

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**FRONTENAC MORTGAGE INVESTMENT CORPORATION**

Applicant

and

**HYDE PARK RESIDENCES INC.**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 and Rules 14.05(2) and (3) (d), (g) and (h) of the *Rules of Civil Procedure*

**NOTICE OF MOTION**

**DELOITTE RESTRUCTURING INC.** (the "Receiver"), in its capacity as the receiver and manager of certain assets, undertakings and property (the "Assets") of Hyde Park Residences Inc. ("Hyde Park"), will make a motion to a Judge on Friday August 7, 2015 at 9:30 a.m. or as soon after that time as the motion can be heard, at the Court House, 161 Elgin Street, Ottawa, Ontario.

**PROPOSED METHOD OF HEARING:**

The motion is to be heard orally.

**THE MOTION IS FOR:**

- (a) if necessary, an Order abridging the time for, and validating the method of, service of the Notice of Motion and directing that any further service of the Notice of Motion be dispensed with such that this motion is properly returnable on August 7, 2015;

- (b) an Order accepting and approving the Fifth Report of the Receiver and Manager to the Court dated August 4, 2015 (the "Fifth Report") and approving the activities of the Receiver described therein;
- (c) an Order approving the distribution of funds from the sale of the Assets in the possession of the Receiver; and
- (d) an Order approving the accounts of the Receiver and of Gowling Lafleur Henderson LLP that have been rendered to date.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) on February 20, 2014, the Receiver was appointed as receiver and manager without security of certain assets, undertakings and property of Hyde Park pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. C.43;
- (b) on April 15, 2014, the Receiver presented the Court with its First Report to the Court on the status of the receivership and management and its activities to April 15, 2014;
- (c) on February 12, 2015, the Receiver presented the Court with its Second Report to the Court on the status of the receivership and management and its activities to January 26, 2015;
- (d) on June 4, 2015, the Receiver presented the Court with its Third Report to the Court dated May 28, 2015 and its Supplement to the Third Report to the Court dated June 3, 2015 on the status of the receivership and management and its activities to June 3, 2015;
- (e) on June 10, 2015, the Receiver presented the Court with its Fourth Report to the Court dated June 9, 2015 on the status of the receivership and management and its activities to June 9, 2015;

- (f) on July 17, 2015, the Receiver closed an Agreement of Purchase and Sale with 9114785 Canada Inc. (the "Purchaser") wherein the Receiver sold Hyde Park's right, title and interest in and to the Assets to the Purchaser for \$7 million, subject to adjustments made on closing;
- (g) on August 4, 2015, the Receiver prepared a Fifth Report to the Court regarding the status of the receivership and management and its activities to August 4, 2015;
- (h) in its Fifth Report, the Receiver states that:
  - (i) the sale of the Assets to the Purchaser closed on July 17, 2015;
  - (ii) as of July 31, 2015, the Receiver had net receipts over disbursements totalling \$6,687,426;
  - (iii) as of July 17, 2015, Pillar Financial Services Inc., which administers the loans registered as Frontenac Mortgage Investment Corporation ("Frontenac"), was owed \$8,066,979.51 pursuant to the first charge registered against the Assets, including \$1,550,000 that was advanced by Frontenac to the Receiver to fund the work of the Receiver to date;
  - (iv) subject to the Court's approval, the sum of \$6,639,826, being the net receipts over disbursements being held by the Receiver as of July 31, 2015 minus the sum of \$47,300, should be immediately paid to Frontenac; and
  - (v) following the Receiver's payment of all outstanding professional fees and other costs related to the sale of the Assets to the Purchaser, the Receiver be authorized to pay to Frontenac any of the \$47,300 being held back by the Receiver from the net receipts over disbursements held by the Receiver as of July 31, 2015.
- (i) Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and

- (j) such further and other grounds as counsel may advise and this Honourable Court permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) the Fifth Report to the Court of the Receiver and Manager dated August 4, 2015;
- (b) the Affidavit of John Saunders to be sworn;
- (c) the Affidavit of Wayne Kerrick to be sworn; and
- (d) such further and other materials as counsel may advise and this Honourable Court may permit.

DATE: August 4, 2015

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Solicitors for Deloitte Restructuring Inc., Receiver and  
Manager of Hyde Park Residences Inc.

TO: [http://www.insolvencies.deloitte.ca/en-ca/Pages/Hyde%20Park%20Residences%20Inc\\_%20.aspx](http://www.insolvencies.deloitte.ca/en-ca/Pages/Hyde%20Park%20Residences%20Inc_%20.aspx)