



April 28, 2023

**Fourth Supplement to the Third
Report of KSV Restructuring Inc. as
Receiver and Manager of
Sunrise Acquisitions (Hwy 7) Inc.**

Contents		Page
1.0	Introduction	1
1.1	Restrictions	1
1.2	Currency	1
2.0	Procedural Background	2
3.0	Purpose of this Report	3
4.0	The Proposed Settlement	4
4.1	Terms of the Proposed Settlement	4
4.2	Distributions	5
5.0	Conclusion and Recommendation	6

Appendices		
Appendix		Tab
	Receivership Order dated June 9, 2021	A
	Order and Endorsement of Justice Osborne dated December 20, 2022	B
	Settlement Agreement	C
	Order and Endorsement of Justice Osborne dated April 14, 2023	D
	Second Sale Process and Disclaimer Order dated October 27, 2021	E



COURT FILE NO.: CV-21-00663051-00CL

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

BETWEEN:

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**

**FOURTH SUPPLEMENT TO THIRD REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER**

April 28, 2023

1.0 Introduction

1. This supplemental report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (in such capacity, the "Receiver") of Sunrise Acquisitions (Hwy 7) Inc. (the "Company").
2. This Report further supplements the Receiver's Third Report dated October 20, 2021 (the "Third Report"), as well as the first supplement to the Third Report dated February 25, 2022 (the "First Supplement to the Third Report"), the second supplement to the Third Report dated August 5, 2022 (the "Second Supplement to the Third Report"), and the third supplement to the Third Report dated November 4, 2022 (the "Third Supplement to the Third Report").
3. Unless otherwise stated, capitalized terms used in this Report have the meanings ascribed to them in the Third Report, the Second Supplement to the Third Report or the Third Supplement to the Third Report, as applicable.

1.1 Restrictions

1. This Report is subject to the restrictions set out in the Third Report.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

2.0 Procedural Background

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on June 9, 2021 (the "Receivership Order"), KSV was appointed Receiver of all of the assets, undertakings and properties of the Company acquired for, or used in relation to a business carried on by the Company and the proceeds therefrom, including, without limitation, certain real property owned by the Company in Markham, Ontario. A copy of the Receivership Order is attached as Appendix "A".
2. Since its appointment, the Receiver has engaged in investigative efforts in accordance with the Receivership Order. As set out in its various Reports to Court, including the Receiver's Third Report, Second Supplement to the Third Report, and Third Supplement to the Third Report, the Receiver's investigations uncovered a number of issues of very significant concern, including with respect to, among other things, millions of dollars being unlawfully misappropriated from the Company and paid to the Company's two directors, Muzammil Kodwavi ("Mr. Kodwavi") and Sajjad Hussain ("Mr. Hussain" and, together with Mr. Kodwavi, the "Principals") and certain parties related to the Principals, in contravention of, among other things, the Company's commitments to its secured lenders and the Principals' fiduciary duties and other legal obligations owed to the Company.
3. On the basis of the Receiver's findings as set out in its various Reports to the Court, the Receiver brought a motion to recover amounts improperly diverted from and/or owing to the Company (the "Motion for Repayment of Amounts Owing"). The Receiver filed a Notice of Motion on July 6, 2022 in connection with the Motion for Repayment of Amounts Owing seeking, among other things, an order directing the Principals, their spouses, certain corporations owned and operated by the Principals (collectively with the Principals and their spouses, the "Responding Parties"), Nayyar Shabbar ("Mr. Shabbar") and such other parties as may be necessary or appropriate, to immediately pay to the Receiver all funds improperly diverted from and/or owing to the Company.
4. The Receiver filed various motion materials in connection with the Motion for Repayment of Amounts Owing. The Responding Parties responded to the Motion for Repayment of Amounts Owing, filing multiple affidavits and a forensic report from MNP LLP.
5. In connection with the Motion for Repayment of Amounts Owing, the Receiver also cross-examined Mr. Kodwavi (both in his personal capacity and in his capacity as representative for a number of the corporate Responding Parties), cross-examined Rob Fowlie of MNP LLP, and engaged in other steps to brief the Motion for Repayment of Amounts Owing.
6. On the return date for the Motion for Repayment of Amounts Owing, December 20, 2022 (the "December 20 Motion"), counsel for the Receiver and the Responding parties advised the Court that they had reached a settlement of many, although not all, of the issues in dispute as between them. The Court accordingly granted an order (the "December 2022 Order"), on consent of the Responding Parties, directing the Responding Parties to repay the aggregate amount of \$14,359,012 to the Receiver, with issues relating to (i) the joint and several liability of the Responding Parties; (ii) the Receiver's entitlement to Occupancy Fees, and (iii) costs, deferred to ultimately be decided on April 14, 2023 (the "April 14 Motion"). A copy of the December 2022 Order is attached as Appendix "B", together with the related endorsement of the Honourable Justice Osborne dated December 20, 2022.

7. Following the issuance of the December 2022 Order, the Receiver took various enforcement steps in respect of the December 2022 Order, including registering writs of seizure and sale in various locations where the Responding Parties were known to own or have an interest in real property, as well as filing notices of garnishment with various financial institutions where the Responding Parties were known to hold bank accounts.
8. Leading up to the return of the April 14 Motion, the Receiver and its counsel, on the one hand, and the Responding Parties and their counsel, on the other, engaged in negotiations regarding a potential resolution of the various matters in dispute as between the parties.
9. On the evening of April 13, 2023, and with a view to obtaining an expeditious resolution of the issues pending before the Court to be adjudicated on the April 14 Motion, the Receiver and the Responding Parties agreed on a settlement (the "Proposed Settlement"), the terms of which were ultimately incorporated into Minutes of Settlement signed by all parties to the Proposed Settlement on the morning of April 14, 2023 (the "Settlement Agreement"). A copy of the Settlement Agreement is attached as Appendix "C".
10. On the return of the April 14 Motion, counsel for the Receiver and counsel for Responding Parties advised the Court that the parties had reached the Proposed Settlement and entered into the Settlement Agreement. On this basis, the Receiver sought an order amending and restating the December 2022 Order, on consent of the Responding Parties, which was granted by the Court (the "April 2023 Order"). Pursuant to the April 2023 Order, the Responding Parties are required to pay \$14,510,545.24 to the Receiver on a joint and several basis. A copy of the April 2023 Order is attached as Appendix "D", together with the related endorsement of the Honourable Justice Osborne dated April 14, 2023.
11. At the April 14 Motion, the Receiver advised the Court that it would soon return to Court to seek to have the Proposed Settlement and Settlement Agreement approved by the Court.

3.0 Purpose of this Report

1. The purposes of this Report are to:
 - a. summarize the terms of the Proposed Settlement as between the Receiver, on the one hand, and the Responding Parties, on the other hand, as set out in the Settlement Agreement; and
 - b. recommend that the Court issue an order (the "Settlement Approval Order"), *inter alia*:
 - i) approving the terms of the Proposed Settlement as set out in the Settlement Agreement;

- ii) authorizing the Receiver to take such steps as may be necessary to give effect to the Settlement Agreement; and
 - iii) authorizing the Receiver's distribution of funds (including those paid pursuant to the Proposed Settlement) to the Sorrenti Trustee, as the Company's now first-ranking secured creditor, up to the full amount of its secured debt, inclusive of interest and costs.
2. The Receiver repeats and relies on the Third Report, the First Supplement to the Third Report, the Second Supplement to the Third Report and the Third Supplement to the Third Report.
3. Nothing in this Report or its enclosures is intended to constitute a waiver of any kind of privilege. The Receiver expressly preserves all privileges, including in respect of all matters described herein.

4.0 The Proposed Settlement

4.1 Terms of the Proposed Settlement

1. Under the Proposed Settlement, and as set out in more detail in the Settlement Agreement, the Receiver and the Responding Parties have agreed, among other things, that:
 - a. the Responding Parties will pay \$10,500,000 (the "Settlement Amount") to the Receiver in installments of no less than \$2,000,000 each (the "Settlement Payments"), with the first installment due to be paid by the later of (i) 60 days from the execution of the Settlement Agreement or (ii) 30 days following the granting of the Settlement Approval Order. Each subsequent installment shall be due in increments of 60 days thereafter until the date on which the Settlement Amount is paid in full;
 - b. the Receiver will forbear on further enforcement steps and take such steps to lift previously registered writs of seizure and sale as may be reasonably required to facilitate the Settlement Payments;
 - c. upon payment in full of the Settlement Amount, the Receiver will fully and finally release the Responding Parties from the Receiver's claims as against them, including under the April 2023 Order; and
 - d. in the event the Proposed Settlement is not approved by the Court, or if the Responding Parties fail to pay the Settlement Payments as required or breach certain other terms of the Settlement Agreement, the Receiver may immediately enforce the April 2023 Order.

2. The Proposed Settlement is intended to resolve all issues as between the Receiver, on the one hand, and the Responding Parties, on the other.¹
3. The Receiver believes that the Proposed Settlement represents a fair and commercially reasonable compromise in all the circumstances and for the purposes of these proceedings, and is in the best interest of the Company and its stakeholders.
4. The Sorrenti Trustee, as the senior secured creditor of the Company, supports the Proposed Settlement and the Court's approval of same.
5. The Receiver therefore seeks an order of the Court approving the Proposed Settlement and authorizing the Receiver to take any and all steps necessary to give effect to the Proposed Settlement.

4.2 Distributions

1. In addition to approval of the Proposed Settlement, the Receiver is also seeking authorization to distribute funds (including funds paid pursuant to the Proposed Settlement) to the Sorrenti Trustee up to the full amount of the Sorrenti Trustee's secured debt, inclusive of interest and costs.
2. The Sorrenti Trustee is the Company's now first-ranking secured creditor. As of March 31, 2023, the total amount owing to the 145 investors in the syndicated mortgage loan under the charge administered by the Sorrenti Trustee was \$9,747,111.24, exclusive of all costs and accruing interest, but inclusive of accrued interest to that date.
3. The Court has previously authorized distributions to the Sorrenti Trustee with respect to net proceeds from real property sales. Attached as Appendix "E" is a copy of the Second Sale Process and Disclaimer Order dated October 27, 2021, paragraph 7 of which addresses distributions to the Sorrenti Trustee by the Receiver.²
4. As set out in the Third Report, the Receiver instructed its counsel to provide an opinion on the validity and enforceability of the security held by Sorrenti Law. Subject to the usual qualifications and assumptions, counsel for the Receiver is of the opinion that Sorrenti Law holds a valid and perfected security interest, as set out in its security documents.

¹ There remain various issues in dispute as between the Receiver, on the one hand, and Mr. Shabbar, on the other. Mr. Shabbar is not a party to the Settlement Agreement, and the Court's approval of the Proposed Settlement will not resolve any of the issues involving Mr. Shabbar, which will need to be addressed separately. In particular, pursuant to the December 2022 Order, and the April 2023 Order (which amended and restated the December 2022 Order), Mr. Shabbar is required to pay \$725,443 to the Receiver. Mr. Shabbar did not attend the December 20 Motion. Mr. Shabbar also failed to file or serve any materials in respect of the December 20 Motion despite the fact that the Receiver served Mr. Shabbar with all of its motion materials. The Court was satisfied, in light of all the circumstances, including the evidentiary record on the December 2022 Motion and the various affidavits of service produced by the Receiver, that Mr. Shabbar had notice of these proceedings, and in particular, the December 20 Motion, and that an order directing him to pay \$725,443 to the Receiver was appropriate. Mr. Shabbar only appeared in these proceedings for the first time in April 2023, after he attempted to sell a property and purchase a new property, which was impeded by the writs of seizure and sale the Receiver had registered as against him in respect of the December 2022 Order. At the time of the April 14 Motion, Mr. Shabbar appeared with counsel. In advance of that appearance, Mr. Shabbar filed a motion seeking to set aside the order as against him (the "Set Aside Motion"). The Set Aside Motion remains extant and has yet to be scheduled, timetabled or briefed.

² While the Second Sale Process and Disclaimer Order contemplates distributions to KingSett before any distributions to the Sorrenti Trustee, as a result of recoveries made to date in these proceedings, KingSett's indebtedness has been repaid in full and KingSett is no longer a creditor of the Company. Accordingly, the Sorrenti Trustee is now the Company's first ranking secured creditor.

5.0 Conclusion and Recommendation

1. The Receiver recommends that the Court issue an order approving the Proposed Settlement and the Settlement Agreement, and authorizing distributions to the Sorrenti Trustee, for the following reasons, among others:
 - a. the Proposed Settlement resulted in the April 2023 Order being issued on consent, providing certainty to the Receiver with respect to the extent and amount of liability of the Responding Parties;
 - b. the Proposed Settlement will generate proceeds of \$10.5 million in a timely manner assuming the Responding Parties comply with their obligations under the Settlement Agreement, which would allow for all, or virtually all, of the indebtedness owing to the Sorrenti Trustee to be repaid in full;
 - c. the Proposed Settlement will avoid costly, complex and time-consuming enforcement steps assuming the Responding Parties comply with their obligations under the Settlement Agreement;
 - d. the Settlement Agreement therefore provides a degree of certainty regarding costs, benefits, and timing that cannot be expeditiously achieved otherwise, and provides finality to the issues in dispute as between the Receiver and the Responding Parties assuming the Responding Parties comply with their obligations under the Settlement Agreement;
 - e. in the event the Responding Parties fail to pay the Settlement Payments as required under the Settlement Agreement, or in the event they breach certain other terms of the Settlement Agreement, the Receiver may immediately enforce the April 2023 Order;
 - f. the Settlement Agreement is fair and reasonable in the circumstances as the Receiver believes that it represents a commercially reasonable compromise in respect of the claims against the Responding Parties and is in the best interests of the Company and its respective stakeholders;
 - g. the Settlement Agreement was entered into after extensive investigation, due diligence and negotiation by the Receiver and its counsel, in consultation with the Sorrenti Trustee, its counsel and representative counsel for the 145 syndicated mortgage investors;
 - h. the Sorrenti Trustee is the Company's now first-ranking secured creditor, and is owed substantial amounts which the Company does not have the means to satisfy absent additional recoveries; and
 - i. the Sorrenti Trustee supports the Court's approval of the Proposed Settlement and the Settlement Agreement, as does representative counsel for the 145 syndicated mortgage investors.

2. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the sought Settlement Approval Order.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER OF SUNRISE
ACQUISITIONS (HWY 7) INC. AND NOT IN ITS PERSONAL CAPACITY**

TAB A

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

THE HONOURABLE
JUSTICE WILTON-SIEGEL

)
)
)

WEDNESDAY, THE 9TH
DAY OF JUNE, 2021

BETWEEN:

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

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KSV Restructuring Inc. ("KSV") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor and the proceeds therefrom, including, without limitation, the real property legally described within PINs 02985-0591 (LT), 02985-0595 (LT), 02985-0596 (LT), 02985-0597 (LT), 02985-0598 (LT), and 29951-0001 (LT) (the "Real Property" and, collectively with the Debtor's other assets, undertakings and

properties, "Property") was heard this day by Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Daniel Pollack sworn May 28, 2021 and the Exhibits thereto, the Supplemental Affidavit of Daniel Pollack sworn June 1, 2021 and the Exhibit thereto, and the Affidavit of Muzammil Kodwavi sworn June 9, 2021 and the Exhibit thereto, and on hearing the submissions of counsel for the Applicant and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the Affidavits of Service of Benjamin Goodis sworn May 28, 2021 and June 1, 2021, and the Affidavit of Service of Norman Ng sworn May 28, 2021, and on reading the Consent of KSV to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) subject to paragraph 4 of this Order, to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) subject to paragraph 4 of this Order, to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and, subject to paragraph 4 of this Order, to exercise all remedies of the Debtor in collecting such monies; including, without limitation, to enforce any security held by the Debtor;

- (g) subject to paragraph 4 of this Order, to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) subject to paragraph 4 of this Order, to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) subject to paragraph 4 of this Order, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) subject to paragraph 4 of this Order, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transactions not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause, and in each such case notice under

subsection 63(4) of the Ontario *Personal Property Security Act* and notice under section 31 of the Ontario *Mortgages Act* shall not be required;

- (l) subject to paragraph 4 of this Order, to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) subject to paragraph 4 of this Order, to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

4. THIS COURT ORDERS that the Receiver shall not exercise the powers granted to it in sub-paragraphs 3(c), 3(e), 3(f), 3(g), 3(i), 3(j), 3(k), 3(l), and 3(q) until further Order of the Court, except as may be reasonably necessary to preserve and protect the Property or to examine and investigate the business, contracts, and affairs of the Debtor or relating to the Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with

leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that

the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to

report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksyadvisory.com/insolvency-cases/case/sunrise-acquisitions>.

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

GENERAL

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

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. 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.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Property with such priority and at such time as this Court may determine.

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

W. Khan - L.M.J.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "Receiver") of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor and the proceeds therefrom, including, without limitation, the real property legally described within PINs 02985-0591 (LT), 02985-0595 (LT), 02985-0596 (LT), 02985-0597 (LT), 02985-0598 (LT), and 29951-0001 (LT) (the "Real Property" and, collectively with the Debtor's other assets, undertakings and properties, "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 2021 (the "Order") made in an action having Court file number -CL- _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the

Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the _____, day of _____, 2021.

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

Per: _____

Name:
Title:

KINGSETT MORTGAGE CORPORATION
Applicant

and

SUNRISE ACQUISITIONS (HWY 7) INC.
Respondent

Court File No. CV-21-00863051-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT
TORONTO

ORDER (APPOINTING RECEIVER)

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Ryan Jacobs LSO #: 59510J
Tel: 416.860.6465
Fax: 416.640.3189
rjacobs@cassels.com

Joseph Bellissimo LSO #: 46555R
Tel: 416.860.8572
Fax: 416.642.7150
jbellissimo@cassels.com

Ben Goodie LSO #: 70303H
Tel: 416.969.5312
Fax: 416-640-3199
bgoodie@cassels.com

Lawyers for the Applicant

TAB B



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE OSBORNE

)
)
)

TUESDAY, THE 20TH
DAY OF DECEMBER, 2022

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

ORDER
(Repayment of Amounts Owing)

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (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 a business carried on by the Company and the proceeds therefrom, for an Order, *inter alia*, directing payment of certain amounts due and owing to the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

-2-

ON READING the Motion Record of the Receiver dated August 5, 2022, the Responding Motion Record of the responding parties dated September 16, 2022, the Supplementary Responding Motion Record of the responding parties dated October 18, 2022, the Further Supplementary Responding Motion Record of the responding parties dated November 23, 2022, the Reply Motion Record of the Receiver dated November 30, 2022, the Brief of Transcripts dated November 30, 2022, the Factum and Authorities of the Receiver dated December 2, 2022, the Responding Factum of the responding parties dated December 12, 2022, and the Reply Factum and Authorities of the Receiver dated December 16, 2022, and on hearing the submissions of counsel for the Receiver and counsel for the responding parties, and such other counsel that were present, with Nayyar Shabbar not appearing although properly served,

AND UPON BEING ADVISED that each of Muzammil Kodwavi, Sajjad Hussain, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc., IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Acknowledged Debtors**") and the Receiver consent to this Order,

AND UPON BEING FURTHER ADVISED that the balance of the relief sought on the Receiver's motion, including, without limitation, with respect to the issues of joint and several liability and the Receiver's entitlement to Occupancy Fees (as defined in the Receiver's Notice of Motion dated July 6, 2022), costs and interest are to be adjourned to January 31ST, 2023, with the Acknowledged Debtors being at liberty to file a supplementary factum of no longer than 10-pages (but no additional evidence) provided at least CAD\$500,000 is paid to the Receiver by the



-3-

Acknowledged Debtors by no later than December 29, 2022, and the Receiver being at liberty to file a further reply factum of no longer than 10-pages (but no additional evidence),

REPLACEMENT OF THE EXISTING REPAYMENT ORDER

1. **THIS COURT ORDERS** that the Order of the Honourable Justice Kimmel in these proceedings dated November 2, 2022 is hereby vacated and replaced with this Order.

JUDGMENT ON ACKNOWLEDGED DEBT AND THE DEBT OF NAYYAR SHABBAR

2. **THIS COURT ORDERS** that the amount of CAD\$14,359,012 is due and payable to the Receiver forthwith, with liability of the Acknowledged Debtors as noted below:

- (a) CAD\$2,701,966 payable forthwith by Muzammil Kodwavi,
- (b) CAD\$2,475,423 payable forthwith by Sajjad Hussain,
- (c) CAD\$1,803,154 payable forthwith by SH & MK Management Inc.,
- (d) CAD\$613,650 payable forthwith by Sunrise Homes Ltd.,
- (e) CAD\$2,490,550 payable forthwith by Sunrise Acquisitions (Bronte) Inc.,
- (f) CAD\$1,528,100 payable forthwith by Sunrise Acquisitions (Unionville) Inc.,
- (g) CAD\$1,247,475 payable forthwith by Sunrise Acquisitions (Keswick) Inc.,
- (h) CAD\$282,200 payable forthwith by Sunrise Acquisitions (Keswick II) Inc.,
- (i) CAD\$281,300 payable forthwith by Sunrise Acquisitions (Tisdale) Inc.,

-4-

- (j) CAD\$80,650 payable forthwith by Sunrise Acquisitions (Tisdale II) Inc.,
- (k) CAD\$57,040 payable forthwith by Sunrise Acquisitions Inc.,
- (l) CAD\$300 payable forthwith by Sunrise Acquisitions (Burlington) Inc.,
- (m) CAD\$63,432 payable forthwith by IKH Holdings Inc.,
- (n) CAD\$9,079 payable forthwith by Amal Financial Inc., and
- (o) CAD\$250 payable forthwith by 2303484 Ontario Inc.

3. **THIS COURT ORDERS** that the amount of CAD\$724,443 is due and payable to the Receiver forthwith by Nayyar Shabbar.

4. **THIS COURT ORDERS** that all amounts due and payable under this Order bear interest at the rate of 4% percent per year commencing from the date of this Order.

PROHIBITION ON DISSIPATION OF ASSETS

5. **THIS COURT ORDERS** that the Acknowledged Debtors, including, as applicable, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this Order, are hereby prohibited and enjoined from selling, transferring, conveying, alienating, dissipating, pledging or similarly dealing with any assets outside the ordinary course.

6. **THIS COURT ORDERS** that paragraph 5 of this Order applies to all of the Acknowledged Debtors' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Acknowledged Debtors' assets include

-5-

any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Acknowledged Debtors are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

SURVIVAL

7. **THIS COURT ORDERS AND DECLARES** that, as against Muzammil Kodwavi and Sajjad Hussain, this Order survives any personal bankruptcy pursuant to and in accordance with subsection 178(1)(d) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").

RECEIVER'S AND TRUSTEE'S RIGHTS AND REMEDIES

8. **THIS COURT ORDERS AND DECLARES** that this Order is made without prejudice to any and all of the Receiver's rights and remedies at law and in equity with respect to any matters not addressed directly in this Order, including with respect to the balance of the outstanding issues on the Receiver's motion (such as the joint and several liability of the Acknowledged Debtors, and the Receiver's entitlement to Occupancy Fees, costs and interest), as well as those of the Company's Licensed Insolvency Trustee in Bankruptcy, including, without limitation, under sections 95-96 of the BIA and under the *Fraudulent Conveyances Act*, R.S.O. 1990, c. F.29 and *Assignments and Preferences Act*, R.S.O. 1990, c. A.33.

9. **THIS COURT ORDERS** that the portions of the Receiver's motion not addressed in this Order, including, without limitation, with respect to the issues of joint and several liability and the Receiver's entitlement to Occupancy Fees, costs and interests, shall be adjourned to January 31, 2023. Provided that the Acknowledged Debtors pay to the Receiver at least CAD\$500,000 by no



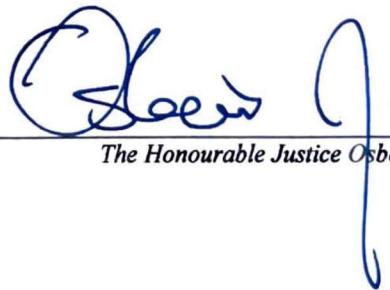
later than December 29, 2022, the Acknowledged Debtors shall be permitted to file a supplementary factum of no longer than 10-pages on or before January 10, 2023. The Receiver may file a reply factum of no longer than 10-pages on or before January 19, 2023.

RE
RE

GENERAL

10. **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.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date of this Order, and this Order is enforceable without the need for entry or filing.



The Honourable Justice Osborne

KINGSETT MORTGAGE CORPORATION

Applicant

-and-

SUNRISE ACQUISITIONS (HWY 7) I

Respon

Court File No. CV-21-00663051-00

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

Proceeding commenced at Toronto

**ORDER
(Repayment of Amounts Owing)**

BENNETT JONES LLP
100 King Street West
Suite 3400
Toronto, ON M5X 1A4

Sean H. Zweig
Tel: 416.777.6254
zw eig@s@bennettjones.com

Joseph N. Blinick
Tel: 416.777.4828
blinickj@bennettjones.com

Joshua Foster
Tel: 416.777.7906
fosterj@bennettjones.com

Lawyers for KSV Restructuring Inc.,
the Court-appointed Receiver



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-21-00663051-00CL DATE: DECEMBER 20, 2022

NO. ON LIST: 2
10 AM

TITLE OF PROCEEDING: **KINGSETT MORTGAGE -v- SUNRISE ACQUISITIONS ET AL**

BEFORE JUSTICE: **OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
JOSEPH BLINICK, JOSHUA FOSTER & EVANA YUKANNA (Art. Student)	Counsel to Court Appointed Receiver, KSV Restructuring	blinickj@bennettjones.com / fosterj@bennettjones.com / yukanna@bennettjones.com
CHRISTIAN VIT	Court Appointed Receiver, KSV Restructuring	cvit@ksvadvisory.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
SARA MOSADEQ & RYAN PETROVSKI	RE Counsel – Sunrise Acquisitions parties & Sunrise Homes	sara@rarlitigation.com / rpetrovski@rarlitigation.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
LAURA CULLETON	Counsel to Syndicated Mortgage Investors	laurac@chaitons.com
MARY PATERSON	Counsel to FANN Mortgage – Court Appointed Trustee of Sorrenti	mpaterson@osler.com

--	--	--

ENDORSEMENT OF JUSTICE OSBORNE:

1. This is a motion by the court-appointed Receiver for an order directing the Principals, Spouses, Related Sunrise Parties and the shareholders of the Dissolved Related Sunrise Parties to immediately pay to the Receiver all funds improperly diverted from and/or owing to the Company. Defined terms in this Endorsement have the meaning given to them in the motion materials.
2. The position of the Receiver is that the Principals and the Related Sunrise Parties misappropriated over \$14 million from the Company for their own benefit and to the detriment of the Company. By the admission of the Responding Parties themselves, over \$5 million is owing to the Company and has already been ordered to be repaid by Justice Kimmel on November 30, 2022. It has not, however, yet been repaid.
3. At the outset of the hearing of this motion, counsel for the Receiver and the Responding Parties advised the Court that they had reached a settlement of many, albeit not all, of the disputed issues. Still, significant progress has been made as a result of the cooperative and collaborative discussions among counsel and the parties.
4. The parties jointly provided a draft order which was sought, on consent [subject to the caveat discussed below], and which incorporates the terms of the agreement reached between and among the parties.
5. I signed the order following the hearing of this matter on December 20, with reasons to follow. These are those reasons.
6. The draft order contemplates that the amount of CAD \$14,359,012 is due and payable to the Receiver forthwith, with liability of the Acknowledged Debtors as set out in paragraph two of the draft order. Essentially, the amounts are agreed to be owing, and are agreed to be owing by the individuals and/or parties so indicated. What is not yet agreed is whether that liability is joint and several with other parties, and if so, which parties and in what amounts.
7. At the hearing of the motion, the parties sought that order and the adjournment of the balance of the motion for a hearing on the remaining issues of the joint and several liability of the amounts referenced above, and the entitlement of the Receiver to Occupancy Fees [as defined in the motion materials but essentially amounts in respect of monthly occupancy fees due to the Company under the PSAs by the Spouses in the amount of \$176,533.24], together with costs and interest.
8. Counsel made extensive submissions about the relief sought, the outstanding issues, and the positions of the parties. Having heard those submissions, and having reviewed all of the materials, I am satisfied that the draft order sought reflects the settlement of many though not all of the outstanding issues and represents significant progress in the right direction and for the benefit of the Company and all of its stakeholders. Significant funds are acknowledged to be owing and to be repaid.
9. The amount reflected in the draft order of CAD \$14,359,012 is fully explained in the factum of the Receiver [see in particular paragraphs 22 and 23]. It flows from a chart prepared by MNP, which firm was

retained by the Responding Parties. The chart details the Net Payments totaling \$12,665,912 paid to the Principals, Mr. Shabbar [described below] and the Corporate Related Sunrise Parties. The Responding Parties accept that the Net Payments comprising the Undisputed Amount are owed to the Company. The chart is set out below. The information and amounts in red were added to the MNP chart by the Receiver.

Entity	Advances	Other Assets	Equity and Dividends	Expenses	Unrecorded Net Payments/Deposits	Total
Muzammil Kodwavi	\$ 102,260	\$ 372,636	\$ 118,429	\$ 2,010,637	\$ 98,004	\$ 2,701,966
Sajjad Hussain	10,000	246,600	1,657,055	532,427	29,341	2,475,423
SH & MK Management Inc.	17,000			1,738,154	48,000	1,803,154
Nayyar Shabbar			300,000	424,443		724,443
Sunrise Homes Ltd.	613,650					613,650
Sunrise Acquisitions (Bronte) Inc	2,480,550				10,000	2,490,550
Sunrise Acquisitions (Unionville) Inc	1,528,100					1,528,100
Sunrise Acquisitions (Keswick) Inc	1,247,475					1,247,475
Sunrise Acquisitions (Keswick II) Inc.	282,200					282,200
Sunrise Acquisitions (Tisdale) Inc	281,300					281,300
Sunrise Acquisitions (Tisdale II) Inc.	80,650					80,650
Sunrise Acquisitions Inc.	57,040					57,040
Sunrise Acquisitions (Burlington) Inc	300					300
Sunrise Acquisitions (Barrie I) Inc.	(89,700)					(89,700)
Sunrise Acquisitions (Bond Head II) Inc.	(124,000)					(124,000)
Sunrise Acquisitions (Bond Head) Inc.	(655,750)					(655,750)
IKH Holdings Inc.	63,432					63,432
Ama I Financial Inc.	9,079					9,079
2303484 Ontario Inc	250					250
2356266 Ontario Inc	(823,650)					(823,650)
Total (As Recorded by MNP)	5,080,186	619,236	2,075,484	4,705,661	185,345	12,665,912
Total Owing to the Company	6,773,286	619,236	2,075,484	4,705,661	185,345	14,359,012

10. Against the benefits to the stakeholders reflected by the settlement, I must balance other factors, including but not limited to the fact that Justice Kimmel ordered the repayment of almost \$6 million one month ago, and those amounts have not been repaid. As provided for in the draft order, however, the Acknowledged Debtors have agreed to pay the Receiver the sum of at least CAD \$500,000 by no later than December 29, 2022.
11. The draft order also provides that the status quo will be maintained in that the Acknowledged Debtors are enjoined, with their consent, from selling, transferring, conveying, pledging or similarly dealing with any assets outside the ordinary course.
12. In the main, I am satisfied as stated above that the settlement represents significant progress and should be approved. Significant admissions by the Acknowledged Debtors have been made, and the remaining issues have been materially narrowed. In my view, approval of the [limited] settlement represents a better outcome in the sense of maximizing the chances of the Receiver receiving more funds for the benefit of stakeholders, sooner, than if the settlement reflected in the draft order were not approved.
13. One element of the relief sought requires further explanation. The draft order provides that the amount of CAD \$724,443 is due and payable to the Receiver forthwith by Nayyar Shabbar.
14. Following the issuance of the Receivership Order, the Receiver undertook an extensive investigation of the affairs of the Company including but not limited to its receipts and disbursements.

15. As reflected in the chart above, the amount of CAD \$724,443 is reflected in the books and records of the company as reviewed by the Receiver as having been paid to Mr Shabbar, and admitted by the Responding Parties to be owing to the Company by Mr. Shabbar as reflected in the chart prepared by their expert, MNP. That total is comprised of what are said to be equity and dividends of \$300,000 and expenses of \$424,443.
16. Mr. Shabbar is not present today in Court and nor is he represented by counsel. Mr. Shabbar has not participated in these lengthy proceedings at all, although he has been served with all materials, including but not limited to the motion materials in respect of the relief sought today, via email. That email was sent to the address on file with the Company and is the email address reflected in the records of the Company as that to and from which Mr. Shabbar are communicated.
17. Moreover, the Supplementary Affidavit of Service of Joshua Foster, counsel for the Receiver, states that the Receivership Order approves and adopts the E-Service Protocol of the Commercial List. By email dated July 6, 2022, and at the request of the Receiver, Mr. Kodwavi [one of the Responding Parties and the only one to file an affidavit] provided the email address for Mr. Shabbar. The affidavit confirms that the Receiver had been unable to locate any other contact information for Mr. Shabbar in the records of the Company currently available to the Receiver.
18. Later on the same day, July 6, 2022, Mr. Shabbar was served by counsel for the Receiver with a PDF copy of the Notice of Motion. On August 5, 2022, Mr. Shabbar was served with the complete Motion Record, and on November 4 was served with the Third Supplement to the Third Report of the Receiver. On December 2, Mr. Shabbar was served with the factum and authorities of the Receiver as well as the Reply Motion Record and the Brief of Transcripts, and on December 16 he received the Reply Factum and Authorities. On December 19, he received the Compendium.
19. The affidavit reflects and confirms that the Receiver has at my request conducted, or caused to be conducted on its behalf, a skip trace report to locate a physical address for Mr. Shabbar. That has now been done, and it confirms that Mr. Shabbar resides at 51 Silvestre Ave., Woodbridge, ON, L4H 0L9. Also at my direction, the Receiver served a copy of my December 20, 2022 order on Mr. Shabbar both by email and by courier to the physical address noted above.
20. I am satisfied that Mr. Shabbar has had notice of these proceedings, and in particular this motion and therefore notice of the fact that the Receiver was seeking an order that he repay the amounts paid to him by the Company as reflected by the investigation of the Receiver and the report of MNP retained on behalf of the Responding Parties.
21. The Responding Parties accept and agree that the funds were paid by the Company to Mr. Shabbar. All parties present today are in agreement that there is no evidence in the Record justifying those payments, reflecting any investment, equity, loan or indeed any funds advanced or transferred to the Company by Mr. Shabbar. In fact, there is no evidence of any justification or basis for the payments made to him whatsoever. As noted above, he has not filed any evidence or participated in this proceeding whatsoever.
22. Counsel for the Responding Parties was clear in submissions, and I accept, that while the Responding Parties agree with the facts referred to above, and otherwise consent to the order, they obviously do not act for Mr. Shabbar with the result that while they do not oppose the specific provision ordering the repayment by him, neither do they consent.

23. I direct counsel for the Receiver to serve a copy of this Endorsement on Mr. Shabbar forthwith, both by email and by courier to the above-noted physical address.
24. For all of the above reasons, I am satisfied that the relief sought should be granted.
25. The hearing with respect to the two remaining issues, being the balance of the issues on this motion not resolved [i.e., the issue of joint and several liability and the Occupancy Fees] will be heard on January 31, 2023 beginning at 10 AM before me.
26. As the order provides, if the Acknowledged Debtors pay to the Receiver the CAD \$500,000 by no later than December 29, they may file a supplementary factum not exceeding 10 pages on or before January 10, 2023, relating to [and only 2] the two issues still to be determined. The Receiver may file a reply factum, also not longer than 10 pages, on or before January 19. The parties are agreed that no further evidence will be filed.

O'Shea, J.

TAB C

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

BETWEEN:

KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE COURT-APPOINTED
RECEIVER AND MANAGER OF SUNRISE ACQUISITIONS (HWY 7) INC.

(in such capacity, the "**Receiver**")

- and -

SAJJAD HUSSAIN, MAHVESH HUSSAIN, MUZZAMIL 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**" and, together with the Receiver, the "**Parties**", and each a
"**Party**")

MINUTES OF SETTLEMENT

WHEREAS:

1. KSV Restructuring Inc. was appointed as the Receiver pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on June 9, 2021.
2. The Receiver brought a motion seeking repayment of amounts owing to Sunrise Acquisitions (Hwy 7) Inc. by certain parties, including the Settling Parties, to which the Settling Parties responded.
3. On December 20, 2022, the Court granted an Order, among other things, directing certain of the Settling Parties to pay to the Receiver the aggregate amount of CAD\$14,359,012 forthwith (the "**December 2022 Order**"), with certain issues on the motion, including certain liability-related issues and costs, ultimately deferred to be decided on April 14, 2023 (the "**Extant Motion**").

4. The Receiver has taken various enforcement steps in respect of the December 2022 Order, including having registered writs of seizure and sale in various locations where the Settling Parties own or have an interest in real property, as well as filing notices of garnishment with various financial institutions where the Settling Parties hold bank accounts.
5. As of the date of these Minutes of Settlement, only \$25,000 has been paid to the Receiver by SH & MK Management Inc., with a further \$30,580.59 having been garnished from the bank account of SH & MK Management Inc. but not yet paid to the Receiver. All other amounts due under the December 2022 Order, including interest thereon, remain outstanding.
6. The Receiver and the Settling Parties wish to resolve the matters in dispute as between them and, in particular, the outstanding amounts owing under the December 2022 Order and the additional issues to be decided on the Extant Motion.

NOW THEREFORE in consideration of the promises set forth herein, the mutual covenants and agreements contained herein, and for further and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. **Recitals and Schedules:** The above recitals are true and accurate, and form part of these Minutes of Settlement together with the Schedules attached hereto.
2. **Settlement Payment:** The Settling Parties shall pay the all-inclusive sum of ten million, five hundred thousand dollars (CAD\$10,500,000) to the Receiver (the "**Settlement Payment**"). The Settlement Payment may be made in installments of no less than two million dollars (CAD\$2,000,000) each, with the first installment due to be paid by the later of: (i) 60 days from execution of these Minutes of Settlement; or (ii) 30 days following the granting of the Settlement Approval Order (as defined below). Each subsequent installment shall be due in increments of 60 days thereafter until the date on which the Settlement Payment is paid in full (the "**Maturity Date**"). For clarity, nothing herein shall prevent the Settling Parties from prepaying all or a portion of the Settlement Payment prior to the Maturity Date.
3. **Financing of Settlement Payment:** Any loans or financings of any kind obtained by any of the Settling Parties, whether directly or indirectly, to fund the Settlement Payment (the "**Financings**") shall not in any way, directly or indirectly, prohibit, preclude or otherwise restrict the use of funds advanced pursuant to the Financings to fund the Settlement Payment. The Receiver shall have the right to review all appraisals, letters of intent, commitment letters, definitive loan documents and other documents relating to the Financings, and the Receiver shall have the right to otherwise perform such due diligence as may be reasonably required in the circumstances. The Settling Parties shall provide assistance and cooperation to the Receiver in this regard.
4. **Irrevocable Direction re Funds advanced pursuant to Financings:** Any and all funds advanced pursuant to any Financings shall be advanced pursuant to: (i) an irrevocable direction provided by the applicable Settling Parties to the counter-party (or counter-parties) to the Financings requiring that all advanced funds be sent by wire transfer directly

to a trust account of the solicitor for the Settling Parties; and (ii) an irrevocable direction provided by the Settling Parties to their solicitor requiring that all advanced funds shall, until such time as the Receiver provides written confirmation to such solicitor that the Settlement Payment has been paid in full, be sent by wire transfer to Bennett Jones LLP in Trust on behalf of the Receiver. As soon as possible, and prior to any funds being advanced under any Financings, such solicitor shall also provide an irrevocable undertaking to the Receiver, in form and substance satisfactory to the Receiver, that (i) all such funds will be held in trust and only released to Bennett Jones LLP and (ii) that no such funds will be released to any of the Settling Parties, or any other party, until such time as the Receiver provides written confirmation to such solicitor that the Settlement Payment has been paid in full.

5. **Withdrawal of Writs:** Subject to the Receiver's satisfaction that, among other things, the Financings are legitimate and proper, and that all funds advanced pursuant to the Financings will be directed in accordance with the terms of these Minutes of Settlement, the Receiver will, to the extent required, withdraw the writs currently registered in respect of Sajjad Hussain, Muzzamil Kodwavi, and Sunrise Homes Ltd. in such venues as are required to facilitate the Financings for purposes of funding the Settlement Payment. Any such withdrawals shall be in a form and on terms satisfactory to the Receiver, acting reasonably, and only given to the extent the Receiver is satisfied that such withdrawals are required for purposes of facilitating the Financings to fund the Settlement Payment.
6. **Covenants re Minutes of Settlement:** The Settling Parties represent and warrant to the Receiver as follows, and acknowledge that the Receiver is relying upon such representations and warranties in connection with these Minutes of Settlement:
 - (a) the execution and delivery by each of the Settling Parties of these Minutes of Settlement and the performance of all of their obligations hereunder has, to the extent applicable, been authorized by all necessary corporate action on the part of each of the applicable Settling Parties;
 - (b) the execution and delivery by each of the Settling Parties of these Minutes of Settlement and the performance of all of their obligations hereunder, including, without limitation, the payment of the Settlement Payment, does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition), and at no point will, result in any breach or violation of, or conflict with (i) any terms or provisions of any of the Settling Parties' organizational documents, (ii) any laws, regulations or orders applicable to any of the Settling Parties, or (iii) any contractual, regulatory, legal or equitable obligations of any kind applicable to any of the Settling Parties; and
 - (c) these Minutes of Settlement have been duly executed and delivered by each of the Settling Parties and these Minutes of Settlement constitute a legal, valid and binding obligation of each of the Settling Parties, enforceable in accordance with its terms.
7. **Court Approval:** As soon as practicable after the execution of these Minutes of Settlement, the Receiver shall file with the Court a motion seeking the Court's issuance of

an order approving these Minutes of Settlement (the "**Settlement Approval Order**"), in a form satisfactory to the Receiver acting reasonably. The Settling Parties shall consent to the Settlement Approval Order, cooperate with the Receiver in its efforts to obtain the Settlement Approval Order and take such further steps as may be reasonably required to facilitate the issuance of the Settlement Approval Order.

8. **Consent to Judgment:** The Settling Parties shall consent to the issuance of the Order in the form attached hereto as Schedule "A" (the "**Consent Judgment**"), cooperate with the Receiver in its efforts to obtain the Consent Judgment and take such further steps as may be reasonably required to facilitate the issuance of the Consent Judgment. The Consent Judgment shall be issued on April 14, 2023, or as soon as possible thereafter, and shall be effective from the date of such Consent Judgment, provided that the Receiver shall not take any steps to enforce the Consent Judgment unless and until: (i) the Court denies the Receiver's motion for the Settlement Approval Order for any reason; or, (ii) following issuance of the Settlement Approval Order: (a) the Settling Parties have breached any covenant, representation or warranty set out in paragraph 6 hereof (in which case, and only in the event such default can be cured, the Receiver shall provide the Settling Parties with written notice of same and the Settling Parties shall have ten (10) days from delivery of such written notice to cure such default); (b) the Settling Parties have defaulted on any payment-related obligation under these Minutes of Settlement; or (c) the Settling Parties have breached paragraphs 5-6 of the Consent Judgment (provided that Financings approved by the Receiver shall not constitute a breach of paragraphs 5-6 of the Consent Judgment). For clarity, in the event that the Consent Judgment is not issued for any reason, these Minutes of Settlement shall be of no force or effect, and nothing herein shall affect the enforceability of the December 2022 Order, which the Settling Parties acknowledge and agree remains in full force and effect unless and until varied, amended, vacated, set aside or stayed by the Court.
9. **Further Assurances:** The Parties shall take such further steps and execute such further documents as may be reasonably required for purposes of giving effect to the terms of these Minutes of Settlement as well as the spirit and intent of these Minutes of Settlement.
10. **Release:** Concurrently with the execution of these Minutes of Settlement, the Parties shall execute the full and final release in the form attached hereto as Schedule "B" (the "**Release**"), which Release shall be held in escrow by counsel for the Receiver and only released and provided to the Parties upon the Settlement Payment being made in full.
11. **Satisfaction of the Settlement Payment:** Upon the Settlement Payment being made in full, the Receiver shall provide the Settling Parties with the Release, file a satisfaction of judgment in respect of the Consent Judgment, permanently withdraw any and all writs it has registered in respect of the Settling Parties that have not already been withdrawn, cease any further enforcement steps as against the Settling Parties, and otherwise take such steps as may be reasonably required in the circumstances accounting for the fact that no further amounts are due and owing to the Receiver by the Settling Parties.
12. **Currently Pending Enforcement Steps:** As soon as reasonably possible following execution of these Minutes of Settlement, and during the pendency of these Minutes of

Settlement, the Receiver shall cease garnishment and further enforcement steps as against the Settling Parties, until such time as any of the following occurs: (i) the Settlement Approval Order is denied; or (ii) the enforcement rights in respect of the Consent Judgment, as set out in paragraph 8, are triggered.

13. **Amendment:** These Minutes of Settlement may not be altered, amended or modified except by written agreement of the Parties, and, as necessary, approval of the Court.
14. **Governing Law and Forum:** These Minutes of Settlement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any dispute arising out of or in connection with these Minutes of Settlement shall be exclusively and finally determined by the Court.
15. **Legal Advice:** The Settling Parties hereby represent and warrant that they have consulted with, and been advised by, independent legal counsel with respect to all of the terms of the settlement set forth herein, that they have read and fully understand all of the terms of this settlement, including all of the terms and consequences of these Minutes of Settlement, and that they enter into this settlement freely and voluntarily, and without reliance upon any representation, warranty, condition or agreement, whether written or oral, other than as expressly set out or referred to herein.
16. **Successors and Assigns:** These Minutes of Settlement will enure to the benefit of, and be binding upon, the Parties and their respective representatives, successors and assigns, and upon any and all others acting by or through them, or in privity with them, or under their direction.
17. **Entire Agreement:** These Minutes of Settlement, including the Schedules attached hereto, constitute the entire agreement among the Parties, and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.
18. **Counterparts:** These Minutes of Settlement may be executed in counterparts, each of which shall be deemed to be an original and taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or digital PDF form and the Parties adopt any such signatures received as original signatures of the respective Party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have duly executed these Minute of Settlement this 13th day of April, 2023.

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver



Witness Name:

Name: Noah Goldstein
Title: Managing Director

SUNRISE ACQUISITIONS (HWY 7) INC.

Witness Name:

Name:
Title:

Witness Name:

SAJJAD HUSSAIN

Witness Name:

MAHVESH HUSSAIN

Witness Name:

MUZZAMIL KODWAVI

Witness Name:

SAFANA KODWAVI

[Additional Signature pages follows]

IN WITNESS WHEREOF, the Parties hereto have duly executed these Minute of Settlement this 13th day of April, 2023.

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver

Witness Name:



Witness Name:
POOPALASINGHAM.
JEGATHI SAWARAN



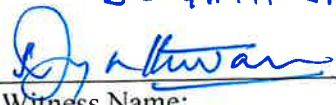
Witness Name: AYUSHI JAIN



Witness Name: AYUSHI JAIN



Witness Name:
POOPALASINGHAM.
JEGATHI SAWARAN



Witness Name:

[Additional Signature pages follows]

POOPALASINGHAM
JEGATHI SAWARAN.

Name:

Title:

SUNRISE ACQUISITIONS (HWY 7) INC.

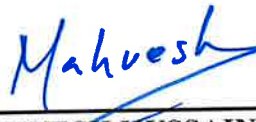


Name: MUZAMMIL KODWAVI.


Title: DIRECTOR.



SAJJAD HUSSAIN




MAHVESH HUSSAIN




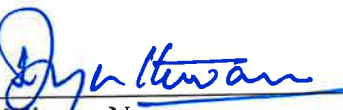
MUZZAMIL KODWAVI




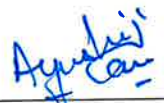
SAFANA KODWAVI


Witness Name: POOPALASINGAM.
JEGATHISWARAN


Witness Name: POOPALASINGAM.
JEGATHISWARAN


Witness Name: POOPALASINGAM.
JEGATHISWARAN.


Witness Name: POOPALASINGAM.
JEGATHISWARAN



Witness Name: AYUSHI JAIN

[Additional Signature pages follows]


SH & MK MANAGEMENT INC.


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.


SUNRISE HOMES LTD.


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

SUNRISE ACQUISITIONS INC.


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

SUNRISE ACQUISITIONS (UNIONVILLE) INC.


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

SUNRISE ACQUISITIONS (BRONTE) INC.


Name: SAJJAD HUSSAIN
Title: DIRECTOR

Dya Kawan
Witness Name:
POOPALASINGAM.
JEGATHISAWARAN

SUNRISE ACQUISITIONS (TISDALE) INC.
Muzammil Kodwavi

Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

Dya Kawan
Witness Name:
POOPALASINGAM
JEGATHISAWARAN

SUNRISE ACQUISITIONS (KESWICK) INC.
Muzammil Kodwavi

Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

Dya Kawan
Witness Name:
POOPALASINGAM
JEGATHISAWARAN

SUNRISE ACQUISITIONS (BURLINGTON) INC.
Muzammil Kodwavi

Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.

Dya Kawan
Witness Name:
POOPALASINGAM
JEGATHISAWARAN

SUNRISE ACQUISITIONS (KESWICK II) INC.
Muzammil Kodwavi


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.


Dya Kawan
Witness Name:


[Additional Signature page follows]
POOPALASINGAM.
JEGATHISAWARAN

SUNRISE ACQUISITIONS (TISDALE II) INC.
Muzammil Kodwavi


Name: MUZAMMIL KODWAVI.
Title: DIRECTOR.


Witness Name:
POOJA SINGAM.
JEGATHISWARAN.



Witness Name: AYUSHI JAIN


Witness Name:
POOJA SINGAM
JEGATHISWARAN.


IKH HOLDINGS INC.


Name: MUZAMMIL KODWANI.
Title: DIRECTOR.

AMAL FINANCIAL INC.


Name: SAITTA HUSSAIN.
Title: DIRECTOR.

2303484 ONTARIO INC.


Name: MUZAMMIL KODWANI.
Title: DIRECTOR.

SCHEDULE "A"

See attached.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) FRIDAY, THE 14TH
)
JUSTICE OSBORNE) DAY OF APRIL, 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

AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (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 a business carried on by the Company and the proceeds therefrom, for an Order, *inter alia*, directing payment of certain amounts due and owing to the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated August 5, 2022, the Responding Motion Record of the responding parties dated September 16, 2022, the Supplementary Responding Motion Record of the responding parties dated October 18, 2022, the Further Supplementary Responding Motion Record of the responding parties dated November 23, 2022, the Reply Motion Record of the Receiver dated November 30, 2022, the Brief of Transcripts dated November 30, 2022, the Factum and Authorities of the Receiver dated December 2, 2022, the Responding Factum of the responding parties dated December 12, 2022, the Reply Factum and Authorities of the Receiver dated December 16, 2022, the Order of the Honourable Justice Osborne dated December 20, 2022 (the "**December 20 Order**"), and the endorsement of the Honourable Justice Osborne issued in connection with the December 20 Order, and on hearing the submissions of counsel for the Receiver and counsel for the responding parties, and such other counsel that were present, no one else appearing although duly served as appears from the Affidavits of Service, filed;

AND UPON BEING ADVISED that each of Muzammil Kodwavi, Safana Kodwavi, Sajjad Hussain, Mahvesh Hussain, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc.,

IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Acknowledged Debtors**") and the Receiver consent to this Order,

REPLACEMENT OF THE EXISTING REPAYMENT ORDER

1. **THIS COURT ORDERS** that the Order of the Honourable Justice Kimmel in these proceedings dated November 2, 2022 is hereby vacated and replaced with this Order.

JUDGMENT ON ACKNOWLEDGED DEBT AND THE DEBT OF NAYYAR SHABBAR

2. **THIS COURT ORDERS** that the amount of CAD\$14,510,545.24 (the "**Repayment Amount**") is due and payable to the Receiver forthwith, with liability of the applicable parties as noted below:

- (a) CAD\$14,334,012 payable forthwith by Sajjad Hussain, Muzammil Kodwavi (together, the "**Principals**"), SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc., IKH Holdings Inc., Amal Financial Inc. and 2303484 Ontario Inc. on a joint and several basis;
- (b) CAD\$724,443 payable forthwith by Nayyar Shabbar; and
- (c) CAD\$132,353.35 and CAD\$44,179.89 (together, the "**Unpaid Occupancy Fees**") payable forthwith by Safana Kodwavi ("**Ms. Kodwavi**") and Mahvesh Hussain

("Ms. Hussain"), respectively, with the Principals being jointly and severally liable with Ms. Kodwavi and Ms. Hussain for these amounts.

3. **THIS COURT ORDERS** that (i) the Repayment Amount, exclusive of the Unpaid Occupancy Fees, bears interest at the rate of 4% per year commencing from December 20, 2022 (being the date of the December 20 Order), and (ii) the Unpaid Occupancy Fees bear interest at the rate of 4% per year commencing from the date of this Order.

COSTS

4. **THIS COURT ORDERS** that the Receiver's costs relating to this Order are to be awarded as against the Acknowledged Debtors in the amount of CAD\$500,000.00.

PROHIBITION ON DISSIPATION OF ASSETS

5. **THIS COURT ORDERS** that, without the prior written consent of the Receiver, the Acknowledged Debtors, including, as applicable, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this Order, are hereby prohibited, restrained and enjoined from directly or indirectly, by any means whatsoever (i) selling, removing, transferring, conveying, alienating, dissipating, pledging, encumbering or similarly dealing with any assets of the Acknowledged Debtors, wherever situate, outside the ordinary course, (ii) instructing, counselling, demanding or encouraging any other person to do so, and (iii) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so, until the Repayment Amount is repaid in full.

6. **THIS COURT ORDERS** that paragraph 5 of this Order applies to all of the Acknowledged Debtors' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Acknowledged Debtors' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Acknowledged Debtors are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

SURVIVAL

7. **THIS COURT ORDERS AND DECLARES** that, as against the Principals, this Order survives any personal bankruptcy pursuant to and in accordance with subsection 178(1)(d) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), as a debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity.

RECEIVER'S AND TRUSTEE'S RIGHTS AND REMEDIES

8. **THIS COURT ORDERS AND DECLARES** that this Order is made without prejudice to any of the Receiver's rights and remedies at law and in equity with respect to any matters not addressed directly in this Order, including, without limitation, with respect to the Receiver's entitlement to costs and interest as against parties other than the Acknowledged Debtors, and those of the Company's Licensed Insolvency Trustee in Bankruptcy, including, without limitation, under sections 95-96 of the BIA and under the *Fraudulent Conveyances Act*, R.S.O. 1990, c. F.29 and *Assignments and Preferences Act*, R.S.O. 1990, c. A.33.

GENERAL

9. **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.

10. **THIS COURT ORDERS** that the December 20 Order is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective from the date of this Order, and this Order is enforceable without the need for entry or filing.

The Honourable Justice Osborne

KINGSETT MORTGAGE CORPORATION

-and-

SUNRISE ACQUISITIONS (HWY 7) INC.

Applicant

Respondent

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

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)**

BENNETT JONES LLP
100 King Street West
Suite 3400
Toronto, ON M5X 1A4

Sean H. Zweig
Tel: 416.777.6254
zweigs@bennettjones.com

Joseph N. Blinick
Tel: 416.777.4828
blinickj@bennettjones.com

Joshua Foster
Tel: 416.777.7906
fosterj@bennettjones.com

Lawyers for KSV Restructuring Inc.,
the Court-appointed Receiver

SCHEDULE "B"

See attached.

FULL AND FINAL RELEASE

WHEREAS this is a mutual Full and Final Release between:

KSV Restructuring Inc., solely in its capacity as the court-appointed receiver and manager of Sunrise Acquisitions (Hwy 7) Inc. (in such capacity, the "**Receiver**")

-and-

Sajjad Hussain, Mahvesh Hussain, Muzzamil 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**" and, together with the Receiver, the "**Parties**", and each a "**Party**");

AND WHEREAS the Receiver, on the one hand, and the Settling Parties, on the other hand, wish to fully and finally resolve and settle the Released Claims (as defined below) insofar as they relate to the Released Parties (as defined below), subject to the terms and conditions of the Minutes of Settlement to which this Full and Final Release is attached (the "**Minutes of Settlement**") and the terms hereof.

NOW THEREFORE in consideration of the mutual covenants contained in this Full and Final Release and the terms set out in the Minutes of Settlement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged by the Parties, the Parties hereby agree as follows:

1. The recitals set out above are true and accurate, and form part of this Full and Final Release.
2. The Receiver, on the one hand, and the Settling Parties, on the other, hereby fully and forever release, remise, acquit and discharge each other and, as applicable, their respective predecessors, successors, heirs, assigns and insurers (collectively, the "**Released Parties**"), from any and all manners of action, causes of action, suits, claims, proceedings, debts, covenants, obligations, penalties, indemnities, demands, issues, damages, restitution, an accounting, disgorgement, interest, costs, or any other monetary relief, losses, injuries and liabilities of any and every nature whatsoever, whether in law or in equity, that the Released Parties had or now have against one another, by reason of or arising out of any cause, matter or thing whatsoever existing up to the present date, including but not limited to with respect to the claims advanced in the proceeding commenced in the Ontario Superior Court of Justice (Commercial List) (the "**Court**") bearing Court File No. CV-21-00663051-00CL (the "**Released Claims**").
3. If any Released Claim is advanced, this Full and Final Release may be raised as a complete bar to any such Released Claim and may be relied upon in any effort to dismiss the Released Claim on a summary basis.

4. The Parties warrant that they have not assigned to any person, firm, corporation or other entity any right of action, cause of action or claim that is released by this Full and Final Release.
5. Without limiting the generality of the foregoing, the Parties declare that the intent of this Full and Final Release is to conclude all issues in respect of, relating to or arising out of the Released Claims.
6. The Parties each covenant and agree that this Full and Final Release shall be binding upon and shall ensure to the benefit of the respective successors, assigns and legal or personal representatives of the Parties, as applicable.
7. The Parties understand, acknowledge and agree that this Full and Final Release shall only become effective upon: (i) the issuance of a Court order approving the settlement as contemplated under the terms of the Minutes of Settlement and (ii) the Settling Parties having fully satisfied the terms of the Minutes of Settlement and having paid the Settlement Payment (as defined in the Minutes of Settlement) in full.
8. The Parties agree that this Full and Final Release shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any dispute arising from or relating to the interpretation, application or enforcement of this Full and Final Release shall be exclusively within the jurisdiction of the Court, and the Parties hereby irrevocably agree to the exclusive jurisdiction of the Court with respect to any and all matters covered by, or in any way relating to, this Full and Final Release.
9. The Parties each covenant and agree that each part and provision of this Full and Final Release is distinct and severable and if, in any jurisdiction, any part or provision of this Full and Final Release or its application to any Party or circumstance is restricted, prohibited or unenforceable, for public policy reasons or otherwise, that that part or provision shall be interpreted in a manner so as to not make it unenforceable at law, but if such interpretation is not possible, the Parties agree that the part or provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining parts and provisions hereof and without affecting the validity or enforceability of such part or provision in any other jurisdiction or its application to other parties or circumstances.
10. The Parties each hereby expressly acknowledge, declare and agree that they have had an opportunity to fully review this Full and Final Release and they have consulted with independent legal counsel. The Parties each acknowledge, declare and agree that they fully understand the meaning and effect of each paragraph of this Full and Final Release and freely and voluntarily agree to its terms for the purpose of making full and final compromise, adjustment and settlement of the Released Claims. The Parties each further expressly acknowledge, declare and agree that there is no condition, express or implied, or collateral agreement affecting their respective abilities to enter into this Full and Final Release, other than those set out in the Minutes of Settlement. The Parties further acknowledge and agree that any statute, case law, or rule of interpretation or construction

that would or might cause any part or provision of this Full and Final Release to be construed against the drafters of this Full and Final Release shall be of no force or effect.

11. The Parties each agree that this Full and Final Release may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument, and a facsimile, email or electronically transmitted or electronically executed signature shall be deemed an original signature and of equally binding force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have duly executed the Full and Final Mutual Release this 13th day of April, 2023.

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Receiver

Witness Name:

Name:
Title:

SUNRISE ACQUISITIONS (HWY 7) INC.

Witness Name:

Name:
Title:

Witness Name:

SAJJAD HUSSAIN

Witness Name:

MAHVESH HUSSAIN

Witness Name:

MUZZAMIL KODWAVI

Witness Name:

SAFANA KODWAVI

[Additional Signature pages follows]

SH & MK MANAGEMENT INC.

Witness Name:

Name:
Title:

SUNRISE HOMES LTD.

Witness Name:

Name:
Title:

SUNRISE ACQUISITIONS INC.

Witness Name:

Name:
Title:

**SUNRISE ACQUISITIONS (UNIONVILLE)
INC.**

Witness Name:

Name:
Title:

SUNRISE ACQUISITIONS (BRONTE) INC.

Witness Name:

Name:
Title:

[Additional Signature pages follows]

SUNRISE ACQUISITIONS (TISDALE) INC.

Witness Name:

Name:
Title:

SUNRISE ACQUISITIONS (KESWICK) INC.

Witness Name:

Name:
Title:

**SUNRISE ACQUISITIONS (BURLINGTON)
INC.**

Witness Name:

Name:
Title:

**SUNRISE ACQUISITIONS (KESWICK II)
INC.**

Witness Name:

Name:
Title:

**SUNRISE ACQUISITIONS (TISDALE II)
INC.**

Witness Name:

Name:
Title:

[Additional Signature page follows]

IKH HOLDINGS INC.

Witness Name:

Name:
Title:

AMAL FINANCIAL INC.

Witness Name:

Name:
Title:

2303484 ONTARIO INC.

Witness Name:

Name:
Title:

TAB D



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE OSBORNE

)
)
)

FRIDAY, THE 14TH
DAY OF APRIL, 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

AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (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 a business carried on by the Company and the proceeds therefrom, for an Order, *inter alia*, directing payment of certain amounts due and owing to the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated August 5, 2022, the Responding Motion Record of the responding parties dated September 16, 2022, the Supplementary Responding Motion Record of the responding parties dated October 18, 2022, the Further Supplementary Responding Motion Record of the responding parties dated November 23, 2022, the Reply Motion Record of the Receiver dated November 30, 2022, the Brief of Transcripts dated November 30, 2022, the Factum and Authorities of the Receiver dated December 2, 2022, the Responding Factum of the responding parties dated December 12, 2022, the Reply Factum and Authorities of the Receiver dated December 16, 2022, the Order of the Honourable Justice Osborne dated December 20, 2022 (the "**December 20 Order**"), and the endorsement of the Honourable Justice Osborne issued in connection with the December 20 Order, and on hearing the submissions of counsel for the Receiver and counsel for the responding parties, and such other counsel that were present, no one else appearing although duly served as appears from the Affidavits of Service, filed;

AND UPON BEING ADVISED that each of Muzammil Kodwavi, Safana Kodwavi, Sajjad Hussain, Mahvesh Hussain, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc.,

IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Acknowledged Debtors**") and the Receiver consent to this Order,

REPLACEMENT OF THE EXISTING REPAYMENT ORDER

1. **THIS COURT ORDERS** that the Order of the Honourable Justice Kimmel in these proceedings dated November 2, 2022 is hereby vacated and replaced with this Order.

JUDGMENT ON ACKNOWLEDGED DEBT AND THE DEBT OF NAYYAR SHABBAR

2. **THIS COURT ORDERS** that the amount of CAD\$14,510,545.24 (the "**Repayment Amount**") is due and payable to the Receiver forthwith, with liability of the applicable parties as noted below:

- (a) CAD\$14,334,012 payable forthwith by Sajjad Hussain, Muzammil Kodwavi (together, the "**Principals**"), SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc., IKH Holdings Inc., Amal Financial Inc. and 2303484 Ontario Inc. on a joint and several basis;
- (b) CAD\$724,443 payable forthwith by Nayyar Shabbar; and
- (c) CAD\$132,353.35 and CAD\$44,179.89 (together, the "**Unpaid Occupancy Fees**") payable forthwith by Safana Kodwavi ("**Ms. Kodwavi**") and Mahvesh Hussain

("Ms. Hussain"), respectively, with the Principals being jointly and severally liable with Ms. Kodwavi and Ms. Hussain for these amounts.

3. **THIS COURT ORDERS** that (i) the Repayment Amount, exclusive of the Unpaid Occupancy Fees, bears interest at the rate of 4% per year commencing from December 20, 2022 (being the date of the December 20 Order), and (ii) the Unpaid Occupancy Fees bear interest at the rate of 4% per year commencing from the date of this Order.

COSTS

4. **THIS COURT ORDERS** that the Receiver's costs relating to this Order are to be awarded as against the Acknowledged Debtors in the amount of CAD\$500,000.00.

PROHIBITION ON DISSIPATION OF ASSETS

5. **THIS COURT ORDERS** that, without the prior written consent of the Receiver, the Acknowledged Debtors, including, as applicable, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this Order, are hereby prohibited, restrained and enjoined from directly or indirectly, by any means whatsoever (i) selling, removing, transferring, conveying, alienating, dissipating, pledging, encumbering or similarly dealing with any assets of the Acknowledged Debtors, wherever situate, outside the ordinary course, (ii) instructing, counselling, demanding or encouraging any other person to do so, and (iii) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so, until the Repayment Amount is repaid in full.

6. **THIS COURT ORDERS** that paragraph 5 of this Order applies to all of the Acknowledged Debtors' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Acknowledged Debtors' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Acknowledged Debtors are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

SURVIVAL

7. **THIS COURT ORDERS AND DECLARES** that, as against the Principals, this Order survives any personal bankruptcy pursuant to and in accordance with subsection 178(1)(d) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), as a debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity.

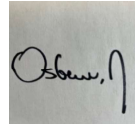
RECEIVER'S AND TRUSTEE'S RIGHTS AND REMEDIES

8. **THIS COURT ORDERS AND DECLARES** that this Order is made without prejudice to any of the Receiver's rights and remedies at law and in equity with respect to any matters not addressed directly in this Order, including, without limitation, with respect to the Receiver's entitlement to costs and interest as against parties other than the Acknowledged Debtors, and those of the Company's Licensed Insolvency Trustee in Bankruptcy, including, without limitation, under sections 95-96 of the BIA and under the *Fraudulent Conveyances Act*, R.S.O. 1990, c. F.29 and *Assignments and Preferences Act*, R.S.O. 1990, c. A.33.

GENERAL

9. **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.

10. **THIS COURT ORDERS** that the December 20 Order is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective from the date of this Order, and this Order is enforceable without the need for entry or filing.



2023.04.14

13:03:43 -04'00'

The Honourable Justice Osborne

KINGSETT MORTGAGE CORPORATION

-and-

SUNRISE ACQUISITIONS (HWY 7) INC.

Applicant

Respondent

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

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)**

BENNETT JONES LLP
100 King Street West
Suite 3400
Toronto, ON M5X 1A4

Sean H. Zweig
Tel: 416.777.6254
zweigs@bennettjones.com

Joseph N. Blinick
Tel: 416.777.4828
blinickj@bennettjones.com

Joshua Foster
Tel: 416.777.7906
fosterj@bennettjones.com

Lawyers for KSV Restructuring Inc.,
the Court-appointed Receiver



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: CV-21-00663051-00CL

DATE: 14 April 2023

NO. ON LIST: 3

TITLE OF PROCEEDING: **KINGSETT MORTGAGE CORPORATION v. SUNRISE
ACQUISITIONS (HWY 7) INC.**

BEFORE JUSTICE: **OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Joseph Blinick	KSV Restructuring Inc.	blinickj@bennettjones.com fosterj@bennettjones.com
	Nayyar Shabbar	

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Sara Mosadeq	Sunrise Acquisitions Hwy 7 Inc., Sunrise Homes Ltd. Sunrise Acquisitions Unionville Inc. Sunrise Acquisitions Bronte inc, Sunrise Acquisitions Keswick Inc, Sunrise Acquisitions Tidale Inc. SH & MK Management Inc, Sunrise Acquisitions Keswick II, Sajjad Hussain, Muzammil Kodwavi, Safana Kodwavi and Mahvesh Hussain	sara@rarlitigation.com
Mary Paterson	Fan Mortgage Administrators as Court appointed Trustee	mpaterson@osler.com

Laura Culleton	Syndicated Mortgage Investors	laurac@chaitons.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Amandeep Sidhu	Nayyar Shabbar	asidhu@kmblaw.com

ENDORSEMENT OF JUSTICE OSBORNE:

1. This motion came on for hearing on the merits today. At the outset of submissions, counsel advised that the parties had reached a settlement late yesterday.
2. That settlement resolves all issues save and except the entitlement to Mr. Shabbar, now appearing in represented today, to the sum of \$724,443 and related issues. Ms. Mosadeq confirmed that her consent was in respect of all issues except for those directly affecting Mr. Shabbar are, who of course has his own counsel.
3. The Receiver will file a formal Report to the court which will include the Minutes of Settlement.
4. The parties presented a draft amended and restated order today, which has the consent of all parties. As noted, it is made as against the settlement reached yesterday and reflects the consent resolution of all issues except as noted above.
5. Order to go in the form signed by me today which is effective immediately and without the necessity of issuing and entering.
6. I commend counsel on their comprehensive settlement of these complicated issues.
7. Counsel for the Receiver and counsel for Mr. Shabbar are will work out among themselves a schedule to deal with that motion and then time can be booked through the Commercial List office if the matter proceeds on a contested basis.

Osborne, J.

T A B L E

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

THE HONOURABLE MR.) WEDNESDAY, THE 27th
)
JUSTICE KOEHNEN) DAY OF OCTOBER, 2021

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

SECOND SALE PROCESS AND DISCLAIMER ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (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 a business carried on by the Company and the proceeds therefrom, including, without limitation, certain real property owned by the Company in Markham, Ontario, for an order, among other things: (i) abridging and validating service of the Notice of Motion and Motion Record herein; (ii) approving the proposed Second Sale Process (as defined and described in the Third Report of the

Receiver dated October 20, 2021 (the "**Third Report**")); and (iii) terminating, repudiating and/or disclaiming the PSAs (as defined in the Third Report), was heard this day by videoconference due to the COVID-19 pandemic.

ON READING the Third Report (including the appendices thereto), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one else appearing although properly served, as appears from the affidavit of Aiden Nelms sworn and filed.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and 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 all capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the Third Report.

SECOND SALE PROCESS

3. **THIS COURT ORDERS** that the proposed Second Sale Process be and is hereby approved. The Receiver is hereby authorized to carry out the Second Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligation thereunder.

4. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing its duties under the Second Sale Process, except to the extent such losses,

claims, damages or liability arises or results from the gross negligence or wilful misconduct of the Receiver, as determined by this Court.

DISCLAIMER OF EXISTING PSAs AND CONTINUATION OF LEASE AGREEMENTS

5. **THIS COURT ORDERS** that the PSAs shall be and are hereby deemed to be terminated, repudiated and/or disclaimed effective as of the date of this Order.

6. **THIS COURT ORDERS** notwithstanding paragraph 5 of this Order, the Lease Agreements shall continue on a month-to-month basis, but effective as of the date of this Order, the Company shall be the landlord and the Tenants' counterparty under the Lease Agreements for all purposes, including that the Company shall have the right to terminate each Lease Agreement in accordance with its terms or as may otherwise be permitted by law.

DISTRIBUTIONS

7. **THIS COURT ORDERS** that following the delivery of any Receiver's Certificate contemplated by the Approval and Vesting Order granted in this proceeding on the date hereof (the "**Approval and Vesting Order**"), the Receiver is:

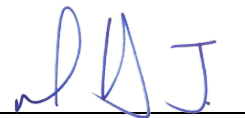
- (a) first, authorized and directed to create and hold a reserve in the amount of the Deposit in respect of each Remaining Unit (the "**Deposit Holdback**") which Deposit Holdback may not be distributed to any party without the agreement of the Receiver, the Spouses and FAAN Mortgage Administrators Inc. ("**FAAN**"), in its capacity as Sorrenti Trustee, or further order of the Court;

- (b) second, authorized to pay commissions to Cityscape in respect of commissions owing, being 3.25% of the sale price of each Remaining Unit contemplated by the relevant Sale Agreement (as that term is defined in the Approval and Vesting Order), plus HST;
- (c) third, authorized to make one or more distributions to KingSett Mortgage Corporation, or as it may direct, up to the amount owing under its registered mortgage on the Remaining Units, if any; and
- (d) fourth, authorized to make one or more distribution to FAAN, in its capacity as Sorrenti Trustee, or as it may direct, up to the amount owing under the Sorrenti Charge registered on the Remaining Units.

GENERAL

8. **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.

9. **THIS COURT ORDERS** that this Order and all of its provision are effective as of 12:01 a.m. on the date of this Order.



KINGSETT MORTGAGE CORPORATION

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SECOND SALE PROCESS AND DISCLAIMER ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Sean H. Zweig (LSO #57307I)

Tel: (416) 777-6254
Fax: (416) 863-1716

Aiden Nelms (LSO#74170S)

Tel:(416) 777-4642
Fax: (416) 863-1716

Counsel to KSV Restructuring Inc., solely in its capacity as
Court-appointed Receiver and not in its personal capacity