Estate/Court File No.: 31-2734090

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

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

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

Applicants

SUBMISSIONS OF CONCORD PROPERTIES DEVELOPMENTS CORP.

(Returnable June 23, 2021)

June 22, 2021

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A. INTRODUCTION

1. Concord Properties Developments Corp. ("**Concord**") is the proposal sponsor of the above-captioned proceedings and makes these submissions in support of the motion of YG Limited Partnership ("**YG LP**") and YSL Residences Inc. (together with YG LP, "**YSL**") for approval of the Amended Proposal #2 dated June 15, 2021 (the "**Proposal**"), which was unanimously approved by voting creditors at a duly convened creditors' meeting held June 15, 2021 (the "**Creditors' Meeting**").

2. Concord's sponsorship of the Proposal represents an arm's length commercial transaction. Its simple premise is that Concord will provide such funds as are necessary to cleanse YSL of its debts, and in exchange Concord will become the owner of YSL's development project.

3. Concord submits that the Proposal represents a *bone fide* restructuring transaction that will: (a) result in a meaningful and expeditious recovery to YSL's creditors; (b) avoid the prospect of the termination of existing condominium purchase agreements (an outcome that would dramatically increase YSL's secured debts, in addition to having significant personal impact on

affected purchasers); and (c) lead to the expeditious resumption of construction of the development project, thereby putting numerous construction and other trades back to work and delivering approximately 1,100 new homes to the supply-constrained GTA market on the fastest possible timeline.

4. Objections to the approval of the Proposal are brought by the embittered third-party limited partners of YG LP (collectively, the "**Investors**")[1] and YSL's embittered former executive, Maria Athanasoulis (together with the Investors, the "**Objecting Parties**").

5. No objections to approval of the Proposal are made by any creditors with proven claims.

6. Although the Objecting Parties go to great length to cast aspersions against the Proposal, YSL, and Concord in its capacity as sponsor of the Proposal, they do not provide any evidence that they would be better off if the Court does not approve the Proposal. They could have filed their own appraisal or other valuation evidence. They either did not try, or they did try and it did not support their position. They could have solicited evidence of other interested bidders. They either have not tried, or they tried and found there weren't any.

7. As for the Investors, there is a serious question as to whether they have any standing to raise these issues. They may or may not make moral claims about the process, but as equity holders subordinated to YSL's ordinary creditors they can only legitimately raise issues about the financial fairness of the Proposal if there is a realistic prospect that the value breaks beyond the quantum of YSL's debt. However, the record stands that (i) there is no scenario likely to generate any return to equity,[2] and (ii) the Proposal likely represents the most favourable recovery to creditors in the

[1] The Investors are represented by Lax O'Sullivan Lisus Gottlieb LLP ("**LOLG**") on one hand and Thornton Grout Finnegan LLP ("**TGF**") on the other. In respect of the present motion, LOLG has filed a Joint Factum on behalf of all Investors dated June 16, 2021 (the "**LOLG Factum**") and a Joint Reply Factum on behalf of all Investors dated June 21, 2021 (the "**LOLG Reply**"). TGF has also filed a Joint Factum on behalf of all Investors dated June 21, 2021 (the "**TGF Factum**").

[2] Report of KSV Restructuring Inc. in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") dated June 4, 2021 (the "**Trustee's Second Report**") at para 6.1.7.

circumstances of this case[3] (including Ms. Athanasoulis to the extent she may be able to prove a claim for the purposes of distribution).

8. To distract attention from the economic reality, the Objecting Parties engage in outlandish rhetoric in an attempt to cast their opponents as villains in the eyes of the Court. Insofar as it is targeted at Concord, with the suggestion that Concord "concealed" valuation information or engaged in "secret deals", that rhetoric is baseless (as demonstrated below) and deplorable. No proposal sponsor deserves such shabby treatment, even from those who apparently have nothing to lose by it.

9. Concord has behaved not only in good faith, but honourably. It was Concord's idea to restructure YSL, not Cresford's. That was done to satisfy Otera. If the Proposal is approved, it will be Otera that finances construction, on an unsyndicated basis, on the strength of Concord's covenant as one of the largest, if not the largest multifamily residential developers in this country. Yes, Concord stands to make a profit as the new owner, but as the consultant retained by the proposal trustee has opined, that profit is expected to be under market. That conclusion is not directly challenged by the Objecting Parties.

10. There is no legitimate basis to cast Concord in the role of villain. Concord has facilitated exactly what Canada's insolvency regime is supposed to do: enable compromises that maximize recovery for those "on the equity bubble" – in this case the unsecured creditors. In so doing, it is also facilitating expedited recovery by the secured creditors. All these constituencies, unlike the Objecting Parties, have something to lose if the Proposal were not facilitated by Concord.

11. To the extent they concern Concord specifically, the objections raised by the Objecting Parties are merely bald accusations and paranoid theories aimed at smearing the *bona fide* efforts

[3] Trustee's Second Report at para 6.1.6.

of Concord to facilitate a proposal for consideration by YSL's creditors. If the Objecting Parties possess actual evidence of nefarious activity on the part of Concord, they have not presented it. Instead, what we have are inferences presented by the Objecting Parties as conclusions, none of which have any air of reality.

B. THE EQUITIES FAVOUR APPROVAL OF THE PROPOSAL

12. Although the statutory test for approval of the Proposal is clearly satisfied in this case, the equitable considerations invoked by this motion also militate in favour of the approval of the Proposal.

13. As noted in the Applicant's factum, the approval of the Proposal is governed by section 59(2) of the BIA, and the Court's inquiry must consider (i) whether the terms of the Proposal are reasonable, and (ii) whether the Proposal is calculated for the benefit of the general body of creditors.[4] Both of these inquiries are satisfied by the Proposal.

14. In considering whether and how to exercise its discretion in this case, the Court should be mindful that "Equity is based on judicial discretion. Where applied, equitable remedies are flexible; their award is based on what is just in all the circumstances of the case. They are malleable principles intended to serve the ends of fairness and justice."[5] However, where equitable considerations operate alongside statutory provisions (in this case BIA section 59(2)), equitable considerations cannot supplant the requirements set out in the statute: "In the face of clear statutory provisions, equitable remedies cannot apply."[6] Put differently, in approaching its equitable considerations in determining whether to approve a proposal, the "court must be satisfied that the

[4] *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 **[BIA]** at section 59(2).
[5] *House v. Baird*, 2019 ONSC 1712 **[House]** at para 43.
[6] House at para 45.

creditors are getting more advantage from the terms and the proposal than would arise from a bankruptcy."[7]

15. The relief sought by the Investors (i.e. the nullification of the Proposal and these proceedings *ab initio*) is not contemplated under the BIA or otherwise at law. To grant such relief would be an exercise of the Court's equitable discretion running contrary to the analysis required to be undertaken under BIA section 59(2).

16. Moreover, while the Investors ask the Court to exercise its discretion in their favour to redress what they perceive to be bad behaviour on the part of YG LP's general partner, 9615334 Canada Inc. (the "**GP**"), in the overall dynamics of this case, the considerations of the Investors should be subordinated to the legitimate interests of YSL's creditors.

17. While the Investors cast themselves as disproportionately prejudiced as a result of their nil investment return and therefore entitled to equitable relief, they ignore completely the impact that rejection of the Proposal would have on YSL's unsecured creditors. Indeed, the claims of the creditor group have gone largely unaddressed since early spring of last year, and if the Investors are successful there is a real risk that this delay will go on for many more months while the receivership process unfolds – and with no certainty that there would be any return to unsecured creditors in such a scenario. In these circumstances, particularly where neither the Investors nor any other party are contesting that YSL is insolvent, it would be wrong in principle to allow YSL's Investors, acting purely in their own self interest, to dictate the process by which creditors determine their fate.

[7] *In the matter of the Proposal of Innovative Coating Systems Inc.*, 2017 ONSC 3070 **[Innovative Coating]** at para 40.

Investors' Attempts to 'Pick and Choose' Relief Must be Dismissed

18. The Investors also equivocate on the nature of relief they seek, and have retreated from their original position that the Proposal is void as a matter of fact without any judicial intervention.

19. Originally, in Lax O'Sullivan Lisus Gottlieb LLP ("**LOLG**")'s factum filed June 16, 2021 (the "**LOLG June 16 Factum**"), the Investors jointly advanced the position that "the agreement with Concord and all steps taken with respect to the Proposal Sponsor Agreement are invalid and properly set aside."[8] However, in the Joint Reply Factum filed by LOLG on June 20, 2021 (the "**Joint Reply Factum**") on behalf of all Investors, the Investors have retreated from their earlier position that the Proposal and these proceedings are *de facto* void *ab initio*, and concede that nullifying the Proposal and the proceedings will be an act of judicial discretion.[9]

20. In the Joint Reply Factum the Investors make clear that they are not asking the Court to reverse all interim actions taking in furtherance of the Proposal, only those selectively identified to advantage themselves. For example, they argue that condominium purchase agreements disclaimed during the Proposal process should stand because they "arguably increase the value of the YSL Project" in their view.[10] This position clearly disregards the interests of the individual unit purchasers/creditors that are also impacted by such disclaimers, and is logically inconsistent with the relief requested in nullifying all actions flowing from the Proposal Sponsor Agreement.

21. Having conceded that (i) they are content to live with the consequences of the Proposal process to the extent they are advantageous to them, and (ii) the nullification of the Proposal process would be an act of judicial discretion (and not a naturally flowing legal consequence), the

[8] LOLG June 16 Factum at para 27.
[9] Joint Reply Factum at paras 27-32.
[10] Joint Reply Factum at para 31.

Investors implicitly request that such judicial discretion be exercised in their favour without engaging in any meaningful analysis of why this would be appropriate in the circumstances.

22. Concord submits that in the context of assessing whether to exercise its discretion to approve a duly filed and unanimously adopted BIA proposal, the Court must exercise its discretion in the manner consistent with the best interests of creditors – the only stakeholders with a direct economic interest in the outcome of the process. There is simply no reason that equity holders should be given primacy in an insolvency context, particularly where, as here, experts have opined that no return to equity is likely, and where, as here, no creditors with proven claims have raised any concerns regarding the Proposal or its benefit to them.

C. THE PROPOSAL REFLECTS A PROPER RESTRUCTURING PURPOSE

23. As indicated in the Third Report of KSV Restructuring Inc. (the "**Proposal Trustee**") dated June 18, 2021 (the "**Third Report**"), voting creditors unanimously approved the Proposal at the Creditors' Meeting.

24. Counsel to the Proposal Trustee has since advised that Maria Athanasoulis, a purported creditor of YSL and former executive within the Cresford group of companies, has taken the position that the duly filed votes of creditors should be disregarded on the basis that certain of YSL's creditors entered into conditional claims assignment agreements with Concord, and that the existence of such an arrangement somehow disqualifies their entitlement to vote.

25. More recently, as of June 21, 2021 the Investors have filed a factum taking the same position as Ms. Athanasoulis, with the spicy rhetoric of "secret deals" peppered throughout.

26. Concord has indeed entered into claims assignment arrangements with a number of YSL's creditors, albeit those arrangements are conditional upon the Proposal being approved by the Court. This is no "secret". Concord kept the Proposal Trustee informed, and provided the Proposal

Trustee with the form of agreement being used. The Proposal Trustee has reported to the creditors and the Court about it.

27. The only thing undisclosed is the consideration agreed upon with each individual creditor. The deals between Concord and various creditors are not proper for disclosure on the same basis that property appraisals are not publicly disclosed: doing so would prejudice the viability of subsequent transactions for those creditors whose claims assignments do not complete. No adverse inference can or should be drawn from this routine circumstance, particularly where the complaints are not raised by a party with an economic interest in the Proposal itself.

28. Moreover, there is no issue that Concord has an interest in the Proposal's success, since it will result in Concord acquiring the YSL Project and seeing it through to completion, should the Proposal be implemented in accordance with its terms.

29. What is common ground is that there is no legal issue presented by "simply having a solvent entity financially supporting a plan [in this case, a proposal] with a view to ultimately obtaining an economic benefit for itself," provided that the underlying proceedings further a *bona fide* restructuring objective.[11]

30. The suggestion that votes should be disregarded because certain creditors pledged their support of the Proposal can only advance if it is established that there has been "conduct amounting to an abuse of process or other tortious or near tortious character and that conduct has resulted in a substantial injustice."[12] Put differently, "creditors are entitled to vote their claims in what they as creditors perceived to be their own economic interests as long as their actions are not unlawful or do no result in a substantial injustice."[13]

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[11] *Re Canadian Airlines Corporation*, 2000 CanLII 28202 (ABQB) at para 34.
[12] *Re Blackburn Developments Ltd.*, 2011 BCSC 1671 **[Blackburn]** at para 32.
[13] Blackburn at para 44.

31. Courts have overturned creditor votes only where there is evidence that the underlying restructuring proceedings are in furtherance of an "improper purpose", which is not the case at present. Examples of where Courts have found that an "improper purpose" exists such that it should intervene to disregard a duly cast creditor vote include:

(a) Where proceedings were commenced with the stated intention of causing the bankruptcy of an industry competitor, and the non-insolvent competitor acquired the claims of the insolvent competitor to force the bankruptcy petition: *Re Laserworks Computer Services*;[14]

(b) Where a party purchased claims with the intention of exacting "vindictive vengeance" for perceived wrongdoings, again in order to acquire sufficient debt to petition the insolvent into bankruptcy: *Re Lai*;[15]

(c) Where a party attempted to secure a fraudulent preference through commercial extortion: *Re West Coast Logistics Ltd.*;[16] and

(d) Where it was found that claims were acquired "to advantage one creditor over another, to defeat the legitimate business interests of creditors or to delay the inevitable failure of the debtor company": *Re San Francisco Gift Ltd.*[17]

32. None of these cases are analogous to these Proposal proceedings, and neither the Proposal itself, nor Concord's assignment arrangements with creditors reflect any sort of "improper purpose" in any way, let alone within the applicable legal test.

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[14] *Re Laserworks Computer Services Inc.*, 1997 CanLII 1229 (NS SC).
[15] *Re Lai*, 2005 CanLII 17915 (ON SC) at para 12.
[16] *Re West Coast Logistics Ltd.*, 2017 BCSC 1970 at para 32.
[17] *Re San Francisco Gifts Ltd.*, 2005 ABQB 91 at para 23.

33. This Court must also be mindful that Ms. Athanasoulis' attempts to wrest control of these proceedings from the Applicants is consistent with her approach in several other recent insolvency processes stemming from Cresford Group condominium development projects, and in those cases, she was determined to be, at very best, a contingent creditor of the debtor company.[18] The same should apply here. Ms. Athanasoulis is, at best, a contingent creditor of YSL and her grievances must be viewed through that lens. None of the issues raised by Ms. Athanasoulis call into question the commercial morality of the Proposal or the integrity of these Proposal proceedings.[19] Rather, they are clear indicia of a disgruntled former employee, and are entirely consistent with her approach which has been considered and rejected in other Cresford-related insolvency proceedings.

34. The Objecting Parties pile on to impute nefarious intent from the existence of Concord's arrangements with various creditors, but once again these complaints do not withstand scrutiny. The 1925 case excavated by the Investors for the proposition that equal treatment is a requirement of insolvency law ignores the century of law and practice that followed it. If blindly accepted at face value and followed to its logical conclusion, this "principle" would do away with "convenience class" structures altogether, since these groups of creditors receive inherently different economic treatment than others. Acceding to the Investors' position would have far-reaching implications beyond the present case.

35. More recent cases have refined the archaic approach to conform with modern practice. For example, in a case where a party set out to acquire claims to afford itself a blocking position in

[18] See e.g. *The Clover on Yonge Inc*., 2020 ONSC 5444 at para 39 (Koehnen J.); and the Endorsement of Hainey J. issued January 8, 2021 in *The Clover on Yonge* proceedings, at para 8.
[19] Innovative Coating at para 24.

any creditor vote, that was considered and determined not to offend provided there is no underlying abuse of process or substantial injustice resulting: see e.g. *Blackburn*.[20]

36. To characterize the unremarkable act of garnering support for a proposal a "fraud on creditors", as the Investors do, is beyond the pale.[21] The Objecting Parties have not presented evidence that there is any outcome where a return on their equity is forthcoming, and therefore do not have the standing to launch such offensive, unsupported attacks.

37. Fundamentally, all Affected Creditors receive equal treatment under the Proposal, as is required.

38. In sum, while the Court retains the jurisdiction to refuse a Proposal or disregard creditor votes where it is in the interests of justice to do so, there is no need for such intervention in this case. The only injustice that could result from the present motion is that which would flow from granting the Investors the "veto" they seek.

D. A BETTER DEAL IS HIGHLY UNLIKELY IN ALTERNATIVE SCENARIOS

39. The Objecting Parties are at pains to hypothesize that the true value of YSL's project would only be uncovered through a sales process open to multiple bidders. This is the only answer they have to suggest that the Court should substitute its judgment for the judgment of the creditors who unanimously voted in favour of the Proposal.

40. There are several reasons why the Court should decline this invitation.

41. First, the question is inherently one of business judgment, not legal judgment. An auction may or may not yield higher value than a private sale. Every time a business puts itself or its assets

[20] Blackburn, at paras 14, 20 and 32.
[21] Factum of the Investors Filed June 21, 2021 at para 50.

on the market, the option exists to go one way or another. It is not invariably the case that auctions procure the highest bid. Indeed, more often than not, people of commerce choose to negotiate private transactions rather than hold auctions. Assuming enlightened self interest as a basic rule of economics, one must assume that more often than not privately negotiated transactions do produce better value than auctions.

42. We tend to default to auction-type processes in court-ordered receiverships, but that would appear to be an exception to the usual tendency of business – driven by process concerns specific to the receivership dynamic.

43. In any restructuring by way of proposal under the BIA or arrangement under the CCAA, there could be an argument that the transaction has been insufficiently "exposed to the market" on analogy to a court-ordered receivership. But the structure of the legislation is not to require market exposure in all cases. As it is a matter of business judgment, it is the creditors who are best placed to determine the matter; they do so through their votes.

44. Second, the report of Finnegan Marshall Inc. (the "**FM Report**"), which is the only expert evidence before the Court on the matter, finds that the results in any receivership sale scenario would be worse for the stakeholders. Again, the Objecting Parties have either failed or not tried to adduce any contrary expert evidence.

45. Third, the argument proceeds from the assumption that a sales process open to multiple bidders would be a competitive one. But there is no evidence to support that assumption. The Joint Reply factum, filed by LOLG on June 21, 2021 assumes that a receivership sale process would be a "competitive sale process", while presenting no evidence to attest to the interest of any developers in acquiring the YSL Project other than Concord, through the Proposal.

46. But as set out in YSL's facta in these proceedings, very few development companies have the wherewithal to perform a project of the scale and complexity as the YSL Project, and even fewer have the ability to finance such an opportunity. The economics reflected in the Proposal are only offered in the context of Concord's willingness to transact under a BIA proposal scenario. In any alternative sale process, particularly one where there is little to no perceived competition, and where Concord holds a considerable position as a secured creditor, including the ability to credit bid the third mortgage, it is entirely possible that Concord would put forward an inferior offer in terms of creditor recovery than that set out in the Proposal.

47. The Objecting Parties also fundamentally misconstrue the structure of the Proposal to advance their arguments against the characterization of Cresford's claims as debt versus equity. What the Objecting Parties fail to appreciate is that Concord is not providing a pool of funds for distribution such that the disallowance of one creditor's claim leads to increased distributions to others. Rather, the Proposal provides up to a 58% recovery to all Creditors with Affected Claims that have been proven to the Proposal Trustee. The economics of the Proposal are such that Concord's payment will be less if the Proposal Trustee determines that Proven Claims are less than as-filed, based on the legal entitlements of the claimants. There is nothing inherently objectionable about this fact – it is inherent to the economics of the Proposal being put forward.

48. No party in interest is prejudiced if, as a result of claims determinations proceeding in accordance with the BIA, Concord's overall funding requirement is decreased, because the Proposal is a fundamentally different kind of arrangement than a land acquisition through a sale process. In a sale process, a bidder is not concerned with winning a vote of creditors, focussing instead on a competitive strategy. These are fundamentally different processes that must not be conflated to further the Objecting Parties' erroneous arguments. As set out in YSL's materials, this

is a rather shameless attempt on the part of the Objecting Parties to have the Court "blow on their dice" while they gamble with the unsecured creditors' money.

49. Moreover, the Investors have not advanced any evidence that their investment return is tied in any way to the characterization of Cresford's claims. The uncontested evidence in the FM Report is that there is no scenario likely to provide any return to equity, no matter the treatment of Cresford's claims. This is the case whether the Cresford claims are allowed in full, partially allowed or disallowed in their entirety – there is no difference in outcome to the equity holders in this case.

E. THE OBJECTING PARTIES' CONSPIRACY THEORIES SHOULD BE IGNORED

50. As with all conspiracy theories, the attention-grabbing litany of complaints put forward by the Objecting Parties are tinged with paranoid delusions that are devoid from fact. These will be debunked in turn.

(a) *No Appraisal Conspiracy*

51. The Investors conclude that "Concord directed the author [of the 2021 appraisal] to disregard all construction costs"[22] while offering no evidence other than their own reading of CBRE's 2021 appraisal (the "**2021 Appraisal**").

52. First, it should be noted that the 2021 Appraisal was prepared by the same appraiser engaged by Cresford for earlier valuation work in 2019, CBRE. Impeaching the appraiser in this case affords the Objecting Parties no advantage. If the 2021 Appraisal is flawed (Concord submits it is not), so too must the 2019 appraisal favoured by the Objecting Parties be held in suspicion.

[22] Factum of the Investors Filed June 21, 2021 at para 41.

53. Second, the Objecting Parties assume that the 2021 Appraisal was prepared for the purpose of promoting the success of the Proposal, but present no evidence to this effect. This unsupported inference belies the reality that Concord had commissioned the 2021 Appraisal from CBRE separate and apart from the Proposal and these proceedings.[23]

54. Third, the Investors impute nefarious intent on the part of Concord in instructing CBRE, going so far as to concoct "directions" allegedly provided by Concord and presenting them as fact – again without any evidence to support the claim. Contrary to these allegations, Concord did not direct CBRE to disregard construction costs – its view is that CBRE (a land appraisal expert) is not qualified to opine on construction costs.[24] Accordingly, when providing the 2021 Appraisal to the Proposal Trustee, Concord itself raised the issue and suggested that the Proposal Trustee retain a quantity surveyor to opine on the issue.[25] Finnegan Marshall is a leading cost consultant expert, and its analysis on the value of work completed to-date is embedded in the 'cost to complete' analysis contained in its report.

(b) ***No Claims Assignment Conspiracy***

55. The Objecting Parties go to great lengths to cast aspersions on Concord's efforts to reach consensual arrangements with certain of YSL's creditors and imply that the existence of such arrangements (which are common to restructuring proceedings) are evidence of a nefarious intent.

56. In addition to the legal analysis set out above, the Court should be cognizant of the practical need for an arrangement outside of the Proposal with certain creditors in order to effectively implement the Proposal and its related transactions. In particular, discharging lien claims from title to the YSL Project lands will be an important pre-condition of any prospective purchaser's

[23] Affidavit of Cliff McCracken sworn June 22, 2021 **[McCracken Affidavit]** at paras 5-6 and 12.
[24] McCracken Affidavit at para 14.
[25] McCracken Affidavit at para 14.

ability to obtain purchase financing. Under a receivership sale scenario, lien claims would be expunged from title by court order, thus denying those claimants their statutory security. Under the Proposal, no such mechanism is contemplated, and so it was incumbent on Concord to come to terms with the lien claimants in order to be able to achieve clean title on closing.

57. Further, there is no reality to the Objecting Parties' suggestion that Concord voted claims which had been assigned to it *en masse*. The Proposal Trustee's Third Report reflects the reality that all such assignment arrangements entered into by Concord are conditional upon the Proposal being approved by the Court, and the claims assignments are not effective until that condition has been satisfied.[26]

58. Regardless, as set out above, because there is no tortious conduct or substantial injustice at play under the Proposal, there is no "improper purpose" evidenced by Concord merely entering into claims assignment agreements, even if such agreements serve to secure the creditor vote in Concord's favour.

59. For the forgoing reasons, Concord submits that the Proposal should be approved, and the objections of the Objecting Parties must be ignored.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

June 22, 2021.

BENNETT JONES LLP

[26] Third Report, paragraph 4.10.1.

SCHEDULE "A"

LIST OF AUTHORITIES

House v Baird, 2019 ONSC 1712
In the matter of the Proposal of Innovative Coating Systems Inc, 2017 ONSC 3070
Re Canadian Airlines Corporation, 2000 CanLII 28202 (AB QB)
Re Blackburn Developments Ltd, 2011 BCSC 1671
Re Laserworks Computer Services Inc, 1997 CanLII 1229 (NS SC)
Re Lai, 2005 CanLII 17915 (ON SC)
Re West Coast Logistics Ltd, 2017 BCSC 1970
Re San Francisco Gifts Ltd, 2005 ABQB 91
The Clover on Yonge Inc, 2020 ONSC 5444
Endorsement of Hainey J issued January 8, 2021 in *Re The Clover on Yonge*

SCHEDULE "B"

TEXTS OF STATUTES

***Bankruptcy & Insolvency Act*, RSC 1985, c B-3**

Section 59(2): Court may refuse to approve the proposal

(2) Where the court is of the opinion that the terms of the proposal are not reasonable or are not calculated to benefit the general body of creditors, the court shall refuse to approve the proposal, and the court may refuse to approve the proposal whenever it is established that the debtor has committed any one of the offences mentioned in sections 198 to 200.

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