

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

THE HONOURABLE MADAM JUSTICE     )  
JESSICA KIMMEL                             )  
   )  
   )                             FRIDAY, THE 10<sup>TH</sup>  
   )                             DAY OF FEBRUARY, 2023

**IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICES OF INTENTION  
TO MAKE A PROPOSAL OF YG LIMITED PARTNERSHIP  
AND YSL RESIDENCES INC.**

**ORDER**

**THIS MOTION**, made by KSV Restructuring Inc. in its capacity as the proposal trustee (the “**Proposal Trustee**”) of the debtors YG Limited Partnership and YSL Residences Inc. (the “**Debtors**”) for directions establishing the process for any appeal from the Proposal Trustee’s notice of determination of the proof of claim filed by Maria Athanasoulis against the Debtors (the “**Athanasoulis Claim**”), was heard on January 16, 2023 at the courthouse at 330 University Avenue, Toronto, Ontario.

**ON READING** the Motion Record of the Proposal Trustee dated December 30, 2022, the Responding Motion Record of Concord Properties Developments Corp. (the “**Proposal Sponsor**”) dated January 4, 2023, the Responding Motion Record of Maria Athanasoulis dated January 4, 2023, the Joint Responding Motion Record of the Limited Partners (defined below) dated January 4, 2023, the Joint Responding Factum of the “Class A LPs” dated January 12, 2023, the

Responding Factum of Maria Athanasoulis dated January 12, 2023, the Responding Factum of the Proposal Sponsor dated January 13, 2023, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Proposal Sponsor, counsel for Ms. Athanasoulis, counsel for YongeSL Investment Limited Partnership, 2124093 Ontario Inc., SixOne Investment Ltd., E&B Investment Corporation, TaiHe International Group Inc. (the “**YongeSL LPs**”), and counsel for 2504670 Canada Inc., 8451761 Canada Inc. and Chi Long Inc. (the “**Chi Long LPs**” and together with the YongeSL LPs, the “**Limited Partners**”);

1. **THIS COURT ORDERS AND DIRECTS** that within one (1) week of the date of this Order, the Proposal Trustee shall provide Ms. Athanasoulis with a complete record of all evidence and submissions received from other stakeholders in connection with the Proposal Trustee’s draft Notice of Determination attached at Tab H to the Eighth Report of the Proposal Trustee dated December 30, 2022.

2. **THIS COURT ORDERS AND DIRECTS** that within two (2) weeks of the date of this Order, Ms. Athanasoulis may make reasonable and targeted document requests from the Proposal Trustee, the Debtors and/or Cresford, or any other participating party for documents not already in her possession and that she claims she needs as proof in support of the Athanasoulis Claim and to establish that it should be valued at more than zero.

3. **THIS COURT ORDERS AND DIRECTS** that Ms. Athanasoulis’ requests shall be responded to, and any documents in the possession, control or power of the Proposal Trustee, the Debtors and/or Cresford shall be provided, within three (3) weeks of any such request.

4. **THIS COURT ORDERS AND DIRECTS** that within two (2) months of the date of this Order, Ms. Athanasoulis shall deliver her submissions and a supplementary record containing any further evidence she relies on in support of the Athanasoulis Claim, or that she relies upon to challenge any determination that may be made to disallow her claim to a share of the profits earned on the YSL Project (the “**Profit Share Claim**”) on the grounds that:

- (a) it is equity, not debt;
- (b) the YSL Project did not generate any profits at, or at any time prior to, the date of the Debtors’ Court-approved proposal in this proceeding (the “**Proposal**”);
- (c) it is subordinated to the Limited Partners’ return of equity because of representations to that effect made to the Limited Partners by Ms. Athanasoulis; and/or
- (d) it is not enforceable as against the Limited Partners because it was entered into in breach of the Limited Partnership Agreement, breach of fiduciary duties owed to the Limited Partners by YG Limited Partnership’s general partner and/or misrepresentations made to the Limited Partners by Ms. Athanasoulis.

5. **THIS COURT ORDERS AND DIRECTS** that the Proposal Trustee may request further submissions, evidence or documents in respect of its consideration and assessment of the supplemental material provided by Ms. Athanasoulis, the Debtors, the Limited Partners or elsewhere as it deems appropriate. Any such evidence or documents shall be requested by the Proposal Trustee and shall be provided to Ms. Athanasoulis within four (4) weeks of the delivery of her supplementary record.

6. **THIS COURT ORDERS AND DIRECTS** that within two (2) weeks of the earlier of the provision of any further evidence or documents to the Proposal Trustee and the deadline for doing so:

- (a) the Proposal Trustee may question, by way of an examination under oath, Ms. Athanasoulis about any evidence or submissions she provides in support of the proof of the Athanasoulis Claim; and
- (b) Ms. Athanasoulis may examine a representative of the Debtors and/or Cresford under oath on the question of whether there were any profits in the YSL Project as at the date of the Proposal or at any time prior to that date.

7. **THIS COURT ORDERS AND DIRECTS** that the Proposal Trustee shall deliver to all interested parties its final Notice of Determination in accordance with section 135(3) of the BIA within two (2) weeks of the earlier of the completion of any questioning or cross-examination and the deadline for the completion of such questioning or cross-examination. The Proposal Trustee may, in its discretion, revise the draft Notice of Determination previously delivered to take into account the additional evidence and submissions it receives.

8. **THIS COURT ORDERS AND DIRECTS** that Ms. Athanasoulis may thereafter appeal the Proposal Trustee's Notice of Determination in accordance with section 135(4) of the BIA.

9. **THIS COURT ORDERS AND DIRECTS** that subject to the discretion of the appeal judge, the Limited Partners' standing on the appeal shall be limited to submissions in respect of the impact of the prohibition contained in the Limited Partnership Agreement on non-arm's length agreements, on the question of the enforceability of the Profit Share Claim and in respect of the priority or subordination of the Profit Share Claim to the Limited Partners' recovery of their initial


investment based on alleged breaches of contractual and fiduciary duties and alleged misrepresentations.

**COSTS OF THIS HEARING**

10. **THIS COURT ORDERS** that Ms. Athanasoulis and the Limited Partners may request their costs of this motion as against each other if there is a future adjudication of costs in connection with the determination and valuation of the Athanasoulis Claim.

**GENERAL**

11. **THIS COURT ORDERS** that this Order is effective from February 10, 2023 and is enforceable without the need for entry or filing.

 Digitally signed  
by Jessica Kimmel  
Date: 2023.03.10  
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**AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF YG LIMITED PARTNERSHIP AND YSL RESIDENCES INC.**

Court File No.: BK-21-02734090-0031

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
**COMMERCIAL LIST**

Proceedings commenced at Toronto

**ORDER**

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