



Court File No. CV-21-00663051-00CL

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

THE HONOURABLE

)

MONDAY, THE 8TH

)

JUSTICE OSBORNE

)

DAY OF MAY, 2023

B E T W E E N:

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

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

SETTLEMENT APPROVAL ORDER

THIS MOTION, made by KSV Restructuring Inc., solely in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for or used in relation to the business carried on by the Company and the proceeds therefrom, and not in its personal capacity or in any other capacity, for an Order, *inter alia*, approving and giving effect to the settlement agreement dated April 13, 2023 (the "**Settlement Agreement**") as between the Receiver, on the one hand, and Sajjad Hussain, Mahvesh Hussain, Muzammil Kodwavi, Safana

Kodwavi, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Burlington) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale II) Inc., IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Settling Parties**"), on the other hand, subject in all cases to the terms, conditions and exceptions provided in the Settlement Agreement, was heard this day via video conference,

ON READING the Motion Record, Factum and Authorities of the Receiver, and on hearing the submissions of counsel for the Receiver, counsel for the Settling Parties and counsel for FAAN Mortgage Administrators Inc. in its capacity as court-appointed trustee (in such capacity, the "**Sorrenti Trustee**") over all of the assets, undertakings and properties of Derek Sorrenti and Sorrenti Law Professional Corporation, including the charge against real property previously owned by the Company located in Markham, Ontario (as amended from time to time, the "**Sorrenti Charge**"), no other party appearing although duly served.

SERVICE

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

SETTLEMENT APPROVAL

2. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement is hereby approved, that the Receiver and the Settling Parties are hereby authorized and directed to comply with their obligations thereunder and that the Receiver is hereby authorized to take such further

acts and steps as may be necessary to give effect to the terms of the Settlement Agreement and this Order.

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

- (a) the pendency of this receivership proceeding;
- (b) the pendency of the bankruptcy proceeding involving the Company;
- (c) any applications for any bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**") in respect of one or more of any of the Company, the Settling Defendants, or any of their respective predecessors, successors or heirs, as applicable (collectively, the "**Identified Parties**"), and any bankruptcy order issued pursuant to any such applications; and
- (d) any assignment in bankruptcy made in respect of any of the Identified Parties,

the payments to the Receiver, or as it may direct, of the Settlement Payment (as defined in the Settlement Agreement) shall be binding on any trustee in bankruptcy that is now or that may be appointed in respect of any of the Identified Parties and shall not be void or voidable by creditors of any of the Identified Parties, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

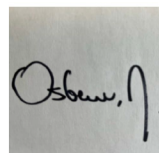
DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Receiver is hereby authorized to make one or more distributions to the Sorrenti Trustee, or as it may direct, up to the amount owing under the Sorrenti Charge, inclusive of interest and costs.

GENERAL

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers, duties and obligations under the Settlement Agreements and hereunder.



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The Honourable Justice Osborne

-and-

Applicant

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

PROCEEDING COMMENCED AT
TORONTO

SETTLEMENT APPROVAL ORDER

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