Taurasi Holdings which owns four industrial properties. The Real Properties are located in Southern Ontario.

Proposed Sale Process

7. At this time, the Receiver is seeking authority to conduct a Sale Process (as described in the First Report) for the Real Properties for each of the Receivership Companies, with the exception of the On the Mark Real Property (which is discussed further in the First Report).

8. Based on discussions with the Mortgagees, the Receiver invited two national real estate brokerages to submit proposals to market for sale the Real Properties owned by Minu, Nao Phase I, High Crown and Taurasi Holdings and four national real estate brokerages to submit proposals

to market for sale the Real Properties owned by Nao Phase II, Highview, BEA and Elm (collectively, the “**RFP**”).

9. Following the RFP process, the Receiver selected: (i) Cushman & Wakefield ULC (“**Cushman**”) to sell the NAO Phase II and Elm Projects; (ii) Colliers International (“**Colliers**”) to sell the BEA and Highview Projects; (iii) Jones Lang LaSalle Real Estate Services, Inc. (“**JLL**”) to list the industrial properties owned by Taurasi Holdings and the High Crown Project; and (iv) CBRE Limited (“**CBRE**”) to list the Minu and Nao Phase I Projects. This decision was based on, among other things, the selected realtors’ knowledge of the specific Projects, their familiarity with the applicable market, their proposed marketing processes, their commission structures, the experience of their teams and feedback from the Mortgagees.

10. The details of the proposed Sale Process are set out in section 5.2 of the First Report and are summarized as follows:

- (a) as soon as possible, but not later than June 21, 2023, the realtors and the Receiver will prepare a teaser and confidential information memorandum (“**CIM**”), populate a virtual data room, including with updated or new consulting reports, and prepare a confidentiality agreement (“**CA**”) for each Project and the realtors will develop prospect lists and engage in discussions with the requisite third parties to prepare the development projects for their sale;
- (b) during the first four to five weeks following the commencement of the Sale Process: the realtors will market the applicable Real Properties by disseminating summary and marketing materials through multiple mediums approved by the Receiver and the Receiver and its legal counsel will prepare a Vendor’s form of Purchase and Sale Agreement (the “**PSA**”) which will be made available to prospective

purchasers. The realtors may also provide detailed information to qualified prospective purchasers following their execution of a CA, including access to data rooms and a copy of the applicable CIM;

- (c) the deadline for prospective purchasers is expected to be between July 19, 2023 and July 26, 2023 (the “**Bid Deadline**”), based on, *inter alia*, the date on which the Sale Process launches, market feedback and consultation with the realtors. Prospective purchasers wishing to make an official bid will be required to submit their bid in the form of the PSA, with any changes against the draft PSA blacklined;
- (d) following the Bid Deadline, the Receiver may ask interested bidders to further modify or improve their offers in one or more rounds of bidding in order to maximize the value of any transaction for the applicable Real Properties. After bidders have been given a reasonable opportunity to improve their bids, the Receiver will select the successful bidder for each project (collectively, the “**Successful Bidders**”) in consideration of several factors, as set out more particularly in the First Report, in consultation with the applicable Mortgagees;
- (e) Successful Bidders will have a period of time (estimated to be between 30-60 days) from the date of the selection of the successful bid to satisfy or waive any conditions to the sale; and
- (f) within 15 to 30 days from the date the Successful Bidder(s) confirm that all conditions have been satisfied or waived, the Receiver will seek Court approval of the successful offer(s), on not less than seven (7) calendar days’ notice to the service list and registered secured creditors.

11. Additional terms of the proposed Sale Process include:

- (a) the NAO Phase I and NAO Phase II properties will have the same bid deadline so that interested parties can submit an offer for both Real Properties. Interested parties will be required to provide a value for each Real Property;
- (b) bidders will have the opportunity to submit offers on an *en bloc* basis, provided that they provide separate values for each Real Property (it is possible that the bid dates for all Real Properties may not align. In the event that an *en bloc* buyer emerges, which the Receiver considers unlikely, the Receiver will work with the bidder to structure its offer accordingly);
- (c) the Real Properties will be marketed and sold on an “as-is, where-is” basis, with standard representations and warranties for a receivership transaction;
- (d) to the extent permitted by law, all of the right, title and interest of the Receivership Companies in the Real Properties will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to approval and vesting orders to be sought by the Receiver;
- (e) to the extent permitted by law, interested parties will not be required to assume the homebuyer purchase agreements;
- (f) the Receiver will have the right to reject any and all offers, including the highest and best offers;

- (g) any Mortgagee will have the right to credit bid the debt owing to them secured by a Real Property at the conclusion of the Sale Process if the offers are not sufficient to repay its mortgages on such Real Property in full;
 - (h) if, in the Receiver's sole discretion, it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Sale Process, including the right to amend any of the deadlines in the table above by up to four weeks without an order of the Court; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Properties or increase recoveries for stakeholders;
 - (i) any material modifications to, or the termination of, the Sale Process for any or all of the Real Properties shall require Court approval, subject however, to the right to extend bid deadlines as set out in paragraph (h) above; and
 - (j) any transaction or transactions entered into by the Receiver shall be subject to Court approval.
12. The Receiver recommends the proposed Sale Process for the following reasons:
- (a) the Sale Process is reasonable and appropriate at this time based on the issues identified above, including: (i) the early development stage of the Projects; (ii) the illiquidity of the Projects; (iii) feedback from Mortgagees; and (iv) the lack of any other viable option, including an unconditional refinancing sufficient to repay in full all mortgagees;

- (b) the Sale Process is a fair, open and transparent process developed with input from the selected realtors, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
- (c) the Sale Process is flexible and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
- (d) the Sale Process includes procedures commonly used to sell real estate development projects, including by KSV in other court-supervised real property sale processes;
- (e) the Receiver intends to retain Cushman, Colliers, JLL and CBRE, each of which is a leading national brokerage, with the experience and expertise to market the Real Properties, including knowledge of the markets in which the Real Properties are located and a marketing plan tailored to each Real Property; and
- (f) there will be no delay in commencing the Sale Process as each of the realtors is preparing its marketing materials, working on their prospect lists and, with the Receiver, updating data rooms.

Approval of the First Report and the Receiver's Activities

13. The Receiver is also seeking approval of the First Report and its activities as set out in the First Report.

14. Since its appointment, the Receiver has acted diligently and within the scope of the Receivership Orders, all with the objective of maximizing the value returnable to creditors.

OTHER GROUNDS

15. Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (1) The First Report; and
- (2) Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 30, 2023

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Lawyers for the Receiver (NAO Phase 2, BEA, Highview and Elm Receiverships)

SCHEDULE "A"

Form of Sale Process Approval Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 5th
)
JUSTICE PENNY) DAY OF JUNE, 2023
)

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER
(SALE PROCESS APPROVAL ORDER)**

THIS MOTION, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of the property, assets and undertakings of each of the above noted Respondents, including their real property, for an order, *inter alia*: (i) abridging and validating service of the Notice of Motion and Motion Record herein; (ii) approving the proposed Sale Process (as defined and described in Section 5.0 of the First Report of the Receiver dated May 30, 2023 (the “**First Report**”)) in respect of the Real Properties (as defined in the First Report); and (iii) approving the First Report and the activities of the Receiver described therein, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Motion Record of the Receiver dated May 30, 2023, including the First Report (including the appendices thereto), and on hearing the submissions of counsel for the

Receiver and such other counsel as were present, no else appearing although duly served as appears from the Affidavit of Service of Alec Hoy dated May 30, 2023.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing 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.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the First Report.

SALE PROCESS APPROVAL

3. **THIS COURT ORDERS** that the Sale Process be and is hereby approved. The Receiver is hereby authorized to carry out the Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligations thereunder, including authorizing the Receiver to enter into realtor listing agreements as set out in the First Report, all subject to prior approval of this Court being obtained before completion of any sale transactions under the Sale Process.

4. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Receiver performing its duties under the Sale Process, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Receiver, as determined by this Court in a final order that is not subject to appeal or other review.

5. **THIS COURT ORDERS** that the Receiver may apply to the Court for directions with respect to the Sale Process at any time on at least seven (7) days' notice to the service lists established in these proceedings or such other notice as directed or permitted by the Court

PIPEDA

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions the Receiver is hereby authorized and permitted to disclose and provide to its agents and any potential purchasers in the Sale Process personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a "**Transaction**"). Each person 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 for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver or, in the alternative, destroy all such information and provide confirmation of its destruction to the Receiver. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Receiver.

APPROVAL OF THE FIRST REPORT AND THE RECEIVER'S ACTIVITIES

7. **THIS COURT ORDERS** that the First Report, and the activities of the Receiver described therein, be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

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 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 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.

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (NAO TOWNS II) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., HIGHVIEW BUILDING CORP INC., STATEVIEW HOMES (BEA TOWNS) INC., AND STATEVIEW HOMES (ELM&CO) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(Sale Process Approval Order)**

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Lawyers for the Receiver (NAO Phase 2, BEA, Highview and Elm Receiverships)

TAB 2



**First Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Stateview Homes (Minu Towns) Inc.,
Stateview Homes (Nao Towns) Inc.,
Stateview Homes (Nao Towns II) Inc.,
Stateview Homes (On the Mark) Inc.,
TLSFD Taurasi Holdings Corp.,
Stateview Homes (High Crown Estates) Inc.,
Highview Building Corp Inc.,
Stateview Homes (BEA Towns) Inc., and
Stateview Homes (Elm&Co) Inc.**

May 30, 2023

Contents	Page
1.0 Introduction.....	2
1.1 Purposes of this Report.....	3
1.2 Restrictions	4
2.0 Background	4
2.1 The Stateview Group	4
2.2 Toronto-Dominion Bank	5
2.3 The Receivership Companies	6
2.3.1 Industrial Properties	7
3.0 Creditors.....	7
4.0 Receiver’s Preliminary Findings.....	8
4.1 Overview.....	8
4.2 Cash	8
4.2.1 Elm Cash	9
4.2.2 On the Mark HST Proceeds	10
4.3 Homebuyers.....	10
5.0 Sale Process	12
5.1 Realtor Selection Process	12
5.2 Sale Process.....	13
5.3 Listing Agreements	17
5.4 Sale Process Recommendation	17
6.0 On the Mark.....	18
7.0 Securing Data and Information	18
8.0 Receiver’s Activities.....	19
9.0 Conclusion.....	20

Appendices

Appendix	Tab
TD Order dated April 4, 2023	A
Letter to BDO dated May 12, 2023.....	B
Norton Rose email dated May 17, 2023.....	C
Tarion Notice to Homebuyers.....	D
RFP Materials.....	E
Summary of Realtor Commissions.....	F



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BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

MAY 29, 2023

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued separate receivership orders on May 2, 2023 (the “May 2nd Receivership Orders”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver¹”) of the property, assets and undertaking owned by the following entities in the Stateview Group of Companies (the “Stateview Group”), including their real property:
 - a) Stateview Homes (Nao Towns II) Inc. (“Nao Phase II”), pursuant to an action commenced by Atrium Mortgage Corporation (“Atrium”);
 - b) Stateview Homes (BEA Towns) Inc. (“BEA”), pursuant to an application commenced by Dorr Capital Corporation (“Dorr”);
 - c) Highview Building Corp Inc. (“Highview”), pursuant to an application commenced by Dorr; and
 - d) Stateview Homes (Nao Towns) Inc. (“Nao Phase I”), Stateview Homes (Minu Towns) Inc. (“Minu”), Stateview Homes (High Crown Estates) Inc. (“High Crown”), Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp. (“Taurasi Holdings”), pursuant to an application commenced by Kingsett Mortgage Corporation (“Kingsett”) and Dorr.

¹ Includes KSV’s role as receiver and manager of Elm, as defined below.

2. The Court issued an order (the “May 18th Receivership Order” and together with the May 2nd Receivership Orders, the “Receivership Orders”) appointing KSV as Receiver of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc. (“Elm”), including its real property, pursuant to an application by Meridian Credit Union Limited (“Meridian” and together with Atrium, Dorr, and Kingsett, the “Mortgagees”).
3. Herein the entities subject to the Receivership Orders are collectively referred to as the “Receivership Companies”; the property owned by each of the Receivership Companies is referred to as the “Property”; the real property owned by each of the Receivership Companies is referred to as a “Real Property”; and collectively, all of the real properties are referred to as the “Real Properties”.
4. Copies of the Receivership Orders are available on the Receiver’s case website by clicking on the hyperlinks below.
 - a) [NAO Phase II receivership order](#)
 - b) [BEA receivership order](#)
 - c) [Highview receivership order](#)
 - d) [Nao Phase I, Minu, High Crown, On the Mark and Taurasi Holdings receivership order](#)
 - e) [Elm receivership order](#)
5. As more fully detailed below, a principal focus of the receivership proceedings at this time is to conduct a sale process (the “Sale Process”) for all of the Real Properties, except for the On the Mark Real Property, which is currently at an advanced stage of development, as more fully discussed below.
6. This report (the “Report”) is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these proceedings;
 - b) provide the Court with the Receiver’s material findings since its appointment;
 - c) advise the Court of the status of purchase agreements that were entered into between homebuyers (the “Homebuyers”) and the Receivership Companies prior to these receivership proceedings;
 - d) detail the proposed Sale Process;
 - e) discuss the status of the On the Mark project;
 - f) discuss the steps that the Receiver has taken to preserve and obtain data and information related to the Receivership Companies;

- g) summarize the Receiver's activities since the start of these receivership proceedings; and
- h) recommend that this Court issue orders:
 - i. approving the Sale Process; and
 - ii. approving this Report and the Receiver's activities as set out in this Report.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Stateview Group's management ("Management"); (ii) the Receivership Companies' unaudited financial information; (iii) information provided by the Mortgagees; (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) the Information Officer (as defined below); (vi) the Stateview Group's external legal counsel, Norton Rose Fulbright Canada LLP ("Norton Rose") and (vii) the application materials (collectively, the "Information").
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Receivership Companies and the reasons for the appointment of the Receiver are provided in the respective application materials of the Mortgagees. Copies of the Court materials filed to-date in these proceedings are available on the [Receiver's website](#) (the "Website"). The Website also includes information for Homebuyers who purchased homes from the Receivership Companies.

2.0 Background

2.1 The Stateview Group

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group primarily develops low-rise residential projects in Southern Ontario.
2. Several Stateview Group companies are not subject to receivership proceedings (the "Non-Receivership Companies"), including Stateview Construction Ltd. ("SV Ltd.") which provides administrative and management services to companies in the Stateview Group. The Receiver understands that all Stateview Group employees are employed by SV Ltd.

3. The principals of the Stateview Group are Carlo Taurasi, the Chief Executive Officer and Dino Taurasi, the President (together, the “Taurasis”).

2.2 Toronto-Dominion Bank

1. The Stateview Group previously had bank accounts (the “TD Accounts”) at Toronto Dominion Bank (“TD Bank”). On March 23, 2023, TD Bank commenced an action against various Stateview Group companies and other parties, including, *inter alia*, the Receivership Companies and the Taurasis (collectively, the “Defendants”) to attempt to recover an approximate \$37 million loss resulting from a “cheque kiting” scheme that took place between April 2022 to March 2023. The Taurasis allege that the Stateview Group’s former Chief Financial Officer, Daniel Ciccone, was responsible for the scheme.
2. Certain of the Defendants, including all of the Receivership Companies and the Taurasis (together, the “Settlement Parties”) entered into a Settlement Agreement with TD Bank dated March 31, 2023 (the “TD Settlement Agreement”), pursuant to which, *inter alia*, they acknowledged their joint and several liability to TD Bank arising out of the kiting scheme. It is the Receiver’s understanding that none of the Mortgagees were privy to or aware of the TD Settlement Agreement until after it was completed. In connection with the Settlement Agreement, TD Bank was granted (and subsequently registered) mortgages on certain Real Property owned by Taurasi Holdings, BEA, Nao Phase II, Highview and Elm to secure the amounts owing to TD Bank under the Settlement Agreement (collectively, the “TD Mortgages”). The Receiver has not yet made any independent inquiries into the circumstances giving rise to the granting and registration of the TD Mortgages.
3. On April 4, 2023, the Court issued an order (the “TD Order”) approving the implementation of the TD Settlement Agreement and appointing BDO Canada Limited as the information officer (the “Information Officer”) in respect of the Stateview Group. A copy of the TD Order is attached as Appendix “A”.
4. The TD Settlement Agreement requires that the Settlement Parties pay approximately \$37 million in instalments over an approximately three-month period, including a \$3.150 million payment upon the making of the TD Order, inclusive of an “administration fee”.
5. On May 15, 2023, the Receiver was advised by the Information Officer that the \$3.150 million payment was made to TD Bank. On May 16, 2023, Norton Rose advised the Receiver in an email that Melissa Taurasi, Carlo Taurasi’s wife, funded \$2.2 million and Dino Taurasi funded the balance.
6. Pursuant to the TD Order, the Information Officer’s mandate is to:
 - a) gain an understanding of the Stateview Group’s governance policies with regards to treasury functions and other functional areas as required;
 - b) review the historical source and application of funds received and disbursed by the Stateview Group and the deposit of funds into the bank accounts of the Stateview Group;

- c) monitor on an ongoing basis, the source and application of funds received and disbursed by the Stateview Group, and the deposit of funds into the bank accounts of the Stateview Group;
- d) monitor the activities of the Stateview Group to ensure that appropriate cash management is being undertaken at all times;
- e) review the books and records and computer files, records, software and other systems of the Stateview Group as necessary; and
- f) report to TD Bank and the Stateview Group from time to time on the financial circumstances of the Stateview Group, including without limitation, with respect to their assets, liabilities, cash flows, intercompany transfers and payments to related parties or shareholders.

2.3 The Receivership Companies

1. Each of the Receivership Companies is a single-purpose real estate development company that owns a specific project (each a “Project”, and collectively the “Projects”), except for Taurasi Holdings which owns four industrial properties. The Real Properties are located in Southern Ontario.
2. The Project names, municipal addresses and status of the Projects is provided in the table below.

Project	Address	Status
Minu Towns	9940 Ninth Line, Markham	Raw land
Nao Towns	5112, 5122, 5248 14th Avenue, Markham	Raw land
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	Raw land
Nashville (Highview)	89, 99 Nashville Road, Kleinberg,	Raw land
BEA Towns	189 Summerset Drive, Barrie	Raw land
Elm	12942 York Durham Line, Stouffville	Raw land
High Crown	13151 – 13161 Keele Street, King City	Under construction, approximately 30% complete
On the Mark	16 th Avenue and Woodbine Avenue, Markham	Under construction, approximately 90% complete

2.3.1 Industrial Properties

1. Taurasi Holdings owns four industrial properties totaling 116,065 square feet of leasable area which is currently 100% occupied (the “Industrial Properties”). The Industrial Properties are located at the following municipal addresses in Vaughan, Ontario:
 - 301 Bradwick Drive;
 - 596 Oster Lane;
 - 448 North Rivermede Road; and
 - 6-8 Bradwick Drive.
2. The Industrial Properties are managed by Argo Property Management Ltd. (“Argo”), a third-party property management company.
3. The Receiver has advised each of the tenants of the Industrial Properties (the “Tenants”) of the receivership and has directed them to pay rent directly to the Receiver during these proceedings. The Industrial Properties generate approximately \$130,000 in monthly rent, including HST.

3.0 Creditors

1. The table below provides a summary of the amounts of the mortgages registered on title to each of the Real Properties as of the dates of the Receivership Orders.

<i>(Unaudited; \$000s)</i>	
Real Property²	Amount Owing
Minu	67,632
Nao Phase I	38,905
High Crown	28,515
On the Mark	18,471
Taurasi Holding	30,388
NAO Phase II	45,299
Highview	16,438
BEA	58,972
Elm	45,325
Total	349,945

² The table excludes the TD Bank mortgage. Interest and costs continue to accrue on each mortgage. All amounts are subject to confirmation.

- As more fully detailed in each of the Mortgagees' materials seeking the appointment of the Receiver, certain of the mortgages in the table are cross-collateralized, such that the shortfall on certain Real Properties can be satisfied in full or in part from the surplus on certain other Real Properties. This will be fully detailed in a future Receiver's report, as required.
2. In addition to the above, several parties who provided services to the Projects have registered construction liens on certain of the Real Properties, including construction trades and real estate consultants. The Receiver is continuing to review and assess the various construction liens, including seeking further information from lienholders, where necessary.
 3. Certain of the Receivership Entities also are in arrears in respect of municipal taxes, as well as amounts owing to Canada Revenue Agency ("CRA"). In regard to the amounts owing to CRA, the Receiver received a letter from CRA dated May 16, 2023 indicating that Taurasi Holdings owes CRA \$250,271.75 in respect of unpaid harmonized sales tax ("HST"), approximately \$130,624.22 of which CRA asserts is a trust claim.

4.0 Receiver's Preliminary Findings

4.1 Overview

1. The following section provides a high-level summary of certain of the Receiver's preliminary findings. The findings in this section are subject to change based on the Receiver's further investigations. The Receiver continues to review and consider the issues summarized in this section, as well as other issues, including but not limited to payments from Receivership Companies to non-arm's length parties, including Non-Receivership Companies and related individuals. In due course, the Receiver will consider whether any relief should be sought in respect of these transactions, in consultation with affected parties.

4.2 Cash

1. The Stateview Group, including the Receivership Companies, presently have bank accounts at Bank of Montreal ("BMO"), which accounts were opened following the TD Settlement Agreement. The Receiver also understands that certain of the Non-Receivership Companies have one or more accounts at Royal Bank of Canada.

2. Immediately after the May 2nd Receivership Orders were granted, the Receiver communicated with the Information Officer and with the Stateview Group’s representatives to determine the cash balances in each Receivership Companies’ bank accounts, including Elm, as the Receiver was aware that Meridian intended to forthwith bring an application for the appointment of KSV as receiver of that entity. Concurrently, the Receiver advised BMO that the Receivership Companies’ bank accounts should be restricted to deposit only. KSV had no authority over the Elm account at the time, so it was unable to place any restrictions on the Elm account. The Receiver, however, advised the Stateview Group that it was its view that any monies in Elm’s account should only be used for Elm’s purposes given the pending receivership application (to which the Stateview Group consented).
3. The Information Officer advised the Receiver that, as of May 1, 2023, the Receivership Companies’ accounts had the following balances³:

(Unaudited; \$000)	Cash Balance
Minu	14
Nao Phase I	75
High Crown	21
On the Mark	55
Taurasi Holdings	151
Highview	Nil
BEA	Nil
Elm	779
Total	1,095

4.2.1 Elm Cash

1. On May 8, 2023, the Receiver learned that the Stateview Group had used funds in the Elm account to pay costs unrelated to Elm.
2. On May 9, 2023, the Receiver’s counsel, Paliare Roland Rosenberg Rothstein LLP (“Paliare”) ⁴, wrote to Norton Rose to obtain details regarding the use of Elm funds since May 1, 2023. The letter stated, “we trust that Stateview Elm’s cash not be further dissipated in advance of the hearing of the receivership application and that any remaining monies should be, at the very least, segregated until the return of the receivership application”.
3. On May 10, 2023, Norton Rose responded to Paliare’s letter to confirm that Elm would not disburse any further funds in advance of the receivership application for Elm. Norton

³ The Receiver has been advised that Highview does not have a bank account and that NAO I and NAO II share a bank account.

⁴ Paliare is acting as counsel to the Receiver on the NAO Phase II, BEA, Highview and Elm receiverships. Cassels is counsel to the Receiver on the NAO Phase I, Minu, On the Mark, High Crown and Taurasi Holdings receiverships.

Rose further advised that Elm's then current bank account balance was approximately \$450,000.

4. On May 12, 2023, Cassels Brock & Blackwell LLP ("Cassels") wrote to the Information Officer asking that the Information Officer "promptly deliver to KSV a full accounting and reconciliation of all disbursements from accounts of any of the Stateview companies subject to the Stateview Receiverships to any related persons or companies" A copy of this letter is attached as Appendix "B".
5. On May 17, 2023, Norton Rose advised that Elm's bank balance was then approximately \$307,000. A copy of the email from Norton Rose is attached as Appendix "C".
6. On May 18, 2023, following KSV's appointment as Receiver of Elm, BMO advised the Receiver that the balance in Elm's bank account was approximately \$303,000.
7. Since May 18, 2023, the Receiver has been provided with support for certain disbursements in the Elm bank account for the period after May 8, 2023. Certain disbursements relate to professional fees, as well as related-party payments that do not appear to relate to the Elm project. The Receiver continues to review this issue.

4.2.2 On the Mark HST Proceeds

1. 38 of the 70 home sales for the On the Mark project were completed prior to the May 2nd Receivership Orders. On the Mark collected approximately \$4 million of HST on these sales.
2. On April 12, 2023, Kingsett issued its Notice of Intention to Enforce Security to On the Mark (the "OTM Notice").
3. On May 9, 2023, the Information Officer provided the Receiver with a schedule reflecting the use of the closing proceeds, including amounts that are subject to a CRA trust claim. The schedule shows that between April 11 and April 24, 2023, the Stateview Group used the monies to pay, among other things:
 - approximately \$2.23 million for payables owing by certain of the Receivership Companies, including On the Mark, Minu and High Crown;
 - approximately \$266,000 for payables owing by certain Non-Receivership Companies;
 - approximately \$452,000 for SV Ltd. payroll; and
 - approximately \$440,000 for professional fees.

4.3 Homebuyers

1. Prior to these receivership proceedings, each of the Receivership Companies, other than Taurasi Holdings, sold freehold homes to Homebuyers, each of whom paid deposits.

2. As freehold homes, the Receivership Companies were not required to keep the deposits in trust. The Receiver has been advised by the Stateview Group's representatives that all deposits have been spent; however, the use of those funds has not yet been determined and the Receiver has not, as of the date of this Report, commenced a tracing exercise.
3. As reflected in the table below, the Homebuyer deposits total approximately \$77.2 million.

Project	(unaudited)	
	# of Homebuyers	Deposits (\$000s)
Minu	147	19,208
Nao Phase I	96	7,680
High Crown	47	4,933
On the Mark ⁵	32	4,218
Nao Phase II	76	7,617
Highview	4	None
BEA	218	17,440
Elm	145	16,076
Total	765	77,172

4. Since being appointed, the Receiver has corresponded with several Homebuyers regarding their deposits and the status of their purchase agreements. As a result of concerns raised by Homebuyers, and to communicate a consistent message to Homebuyers, the Receiver posted a notice to Homebuyers on its [Website](#) on May 5, 2023. The notice advises of the status of the deposits and discusses deposit protection provided by Tarion Warranty Corporation ("Tarion"), an organization that, among other things, provides deposit insurance to homebuyers and administers Ontario's new home warranty program.
5. The Receiver has also corresponded with Tarion's legal counsel, Torys LLP, to provide it with information concerning these proceedings and the status of the deposits, following which Tarion posted a notice on its website. Tarion's notice is attached as Appendix "D".
6. The Receiver intends to keep Homebuyers and Tarion advised of issues related to the developments in which they purchased their homes, as well as the status of their deposits.

⁵ Excludes deposits paid by Homebuyers for the On the Mark Project who have closed their sales.

7. The Receiver also understands that the Stateview Group planned to develop another project called On the Mark 2. As of the date of the May 2nd Receivership Orders, the Stateview Group, through an entity known as Stateview Homes Ltd. (“SHL”), had negotiated an option to purchase the On the Mark 2 lands, which agreement is subject to an ongoing dispute between the Stateview Group and the vendor. It is the Receiver’s understanding that, notwithstanding that SHL has not completed its acquisition of this real property, it sold homes and took deposits from purchasers on this project. These deposits were not held in trust and, consistent with all other deposits paid to the Stateview Group, appear to have been spent.

5.0 Sale Process

1. The recommended Sale Process is for all Real Properties, together with all other property, assets and undertaking of the Receivership Companies related to the Real Properties, other than On the Mark. Information regarding the status of, and next steps for, the On the Mark project is provided in Section 6 below.

5.1 Realtor Selection Process

1. Based on discussions with the Mortgagees (which differ by Project), the Receiver invited two national real estate brokerages to submit proposals to market for sale the Real Properties owned by Minu, Nao Phase I, High Crown and Taurasi Holdings and four national real estate brokerages to submit proposals to market for sale the Real Properties owned by Nao Phase II, Highview, BEA and Elm (collectively, the “RFP”).
2. The RFP process provided the Receiver’s criteria for selecting the successful realtor or realtors. The Receiver requested that proposals be submitted by 5pm on May 17, 2023. A copy of the RFP materials is provided as Appendix “E”.
3. All realtors submitted proposals by the RFP deadline (the “Realtor Proposals”) and presented their proposals to the Receiver and the Mortgagees at meetings on May 19 and 23, 2023.
4. In consultation with the Mortgagees, the Receiver selected: (i) Cushman & Wakefield ULC to sell the NAO Phase II and Elm Projects; (ii) Colliers International to sell the BEA and Highview Projects; (iii) Jones Lang LaSalle Real Estate Services, Inc. to sell the Industrial Properties and the High Crown Project; and (iv) CBRE Limited to sell the NAO Phase I and Minu Projects. These decisions were based on, among other things, each realtors’ knowledge of the specific Projects, their familiarity with the applicable market, their proposed marketing processes, their commission structures, the experience of their teams and feedback from the Mortgagees.

5.2 Sale Process

- The recommended Sale Process is set out in the table below. The timelines are based on KSV's extensive experience selling real estate in court-supervised proceedings, as well as guidance from the realtors. The timelines assume that the Court approves the Sale Process on the return of this motion and that the Sale Process launches on June 7, 2023. To the extent that the Sale Process is delayed, the deadlines may be correspondingly adjusted.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Prepare marketing materials	<ul style="list-style-type: none"> ➤ Realtors and the Receiver to: <ul style="list-style-type: none"> ○ prepare a teaser and confidential information memorandum (“CIM”) for each Project; ○ populate virtual data rooms for each Project; and ○ prepare a confidentiality agreement (“CA”). 	As soon as possible, but no later than June 21, 2023
Prospect Identification	<ul style="list-style-type: none"> ➤ For each Real Property, realtors to: <ul style="list-style-type: none"> ○ develop master prospect lists; ○ prioritize prospects; ○ have pre-marketing discussions with targeted prospects; ○ engage in discussions with planners, consultants and municipalities; and ○ consult with the Receiver regarding the above. 	
Consulting Reports	<ul style="list-style-type: none"> ➤ The Receiver is arranging for updated and/or new consulting reports to facilitate due diligence by interested parties. These will be made available in the data rooms. 	
<i>Phase 2 – Marketing and Diligence</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ sending offering summary and marketing materials, including marketing brochure to each realtors' client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as the realtor and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting “for sale” signs on each Real Property, to the extent applicable; ○ engaging in direct canvassing of most likely prospects and tailoring the pitch to each of these candidates based on the brokers knowledge of these parties; 	Estimated to be 4 to 5 weeks from launch.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<ul style="list-style-type: none"> o posting the acquisition opportunity on MLS for each Project on an unpriced basis, if requested by the Receiver; and o meeting with prospective bidders to explain the potential of each site. ➤ Receiver and its legal counsel to prepare a Vendor’s form of Purchase and Sale Agreement (the “PSA”) which will be made available to prospective purchasers in each virtual data room. ➤ Realtors to provide additional information to qualified prospects which execute the CA, including access to data rooms and a copy of the CIM. ➤ Realtors and Receiver to facilitate diligence by interested parties. 	
Stage 2 – Bid Deadline	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit offers in the form of the PSA, with any changes to the PSA blacklined. 	Estimated bid date is between July 19 and July 26, 2023, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Offers and Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Realtors to collect, summarize and provide to the Receiver commentary on initial bids received to the Receiver. Receiver will consult with Mortgagees on the offers received. ➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of bidding as is required to maximize the consideration and minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with Mortgagees regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ The Receiver will select the successful bidder(s), having regards to, among other things: <ul style="list-style-type: none"> o total consideration (cash and assumed liabilities); o form of consideration, including the value of any carried interest; o third-party approvals required, if any; o conditions, if any, and time required to satisfy or waive same; and o such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. 	Two weeks from offer bid deadline
Selected bidders to perform final due diligence	<ul style="list-style-type: none"> ➤ Bidders to address their conditions. ➤ Back up bidders will be kept “warm” in order to have options in case selected bidder does not close. 	30 to 60 days from selection of successful bidders
Sale Approval Motion(s) and Closing(s)	<ul style="list-style-type: none"> ➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer(s), on not less than 7 calendar days’ notice to the service list and registered secured creditors. 	15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived
Closings	<ul style="list-style-type: none"> ➤ Following Court approval 	ASAP

2. Additional terms of the Sale Process include:

- a) the NAO Phase I and NAO Phase II properties will have the same bid deadline so that interested parties can submit an offer for both. Interested parties will be required to provide a value for each Real Property given the stakeholders on each Real Property is different;
- b) bidders will have the opportunity to submit offers on an *en bloc* basis, provided that they provide separate values for each Real Property. (It is possible that the bid dates for all Real Properties may not align. In the event that an *en bloc* buyer emerges, which the Receiver considers unlikely, the Receiver will work with the bidder to structure its offer accordingly);
- c) the Real Properties will be marketed and sold on an “as-is, where-is” basis, with standard representations and warranties for a receivership transaction;
- d) to the extent permitted by law, all of the right, title and interest of the Receivership Companies in the Real Properties will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to approval and vesting orders to be sought by the Receiver;
- e) to the extent permitted by law, interested parties will not be required to assume the Homebuyer purchase agreements;
- f) the Receiver will have the right to reject any and all offers, including the highest and best offers;
- g) any Mortgagee will have the right to credit bid the debt owing to it in respect of a Real Property at the conclusion of the Sale Process if the offers are not sufficient to repay its mortgages on such Real Property in full;
- h) if, in the Receiver’s sole discretion, it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Sale Process, including the right to amend any of the deadlines in the table above by up to four weeks without an order of the Court; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Properties or increase recoveries for stakeholders;
- i) any material modifications to, or the termination of, the Sale Process for any or all of the Real Properties shall require Court approval, subject however, to the right to extend bid deadlines as set out in paragraph (h) above; and
- j) any transaction or transactions entered into by the Receiver shall be subject to Court approval.

5.3 Listing Agreements

1. The listing agreements are presently being drafted and are expected to be finalized by the return of this motion; however, the commission structure for each Real Property is provided in Appendix “F”. The listing agreements are expected to be in the standard form for a receivership transaction. If there is anything unusual with any of the listing agreements, the Receiver will advise the Court on the return of this motion.
2. Each of the realtors will spend considerable time and effort preparing for and marketing each of the Real Properties. If the Stateview Group completes a refinancing of some or all of its mortgages (which the Stateview Group has advised it is working on), each realtor should be entitled to a work fee for its time and effort. Accordingly, each of the listing agreements includes a work fee of \$100,000 (plus HST and actual disbursements), for each Real Property where the mortgages are refinanced and \$150,000 in the event a Real Property is acquired by a mortgagee through a credit bid.⁶ The work fees are significantly less than the commissions to which the brokers would be entitled if they sold the Real Properties.
3. The Receiver is not aware of the status of the Stateview Group’s refinancing efforts. The Receiver believes that the Sale Process should be commenced immediately, which is supported by all Mortgagees.

5.4 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) the Sale Process is reasonable and appropriate at this time based on the issues identified above, including: (i) the early development stage of the Projects; (ii) the illiquidity of the Projects; (iii) feedback from Mortgagees; and (iv) the lack of any other viable option, including an unconditional refinancing sufficient to repay in full all mortgagees;
 - b) the Sale Process is a fair, open and transparent process developed with input from the selected realtors, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - c) the Sale Process is flexible and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
 - d) the Sale Process includes procedures commonly used to sell real estate development projects, including by KSV in other court-supervised real property sale processes;

⁶ Each broker is engaged on two sites. If the two sites were both credit bid, the fee to the respective broker’s fee would be \$300,000. One work fee would be paid for all Industrial Properties in the event of a refinancing or credit bid in respect of Taurasi Holdings.

- e) each of the selected realtors is a leading national brokerage, with the experience and expertise to market the Real Properties, including knowledge of the markets in which the Real Properties are located and a marketing plan tailored to each Real Property; and
- f) there will be no delay commencing the Sale Process as each of the realtors is preparing its marketing materials, working on their prospect lists and, with the Receiver, updating data rooms.

6.0 On the Mark

1. As noted above, 38 of 70 home sales on this Project have been completed. The remaining 32 homes were scheduled to close by the end of June 2023.
2. Construction at the On the Mark Project has been halted due to the commencement of the receivership proceedings, which will result in closing delays. As of the commencement date of the receivership, Kingsett advised the Receiver that it was not aware of any significant payables, other than holdbacks, related to this Project, and that the cost to finish the Project was estimated to be approximately \$3 million based on the information that had been provided to Kingsett by the Stateview Group. Since that time, the Receiver has learned that there is approximately \$12 million of payables owing on the Project, including the unremitted HST of approximately \$4 million discussed above. The cost to complete this Project is also expected to be several million dollars more than originally estimated.
3. On May 10, 2023, the Receiver sent a notice to all On the Mark Homebuyers that have not yet closed on their homes, advising that the Receiver is reviewing the status of the On the Mark Project, including the completion of the units and the agreements of purchase and sale, and that it would provide Homebuyers on this Project with further updates in due course.
4. The Receiver has engaged a former president of a major Toronto developer to assist it to consider the feasibility of completing this Project based on its recent findings.
5. The Receiver is hopeful to be able to make a recommendation regarding this Project in the next few weeks. The Receiver will post a Homebuyer notice once a determination has been made.

7.0 Securing Data and Information

1. Since its appointment, the Receiver has been working to secure data and information related to the Receivership Companies. The Receiver believes that securing this data and information promptly is particularly important in this case given that the Stateview Group has already acknowledged certain malfeasance.
2. The Receiver understands that relevant data and information relating to the Receivership Companies resides, at least, on Stateview Group's servers. The Receiver wishes to image these servers immediately.

3. In addition to the servers, the Receiver wishes to image the Taurasis' personal phones in case any data resides on those devices that is not otherwise stored on the Stateview Group's servers. The Taurasis have advised, and will confirm to the Receiver in writing, that they have no other personal devices, including computer, tablets and the like.
4. The Receiver has retained Kroll Consulting Canada Co. ("Kroll") to carry out the imaging of the servers and personal devices.
5. On May 16, 2023, Stateview Group's counsel advised the Receiver that it was agreeable to backing up the Stateview Group's electronic records but that it could not agree to produce such records until a protocol was developed given that the records included information relating to Non-Receiverhip Companies and there were privilege issues to address.
6. The Receiver subsequently reached an understanding with Stateview Group and the Taurasis for:
 - a) preservation of data and information on the Stateview Group servers and the Taurasis personal cell phones; and
 - b) delivery to the Receiver of electronic books and records (including banking records) for each of the Receivership Companies as well as any other documentation or information relating to the Receivership Companies that the Receiver may request from time to time.

8.0 Receiver's Activities

1. In addition to the activities described above, the Receiver's activities since the May 2nd Receivership Orders have included:
 - a) corresponding extensively with Cassels and/or Paliare regarding these proceedings;
 - b) corresponding extensively with the Mortgagees regarding, among other things, the status of the Real Properties, the proposed realization plan with respect to each of the Real Properties and the Sale Process;
 - c) corresponding with Kingsett regarding the status of construction on the On the Mark and the High Crown Projects and addressing issues related to the trades, liens, costs-to-complete construction, and funding of construction costs;
 - d) corresponding with representatives of the Receivership Companies, including Management, to obtain information concerning the Projects and the business of the Receivership Companies;
 - e) corresponding with the Information Officer to, *inter alia*, obtain information regarding all aspects of the Receivership Companies business and operations, including bank account activity;
 - f) attending periodically at the Receivership Companies' head office;

- g) corresponding with the Receivership Companies' insurance broker to confirm coverage and corresponding with Cassels regarding same;
- h) retaining a contractor to address ad hoc matters at the On the Mark and High Crown Projects, including to assist in repairs and maintenance activities and to perform water testing;
- i) familiarizing itself with each of the Projects, including corresponding with certain of the Receivership Companies' consultants;
- j) reviewing information provided by the Mortgages regarding each of the Real Properties, including appraisals, development applications, environmental reports and other consulting reports;
- k) reviewing liens registered against certain of the Real Properties and dealing with Paliare or Cassels (as applicable) regarding same;
- l) dealing with issues related to copying the Receivership Companies' servers and other electronic records;
- m) preparing and sending to creditors and to the Official Receiver the statutory notices required pursuant to subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*; and
- n) preparing this Report.

9.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1) (h) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STATEVIEW HOMES (MINU TOWNS) INC.,
STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC.,
TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
STATEVIEW HOMES (BEA TOWNS) INC., HIGHVIEW BUILDING CORP INC.,
STATEVIEW HOMES (NAO TOWNS II) INC. AND STATEVIEW HOMES (ELM&CO) INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

JUSTICE **KOEHNEN**

)
)
)
)

WEDNESDAY, THE

4TH DAY OF APRIL, 2023

B E T W E E N :

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

**ORDER
(implementing the Settlement Agreement dated March 31, 2023)**

THIS MOTION, made by TD (defined in section 1 of this Order) for an order providing relief in order to implement the Settlement Agreement (defined in section 1 of this Order), was heard this day at 330 University Avenue, Toronto, Ontario.

ON CONSENT of TD and the State View Settling Defendants, and upon being advised that none of the other defendants oppose the relief granted in this order.

AND ON HEARING the submissions of the lawyers for TD and the lawyers for the State View Settling Defendants:

1. **THIS COURT ORDERS** that, for purposes of this Order:

- (a) **“Added Defendants”** means StateView Homes (Nao Towns II) Inc. and StateView Homes (Ivory Oak Estates) Inc.;
- (b) **“Information Officer”** has the meaning ascribed in para. 3 of this order;
- (c) **“Settlement Agreement”** means the settlement agreement dated March 31, 2023 between the State View Settling Defendants and TD;
- (d) **“State View Companies”** means all of the State View Settling Defendants except Carlo Taurasi and Dino Taurasi;
- (e) **“State View Settling Defendants”** means all of the Defendants in this action (including the Added Defendants) with the exception of Daniel Ciccone, Anthony Taurasi, Emilio Taurasi, Dennie Taurasi, Melissa Taurasi, Nelda Taurasi, ABC Inc., XYZ Inc., and Royal Bank of Canada; and
- (f) **“TD”** means The Toronto-Dominion Bank.

2. **THIS COURT ORDERS** that the Added Defendants are added as defendants to this action.

3. **THIS COURT ORDERS** that the State View Settling Defendants are authorized and directed to make the payments to TD provided for in section 2 of the Settlement Agreement. Such payments shall be made from the lawyers for the State View Settling Defendants (RAR Litigation Lawyers in trust) to the lawyers for TD (McCarthy Tétrault LLP in trust).

4. **THIS COURT ORDERS** that BDO Canada Limited (“**BDO**”) is appointed as an officer of the Court to act as Information Officer in respect of the State View Companies, and that:

- (a) The State View Settling Defendants shall forthwith provide to the Information Officer with unrestricted access to all of the books, records and other financial information relating to the State View Companies.
- (b) The Information Officer shall gain an understanding of the State View Companies’ corporate structure, organization chart including directors and related parties and cash flow management/treasury functions.
- (c) The Information Officer shall gain an understanding of the State View Companies’ governance policies with regards to treasury functions (who can initiate wires, sign cheques) and other functional areas as required (confirmation of restricted access to certain individuals).
- (d) If and to the extent requested by TD or the State View Companies, the Information Officer shall monitor the business of the State View Companies and the transactions entered into by it, including, without limitation:

- (i) review, the historical, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
 - (ii) monitor, on an ongoing basis, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
 - (iii) monitor the activities of the State View Companies to ensure that appropriate cash management is being undertaken at all times; and
 - (iv) review the books and records and computer files, records, software and other systems as necessary.
- (e) The Information Officer shall report to TD and the State View Companies from time to time on the financial circumstances of the State View Companies including, without limitation, with respect to their assets, liabilities, cash flows, intercompany transfers, and payments to related parties or shareholders.
- (f) The Information Officer shall not take possession of any of the assets of the State View Companies, or manage any of the businesses or affairs of the State View Companies. The Information Officer shall not, by fulfilling its obligations under this order, be deemed to have taken possession, occupation, management or control of any of the assets of the State View Companies.
- (g) The Information Office is at liberty to bring a motion to seek directions from the Court as required.

5. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to BDO herein, BDO shall incur no liability as a result of its appointment or the carrying out of the provisions of this order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this order shall derogate from the protections afforded to BDO as an officer of the Court.

6. **THIS COURT ORDERS** that the State View Settling Defendants shall pay the fees and expenses of the Information Officer.

7. **THIS COURT ORDERS** that, notwithstanding subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, Royal Bank of Canada may lift the restraint on deposit accounts belonging to the State View Settling Defendants, which were implemented pursuant to subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, by the commencement of this action. As the inclusion of this provision is a compromise sought by TD Bank and the State View Settling Defendants, Royal Bank of Canada shall not be responsible for monitoring the State View Settling Defendants' deposit accounts, nor any transactions by them made possible by the lifting of any restraint. This provision is without prejudice to the ability of TD Bank to bring a motion seeking to restrain deposit accounts belonging to the State View Settling Defendants, including under subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, if there is a Default (as that term is defined in the Settlement Agreement) by the State View Settling Defendants under the Settlement Agreement.

8. **THIS COURT ORDERS** that TD is at liberty to bring a motion to the Court for further relief, directions, assistance, clarifications and further orders, including orders in relation to any breach of this order.

PLJ

Appendix “B”

Cassels

May 12, 2023

Via E-Mail

BDO Canada Limited
20 Wellington Street East,
Suite 500
Toronto, ON M5E 1C5

amerskey@cassels.com
tel: +1 416 860 2948
fax: +1 416 360 8877
file # 057984-00009

Attention: Clark Lonergan
Partner/Senior Vice President,
Business Restructuring &
Turnaround Services

Dear Mr. Lonergan:

Re: Receivership of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (the “Stateview On the Mark et al. Receivership”)

And Re: Receivership of Highview Building Corp Inc., Stateview Homes (Bea Towns) Inc. and Stateview Homes (Nao Towns II) Inc. (the “Stateview Highview et al Receiverships” and together with the Stateview On the Mark et al Receivership, the “Stateview Receiverships”)

We are the lawyers for KSV Restructuring Inc. (“**KSV**”) in its capacity as receiver and manager in the Stateview On the Mark et al Receivership. Mr. Larry, copied, is counsel to KSV in its capacity as receiver and manager in the Stateview Highview et al Receiverships. We are writing this letter on our own behalf and on behalf of Mr. Larry.

We understand that BDO Canada Ltd (“**BDO**”) was appointed information officer (“**Information Officer**”) over a number of Stateview Homes entities, with a mandate to, among other things:

- a) review the historical, the source and application of funds received and disbursed by the Stateview companies and the deposit of funds into the bank accounts of the Stateview companies;
- b) monitor on an ongoing basis, the source and application of funds received and disbursed by the Stateview companies, and the deposit of funds into the bank accounts of the Stateview companies;

- c) monitor the activities of the Stateview companies to ensure that appropriate cash management was being undertaken;
- d) review the books and records and computer files, records, software and other systems of the Stateview companies as necessary; and
- e) report from time to time on the financial circumstances of the Stateview companies, including with respect to their assets, liabilities, cash flows, intercompany transfers and payments to related parties or shareholders.

Pursuant to the orders of Justice Steele dated May 2, 2023 commencing the Stateview Receiverships (collectively, the “**Receivership Orders**”), KSV is entitled to, among other things:

1. investigate intercompany payments or transaction that appear to be out of the ordinary court of business;
2. compel the delivery by any person having knowledge of any information or documents related to the debtor entities in connection with such investigations; and
3. access any property of the debtors (including books and records) in the possession of the Information Officer and the cooperation of the Information Officer with respect thereto.

KSV understands that funds have been transferred from at least some of the bank accounts of the Stateview Receiverships entities following the appointment of the Information Officer, as well as from the account of Stateview Homes (Elm & Co) Inc., for which a receivership application is scheduled to be heard on May 18, 2023. We are therefore writing to request that the Information Officer promptly deliver to KSV a full accounting and reconciliation of all disbursements from accounts of any of the Stateview companies subject to the Stateview Receiverships to any related persons or companies including, without limitation, Stateview Homes Limited or any of the other Stateview entities, along with the use of such transferred funds by the recipient entity, for the period from the appointment of BDO as Information Officer to the date of the Receivership Orders.

Please also confirm whether any of the Stateview entities have made any payments to TD Bank since the appointment of BDO as Information Officer.

Finally, kindly confirm as soon as possible if the Information Officer has undertaken a full backup of all electronic records of the Stateview entities, including without limitation Stateview Homes Limited. If that has not yet been completed, we hereby request that the Information Officer immediately undertake and complete such back up to ensure that all information and

records are property preserved. If you require any assistance with doing so, KSV is available to assist.

We look forward to your prompt response.

Yours truly,

Cassels Brock & Blackwell LLP



Alan Merskey
Partner

cc Bobby Kofman/Noah Goldstein
Jeff Larry
Ryan Jacobs/Joseph Bellissimo

AM/:ph

Appendix “C”

Murtaza Tallat

Subject: RE: [EXT] KSV Restructuring Inc. re Stateview on the Mark Receivership and Stateview Highview et al Receiverships [IWOV-LEGAL.057984-00009] [NRFC-EDMRS.FID13837538]

From: James Renihan (he/him) <james.renihan@nortonrosefulbright.com>

Sent: Wednesday, May 17, 2023 9:42 PM

To: Bobby Kofman <bkofman@ksvadvisory.com>; Jennifer Stam <jennifer.stam@nortonrosefulbright.com>; Lonergan, Clark <clonergan@bdo.ca>; Hoogenband, Patricia <phoogenband@cassels.com>

Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Jacobs, Ryan <rjacobs@cassels.com>; Merskey, Alan <amerskey@cassels.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jeff.Larry@paliareroland.com; Kennedy, Robert <robert.kennedy@dentons.com>; Dino <dino@stateviewhomes.com>; Carlo <carlo@stateviewhomes.com>; Andrew Parley <aparley@litigate.com>; Matthew Lerner <mlerner@litigate.com>

Subject: RE: [EXT] KSV Restructuring Inc. re Stateview on the Mark Receivership and Stateview Highview et al Receiverships [IWOV-LEGAL.057984-00009] [NRFC-EDMRS.FID13837538]

Bobby,

A screenshot of the current balance is attached. If you have trouble opening it, try your phone- I could not open it on my computer. You will see it is approximately \$307k, which is less than the \$450k reported last week. We have inquired into the difference and understand that it is likely due to cheques that had been issued prior to May 10 but for which the funds had not yet cleared. In other words, there were no new expenditures or cheques after our letter of May 10. We are informed that the cheques that resulted in the difference include a cheque of \$70k to our firm, a \$30k cheque to a homeowner for the Elm & Co project that had double paid a deposit, and amounts for payroll, utilities and trades. Obviously you can dig into the details once the receivership is in place.

Regards,
James

James Renihan

Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.1944 | F: +1 416.216.3930
james.renihan@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Bobby Kofman <bkofman@ksvadvisory.com>

Sent: May 17, 2023 2:43 PM

To: Jennifer Stam <jennifer.stam@nortonrosefulbright.com>; Lonergan, Clark <clonergan@bdo.ca>; Hoogenband, Patricia <phoogenband@cassels.com>

Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Jacobs, Ryan <rjacobs@cassels.com>; Merskey, Alan <amerskey@cassels.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jeff.Larry@paliareroland.com; Kennedy, Robert <robert.kennedy@dentons.com>; Dino <dino@stateviewhomes.com>; Carlo <carlo@stateviewhomes.com>; James Renihan (he/him) <james.renihan@nortonrosefulbright.com>; Andrew Parley <aparley@litigate.com>; Matthew Lerner <mlerner@litigate.com>

Subject: Re: [EXT] RE: KSV Restructuring Inc. re Stateview on the Mark Receivership and Stateview Highview et al Receiverships [IWOV-LEGAL.057984-00009]

Jenny,

Please let me know the status of the items below. I have not yet received the bank balance for Elm. With the receivership application for Elm tomorrow, we'd also like its bank account details today.

Thanks.

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Bobby Kofman <bkofman@ksvadvisory.com>

Sent: Tuesday, May 16, 2023 10:18 PM

To: Jennifer Stam <jennifer.stam@nortonrosefulbright.com>; Lonergan, Clark <clonergan@bdo.ca>;
Hoogenband, Patricia <phoogenband@cassels.com>

Cc: Bellissimo, Joseph <jbellossimo@cassels.com>; Jacobs, Ryan <rjacobs@cassels.com>; Merskey, Alan <amerskey@cassels.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jeff.Larry@paliareroland.com <Jeff.Larry@paliareroland.com>; Kennedy, Robert <robert.kennedy@dentons.com>; Dino <dino@stateviewhomes.com>; Carlo <carlo@stateviewhomes.com>; James Renihan (he/him) <james.renihan@nortonrosefulbright.com>; Andrew Parley <aparley@litigate.com>; Matthew Lerner <mlerner@litigate.com>

Subject: Re: [EXT] RE: KSV Restructuring Inc. re Stateview on the Mark Receivership and Stateview Highview et al Receiverships [IWOV-LEGAL.057984-00009]

Jenny,

Thanks.

A few things:

- As per your email, we'd appreciate receiving the balance tomorrow morning, particularly with Elm's receivership application returnable Thursday morning.
- There is some urgency to get access to the records related to the receivership companies, including electronic records, and I don't think anyone disputes our right to those. Some of those may be required for the next steps in these proceedings, including a realization process. So it's not accurate that we may not need access to receivership company records right away. We are prepared to enter into a protocol regarding non-receivership company documents and privileged documents.
- Thanks for the information on the payment. We may have additional comments down the road on this topic.

Best,

Bobby Kofman
President and Managing Director
KSV Advisory Inc.

(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

Appendix “D”



Home

Important Information for purchasers and owners of StateView Homes

Tarion is closely monitoring the situation involving several licensed builders within the StateView Homes group. We understand that purchasers of StateView's pre-construction homes are concerned about recent media reports.

Tarion will update this notice once new relevant information is received.

Purchasers of StateView's Pre-Construction Homes

While several of the builders within the StateView group are in receivership, at this time the appointment of the receiver has not resulted in the termination or fundamental breach of purchase agreements. It remains to be seen in the coming weeks or months whether StateView will be able to proceed with its pre-construction projects, and if it will be able to perform its obligations under the purchase agreements.

If StateView is not able to proceed with its pre-construction projects, and in the future your purchase agreement is terminated or fundamentally breached by StateView, and your deposits are not refunded by StateView through the receivership process, then you will be able to submit a Deposit Protection claim to Tarion. You can learn more about the [deposit protection offered by Tarion here](#).

We encourage you to speak with your real estate lawyer if you have questions about the StateView situation and receivership process. Information about the receivership is [available on the receiver's website](#).

Owners of Homes Completed by Stateview



Tarion will continue to process warranty claim forms, schedule and conduct conciliation inspections, and (if applicable) backstop StateView's warranties.



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Contact Us

Mon-Fri 8 am-5 pm (EDT)

1-877-9-TARION(1-877-982-7466)

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Visit Us

5160 Yonge Street, 7th Floor

Toronto, ON M2N 6L9



visit: [newhomeombuds.ca](https://www.newhomeombuds.ca)

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Post-Possession

[Coverage & coverage limits](#)

[The claims process](#)

Condo Corporations

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Warranty Information

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Basic Information

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[Coverage Homes & Condo Units](#)

[Coverage Common Elements](#)

[Pre-Delivery Inspection](#)

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[Coverage after you close](#)

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Appendix “E”



Murtaza Tallat

ksv restructuring inc.

220 Bay Street, Suite 1300, Box 20

Toronto, Ontario, M5H 2W4

T +1 416 932 6031

F +1 416 932 6266

mtallat@ksvadvisory.com

ksvadvisory.com

May 3, 2023

DELIVERED BY E-MAIL

CBRE Limited
Land Services Group
2005 Sheppard Avenue East
Suite 800
Toronto, ON M2J 5B4

Attention: Mike Czestochowski

Dear Mr. Czestochowski:

Re: Stateview Group of Companies listed on Appendix "A" (the "Companies")

Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) dated May 2, 2023 (the "Receivership Order"), KSV Restructuring Inc. was appointed the receiver and manager (the "Receiver") of the Companies' real property (the "Real Properties") and all the other property, assets and undertaking of the Companies (together with the Real Properties, the "Property").

A copy of the Receivership Order and other materials filed in the receivership proceeding is available on the Receiver's case website at <https://www.ksvadvisory.com/experience/case/stateview-homes> (the "Website").

The Companies are developers of residential real estate projects (the "Projects"). Information concerning the Property, the Projects and these proceedings can be found on the Website.

The Receiver is inviting you to submit a proposal to market the Real Properties listed on Appendix "B". **Proposals must be submitted to the Receiver by 5:00 p.m. (Toronto time) on May 17, 2023.** Details of the process and the content to be included in your proposal are attached as Appendix "C". A confidentiality agreement is attached as Appendix "D".

Pursuant to the Receivership Order, no formal marketing or sale process (a "Sale Process") can be commenced in respect of the Real Properties prior to May 29, 2023. **Accordingly, you are strictly prohibited from soliciting any interest in the Real Properties, or discussing this opportunity with any parties, before an order is issued by the Court approving a Sale Process, unless otherwise agreed by the Receiver in advance.**

Should you have any questions with respect to the above, please contact the undersigned at (416) 932-6031 or mtallat@ksvadvisory.com.

Yours very truly,

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
THE STATEVIEW GROUP OF COMPANIES LISTED ON APPENDIX "A" HERETO**

Per: Murtaza Tallat

Appendix "A"

List of Companies

- Stateview Homes (Minu Towns) Inc.
- Stateview Homes (Nao Towns) Inc.
- Stateview Homes (Nao Towns II) Inc.
- Stateview Homes (On The Mark) Inc.
- TLSFD Taurasi Holdings Corp.
- Stateview Homes (High Crown Estates) Inc.
- Highview Building Corp Inc.
- Stateview Homes (BEA Towns) Inc.

Appendix "B"

Real Properties

Project	Address	PIN
Minu Towns	Donald Cousens Parkway, Markham	PIN 03061-5685 (LT)
Minu Towns	Donald Cousens Parkway, Markham	PIN 03061-5686 (LT)
Nao Towns	5112, 5122, 5248 14th Avenue, Markham	PIN 02962-0856 (LT)
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	PIN 02962-0270 (LT)
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	PIN 02962-0271 (LT)
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	PIN 02962-0272 (LT)
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	PIN 02962-0273 (LT)
Nashville	89, 99 Nashville Road, Kleinberg, Ontario	PIN 03323-0578 (LT)
Nashville	89, 99 Nashville Road, Kleinberg, Ontario	PIN 03323-0579 (LT)
Nashville	89, 99 Nashville Road, Kleinberg, Ontario	PIN 03323-0580 (LT)
BEA Towns	189 Summerset Drive, Barrie	PIN 58763-1764 (LT)
High Crown	13151 - 13161 Keele Street, King City	PIN 03372-1040 (LT)

**Request for Proposals for
REAL ESTATE BROKER SERVICES**

Re: Stateview Group of Companies listed on Appendix "A" (the "Companies")

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on May 2, 2023, KSV Restructuring Inc. was appointed the receiver and manager (the "Receiver") of the Companies' real property (each a "Real Property" and one or more Real Property, the "Real Properties"), and all the other property, assets and undertaking relating to the Real Properties.

A. Background

- The Receiver is inviting you to provide real estate broker services to assist the Receiver in conducting a sale process for the Real Properties (the "Sale Process").
- Proposals must be submitted by email to Murtaza Tallat, Director (mtallat@ksvadvisory.com), by 5:00 p.m. (Toronto time) on May 17, 2023.
- Copies of Court materials relating to these proceedings are available on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/stateview-homes>.
- Information related to the Real Properties will be provided in data rooms that have been established for these proceedings (the "Data Rooms"). Realtors can obtain access to the Data Rooms once they sign the confidentiality agreement provided in Appendix "D".
- The terms of the Sale Process are subject to Court approval.
- One or more brokers may be selected to carry out the Sale Process.

B. Realtor's Role

- Working with the Receiver, the Realtor's role will include, among other things:
 - developing a marketing process, including timelines for the Sale Process;
 - establishing an estimated value for the Real Properties;
 - preparing marketing materials;
 - advertising the Real Properties at the agent's expense;
 - obtaining and negotiating confidentiality agreements from interested parties;
 - showing the Real Properties to interested parties and working with the Receiver to maintain data rooms to facilitate the Sale Process;
 - qualifying interested parties from a financial perspective, to the extent necessary;
 - assisting interested parties with their diligence;
 - assisting to assess offers submitted and with the negotiation strategy;

- providing Sale Process updates to the Receiver on a weekly basis (or such other frequency as agreed with the Selected Broker), detailing the parties contacted, feedback received, the parties performing due diligence at any point in time and the quality of each of the potential bidders, to the extent possible;
- providing a report to the Receiver at the conclusion of the Sale Process for each Real Property summarizing the Sale Process carried out for that Real Property, including the rationale for selecting the best offer in the sale process for that Real Property; and
- assisting to close one or more transactions.

C. Proposal Content

- The Proposal must contain the following:
 - Work Plan: proposals shall include a detailed work plan.
 - Value Estimate: proposals shall provide an estimate of the value of each Real Property, together with supporting assumptions, including a discussion of the highest and best use for each Real Property.
 - Firm Background and Staff Experience: proposals shall provide background information concerning their firm, including the experience of their staff who will be working on this assignment (including résumés for the lead agents).
 - Liability Insurance Certificate: a copy of your liability insurance certificate is to be included.
 - Compensation Structure: proposals shall detail the proposed compensation structure for each Real Property, including if the Real Properties are sold individually or *en bloc*.
 - Conflict of Interest Statement: all proposals shall certify the disclosure of any professional or personal financial interests that could be a possible conflict of interest. In addition, any arrangements to derive additional compensation shall also be disclosed and certified.

D. Proposal Considerations

- The factors on which each Proposal will be considered include the following:
 - the marketing plan;
 - experience selling similar real estate (including the location of the Real Properties);
 - experience acting in Court-supervised situations;
 - compensation structure; and
 - other factors, in the Receiver's sole discretion.

Note: please limit the proposal to no more than 25 pages, if possible.

* * *

For more information or questions, please contact Murtaza Tallat at the email address noted above.

CONFIDENTIALITY AGREEMENT

KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

Email: mtallat@ksvadvisory.com
Attention: Murtaza Tallat

To Whom It May Concern:

Re: Stateview Group of Companies (the "Companies")

WHEREAS this agreement (the "Confidentiality Agreement") is being executed between the Receiver and the Broker (terms as defined below), as entered into as of the date on the last page hereto, for the purpose of providing real estate brokerage services concerning one or more of the Companies' real properties listed on Appendix "B" (the "Real Properties") together with any and all other related property, assets undertaking of the Companies (collectively with the Real Properties, the "Property").

AND WHEREAS We/I as undersigned (hereinafter referred to as the "Broker") requests that KSV Restructuring Inc., in its capacity as receiver and manager (the "Receiver") of the Property appointed pursuant to an order of the Ontario Superior Court of Justice made on May 2, 2023, provide the Broker with certain confidential information relating to the Real Property.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and in consideration of the Receiver agreeing to provide the Broker with certain or all of the Information (as defined below), the Broker hereby undertakes and agrees as follows:

- a) To treat and maintain confidentially, such information and any other information that the Receiver or any of its advisors furnish to the Broker, whether furnished before or after the date of this Agreement, whether furnished orally or in writing or otherwise recorded or gathered, and regardless of whether specifically identified as "confidential", including any documents or copies (paper, electronic or otherwise) and communications thereof contained (collectively, the "Information").
- b) Not to use any of the Information for any purpose other than for the exclusive purpose of evaluating the possibility of submitting a listing proposal for the Real Properties. The Broker agrees that the Information will not be used in any way detrimental to the Companies, the Property, and/or the Receiver in the performance of its appointment concerning the Property, and that such Information will be kept confidential by the Broker, its directors, officers, employees and representatives (collectively, the "Representatives") and these Representatives shall be informed by the Broker of the confidential nature of such information and shall be directed to treat such information confidentially.
- c) To be held responsible for any breaches of this Confidentiality Agreement by its Representatives, and to advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of this Confidentiality Agreement, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this Confidentiality Agreement.
- d) To transmit, where required, the Information only to those Representatives who need to know the Information for the purposes described herein, who shall be informed by the Broker of the confidential nature of the Information and who agree to be bound by the provisions of this Confidentiality Agreement. On request, the Broker shall promptly notify the Receiver of the identity of each Representative to whom any Information has been delivered or disclosed.

- e) To not supply or disclose any data, communications or documents included in the Information or any Information included therein or any Information hereinafter obtained in the course hereof or with respect hereto to any corporation, company, partnership or individual or any combination of one or more of the foregoing (any of which are hereby defined as a "Person") other than the Broker and its Representatives, unless the prior written consent of the Receiver has been obtained, in advance.
- f) The Broker and its Representatives will not, without the prior written consent of the Receiver, disclose to any Person that this solicitation for proposal is taking place nor disclose of any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
- g) That any time, at the request of the Receiver, the Broker agrees to promptly return or destroy, without any right of compensation or indemnity, all Information without retaining any copies thereof or any notes relating thereto or reproductions or any part thereof in its possession without regards to the form or format. The Broker will certify as to the return or destruction of all Information and related notes and copies of such information and that no Person has a copy of the Information.
- h) That in the event the Broker is required or requested by legal process to disclose any of the Information, the Broker will provide the Receiver with prompt written notice of such requirement or request so that the Receiver may take such actions as it considers appropriate.
- i) That the Broker agrees that the Receiver makes no representations or warranties as to the accuracy or completeness of the Information. The Broker further agrees that neither the Receiver, nor any other author of, or Person providing, Information, shall have any liability to the Broker or any of its Representatives arising from the use of the Information by the Broker or its Representatives.
- j) The Broker represents and warrants that it shall be responsible for any costs associated with its review of the Information. Any consultants, real estate agents/brokers, and/or advisors retained by the Broker shall be required to execute, and to be bound by, this Confidentiality Agreement. The Broker shall retain a copy of such executed Confidentiality Agreement and will provide it to the Receiver immediately following its request.
- k) The Broker and its Representatives acknowledge that the Receiver is acting strictly in its capacity as Receiver and that it shall have no liability for any action, omission, statement, misstatement, representation, or warranty made within the Information. The Broker and its Representatives further acknowledge that the Receiver shall have no liability for any action, omission, statement, misstatement, representation, or warranty made by itself or its employees to the Broker and its Representatives, absent fraud or willful misconduct.
- l) The Broker shall indemnify the Receiver, any of its employees, and its counsel against any loss, cost, damage, expense, legal fees or liability suffered or incurred by any of them as a result of or in connection with any breach by the Broker or any of its Representatives to whom the Broker discloses Information of any term or provision of this Confidentiality Agreement.
- m) The Broker acknowledges and agrees that the execution and delivery of this Confidentiality Agreement and the delivery of the Information does not give rise to any legal obligation of the Receiver, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the Broker acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase or any sale, or to complete a sale or other transaction with the Broker, unless and until a legally binding agreement is delivered and executed which expressly provides for such obligations. Furthermore, the Broker acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver shall not have any liability whatsoever to the Broker or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the Information.

- n) The Broker agrees that monetary damages would not be a sufficient remedy for any breach of this Agreement by it or its employee or agents and that any court having jurisdiction may enter a preliminary and/or permanent restraining order, injunction or order for specific performance in the event of an actual or threatened breach of any of the provisions of this Agreement, in addition to any other remedy available to the Receiver or the Companies. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief if necessary, including an injunction or specific performance in relation to a breach of this Confidentiality Agreement by the Broker and/or its Representatives.
- o) The Broker hereby agrees to observe all the requirements of any applicable privacy legislation including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information which may be contained in the Information.
- p) The Broker acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this Confidentiality Agreement and has either received same or expressly waived its right to do so.
- q) This Confidentiality Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the exclusive jurisdiction of the Ontario Superior Court of Justice (Commercial List) sitting in Toronto, Ontario, with respect to any matter arising hereunder or related hereto.
- r) This Confidentiality Agreement shall enure to the benefit of the Receiver and Mortgagee Representatives and their successors and assigns. Any party may deliver an executed copy of this Confidentiality Agreement by facsimile or email. This Confidentiality Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- s) This Confidentiality Agreement shall have a term of two (2) years from the date written below.

DATED at _____ this _____ day of _____, 2023

("Broker")

Corporate Name (Please Print)

By (Authorized Signing Officer's Signature)

(Officer's Name and Title)

(Broker's Address)

(Telephone Number)

(Email Address)

Appendix “F”

	Cushman			Colliers	
	Nao Phase II	Elm		Nashville	BEA
Cushman fee	0.80%	0.80%	Colliers fee	1.85%	0.85%
All in, with co-op broker	1.30%	1.30%	All in, with co-op broker	2.85%	1.35%

	CBRE			JLL	
	Nao Phase I	Minu		High Crown	Industrial
	Proceeds	Commission			
CBRE fee	\$0 - \$9M	3%	JLL fee	1.10%	1.25%
*based on the aggregate	\$9M - \$19M	1.5%			
selling price	\$19M-\$50M	0.95%			
	+\$50M	0.65%			
Co-op broker fee	0.50%	0.50%	All in, with co-op broker	1.60%	1.75%

*CBRE's commission is structured based on aggregate proceeds on both sites. Accordingly, for illustrative purposes only, if the projects were sold for \$100 million, the commission would be \$1,039,500 (calculated as 3% on first \$9 million, 1.5% on next ten million, 0.95% on next \$31 million and 0.65% on last \$50 million).

**The realtors will receive a work fee of \$100,000 per real property in the event of a refinancing or \$150,000 per real property in the event the real property is acquired by a mortgagee through a credit bid. One work fee would be paid for all industrial properties in the event of a refinancing or credit bid.

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (NAO TOWNS II) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., HIGHVIEW BUILDING CORP INC., STATEVIEW HOMES (BEA TOWNS) INC., AND STATEVIEW HOMES (ELM&CO) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(Sale Process Approval Order)**

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Lawyers for the Receiver (NAO Phase 2, BEA, Highview and Elm Receiverships)