



**Supplement to the Sixteenth Report of  
KSV Kofman Inc.**

April 9, 2019

**as Receiver and Manager of Certain Property  
of Scollard Development Corporation, Memory  
Care Investments (Kitchener) Ltd., Memory  
Care Investments (Oakville) Ltd., 1703858  
Ontario Inc., Legacy Lane Investments Ltd.,  
Textbook (525 Princess Street) Inc. and  
Textbook (555 Princess Street) Inc.**

**and**

**Supplement to the Fifth Report of KSV Kofman  
Inc. as Receiver and Manager of Certain  
Property of Textbook (445 Princess Street) Inc.**

**and**

**Supplement to the Second Report of KSV  
Kofman Inc. as Receiver of Certain Property of  
Textbook (774 Bronson Avenue) Inc.,  
Textbook Ross Park Inc. and McMurray Street  
Investments Inc.**

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COURT FILE NO: CV-17-11689-00CL  
COURT FILE NO: CV-17-589078-00CL  
COURT FILE NO.: CV-16-11567-00CL

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

**IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.**

**AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK (445 PRINCESS STREET) INC.**

**AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK ROSS PARK INC., TEXTBOOK (774 BRONSON AVENUE) INC. AND MCMURRAY STREET INVESTMENTS INC.**

**SUPPLEMENT TO THE SIXTEENTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.**

**AND**

**SUPPLMENT TO THE FIFTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF  
TEXTBOOK (445 PRINCESS STREET) INC.**

**AND**

**SUPPLEMENT TO THE SECOND REPORT OF KSV KOFMAN INC. AS RECEIVER OF TEXTBOOK ROSS PARK INC., TEXTBOOK (774 BRONSON AVENUE) INC. AND MCMURRAY STREET INVESTMENTS INC**

**APRIL 9, 2019**

## **1.0 Introduction**

1. This supplemental report ("Report") is filed by KSV as Receiver of certain property of the Receivership Companies.
2. This Report supplements the Receiver's report dated February 11, 2019 (the "February 11 Report"), the purpose of which was to seek the Court's authorization and direction to comply with a production order issued by the Superior/Ontario Court of Justice in Brampton, Ontario (the "Brampton Court"). A copy of the February 11 Report is attached as Appendix "A" (without appendices).

3. Unless otherwise stated, capitalized terms used in this Report have the meanings provided to them in the February 11 Report.

## 2.0 Ontario Provincial Police

1. On February 5, 2019, the Receiver was served with a production order issued by the Brampton Court (the “Initial Production Order”). A copy of the Initial Production Order is attached as Appendix “B”. The Initial Production Order required the Receiver to provide to the OPP within thirty days of the making of the Initial Production Order copies of bank statements and the original general ledgers for the Receivership Companies.
2. On February 25, 2019, the Court made an Order (the “February 25<sup>th</sup> Order”) authorizing and directing the Receiver to comply with the Initial Production Order. A copy of the February 25<sup>th</sup> Order is attached as Appendix “C”.
3. On April 5, 2019, the Receiver was served with a second production order issued by the Brampton Court (the “Second Production Order”). A copy of the Second Production Order is attached as Appendix “D”. The Second Production Order requires the Receiver to provide to the OPP within thirty days of the making of the Second Production Order bank statements and certain financial information for Aeolian Investments Inc., Textbook Student Suites Inc., Textbook Suites Inc., Memory Care Investments Ltd. (collectively, the “Parent Companies”) and Memory Care Investments Burlington Ltd. (“MC Burlington”), each of which is an affiliate of the Receivership Companies.
4. MC Burlington owns all the shares of Burlington, which owned real property that was to be developed into a residence for individuals with dementia. MC Burlington performed development activity in connection with Burlington’s proposed development.
5. The Receiver sold the real property owned by Burlington. In order to complete the transaction, MC Burlington was placed in receivership on September 17, 2018 so that the Receiver could convey its development charges as part of the transaction. The Receiver is in possession of the bank statements and the general ledger for MC Burlington as of a result of its appointment in respect of MC Burlington.
6. The Parent Companies have various ownership interests in the Receivership Companies. The Parent Companies are not in receivership. A corporate chart for the Receivership Companies is attached as Appendix “E”.
7. The receivership orders granted in these proceedings require all persons to provide the Receiver with all records in their possession relating to the Receivership Companies. On that basis, and as part of the Receiver’s investigation into the Receivership Companies, the Receiver sought an order, which the Court granted on June 16, 2017, requiring the Parent Companies to provide the Receiver with copies of their books and records (the “June 16 Order”). A copy of the June 16 Order is attached as Appendix “F”. The Receiver is in possession of copies of the Parent Companies’ bank statements and general ledgers. Subject to obtaining an order of the Court authorizing and directing the Receiver to comply with the Second Production Order, the Receiver intends to provide the OPP with the bank statements and general ledgers of MC Burlington and the Parent Companies in its possession, as required by the Second Production Order.

8. The Receiver will serve this Report on Dentons Canada LLP, which is on record as legal counsel to the officers and directors of the Parent Companies.

### 3.0 Recommendation

1. The Receiver recommends that the Court issue an order authorizing and directing it to comply with the Second Production Order, to the extent possible. In addition, the Receiver recommends that the Court issue an order authorizing it, but not directing it, to comply with any further production orders that may be issued by the Brampton Court from time to time, to the extent possible.

\* \* \*

All of which is respectfully submitted,



**KSV KOFMAN INC.  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE  
INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD.,  
1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS  
STREET) INC., TEXTBOOK (555 PRINCESS STREET) INC., TEXTBOOK (445 PRINCESS  
STREET) INC., TEXTBOOK (774 BRONSON AVENUE) INC., TEXTBOOK ROSS PARK INC.  
McMURRAY STREET INVESTMENTS INC., MEMORY CARE INVESTMENTS  
(BURLINGTON) LTD. AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

## **Appendix “A”**



**Sixteenth Report of  
KSV Kofman Inc.**

February 11, 2019

**as Receiver and Manager of Certain Property  
of Scollard Development Corporation, Memory  
Care Investments (Kitchener) Ltd., Memory  
Care Investments (Oakville) Ltd., 1703858  
Ontario Inc., Legacy Lane Investments Ltd.,  
Textbook (525 Princess Street) Inc. and  
Textbook (555 Princess Street) Inc.**

**and**

**Fifth Report of KSV Kofman Inc.  
as Receiver and Manager of Certain Property  
of Textbook (445 Princess Street) Inc.**

**and**

**Second Report of KSV Kofman Inc.  
as Receiver of Certain Property of  
Textbook (774 Bronson Avenue) Inc.,  
Textbook Ross Park Inc. and McMurray Street  
Investments Inc.**

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COURT FILE NO: CV-17-11689-00CL  
COURT FILE NO: CV-17-589078-00CL  
COURT FILE NO.: CV-16-11567-00CL

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

**IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.**

**AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK (445 PRINCESS STREET) INC.**

**AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK ROSS PARK INC., TEXTBOOK (774 BRONSON AVENUE) INC. AND MCMURRAY STREET INVESTMENTS INC.**

**SIXTEENTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.**

**AND**

**FIFTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF  
TEXTBOOK (445 PRINCESS STREET) INC.**

**AND**

**SECOND REPORT OF KSV KOFMAN INC. AS RECEIVER  
OF TEXTBOOK ROSS PARK INC., TEXTBOOK (774 BRONSON AVENUE) INC. AND  
MCMURRAY STREET INVESTMENTS INC**

**FEBRUARY 11, 2019**

## 1.0 Introduction

1. This report (“Report”) is filed by KSV Kofman Inc. (“KSV”) in its capacity as receiver and manager of any real property registered on title as being owned by Scollard Development Corporation (“Scollard”), Memory Care Investments (Kitchener) Ltd. (“Kitchener”), Memory Care Investments (Oakville) Ltd. (“Oakville”), 1703858 Ontario Inc. (“Burlington”), Legacy Lane Investments Ltd. (“Legacy Lane”), Textbook (525 Princess Street) Inc. (“525 Princess”), Textbook (555 Princess Street) Inc. (“555 Princess”), Textbook (445 Princess Street) Inc. (“445 Princess”), Textbook (774 Bronson Avenue) Inc. (“Bronson”), Textbook Ross Park Inc. (“Ross Park”) and McMurray Street Investments Inc. (“McMurray”) (collectively, the “Receivership Companies”), and of all of their assets, undertakings and properties acquired for or used in relation to their real property subject to the receivership orders discussed below.
2. Pursuant to an order (the “Trustee Appointment Order”) of the Ontario Superior Court of Justice (the “Court”) dated October 27, 2016, Grant Thornton Limited (“GTL”) was appointed Trustee (the “Trustee”) of eleven entities<sup>1</sup> which raised monies from investors (“Investors”) through syndicated mortgage investments (“SMIs”) (collectively, the “Trustee Corporations”)<sup>2</sup>. Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements (the “Loan Agreements”) between the Trustee Corporations and the Receivership Companies.
3. On January 21, 2017, the Trustee brought a motion for an order (the “Receivership Order”) appointing KSV as receiver and manager (the “Receiver”) of the real property owned by Scollard and the assets, undertakings and properties of Scollard acquired for or used in relation to the real property. On February 2, 2017, the Court made the Receivership Order.
4. On April 18, 2017, the Trustee brought a motion, *inter alia*, seeking an order amending and restating the Receivership Order to include the real property registered on title as being owned by Kitchener, Oakville, Burlington, Legacy Lane, 555 Princess and 525 Princess and the assets, undertakings and properties of these entities acquired for or used in relation to their real property (the “Amended and Restated Receivership Order”). On April 28, 2017, the Court made the Amended and Restated Receivership Order. The Amended and Restated Receivership Order was further amended by Court order on May 2, 2017 to address certain clerical errors.
5. On January 3, 2018, KingSett Mortgage Corporation, a secured creditor of 445 Princess, brought a motion for an order (the “445 Receivership Order”) in a separate Court proceeding appointing KSV as Receiver of the real property owned by 445 Princess and the assets, undertakings and properties of 445 Princess acquired for or used in relation to the real property. On January 9, 2018, the Court made the 445 Receivership Order.

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<sup>1</sup> Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation.

<sup>2</sup> Individuals who hold their mortgage investment in a Registered Retirement Savings Plan have a mortgage with Olympia Trust instead of the applicable Trustee Corporation.

6. On February 26, 2018, the Trustee brought a motion for an order (the “Ross Park Receivership Order”) appointing MNP Ltd. (“MNP”) as receiver of the real property owned by Ross Park and certain related assets, undertakings and properties of Ross Park (the “Ross Park Excluded Assets”). On March 1, 2018, the Court made the Ross Park Receivership Order. Pursuant to the Ross Park Receivership Order, MNP is not permitted to deal with the litigation that is the subject of the Receiver’s various reports to Court.
7. On May 17, 2018, the Trustee brought a motion for an order (the "Bronson-Ross Park-McMurray Receivership Order") appointing KSV as Receiver of certain assets, undertakings and properties of Bronson, Ross Park and McMurray. On May 30, 2018, the Court made the Bronson-Ross Park-McMurray Receivership Order.

## 2.0 Background

1. The Receivership Companies are developers of student residences, accommodations for people suffering from various forms of cognitive impairment or low-rise condominiums (collectively the “Projects”).
2. The Receivership Companies borrowed a principal amount of approximately \$119.940 million, comprised of \$93.675 million in secured debt owing to the Trustee Corporations (being monies raised by the Trustee Corporations from Investors) and \$23.675 million owing to mortgage lenders (the “Other Lenders”). The Receiver understands that the obligations owing to the Other Lenders rank in priority to the Trustee Corporations.
3. The funds advanced to the Receivership Companies from the Trustee Corporations were to be used to purchase real property and were intended to be used to pay soft costs associated with the development of the Projects.

## 3.0 Receiver’s Investigation

1. Following the issuance of the Amended and Restated Receivership Order, the Receiver commenced a review of, *inter alia*, the receipts and disbursements of the Receivership Companies (other than 445 Princess, Bronson, Ross Park and McMurray, which were not in receivership at the time) (the “Review”). Additionally, at the request of the Trustee, the Receiver reviewed the receipts and disbursements of the balance of the Receivership Companies, namely 445 Princess, Bronson, Ross Park and McMurray.
2. On June 6, 2017, the Receiver filed its Fourth Report to Court (the “Fourth Report”), which provided the Court with the Receiver’s findings regarding the Review. The Fourth Report reflected that, *inter alia*, millions of dollars were paid by the Receivership Companies to their shareholders (the “Shareholders”) and related parties in respect of management fees, consulting fees, dividends, loans and other amounts. A copy of the Fourth Report is attached as Appendix “A”, without appendices.

3. Based on the Receiver's findings in the Fourth Report, the Receiver filed a statement of claim (the "Statement of Claim") against John Davies ("Davies") and Aeolian Investments Ltd. ("Aeolian", and together with Davies, the "Davies Defendants") alleging, *inter alia*, fraud, breach of fiduciary duty and negligence. Davies is a director and officer of each of the Receivership Companies. Aeolian is owned by Davies' wife, Judith, and his children. Aeolian's sole director and officer is Davies. Aeolian is a direct or an indirect Shareholder of each of the Receivership Companies other than McMurray, which is owned, in part, by the Davies Family Trust (the "Family Trust").
4. Corporate charts for each of the Receivership Companies are collectively attached as Appendix "B".
5. On July 12, 2017, the Receiver filed its Sixth Report to Court. The Sixth Report detailed, *inter alia*, that Davies and Aeolian inappropriately transferred assets received from the Receivership Companies to Judith Davies, the Family Trust and the Davies Arizona Trust (the "Arizona Trust" and together with the Family Trust, the "Trusts"). A copy of the Sixth Report (without appendices) is attached as Appendix "C".
6. On August 31, 2017, the Court granted the Receiver leave to amend its Statement of Claim (the "Fresh as Amended Statement of Claim") to add as defendants Davies in his capacity as the trustee and/or representative of the Trusts, Judith Davies in her personal capacity and in her capacity as trustee and/or representative of the Family Trust, and Gregory Harris, solely in his capacity as trustee and/or representative of the Family Trust. A copy of the Fresh as Amended Statement of Claim is attached as Appendix "D".
7. On October 3, 2018, the Trustee and the Receiver jointly commenced a Statement of Claim against, among others, all the principals of the Receivership Companies and the Trustee Corporations as well as several of their advisors, including, among others, lawyers and the appraiser for the Projects.

## 4.0 Ontario Provincial Police

1. Investor concerns regarding the conduct of the principals of the Trustee Corporations and the Receivership Companies, as well as the mortgage brokers and investment advisors that promoted and sold the SMIs, have been communicated to the Royal Canadian Mounted Police (the "RCMP") and the Ontario Provincial Police (the "OPP").
2. On February 5, 2019, the Receiver was served with a production order (the "Production Order") issued by the Superior/Ontario Court of Justice in Brampton, Ontario. A copy of the Production Order is attached as Appendix "E". The Production Order requires the Receiver to provide copies of bank statements and the original general ledgers for the Davies Developers to the OPP Serious Fraud Office (the "OPP") within thirty days of the making of the Production Order.
3. The Receiver believes it is appropriate to comply with the Production Order to the extent that the information sought is in its possession or control. Accordingly, the Receiver recommends that the Court issue an order authorizing and directing it to comply with the Production Order, to the extent possible. The Receiver notes that certain of the information to be provided under the Production Order is not available to it, including the general ledgers for Ross Park, McMurray and Bronson.

4. The Receiver understands that GTL has also been contacted by the OPP concerning its investigation. In that respect, pursuant to an Order dated November 29, 2017, with a view to protecting Investor privacy, GTL sought and obtained an order authorizing it to provide names and contact information for Investors to the RCMP and the OPP.

\* \* \*

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**KSV KOFMAN INC.  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE  
INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD.,  
1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS  
STREET) INC., TEXTBOOK (555 PRINCESS STREET) INC., TEXTBOOK (445 PRINCESS  
STREET) INC., TEXTBOOK (774 BRONSON AVENUE) INC., TEXTBOOK ROSS PARK INC.  
AND McMURRAY STREET INVESTMENTS INC., AND NOT IN ITS PERSONAL OR IN ANY  
OTHER CAPACITY**

## **Appendix “B”**

**PRODUCTION ORDER FOR DOCUMENTS  
ORDONNANCE DE COMMUNICATION : DOCUMENTS**

SUPERIOR/ONTARIO COURT OF JUSTICE  
COUR SUPÉRIEURE DE JUSTICE/DE JUSTICE DE L'ONTARIO

Form / Formule 5.005  
Subsection / paragraphe 487.014(3)  
of the Criminal Code / du Code criminel

CANADA  
PROVINCE OF ONTARIO  
PROVINCE DE L'ONTARIO

Toronto  
(Region / Région)

Case/File No. / N° du cas/dossier

To **Noah Goldstein**, of **KSV Kofman Inc. 150 King St W # 2308, Toronto, ON M5H 1J9**  
À (name of person / nom de la personne) de

Whereas I am satisfied by information on oath of **Detective Constable Martin Connell**, of **Ontario Provincial Police**  
*Attendu que je suis convaincu, en me fondant sur une dénonciation sous serment par* (name of peace officer or public officer / nom de l'agent de la paix ou du fonctionnaire public) de

that there are reasonable grounds to believe that an offence has been or will be committed under  
*qu'il existe des motifs raisonnables de soupçonner qu'une infraction prévue à*

**see Appendix "B"**

(specify the provision of the Criminal Code or other Act of Parliament / préciser la disposition du Code criminel ou de l'autre loi fédérale) a été ou sera commise

and that (specify the document or data)  
*et que* (préciser le document ou les données)

**see Appendix "A"**

is in your possession or control and will afford evidence respecting the commission of the offence;  
*sont en votre possession ou à votre disposition et fourniront une preuve concernant la perpétration de l'infraction;*

Therefore, you are ordered to produce a document that is a copy of **see Appendix "A"**  
*En conséquence, vous êtes tenu(e) de communiquer un document qui est la copie de* (specify the document / préciser le document)

that is in your possession or control when you receive this order  
*qui est en votre possession ou à votre disposition au moment où vous recevez la présente ordonnance,*

**AND/OR / ET/OU**

prepare and produce a document containing (specify the data)  
*d'établir et de communiquer un document comportant* (préciser les données)

**(See Appendix "A")**

that is in your possession or control when you receive this order.  
*qui est en votre possession ou à votre disposition au moment où vous recevez la présente ordonnance.*

The document must be produced to **Detective Constable Martin Connell** within **30 days of issuance of this order**  
*Le document doit être communiqué à* (name of peace officer or public officer / nom de l'agent de la paix ou du fonctionnaire public) *dans un délai de* (time / indiquer le délai)

at **e-mail: martin.connell@ontariosfo.ca**, in **electronic format**  
à (place / lieu), *et être présenté* (form / indiquer la forme)

This order is subject to the following conditions:  
*La présente ordonnance est assortie des conditions suivantes :*

You have the right to apply to revoke or vary this order.  
*Vous avez le droit de demander la révocation ou la modification de la présente ordonnance.*

If you contravene this order without lawful excuse, you may be subject to a fine, to imprisonment or to both.  
*Sachez que la contravention de la présente ordonnance, sans excuse légitime, peut entraîner une peine d'emprisonnement et une amende, ou l'une de ces peines.*

Dated 05 February 2019  
Fait le (date)

at **city of Brampton**  
à (au) (place / lieu)

(Signature of justice or judge / Signature du juge de paix ou du juge)

# Appendix "A"

Items sought;

1. Copies of Bank statements belonging to the following companies;
  - i. Scollard Development Corporation
  - ii. Memory Care Investments Ltd. (Kitchener)
  - iii. Memory Care Investments Ltd. (Oakville)
  - iv. 1703858 Ontario Inc. (Burlington)
  - v. Legacy Lane Investments Ltd.
  - vi. Textbook Inc. (555 Princess Street)
  - vii. Textbook Inc. (525 Princess Street)
  - viii. Textbook Inc. (Ross Park)
  - ix. Textbook Inc. (445 Princess Street)
  - x. Textbook Inc. (774 Bronson Avenue)
  - xi. McMurray Street Investments Inc.
  
2. Copies of the original General ledgers belonging to the following companies (Original as in how they were initially received from the corresponding company);
  - i. Scollard Development Corporation
  - ii. Memory Care Investments Ltd. (Kitchener)
  - iii. Memory Care Investments Ltd. (Oakville)
  - iv. 1703858 Ontario Inc. (Burlington)
  - v. Legacy Lane Investments Ltd.
  - vi. Textbook Inc. (555 Princess Street)
  - vii. Textbook Inc. (525 Princess Street)
  - viii. Textbook Inc. (Ross Park)
  - ix. Textbook Inc. (445 Princess Street)
  - x. Textbook Inc. (774 Bronson Avenue)
  - xi. McMurray Street Investments Inc.



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## Appendix "B"

**Charge;**

1. Unknown person(s) between May 18<sup>th</sup>, 2012 and October 20<sup>th</sup>, 2016 within the Province of Ontario did by deceit, falsehood or other fraudulent means defraud the investors of the Tier One Projects of more than \$5000.00 contrary to section 380(1) of the *Criminal Code*.

## **Appendix “C”**



**AND ON HEARING** the submissions of counsel for the Receiver, no one else appearing although duly served as appears from the Affidavit of Service of Elsa Diaz sworn February 14, 2019,

1. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to comply with the production order issued by the Superior/Ontario Court of Justice in Brampton, Ontario on February 5, 2019 (the "**Production Order**") to the extent the sought information and documentation is within the Receiver's possession or control or comes within the Receiver's possession or control, without further Order of the Court.

2. **THIS COURT ORDERS** that the Receiver shall have no liability for its acts and omissions with respect to the Production Order and this Order, save and except for any gross negligence or willful misconduct on the Receiver's part.

A handwritten signature in blue ink, appearing to read "Hainey J", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

FEB 28 2019

PER / PAR: 

IN THE MATTER OF THE RECEIVERSHIP OF SCOLLAR DEVELOPMENT VORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK (445 PRINCESS STREET) INC.

AND IN THE MATTER OF THE RECEIVERSHIP OF TEXTBOOK ROSS PARK INC., TEXTBOOK (774 BRONSON AVENUE) INC. AND MCMURRAY STREET INVESTMENTS INC.

Court File No: CV-17-11689-00CL  
Court File No: CV-17-589078-00CL  
Court File No.: CV-16-11567-00CL

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

Proceeding commenced in Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, ON M5X 1A4

**Jonathan Bell** (LSO #55457P)  
**Sean Zweig** (LSO #57307I)  
**Joseph N. Blinick** (LSO #64325B)  
Tel: (416) 863-1200  
Fax: (416) 863-1716

Lawyers for KSV Kofman Inc. in its capacity as the Court-Appointed Receiver of Certain Property of Scollard Development Corporation, Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., 1703858 Ontario Inc., Legacy Lane Investments Ltd., Textbook (525 Princess Street) Inc. and Textbook (555 Princess Street) Inc., Textbook (445 Princess Street) Inc., Textbook (774 Bronson Avenue) Inc., Textbook Ross Park Inc. and McMurray Street Investments Inc.

## **Appendix “D”**

PRODUCTION ORDER FOR DOCUMENTS
ORDONNANCE DE COMMUNICATION : DOCUMENTS

SUPERIOR/ONTARIO COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE/DE JUSTICE DE L'ONTARIO

CANADA
PROVINCE OF ONTARIO
PROVINCE DE L'ONTARIO

Central West / Centre-Ouest
(Region / Région)

Form / Formule 5.005
Subsection / paragraphe 487.014(3)
of the Criminal Code / du Code criminel

OP18061411

Case/File No. / N° du cas/dossier

To Noah Goldstein (KSV Kofman Inc.), of 150 King St W. # 2308, Toronto ON M5H 1J9
À (name of person / nom de la personne) de

Detective Constable

Whereas I am satisfied by information on oath of Martin Connell, of Ontario Provincial Police
Attendu que je suis convaincu, en me fondant sur une dénonciation sous serment par (name of peace officer or public officer / nom de l'agent de la paix ou du fonctionnaire public) de

that there are reasonable grounds to believe that an offence has been or will be committed under
qu'il existe des motifs raisonnables de soupçonner qu'une infraction prévue à

see Appendix "B"

(specify the provision of the Criminal Code or other Act of Parliament / préciser la disposition du Code criminel ou de l'autre loi fédérale) a été ou sera commise

and that (specify the document or data)
et que (préciser le document ou les données)

See Appendix "A"

is in your possession or control and will afford evidence respecting the commission of the offence;
sont en votre possession ou à votre disposition et fourniront une preuve concernant la perpétration de l'infraction;

Therefore, you are ordered to produce a document that is a copy of See Appendix "A"
En conséquence, vous êtes tenu(e) de communiquer un document qui est la copie de (specify the document / préciser le document)

that is in your possession or control when you receive this order
qui est en votre possession ou à votre disposition au moment où vous recevez la présente ordonnance,

AND/OR / ET/OU

prepare and produce a document containing (specify the data)
d'établir et de communiquer un document comportant (préciser les données)

that is in your possession or control when you receive this order.
qui est en votre possession ou à votre disposition au moment où vous recevez la présente ordonnance.

The document must be produced to Detective Constable Martin Connell within 30 days of issuance of this order
Le document doit être communiqué à (name of peace officer or public officer / nom de l'agent de la paix ou du fonctionnaire public) dans un délai de (time / indiquer le délai)

at e-mail: martin.connell@ontariosfo.ca, in electronic format
à (place / lieu), et être présenté (form / indiquer la forme)

This order is subject to the following conditions:
La présente ordonnance est assortie des conditions suivantes :

You have the right to apply to revoke or vary this order.
Vous avez le droit de demander la révocation ou la modification de la présente ordonnance.

If you contravene this order without lawful excuse, you may be subject to a fine, to imprisonment or to both.
Sachez que la contravention de la présente ordonnance, sans excuse légitime, peut entraîner une peine d'emprisonnement et une amende, ou l'une de ces peines.

Dated 03 April 2019,
Fait le (date)

at city of Brampton
à (au) (place / lieu)

(Signature of justice or judge / Signature du juge de paix ou du juge)

Justice G. Paul Renwick

# Appendix “A”

Items sought;

1. Copies of Bank statements belonging to the following companies from inception to present;
  - i. Aeolian
  - ii. TSSI
  - iii. TSI
  - iv. Memory Care Investments Burlington Ltd.
  - v. Memory Care Investments Ltd. (“MCIL”)
  
2. Copies of the original General ledgers (Original as in how they were initially received from the corresponding company) including the following supporting documentation from inception to present;
  - i. Balance Sheet (for each period / year-end for the noted time period)
  - ii. Profit and Loss / Income Statement (for the noted time period)
  - iii. Trial Balance (for each period / year-end for the noted time period)
  - iv. List of adjusting journal entries (for the noted time period)

For the following companies;

- i. Aeolian
- ii. TSSI
- iii. TSI
- iv. Memory Care Investments Burlington Ltd.
- v. Memory Care Investments Ltd. (“MCIL”)



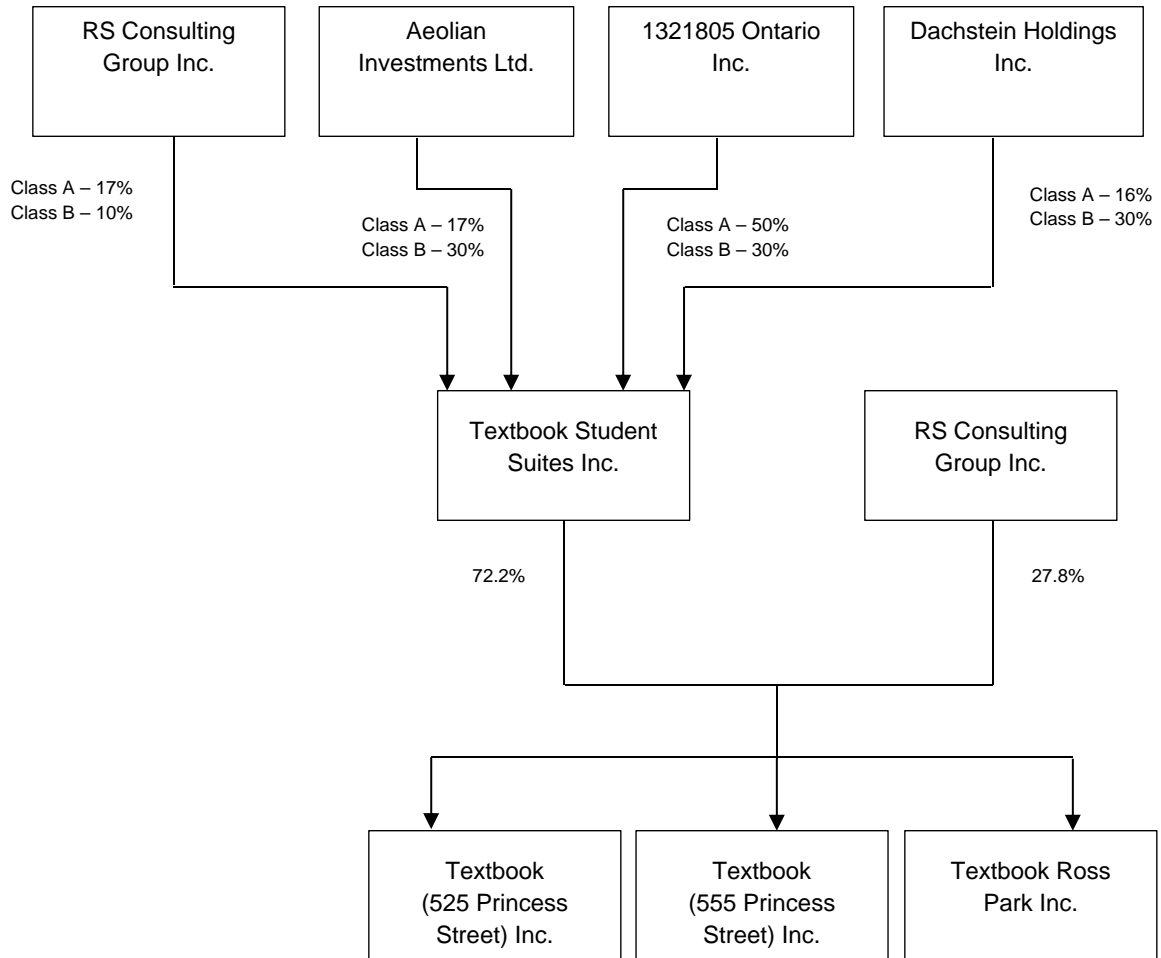
# Appendix “B”

**Charge;**

1. Unknown person(s) between May 18<sup>th</sup>, 2012 and October 20<sup>th</sup>, 2016 within the Province of Ontario did by deceit, falsehood or other fraudulent means defraud the investors of the Tier One Projects of more than \$5000.00 contrary to section 380(1) of the *Criminal Code*.

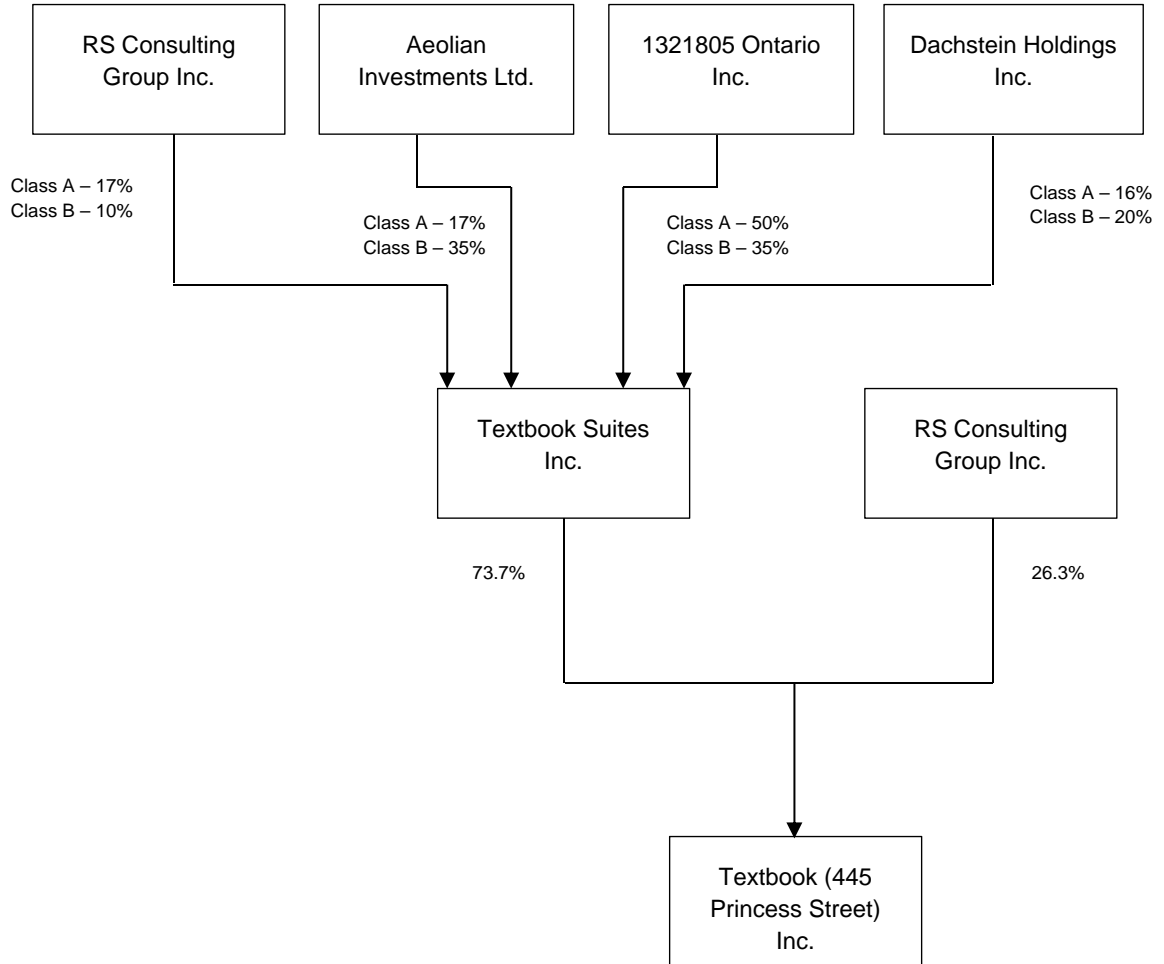
## **Appendix “E”**

**Textbook (525 Princess Street) Inc.<sup>1</sup>**  
**Textbook (555 Princess Street) Inc.**  
**Textbook Ross Park Inc.**



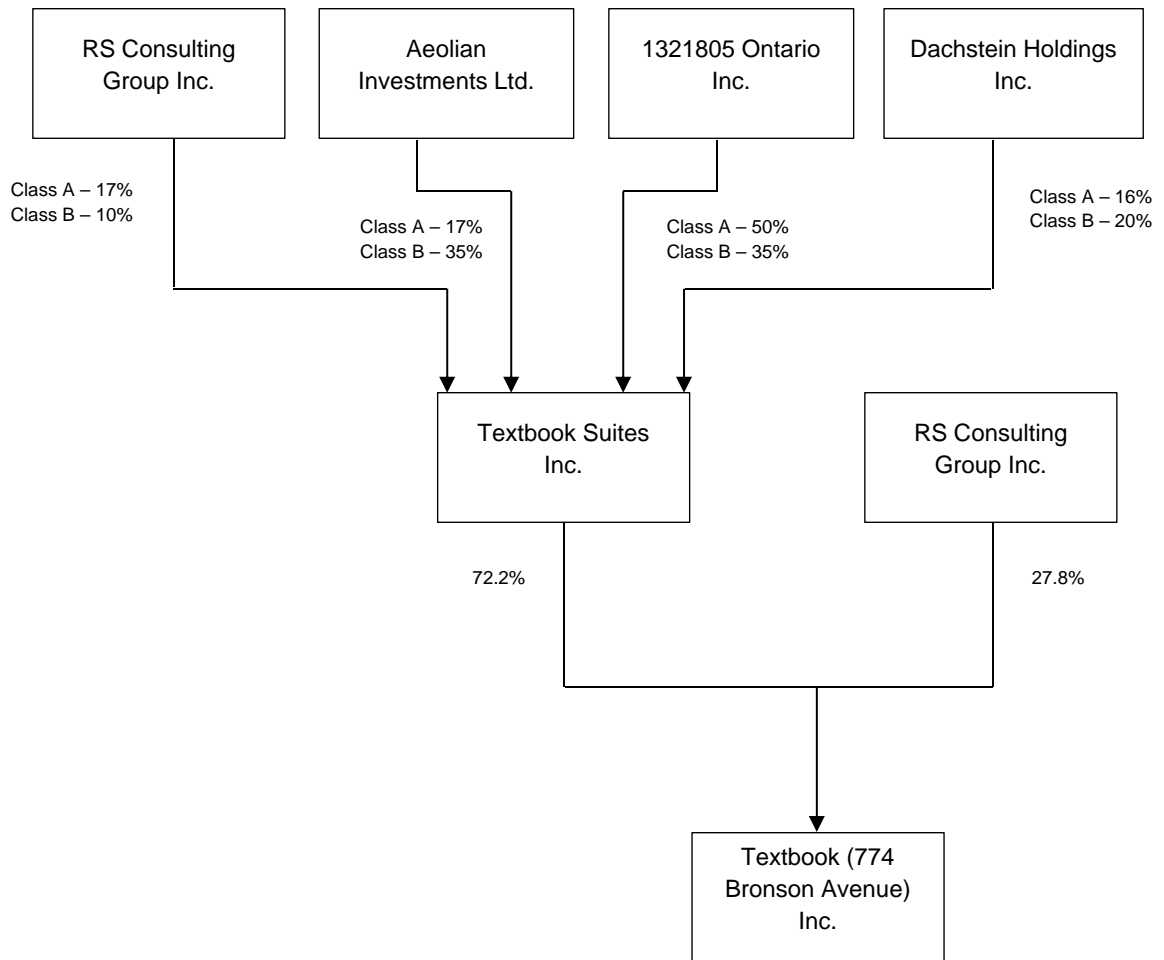
<sup>1</sup> Sourced from the Affidavit of John Davies sworn December 6, 2016 filed in support of the Davies Developers' application for protection under the *Companies' Creditors Arrangement Act*.

**Textbook (445 Princess Street) Inc.<sup>1</sup>**



<sup>1</sup> Sourced from the Affidavit of John Davies sworn December 6, 2016 filed in support of the Davies Developers' application for protection under the *Companies' Creditors Arrangement Act*.

**Textbook (774 Bronson Avenue) Inc.<sup>1</sup>**

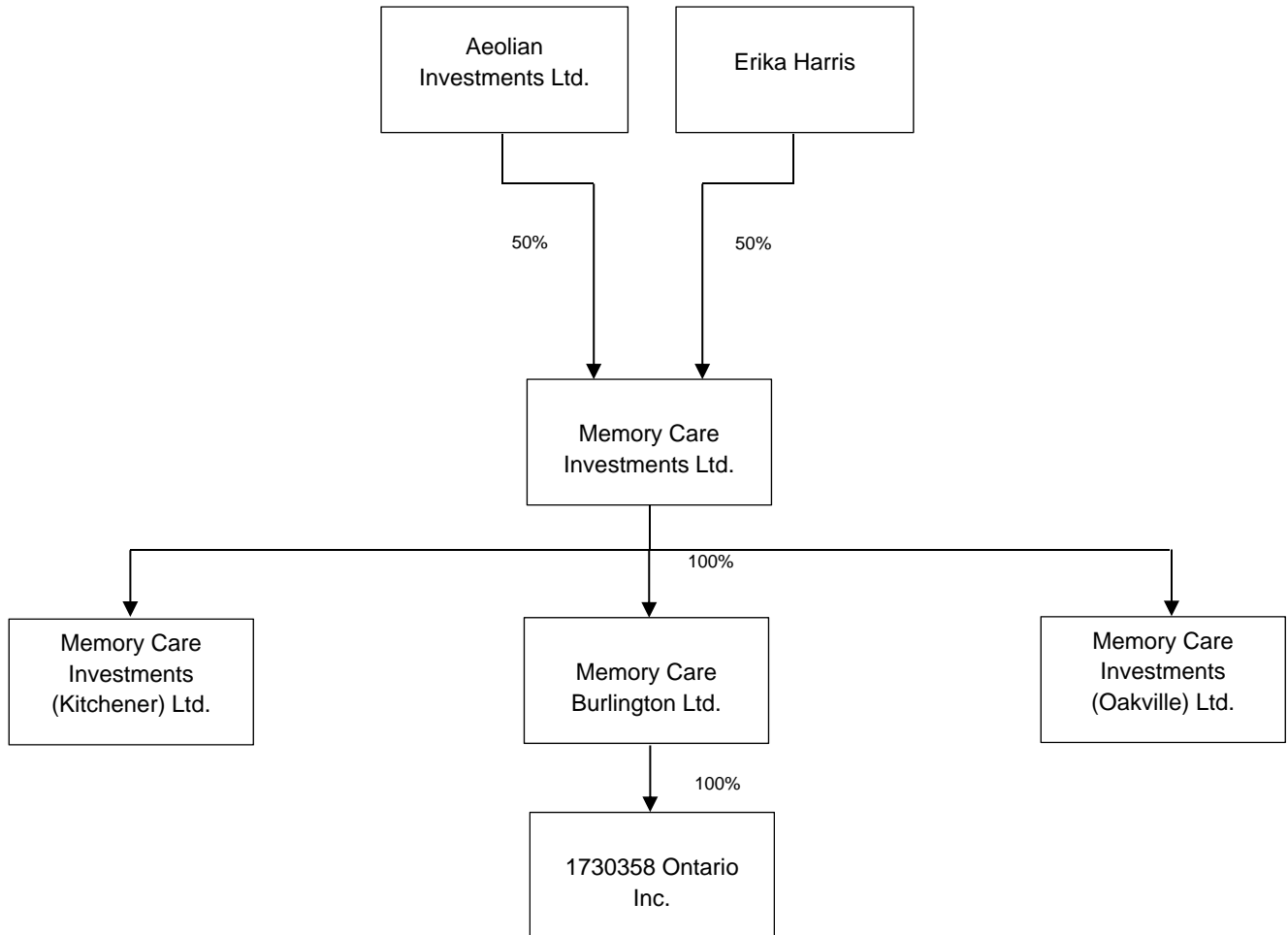


<sup>1</sup> Sourced from the Affidavit of John Davies sworn December 6, 2016 filed in support of the Davies Developers' application for protection under the *Companies' Creditors Arrangement Act*.

**Memory Care Investments (Kitchener) Ltd. <sup>1</sup>**

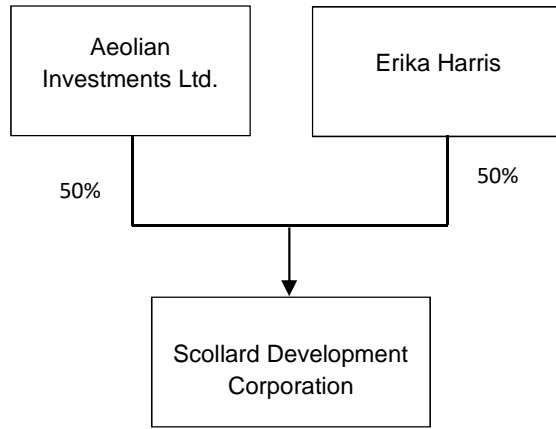
**17303858 Ontario Inc.**

**Memory Care Investments (Oakville) Ltd.**

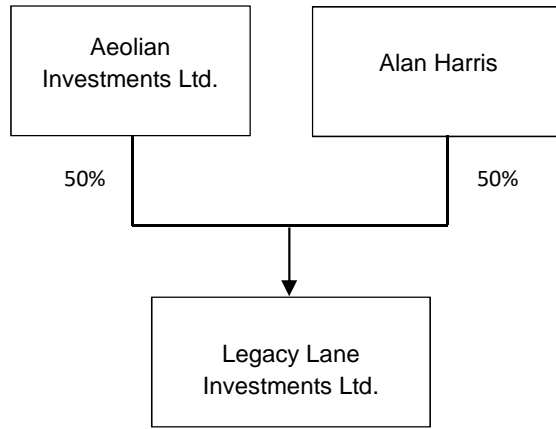


<sup>1</sup> Sourced from the Affidavit of John Davies sworn December 6, 2016 filed in support of the Davies Developers' application for protection under the *Companies' Creditors Arrangement Act*.

# Scollard Development Corporation

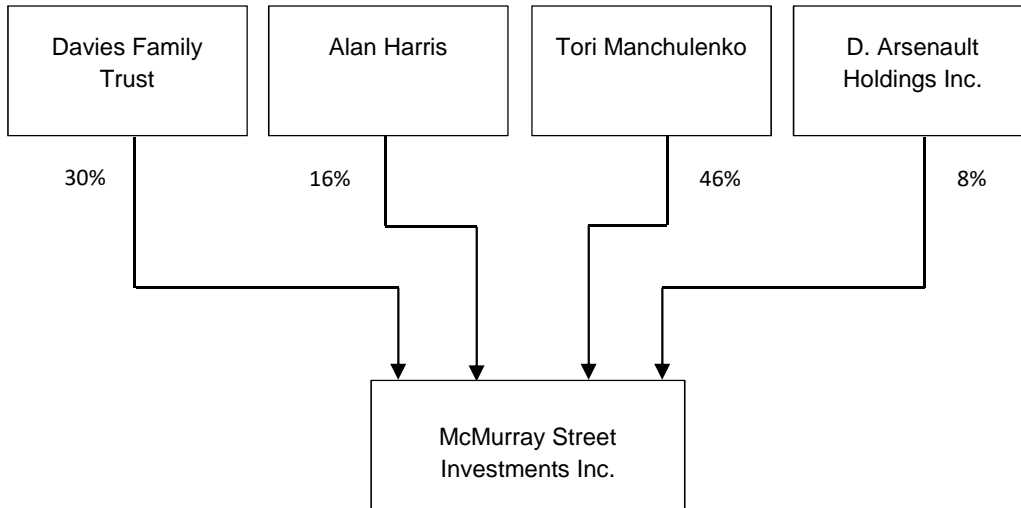


# Legacy Lane Investments Ltd.





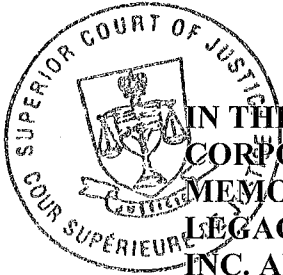
# McMurray Street Investments Inc.



## **Appendix “F”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) FRIDAY, THE 16<sup>th</sup>  
JUSTICE MYERS ) DAY OF JUNE, 2017  
)



IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

AND IN THE MATTER OF A MOTION PURSUANT TO 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

PRODUCTION ORDER

THIS MOTION, made by KSV Kofman Inc. (the “Receiver”), in its capacity as receiver and manager of certain property of Scollard Development Corporation (“Scollard”), Memory Care Investments (Kitchener) Ltd. (“Kitchener”), Memory Care Investments (Oakville) Ltd. (“Oakville”), 1703858 Ontario Inc. (“Burlington”), Legacy Lane Investments Ltd. (“Legacy Lane”), Textbook (525 Princess Street) Inc. (“525 Princess”) and Textbook (555 Princess Street) Inc. (“555 Princess” and, together with Scollard, Kitchener, Oakville, Burlington, Legacy Lane and 525 Princess, the “Receivership Companies”), was heard this day at 330 University Avenue, Toronto, Ontario.

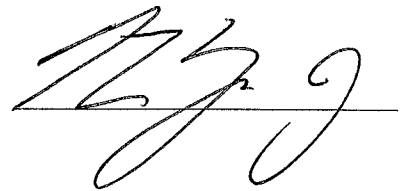
ON READING the Notice of Motion and the Receiver’s Fourth Report dated June 6, 2017, together with the appendices thereto,

**AND UPON HEARING** the submissions of counsel for the Receiver and those other counsel present,

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

2. **THIS COURT ORDERS** that Textbook Suites Inc. ("**TSI**"), Textbook Student Suites Inc. ("**TSSI**"), Memory Care Investments Ltd. ("**MCIL**") and Aeolian Investments Ltd. ("**Aeolian**") shall each forthwith produce, and provide the Receiver with, copies of any and all of their books, documents, contracts, corporate and accounting records, bank statements and any other papers, records and information of any kind relating to (i) the Receivership Companies and (ii) all disbursements made by the applicable company (collectively, the "**Books and Records**").

3. **THIS COURT ORDERS** that TSI's, TSSI's, MCIL's and Aeolian's authorized representatives shall, upon request by the Receiver, forthwith submit to examinations under oath following production and/or delivery of the Books and Records.

A handwritten signature in black ink, appearing to be 'M. J.', written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUN 16 2017

PER / PAR: 

IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

AND IN THE MATTER OF A MOTION PURSUANT TO 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

Court File No.: CV-17-11689-00CL

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

**PRODUCTION ORDER**

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Counsel to the Receiver,  
KSV Kofman Inc.