

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**RESPONDING MOTION RECORD**

April 1, 2024

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**TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

and

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

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**ELEVENTH REPORT OF THE RECEIVER & MANAGER**

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**DATED APRIL 1, 2024**



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## INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated September 22, 2017 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the interim receiver (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”, and combined with GDH 10, the “**Debtors**”) municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorized the Receiver to, among other things:
  - (a) 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) undertake any renovations and make any repairs to the Property necessary to ensure that the Property is well maintained and rentable and is in compliance with the applicable laws and building codes; and
  - (c) market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable.
3. On October 20, 2017, the Applicant, First National Financial GP Corporation (“**FN**”), brought a motion to, among other things, extend the appointment of the Receiver as permitted under section 47(1)(c) of the *Bankruptcy and Insolvency Act*. In support of that motion, the Receiver filed with the Court its First Report of the Interim Receiver dated October 17, 2017 (the “**First Report**”). Based on the First Report and submissions made to the Court by counsel for FN and the Receiver on October 20, 2017, the Court granted an Order that, among other things, extended the appointment of the Receiver until further Order of this Court.

4. On May 21, 2019, Liahona Mortgage Investment Corp. (“**Liahona**”), the second secured creditor on 345 Barber, and the Receiver each brought motions, for among other things, advice and direction with respect to expanding the Receiver’s mandate to that of a receiver and manager, authorizing the Receiver to conduct a marketing and sale process to realize on the Property, approving the Receiver’s proposed marketing and sale process, and authorizing the Receiver to enter into a listing agreement with CBRE Group Inc. In support of that motion, the Receiver filed with the Court the Sixth Report of the Interim Receiver dated May 6, 2019 (the “**Sixth Report**”).
5. Based on the Sixth Report and the submissions made by Liahona, on May 26, 2019 the Court granted an order (the “**Expanded Powers Order**”) approving the relief sought. A copy of the Expanded Powers Order is attached hereto as **Appendix “B”**.
6. On October 3, 2019, the Receiver brought a motion (the “**Sale Approval Motion**”) for a Court order approving, among other things, the transaction (the “**Transaction**”) contemplated in the Offer to Purchase dated August 27, 2019 made by Royal United Investments Limited (the “**Purchaser**”) and accepted by the Receiver (the “**APS**”), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Property and vesting the Debtors’ right, title and interest in the Property in and to the Purchaser’s designees, 347 Barber Street Ltd. and 345 Barber Street Ltd., upon the closing of the Transaction. In support of the Sale Approval Motion, the Receiver filed with the Court the Seventh Report of the Receiver dated September 27, 2019 (the “**Seventh Report**”) and the Supplemental Report to the Seventh Report dated October 2, 2019 to advise the Court of, among other things, a late offer received for the Property and an Agreement reached between the Purchaser, the City of Ottawa and the Ontario Ministry of Housing for the continuation of the affordable housing program at 347 Barber.
7. On October 3, 2019, after hearing preliminary submissions from the parties, Justice Hackland adjourned the Sale Approval Motion to October 11, 2019 so that Liahona and other parties could file responding material.

8. On October 8, 2019, the Receiver filed with the Court its Second Supplemental Report to the Seventh Report which: i) addressed the immediate financial implications to the Debtors' estates if the Sale Approval Motion was further adjourned or dismissed; ii) addressed the purported concerns raised in the Affidavit of Chi Van Ho sworn October 3, 2019; and iii) reported to the Court on the receipt of a revised late offer.
9. On October 11, 2019, the Sale Approval Motion was heard by Justice Hackland, who granted the Amended and Restated Approval and Vesting Order (the "**Vesting Order**").
10. In his endorsement made with respect to the October 11, 2019 hearing, which was released on October 23, 2019, Justice Hackland:
  - i) approved a distribution from the net proceeds of sale, subject to the Receiver holding back "the sum of \$1.7 million pending the Court's further ruling on a disputed prepayment penalty claimed by FN.";
  - ii) held that there must be a trial of issues (the "**Trial of Issues**") with respect to the FN's entitlement to the payment of what he referred to as the "yield maintenance penalty" ("**Yield Maintenance**") and any ancillary issues; and
  - iii) directed counsel to arrange a case conference to agree on a timetable for the Trial of Issues.
11. The Receiver and the Purchaser agreed on a Transaction closing date of October 18, 2019. However, on October 17, 2019, counsel for the Debtors served a Notice of Appeal in respect of the Vesting Order. As a result, the parties agreed to extend the closing date to November 5, 2019 to enable the Receiver to move for directions before a single judge of the Court of Appeal for Ontario (the "**COA**").
12. On November 4, 2019, the Receiver brought an urgent motion (the "**Receiver's Urgent Motion**") before Justice Fairburn of the COA seeking, among other things:

- i) a declaration that the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the “**BIA**”) governs the appeal of the Vesting Order;
  - ii) a declaration that there is no automatic right of appeal with respect to the Vesting Order pursuant to subsections 193(a) through (d) of the BIA; and
  - iii) a declaration that the Vesting Order is not stayed pursuant to section 195 of the BIA or the *Courts of Justice Act*, R.S.O. 1990 c. C.43 or the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194.
13. In support of the Receiver’s Urgent Motion, the Receiver filed its Eighth Report dated October 30, 2019 (the “**Eighth Report**”).
14. On November 4, 2019, Justice Fairburn granted the Receiver’s motion and held that there is no automatic right to appeal the Vesting Order and that leave to appeal must be sought under s. 193(e) of the BIA, which the Debtors had failed to seek. Justice Fairburn further held that even if the Debtors had a right of appeal or were granted leave to appeal, triggering a stay pursuant to section 195 of the BIA, she would cancel the stay because the appeal lacked merit and the relative prejudice to the parties arising from a stay weighed against a stay.
15. The parties agreed to extend the closing date of the Transaction to a date that was three days after the COA’s decision in order to accommodate the time necessary to recalculate the statement of adjustments and for the Purchaser to arrange for the balance of the purchase price to be wired to the Receiver. The Transaction closed on November 7, 2019.
16. On November 25, 2019, as a result of the parties having settled the terms of an interim distribution and other matters, Justice Hackland granted the Interim Administration and Distribution Order dated October 23, 2019 (the “**Interim Distribution Order**”), a copy of which is attached hereto as **Appendix “C”**.
17. The Trial of Issues was held by videoconference on July 22, 30, 31, August 12 and 13, 2020. In advance of the Trial of Issues, the Receiver filed with the Court its Ninth Report to the Court dated June 29, 2020 (the “**Ninth Report**”) which, among other things, provided the

Court with an update on the closing of the Transaction and the status of the reserves being held by the Receiver, and sought the Court's approval of its activities and its fees up to June 20, 2020 and the fees of its counsel, Dickinson Wright LLP ("**DW**"), up to June 24, 2020.

18. By Order dated August 13, 2020 (the "**August 13 Order**"), Justice Hackland, among other things, approved the Receiver's activities as described in the Eighth Report and the Ninth Report, and reserved his decision regarding the dispute over the allocation of the Reserve and the approval of professional fees until the release of reasons in the Trial of Issues. A copy of the August 13 Order is attached hereto as **Appendix "D"**.
19. On November 16, 2020, Justice Hackland released his Reasons for Judgment with respect to the Trial of Issues (the "**YM Decision**") in which he found that prepayment of future interest on the FN mortgages was properly payable to FN in the amount of \$1,473,141.82 (the "**YM Judgment Amount**"). Justice Hackland further determined that the Receiver's expenses are properly allocated on the basis recommended by the Receiver in its Ninth Report.
20. On November 26, 2020, Liahona served an appeal (the "**Liahona Appeal**") of the YM Decision of Justice Hackland seeking, among other things, judgment that i) FN is not entitled to the YM Judgment Amount from the estates of the Debtors; and ii) that the Receiver pay all amounts in its reserve fund credited to the estate of GDH11 to Liahona forthwith.
21. On December 15, 2020, the Debtors also served an appeal (the "**Debtor YM Appeal**", and together with the Liahona Appeal, the "**YM Appeal**") of the YM Decision seeking, among other things, i) judgment that FN is not entitled to the YM Judgment Amount and that the Receiver pay to Liahona the amounts in its reserve fund credited to the estate of GDH 11 that are due to Liahona, and to pay all other monies credited to the estate of the Debtors.
22. On March 19, 2021, the Receiver brought a motion for, among other things, approval of its activities as described in its Tenth Report to the Court dated February 5, 2021 (the "**Tenth Report**") and the Supplemental Report to the Tenth Report of the Receiver dated March 17, 2021 (the "**Supplemental Tenth Report**"), as well as the Receiver's Statement of Receipts and Disbursements up to February 5, 2021, the fees of the Receiver up January 29, 2021 and

the fees of DW up to February 4, 2021. Further, the Supplemental Tenth Report sought an Order (Costs of Trial of Issues) (“**Trial of Issues Cost Order**”) approving an agreement between FN, Liahona and the Debtors regarding payment of FN’s costs of the Trial of Issues. On March 19, 2021, Justice Hackland granted the Trial of Issues Cost Order, and on May 12, 2021 issued an Endorsement (“**May 12 Endorsement**”) approving the Tenth Report and the Supplemental Tenth Report as well as the professional fees reported therein. Copies of the Tenth Report and the Supplemental Tenth Report, the Trial of Issues Cost Order and the May 12 Endorsement are attached hereto as **Appendices “E”, “F”, “G” and “H”,** respectively.

23. On May 31, 2021, the Debtors amended the Debtor YM Appeal to include an appeal of Justice Hackland’s May 12 Endorsement, seeking to reduce the Receiver’s fees approved by Justice Hackland by 50% (the “**Debtor Fee Appeal**”, and together with the YM Appeal, the “**Appeals**”).
24. The Court of Appeal for Ontario (the “**CAO**”) heard the Appeals on January 26, 2022 by video conference. On August 31, 2022, the CAO released its Judgement, attached hereto as **Appendix “I”,** allowing the YM Appeal but dismissing the Debtor Fee Appeal.
25. On November 7, 2022, FN filed a Notice of Application for Leave to Appeal to the Supreme Court of Canada (the “**SCC**”) the CAO’s Judgement with respect to YM Appeal. On April 13, 2023, the SCC issued its decision dismissing FN’s leave application (the “**SCC Judgement**”).
26. On July 21, 2023, as a result of SCC Judgement, Justice Hackland issued an Order (the “**YM Distribution Order**”) approving the distribution of most of the funds held by the Receiver to Liahona and GDH, leaving the Receiver holding funds totaling approximately \$181,000. A copy of the YM Distribution Order is attached hereto as **Appendix “J”.**
27. The above noted Court Orders, Endorsements, the Receiver’s previous reports, this the Receiver’s Eleventh Report to the Court (the “**Eleventh Report**”), and other relevant



documents have been posted on the Receiver's website at [www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11](http://www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11).

## **PURPOSE OF REPORT**

28. The purpose of this Eleventh Report is to:

- (a) seek the Court's approval of the activities of the Receiver as described in this Eleventh Report;
- (b) update the Court on the distribution of funds by the Receiver pursuant to the YM Distribution Order;
- (c) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to March 31, 2024;
- (d) seek the Court's approval of the fees and disbursements of the Receiver from February 1, 2021 to March 31, 2024 and the fees and disbursements of DW from February 4, 2021 to March 28, 2024;
- (e) seek the Court's advice and direction concerning the balance of funds still held by the Receiver after payment of professional fees;
- (f) discharging the Receiver, subject to the Receiver completing its administration of the estate herein and distributing the remaining funds held by the Receiver [in the manner more particularly described herein], as will be evidenced by the Receiver filing a Certificate with the Court; and

## **TERMS OF REFERENCE**

29. In preparing this Eleventh Report and its previous reports, the Receiver has reviewed unaudited financial information and other records related to the Property provided by its property manager, CLV Group Inc. ("CLV"), information provided by third-party sources,

and has held discussions with individuals involved in administering the Property (collectively, the “**Information**”). Except as described in this report:

- (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) the Receiver has prepared this Eleventh Report in its capacity as a Court-appointed officer to support the Court’s approval of the Receiver’s activities to date, its course of action with respect to the Trial of Issues and the Appeals, and the other relief being sought. Parties using this report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

30. Unless otherwise stated, all dollar amounts contained in this Eleventh Report are expressed in Canadian dollars.

31. Unless otherwise provided, all other capitalized terms not otherwise defined in this Eleventh Report are as defined in the Appointment Order, the Expanded Powers Order, the Interim Distribution Order, the YM Judgment or the YM Distribution Order (collectively, the “**Orders**”).

## **RECEIVER’S ACTIVITIES SINCE THE TENTH REPORT**

32. Since the date of the Supplemental Tenth Report, the Receiver has undertaken the following activities in accordance with the terms of the Orders:

- (a) reviewed the draft orders and prepared for and attended the hearing on March 19, 2023;
- (b) reviewed the Trial of Issues Cost Order and the May 12 Endorsement;

- (c) reviewed the materials served by the Debtors concerning the Debtor Fee Appeal and discussed same and provided comments thereon to DW;
- (d) responded to various information requests from the parties concerning the reserves being held by the Receiver and updated schedules regarding same;
- (e) reviewed and provided comments on drafts of the YM Distribution Order;
- (f) prepared and finalized distributions to Liahona and Martin Diegel pursuant to the YM Distribution Order;
- (g) prepared the Receiver's Final Statement of Receipts and Disbursements; and
- (h) discussed with DW options for dealing with the remaining funds being held by the Receiver.

#### **DISTRIBUTIONS MADE BY THE RECEIVER AND STATUS OF THE RESERVE**

33. The Reserve as at July 6, 2023 prior to payments to Liahona and Mr. Diegel is as follows:

	Reserves Held By the Receiver					Surplus Cash	Total
	7(i)	7(ii)	7(iii)	7(iv)			
Original Reserve balance	\$ 525,000.00	\$ 1,525,845.04	\$ 24,413.52	\$ 275,000.00			\$ 2,350,258.56
Amended Reserve balance	\$ 525,000.00	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00			\$ 2,296,712.09
Less: Reserve draw downs							
DW Invoice #1436120	(217,172.20)						(217,172.20)
DW Invoice #1487978	(43,097.51)						(43,097.51)
DW Invoice #1502968	(63,946.44)						(63,946.44)
DW Invoice #1551081	(14,977.02)						(14,977.02)
DW Invoice #1725224	(58,458.29)						(58,458.29)
Receiver Invoice #8000947566	(18,297.53)						(18,297.53)
Receiver Invoice #8001245537	(28,287.86)						(28,287.86)
Receiver Invoice #8001358235	(35,310.24)						(35,310.24)
Receiver Invoice #8001585577	(11,011.85)						(11,011.85)
Receiver Invoice #8002195562	(9,251.88)						(9,251.88)
Reserve Balance at July 6, 2023	<u>\$ 25,189.18</u>	<u>\$ 1,473,141.82</u>	<u>\$ 23,570.27</u>	<u>\$ 275,000.00</u>	<u>\$ 197,284.27</u>		<u>\$ 1,994,185.54</u>
Description of Reserves:							
7(i) - Reserve for the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the trial of the Yield							
7(ii) - Reserve for the prepayment amounts claimed by FN arising from the early payment of its charges against the Property							
7(iii) - Reserve for an amount equivalent to one (1) year of interest at 1.6% per annum on the Yield Maintenance Penalties, commencing from the date the Transaction							
7(iv) - Reserve for the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues							
Note 1: As per March 19, 2021 Order re Costs of Trial of Issues, FN was awarded \$208,470.25 payable from that portion of the Reserve established by paragraph 7(f)(iv) of the Interim Administration and Distribution Order. This amount has not been paid to FN.							

34. As provided for in the YM Decision, the payment of professional fees and disbursements outstanding as at the date of the Interim Distribution Order have been allocated on the basis of a 73/27 allocation.
35. As set out in the YM Distribution Order, the Receiver was directed to perform the following:
- (a) Paragraph 1 - to pay Liahona out of the reserve from the sale of the properties 73% of the Future Interest that forms part of the Reserved (column 7(ii)) of Schedule "A" or 73% of \$1,473,141.82 which is \$1,075,393.53;
  - (b) Paragraph 3--pay from the portion of the Reserve representing 27% of the Future Interest, the sum of \$340,409.89 to Mr. Diegel.
  - (c) Paragraph 5-to pay to Liahona 73% of the remaining reserve after payment to Liahona in paragraph 1 as set out in (columns 7(i), 7(iii), 7(iv) and surplus cash of Schedule A less the \$25,000.00 subject to allocation for Liahona's portion of the Receiver's fees and disbursements since the appeals were heard until the Receiver is discharged.
36. The Court further ordered that FN pay \$73,981.04 inclusive of disbursements and HST (the "Appeal Costs Award" and the costs of the SCC Leave Application in the amount of \$2,400.00 inclusive of disbursements and HST (the "SCC Costs Award"), to be allocated among Conway Baxter LLP and Mr. Diegel.
37. The Court ordered that FN pay Liahona and GDH (GDH 10 and GDH 11), their trial costs of \$208,470.25 inclusive of disbursements and HST ("**Trial Costs Award**") to be allocated among Conway Baxter LLP and Mr. Diegel, in full and final settlement of the Trial costs, save and except the Appeals Costs Award and SCC Costs Award.
38. The Court further ordered that subject to the payments made in paragraphs 1 and 5 of the YM Distribution Order, that the Receiver will have no further monetary obligations to

Liahona out of the Reserve, or otherwise, subject only to any future Order made in this proceedings regarding the passing of the accounts of the Receiver in connection with the Appeals or otherwise.

39. Allocation calculations were provided to both Liahona (through its legal counsel) and Mr. Diegel and on July 25, 2023, the Receiver paid Liahona \$1,480,755.44 and Mr. Diegel \$340,409.89. As noted in paragraph 44 of the Seventh Report, Liahona had a second mortgage over 345 Barber, and accordingly, the payment made to Liahona was recorded in the disbursements of 345 Barber.
40. In preparing this Eleventh Report to the Court, the Receiver reviewed the calculations as noted in paragraphs 35 and 39 of this report and determined that there was a formula error which resulted in overpayment to Liahona of \$50,000.00. The following chart indicates what should have been paid:

	Reserves Held By the Receiver				Surplus Cash	Total
	7(i)	7(ii)	7(iii)	7(iv)		
Original Reserve balance	\$ 525,000.00	\$ 1,525,845.04	\$ 24,413.52	\$ 275,000.00		\$ 2,350,258.56
Amended Reserve balance	\$ 525,000.00	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00		\$ 2,296,712.09
Less: Reserve draw downs						
DW Invoice #1436120	(217,172.20)					(217,172.20)
DW Invoice #1487978	(43,097.51)					(43,097.51)
DW Invoice #1502968	(63,946.44)					(63,946.44)
DW Invoice #1551081	(14,977.02)					(14,977.02)
DW Invoice #1725224	(58,458.29)					(58,458.29)
Receiver Invoice #8000947566	(18,297.53)					(18,297.53)
Receiver Invoice #8001245537	(28,287.86)					(28,287.86)
Receiver Invoice #8001358235	(35,310.24)					(35,310.24)
Receiver Invoice #8001585577	(11,011.85)					(11,011.85)
Receiver Invoice #8002195562	(9,251.88)					(9,251.88)
Reserve Balance at July 6, 2023	\$ 25,189.18	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00	\$ 197,284.27	\$ 1,994,185.54
Liahona Distribution on July 25, 2023	\$ (18,388.10)	\$ (1,075,393.53)	\$ (17,206.30)	\$ (200,750.00)	\$ (119,017.52)	\$ (1,430,755.44)
Diegel Distribution on July 25, 2023		\$ (340,409.89)				\$ (340,409.89)
Balance of Funds after Distribution	\$ 6,801.08	\$ 57,338.40	\$ 6,363.97	\$ 74,250.00	\$ 78,266.75	\$ 223,020.21
Description of Reserves:						
7(i) - Reserve for the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the trial of the Yield						
7(ii) - Reserve for the prepayment amounts claimed by FN arising from the early payment of its charges against the Property						
7(iii) - Reserve for an amount equivalent to one (1) year of interest at 1.6% per annum on the Yield Maintenance Penalties, commencing from the date the Transaction						
7(iv) - Reserve for the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues						
Note 1: As per March 19, 2021 Order re Costs of Trial of Issues, FN was awarded \$208,470.25 payable from that portion of the Reserve established by paragraph 7(f)(iv) of the Interim Administration and Distribution Order. This amount has not been paid to FN.						

41. If not for the overpayment of \$50,000.00 to Liahona, the remaining reserve as at July 25, 2023 (before consideration of additional interest earned and payment of professional fees) should have been:

345 Barber						
	7(i)	7(ii)	7(iii)	7(iv)	Surplus Cash	Total
Amended Reserve balance	\$ 383,250.00	\$ 1,075,393.53	\$ 17,206.30	\$ 200,750.00		\$ 1,676,599.83
Less: Reserve draw downs						
DW Invoice #1436120	(158,535.71)					(158,535.71)
DW Invoice #1487978	(31,461.18)					(31,461.18)
DW Invoice #1502968	(46,680.90)					(46,680.90)
DW Invoice #1551081	(10,933.22)					(10,933.22)
DW Invoice #1725224	(42,674.55)					(42,674.55)
Receiver Invoice #8000947566	(13,357.20)					(13,357.20)
Receiver Invoice #8001245537	(20,650.14)					(20,650.14)
Receiver Invoice #8001358235	(25,776.48)					(25,776.48)
Receiver Invoice #8001585577	(8,038.65)					(8,038.65)
Receiver Invoice #8002195562	(6,753.87)					(6,753.87)
Reserve Balance at July 6, 2023	\$ 18,388.10	\$ 1,075,393.53	\$ 17,206.30	\$ 200,750.00	\$ 144,017.52	\$ 1,455,755.44
Liahona Distribution on July 25, 2023	\$ (18,388.10)	\$ (1,075,393.53)	\$ (17,206.30)	\$ (200,750.00)	\$ (119,017.52)	\$ (1,430,755.44)
Balance of Funds after Distribution	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00

347 Barber						
	7(i)	7(ii)	7(iii)	7(iv)	Surplus Cash	Total
Amended Reserve balance	\$ 141,750.00	\$ 397,748.29	\$ 6,363.97	\$ 74,250.00		\$ 620,112.26
Less: Reserve draw downs						
DW Invoice #1436120	(58,636.49)					(58,636.49)
DW Invoice #1487978	(11,636.33)					(11,636.33)
DW Invoice #1502968	(17,265.54)					(17,265.54)
DW Invoice #1551081	(4,043.80)					(4,043.80)
DW Invoice #1725224	(15,783.74)					(15,783.74)
Receiver Invoice #8000947566	(4,940.33)					(4,940.33)
Receiver Invoice #8001245537	(7,637.72)					(7,637.72)
Receiver Invoice #8001358235	(9,533.76)					(9,533.76)
Receiver Invoice #8001585577	(2,973.20)					(2,973.20)
Receiver Invoice #8002195562	(2,498.01)					(2,498.01)
Reserve Balance at July 6, 2023	\$ 6,801.08	\$ 397,748.29	\$ 6,363.97	\$ 74,250.00	\$ 53,266.75	\$ 538,430.10
Diegel Distribution on July 25, 2023		\$ (340,409.89)				\$ (340,409.89)
Balance of Funds after Distribution	\$ 6,801.08	\$ 57,338.40	\$ 6,363.97	\$ 74,250.00	\$ 53,266.75	\$ 198,020.21



## STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached hereto as **Appendix “K”** is the Interim Statement of Receipts and Disbursements for the receivership for the period September 22, 2017 to March 31, 2024 (the “**R&D**”). The R&D includes the rental receipts received into the property management account and the disbursements made by the Receiver from its trust account. The R&D separates out the receipts and disbursements between September 22, 2017 and February 5, 2021, which receipts and disbursements were reported on in the Receiver’s previous reports and approved by the Court, and the receipts and disbursements between February 6, 2021 and March 31, 2024, which reflect the Receiver’s receipt and disbursement activity since the Tenth Report.
43. As the R&D indicates, the Receiver is holding \$182,410.84 in its trust account, which is short the \$50,000.00 overpayment to Liahona, as \$25,000.00 was to be kept as a reserve as noted in paragraph 35(c).
44. On February 28, 2024, DW conducted PPSA searches on GDH10 and GDH 11 and only FN was listed as a secured creditor. Further searches were done and there were no writs or executions listed.
45. In paragraph 44 of the Seventh Report, based on the Security Opinions and various payout statements, the mortgages per property were listed and are reiterated below:

### 345 Barber

<b>Lender</b>	<b>Priority</b>	<b>Amount owing on Mortgage</b>
First National Financial Corporation	First Charge	\$ 6,724,279.86
Liahona Mortgage Investment Corporation	Second Charge	3,859,453.38
		<u>\$ 10,583,733.24</u>

### 347 Barber

First National Financial Corporation	First Charge	2,542,220.17
First National Financial Corporation	Second Charge	795,930.25
City of Ottawa & Ministry of Municipal Affairs and Housing	Third Charge	1,805,004.00
		<u>\$ 5,143,154.42</u>

46. In paragraph 12 of the Supplemental Report to the Seventh Report, the Court was advised that the Affordable Housing Mortgage will remain on title to 347 Barber and would not be payable on Closing.
47. To date, FN has been paid \$8,551,802.03 and Liahona has been paid \$3,164,776.10.

### **PROFESSIONAL FEES**

48. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before a judge of the Court.
49. The total fees of the Receiver during the period from February 1, 2021 to March 31, 2024, amount to \$23,772.50 together with disbursements of \$ nil plus HST of \$3,090.43, totaling \$26,862.93. The time spent by the Receiver is more particularly described in the Affidavit of Catherine Hristow, a Senior Vice-President of Deloitte, sworn on April 1, 2024 in support hereof and attached hereto as **Appendix “L”**.
50. The Receiver advises the court that Mr. Bricks who had carriage of this matter left the employ of Deloitte Restructuring Inc. in August 2023. There has been a delay in the transition and Catherine Hristow is now in charge of this administration. In view of the delay, no fees have been charged by Catherine Hristow for the preparation of this final report to the Court.
51. The total legal fees of DW, in its capacity as counsel to the Receiver, for the period February 4, 2021 to March 28, 2024 amount to \$68,863.50, together with disbursements of \$355.68 and HST of \$8,998.49, totalling \$78,217.67. The time spent by DW is more particularly described in the Affidavit of David Preger, a partner of DW, sworn March 28, 2024 in support hereof and attached hereto as **Appendix “M”**.
52. The Receiver has reviewed the DW Fees as set out in Appendix “M” and finds the work performed and charges to be appropriate and reasonable in the circumstances.



53. The remaining invoices to be paid for both the Receiver and DW are \$17,611.05 and \$19,759.38 respectively, for a total of \$37,370.43.
54. The following chart indicates the funds remaining after the payment of professional fees (including a reserve for DW in the amount of \$15,000.00) and assuming that Liahona were to reimburse the \$50,000.00 to the Receiver.

	345 Barber						347 Barber						Grand Total for 345 Barber and 347 Barber
	7(i)	7(ii)	7(iii)	7(iv)	Surplus Cash	Total	7(i)	7(ii)	7(iii)	7(iv)	Surplus Cash	Total	
	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 6,801.08	\$ 57,338.40	\$ 6,363.97	\$ 74,250.00	\$ 53,266.75	\$ 198,020.21	\$ 223,020.21
Net Interest Earned					6,855.16	6,855.16					2,535.47	2,535.47	9,390.63
Professional fees to March 2024					(27,280.41)	(27,280.41)						\$ (10,090.02)	\$ (37,370.43)
Reserve for DW Fees					(10,950.00)	(10,950.00)						(4,050.00)	(15,000.00)
	\$ -	\$ -	\$ -	\$ -	\$ (6,375.25)	\$ (6,375.25)	\$ 2,751.08	\$ 57,338.40	\$ 6,363.97	\$ 74,250.00	\$ 55,802.22	\$ 186,415.66	\$ 180,040.41

55. The chart above indicates that the reserve for 345 Barber was insufficient.
56. In the Diegel Motion material dated June 27, 2023, there was an execution dated July 19, 2019 for M.Y. Commercial in the amount of \$1,819,787.85 with interest at 3% registered against GDH 11. As noted in paragraph 44 above, there are no execution creditors remaining for GDH 11.
57. In paragraph 2 of the July 21, 2023 Order, the Court approved the fees and disbursements of Mr. Diegel rendered to GDH in the receivership proceedings as set out in the Diegel affidavit. The Diegel affidavit included fees and disbursements of \$436,818.55 of which the Receiver paid \$340,409.89 on July 25, 2023 leaving a remaining balance of \$96,408.66.

## RECEIVER REQUESTS

58. For the reasons set out above, the Receiver requests that the Court make an Order:
- (a) approving the activities of the Receiver as described in this Eleventh Report;
  - (b) approving the R&D;
  - (c) approving the professional fees and disbursements of the Receiver from February 1, 2021 to March 31, 2024, and the fees and disbursements of DW from February 4, 2021

to March 28, 2024, all as set out in the fee affidavits, and authorizing the Receiver to pay the professional fees from available funds;

- (d) payment of Mr. Diegel's outstanding fees in the amount of \$96,408.66;
- (e) payment of the balance of the funds to GDH 11, or as it may in writing direct; and
- (f) directions regarding the \$50,000.00 overpayment to Liahona;
- (g) such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted at Toronto, Ontario this 1<sup>st</sup> day of April, 2024.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as the Court-  
appointed Receiver and Manager of  
certain real property of Golden Dragon Ho  
10 Inc. and Golden Dragon Ho 11 Inc., and  
without personal or corporate liability

A handwritten signature in black ink, appearing to read 'Catherine Hristow', with a stylized flourish at the end.

Catherine Hristow, CPA, CMA, LIT  
*Senior Vice-President*

## **Appendix A**

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ) FRIDAY, THE 22<sup>nd</sup>  
JUSTICE C.T. Hackland )  
BETWEEN: ) DAY OF SEPTEMBER, 2017

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

APPLICATION UNDER Section 47 of the  
*Bankruptcy and Insolvency Act* R.S.C. 1985, C. B-3, as amended

APPOINTMENT ORDER  
(Interim Receiver)

**THIS APPLICATION** made by First National Financial GP Corporation (the “**Applicant**”) for an Order pursuant to section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as interim receiver (in such capacity, the “**Receiver**”) of certain property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. (the “**Respondents**”) identified on the attached Schedule “A” (collectively, the “**Property**”), and sealing Confidential Exhibit “42”, being an Appraisal Report of Juteau Johnson Comba Inc. dated August 15, 2017, including Schedule “A” thereto, and Confidential

Exhibit "45", being the Agreement of Purchase and Sale dated August 31, 2017 (collectively, the "Confidential Exhibits") of the Affidavit of Christopher Sebben sworn September 19, 2017 (the "Sebben Affidavit") from the public record until further Order of the Court, was heard this day at 161 Elgin Street, Ottawa, Ontario.

**ON READING** the Sebben Affidavit and the Exhibits thereto, including the Confidential Exhibits, and on reading the Consent of Deloitte to act as the Receiver, *and on hearing submissions of applicants counsel, no one else appearing at.*  
**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 47 of the *BIA*, Deloitte is hereby appointed interim receiver 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 engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, 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;
- (d) to undertake any renovations and make any repairs to the Property necessary to ensure the Property is well maintained and rentable and is in compliance with the applicable laws and building codes;
- (e) to market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents in respect of the Property and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents in respect of the Property;
- (g) 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 Respondents, for any purpose pursuant to this Order;

- (h) 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 Property and to settle or compromise any such proceedings, and 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;
- (i) 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;
- (j) to register a copy of this Order against title to the Property;
- (k) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority in respect of the Property and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (l) 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 Respondents, and without interference from any other Person.

## **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 aspect(s) or portion(s) of the 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.

5. **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 Respondents in respect of the Property, 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 5 or in paragraph 6 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.



6. **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**

7. **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 RESPONDENTS OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents in respect of the Property or against 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 Respondents in respect of the Property or against the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Respondents, 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 Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents 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**

10. **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 Respondents in respect of the Property, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents 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 Respondents in respect of the Property 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 Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, 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 Respondents 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**

12. **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 in respect of the Property, 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**

13. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' 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*.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

14. **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**

15. **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**

16. **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.

17. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its 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 Ontario Superior Court of Justice.

18. **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**

19. **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 \$500,000.00 (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.

20. **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.

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

22. **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**

23. **THIS COURT ORDERS** that the service of documents shall be made by way of an HTML link to the documents as posted by the serving party on either the Case Website (set out below) or if time does not permit, on the serving party's own website, or as a PDF attachment where the party serving the documents is unable to create an HTML link, with HTML Links to the website for cross-referenced documents already posted there (the "**Protocol**"), and such service 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, 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 '<[www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11](http://www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11)>'.

24. **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 Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents 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**

25. **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.

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

27. **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.

28. **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.

29. **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 Respondents' estate, with such priority and at such time as this Court may determine.

30. **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.

31. **THIS COURT ORDERS** that notwithstanding the commencement of the within Application and the appointment of the Receiver, the Applicant shall be deemed to be protecting its security, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of the Applicant's mortgages over the real property of the Respondents identified on the attached Schedule "A" shall not be triggered.

32. **THIS COURT ORDERS** that the Confidential Exhibits shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

33. **THIS COURT ORDERS** that the Confidential Exhibits shall remain under seal until further Order of the Court.

*Hackel J.*

ENTERED AT OTTAWA	
INSCRIT A OTTAWA	
ON/LE	SEP 22 2017
DOCUMENT #	0411
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	

**SCHEDULE "A"**

**THE PROPERTY**

Golden Dragon Ho 10 Inc.

PIN 04213-0302 LT in LRO #4

Description: PART OF LOT 18 PLAN 43586 N/S CLARENCE STREET BEING PART 1 ON 4R21669; OTTAWA. T/W RIGHT-OF-WAY AND EASEMENT OVER PART LOTS 16,17 & 18 PLAN 43586 PT 3 PLAN 4R21669 AS IN OC699531. T/W EASEMENT OVER PART LOTS 16,17 & 18 PLAN 43586 PART 4 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 2 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAVOUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2,3 & 4 ON 4R21669 AS IN OC699531.

Golden Dragon Ho 11 Inc.

PIN 04213-0303 LT in LRO #4

Description: PART LOTS 16,17 & 18 PLAN 43586 N/S CLARENCE STREET BEING PARTS 2,3 & 4 ON 4R21669; OTTAWA S/T RIGHT-OF-WAY AND EASEMENT OVER PART 3 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T EASEMENT OVER PART 4 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY OVER PART 2 PLAN 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAVOUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2,3 & 4 ON 4R21669 AS IN OC699531.

**SCHEDULE "B"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the interim receiver (the "**Receiver**") of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. identified on Schedule "A" to the Appointment Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 22<sup>nd</sup> day of September, 2017 (the "**Order**") made in an action having Court file number \_\_\_\_\_, 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 monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of two per cent above the prime commercial lending rate of Royal Bank of Canada 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 \_\_\_\_\_, 20\_\_.

DELOITTE RESTRUCTURING INC., solely in  
its capacity as Receiver of the Property, and not  
in its personal or corporate capacity

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

and

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**  
Proceeding Commenced at **OTTAWA**

**APPOINTMENT ORDER  
(Interim Receiver)**

**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**Eric Golden** (LSUC #38239M)  
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Lawyers for the Applicant

## **Appendix B**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE	)	TUESDAY, THE 21 <sup>st</sup>
	)	
JUSTICE HACKLAND	)	DAY OF MAY, 2019

B E T W E E N:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**APPLICATION UNDER** Section 47 of the *Bankruptcy and Insolvency Act*  
R.S.C. 1985, C. B-3, as amended

**EXPANDED POWERS ORDER**

**THESE MOTIONS** by: (a) Liahona Mortgage Investment Corp. "**Liahona**"; and (b) Deloitte Restructuring Inc., in its capacity as interim receiver of certain real property of the Respondent Golden Dragon Ho 10 Inc., municipally known as 347 Barber Street, Ottawa, Ontario, and of certain real property of the Respondent Golden Dragon Ho 11 Inc., municipally known as 345 Barber Street, Ottawa, Ontario, were heard this day at 161 Elgin Street, in Ottawa, Ontario.

**ON READING** Liahona's Motion Record and the Affidavit of Aaron Rumley sworn May 13, 2019 and the Motion Record and Sixth Report of Deloitte Restructuring Inc. dated May 6, 2019 (the "**Sixth Report**"), and upon hearing the submissions of counsel for Liahona, counsel for



Deloitte Restructuring Inc., counsel for First National Financial GP Corporation (“FN”) and counsel for the Respondents, no one else appearing, although served as set out in the affidavit of service of Sharron Eaton sworn May 14, 2019, filed, and the affidavit of service of Laura Micoli sworn May 10, 2019, filed,

## **SERVICE**

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

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

## **APPOINTMENT**

3. **THIS COURT ORDERS** that the status and mandate of Deloitte Restructuring Inc. as interim receiver pursuant to the Appointment Order dated September 22, 2017 (the “**Appointment Order**”), as extended by the Order dated October 20, 2017, is hereby varied and amended as hereinafter set out.

4. **THIS COURT ORDERS** that pursuant to section 101 of the *Court of Justice Act*, Deloitte Restructuring Inc. is hereby appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of the lands and premises legally described in Schedule “A” of the Appointment Order, the business operated thereon (the “**Business**”), and all proceeds thereof

(collectively, the “**Property**”). For greater certainty, all references to the “Receiver” in the Appointment Order shall be deemed to refer to the “Receiver” as defined herein and all references to “Property” in the Appointment Order shall be deemed to refer to “Property” as defined herein.

#### **SIXTH REPORT**

5. **THIS COURT ORDERS** that the marketing and sale process in respect of the Property described in the Sixth Report, including the engagement of CBRE Limited as listing broker, is hereby approved.

6. **THIS COURT ORDERS** that the activities and proposed activities of the Receiver described in the Sixth Report are hereby approved.

7. **THIS COURT ORDERS** that Receiver’s interim statement of receipts and disbursements for the period September 22, 2017 to March 31, 2019 contained in the Sixth Report is hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver as set out in the Affidavit of Hartley Bricks, sworn May 1, 2019 contained in the Sixth Report and the fees and disbursements of Blaney McMurty LLP as set out in the Affidavit of Chad Kopach sworn May 6, 2019 contained in the Sixth Report are hereby approved.

#### **RECEIVER’S POWERS**

9. **THIS COURT ORDERS** that in addition to the powers set out in paragraph 3 of the Appointment Order, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to manage, operate, and carry on the Business, 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 Respondents in relation to the Property;
- (b) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business or any part or parts thereof;
- (c) to settle, extend or compromise any indebtedness owing to the Respondents in relation to the Property;
- (d) subject to paragraphs 5 and 6 hereof, to market any or all of the Property, 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;
- (e) 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 transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; 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*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (f) 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;

- (g) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents in relation to the Property, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents in relation to the Property;
- (h) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have in relation to the Property; and
- (i) 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 any other Person or Persons (as those terms are defined in the Appointment Order), including the Respondents, and without interference from any other Person.

#### **PIPEDA**

10. **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 Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

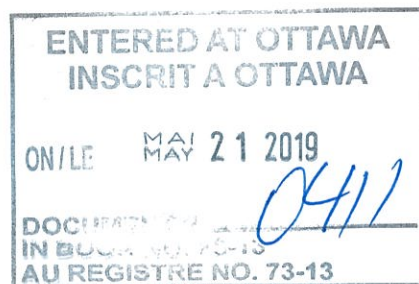
### **CONTINUING EFFECT OF APPOINTMENT ORDER**

11. **THIS COURT ORDERS** that except as otherwise varied and amended by this Order, all other terms of the Appointment Order shall remain in full force and effect.

12. **THIS COURT ORDERS** that notwithstanding (i) the variation and amendment of the status and mandate of the interim receiver Deloitte Restructuring Inc. as provided for in this Order, (ii) any other term(s) of this Order, and (iii) FN not opposing this Order, FN shall still be deemed to be protecting its security over the Property, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of FN's mortgages over the lands and premises legally described in Schedule "A" to the Appointment Order shall not be triggered.

*Hackland J.*

TORONTO 58347-2 1605135v10



**FIRST NATIONAL FINANCIAL GP CORPORATION**  
Applicant

-and-

**GOLDEN DRAGON HO 10 INC. et al.**  
Respondents

Court File No. 17-73967

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
PROCEEDING COMMENCED AT  
OTTAWA

**EXPANDED POWERS ORDER**

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Lawyers for the Receiver, Deloitte Restructuring Inc.

## **Appendix C**

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	WEDNESDAY, THE 23 <sup>RD</sup>
	)	
JUSTICE HACKLAND	)	DAY OF OCTOBER, 2019

B E T W E E N:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**INTERIM ADMINISTRATION AND DISTRIBUTION ORDER**

**THIS MOTION**, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (the “**GDH 10 Debtor**”), municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”), and of certain real property of Golden Dragon Ho 11 Inc. (the “**GDH 11 Debtor**”), municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**” and together with 347 Barber, the “**Property**”), was heard on October 11, 2019 at 161 Elgin Street, in Ottawa, Ontario.



**ON READING** the Seventh Report of the Receiver dated September 27, 2019 (the "**Seventh Report**"), the Receiver's Supplemental Report to the Seventh Report dated October 2, 2019 (the "**Supplemental Report**"), the Receiver's Second Supplemental Report to the Seventh Report dated October 9, 2019 (the "**Second Supplemental Report**"), the Affidavit of Chad Kopach sworn October 3, 2019, the Affidavit of Eric Golden sworn October 7, 2019, the Affidavit of Christopher Sebben sworn October 7, 2019, the Affidavit of Chi Van Ho sworn October 3, 2019, the Affidavit of Aaron Rumley sworn October 4, 2019, the Affidavit of Aaron Rumley sworn October 9, 2019 and the Affidavit of Stephanie Baldwin sworn October 9, 2019, on hearing the submissions of counsel for the Receiver, counsel for First National Financial GP Corporation ("**FN**"), counsel for Liahona Mortgage Investment Corp. ("**Liahona**"), counsel for the City of Ottawa, counsel for Quex Property Corporation and counsel for the GDH 10 Debtor and the GDH 11 Debtor, and counsel for Royal United Investments Limited, 347 Barber Street Ltd. and 345 Barber Street Ltd., no one appearing for anyone else on the service list, although properly served, as appears from the Affidavit of Jennifer Samuels sworn September 27, 2019, filed, and for reasons issued October 23, 2019:

#### **SERVICE**

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Receiver's Notice of Motion and Motion Record, including the Seventh Report, the Supplemental Report and the Second Supplemental Report is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.

#### **RECEIVER'S ACTIVITIES**

2. **THIS COURT ORDERS AND DECLARES** that the activities and proposed activities of the Receiver described in the Seventh Report, the Supplemental Report and the Second Supplemental Report are hereby approved.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

3. **THIS COURT ORDERS AND DECLARES** that Receiver's Interim Statement of Receipts and Disbursements for the period September 22, 2017 to August 31, 2019 contained in the Seventh Report is hereby approved.

### PROFESSIONAL FEES

4. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Receiver as set out in the Fee Affidavit of Hartley Bricks, sworn September 26, 2019 contained in the Seventh Report, the fees and disbursements of Dickinson Wright LLP as set out the Fee Affidavit of David Preger, sworn September 9, 2019 contained in the Seventh Report, and the fees and disbursements of Blaney McMurty LLP as set out in the Fee Affidavit of Chad Kopach sworn September 26, 2019 contained in the Seventh Report, are hereby approved.

### SEALING

5. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed, *nunc pro tunc*, to redact from the Seventh Report served on the parties named in the service list Confidential Appendices "A", "B", "C", "D", "E", "F" and "G".

6. **THIS COURT ORDERS AND DECLARES** that the unredacted version of the Seventh Report, including the Confidential Appendices "A" through "G" shall be sealed, kept confidential, and shall not form part of the public record, but shall rather be placed separate and apart from all other contents of the Court File in a separately sealed envelope on which is affixed a notice setting out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be unsealed after the Transaction (as defined in the Amended and Restated Approval and Vesting Order dated October 11, 2019 (the "AVO")) is completed, or further Order of this Court

### DISTRIBUTION

7. **THIS COURT ORDERS**, on consent, that upon the completion of the Transaction:
- (a) the Receiver shall pay to CBRE Group Inc., its commission of 1.25% (plus HST) of the purchase price payable under the APS (as defined in the AVO) (the "Commission");
  - (b) on an interim basis, the Commission shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber;

- (c) on an interim basis, FN's expenses with respect to its charges over the Property shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber;
- (d) the Receiver shall repay the amount outstanding under the Receiver's Borrowing Charge (as defined in the Appointment Order (Interim Receiver) dated September 22, 2017) (the "**Receiver's Borrowings**");
- (e) on an interim basis, the Receiver's Borrowings shall be allocated on the basis of 81.43% to 345 Barber and 18.57% to 347 Barber;
- (f) on an interim basis, the Receiver shall set aside a reserve (hereinafter the "**Reserve**") for:
  - (i) the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the Trial of Issues (hereinafter defined);
  - (ii) the prepayment amounts claimed by FN arising from the early payment of its charges against the Property (individually, a "**Yield Maintenance Penalty**" and, collectively the "**Yield Maintenance Penalties**");
  - (iii) an amount equivalent to one (1) year of interest at 1.6% *per annum* on the Yield Maintenance Penalties, commencing from the date the Transaction is completed; and
  - (iv) the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues.

8. **THIS COURT ORDERS**, on consent, that subparagraph 7(f) of this Order with respect to the Reserve is made without prejudice to the right of any interested stakeholder to dispute the reasonableness of any component of the Reserve, including any amount(s) claimed in connection therewith.

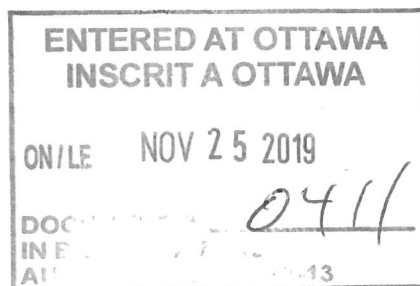
9. **THIS COURT ORDERS**, on consent, that subject to paying and allocating the amounts referred to in paragraph 7 and retaining the Reserve, the net sale proceeds and any excess funds

in the Receiver's hands shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber and distributed as follows:

- (a) with respect to 345 Barber:
  - (i) to fully satisfy FN's first ranking charge over 345 Barber, save and except for the Yield Maintenance Penalty related thereto; and
  - (ii) the balance to Liahona in partial satisfaction of its second charge over 345 Barber;
- (b) with respect to 347 Barber:
  - (i) to fully satisfy FN's first ranking charge over 347 Barber and FN's second ranking charge over 347 Barber, save and except for the Yield Maintenance Penalties related thereto; and
  - (ii) the balance remaining in the Receiver's hands attributable to 347 Barber shall be retained by the Receiver until further Order of this Court.

#### TRIAL OF ISSUES

10. **THIS COURT ORDERS** that counsel shall arrange a case conference to agree on a timetable for a trial of the Yield Maintenance Penalties and any ancillary issues (the "Trial of Issues").



Mackel J.

**FIRST NATIONAL FINANCIAL GP CORPORATION**  
Applicant

-and-  
**GOLDEN DRAGON HO 10 INC. et. al.**  
Respondents

Court File No. CV-17-73967

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT**  
**OTTAWA**

**ADMINISTRATION AND DISTRIBUTION ORDER**

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

## **Appendix D**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
JUSTICE HACKLAND

)  
)  
)

THURSDAY, THE 13<sup>TH</sup>  
DAY OF AUGUST, 2020

B E T W E E N:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**ORDER**

**THIS MOTION**, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (the “**GDH 10 Debtor**”), municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”), and of certain real property of Golden Dragon Ho 11 Inc. (the “**GDH 11 Debtor**”), municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**” and together with 347 Barber, the “**Property**”), was heard this day by videoconference due to the COVID-19 crisis.

**ON READING** the Eighth Report of the Receiver dated October 30, 2019 (the “**Eighth Report**”) and the Ninth Report of the Receiver dated June 29, 2020 (the “**Ninth Report**”) and on hearing the submissions of counsel for the Receiver, counsel for First National Financial GP Corporation (“**FN**”), counsel for Liahona Mortgage Investment Corp. and counsel for the GDH 10 Debtor and the GDH 11 Debtor (collectively, the “**Debtors**”), no one appearing for anyone else on the service list, although properly served, as appears from the Affidavit of Janet Nairne sworn June 30, 2020, filed,

## **SERVICE**

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Receiver’s Notice of Motion and Motion Record, including the Eighth Report and the Ninth Report, is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.

## **RECEIVER’S ACTIVITIES**

2. **THIS COURT ORDERS AND DECLARES** that the activities and proposed activities of the Receiver described in the Eighth Report, including, without limitation, the steps taken by the Receiver to successfully move for directions to the Court of Appeal for Ontario with respect to a notice of appeal filed by the Debtors of the Amended and Restated Approval and Vesting Order of Justice Hackland dated October 11, 2019 (the “**Vesting Order**”), are hereby approved.

3. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 5 of this Order, the activities and proposed activities of the Receiver described in the Ninth Report are hereby approved including, without limitation, the steps taken by the Receiver to complete the sale of the Property on November 7, 2019 in accordance with the Vesting Order and deal with closing and post-closing adjustments, distribute a portion of the net sale proceeds and set aside reserves (the “**Reserves**”) in accordance with the Interim Administration and Distribution Order of Justice Hackland dated October 23, 2019.



## **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

4. **THIS COURT ORDERS AND DECLARES** that Receiver's Interim Statement of Receipts and Disbursements for the period September 22, 2017 to June 25, 2020 contained in the Ninth Report is hereby approved.

## **RESERVES AND PROFESSIONAL FEES**

5. **THIS COURT ORDERS AND DECLARES** that the dispute over the allocation of the Reserves and the approval of professional fees as sought by the Receiver in the Ninth Report are hereby reserved until reasons are released in respect of FN's claim arising from the early prepayment of its charges against the Property.

  
\_\_\_\_\_

Justice Charles Hackland

**FIRST NATIONAL FINANCIAL GP CORPORATION**  
Applicant

-and-

**GOLDEN DRAGON HO 10 INC. et. al.**  
Respondents

Court File No. CV-17-73967

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT**  
**OTTAWA**

**ORDER**

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

## Appendix E

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

and

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

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**TENTH REPORT OF THE RECEIVER & MANAGER**

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**DATED FEBRUARY 5, 2021**

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## APPENDICES

<b>Appendix “A”</b>	Appointment Order of Justice Hackland dated September 22, 2017
<b>Appendix “B”</b>	Expanded Powers Order of Justice Hackland dated May 21, 2019
<b>Appendix “C”</b>	Interim Administration and Distribution Order dated October 23, 2019
<b>Appendix “D”</b>	Receiver’s Ninth Report to the Court dated June 29, 2020 (without appendices)
<b>Appendix “E”</b>	Order of Justice Hackland dated August 13, 2020
<b>Appendix “F”</b>	Receiver’s Interim Statement of Receipts and Disbursements for the period September 22, 2017 to February 5, 2021
<b>Appendix “G”</b>	Fee Affidavit of Hartley Bricks of Deloitte Restructuring Inc. sworn February 2, 2021
<b>Appendix “H”</b>	Fee Affidavit of Hartley Bricks of Deloitte Restructuring Inc. sworn June 25, 2020
<b>Appendix “I”</b>	Fee Affidavit of David Preger of Dickinson Wright LLP sworn February 4, 2021

## INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated September 22, 2017 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the interim receiver (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”, and combined with GDH 10, the “**Debtors**”) municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorized the Receiver to, among other things:
  - (a) 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) undertake any renovations and make any repairs to the Property necessary to ensure that the Property is well maintained and rentable and is in compliance with the applicable laws and building codes; and
  - (c) market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable.
3. On October 20, 2017, the Applicant, First National Financial GP Corporation (“**FN**”), brought a motion to, among other things, extend the appointment of the Receiver as permitted under section 47(1)(c) of the *Bankruptcy and Insolvency Act*. In support of that motion, the Receiver filed with the Court its First Report of the Interim Receiver dated October 17, 2017 (the “**First Report**”). Based on the First Report and submissions made to the Court by counsel for FN and the Receiver on October 20, 2017, the Court granted an Order that, among other things, extended the appointment of the Receiver until further Order of this Court.
4. On May 21, 2019, Liahona Mortgage Investment Corp. (“**Liahona**”), the second secured creditor on 345 Barber, and the Receiver each brought motions, for among other things,

advice and direction with respect to expanding the Receiver's mandate to that of a receiver and manager, authorizing the Receiver to conduct a marketing and sale process to realize on the Property, approving the Receiver's proposed marketing and sale process, and authorizing the Receiver to enter into a listing agreement with CBRE Group Inc.. In support of that motion, the Receiver filed with the Court the Sixth Report of the Interim Receiver dated May 6, 2019 (the "**Sixth Report**").

5. Based on the Sixth Report and the submissions made by Liahona, on May 26, 2019 the Court granted an order (the "**Expanded Powers Order**") approving the relief sought. A copy of the Expanded Powers Order is attached hereto as **Appendix "B"**.
6. On October 3, 2019, the Receiver brought a motion (the "**Sale Approval Motion**") for a Court order approving, among other things, the transaction (the "**Transaction**") contemplated in the Offer to Purchase dated August 27, 2019 made by Royal United Investments Limited (the "**Purchaser**") and accepted by the Receiver (the "**APS**"), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Property and vesting the Debtors' right, title and interest in the Property in and to the Purchaser's designees, 347 Barber Street Ltd. and 345 Barber Street Ltd., upon the closing of the Transaction. In support of the Sale Approval Motion, the Receiver filed with the Court the Seventh Report of the Receiver dated September 27, 2019 (the "**Seventh Report**") and the Supplemental Report to the Seventh Report dated October 2, 2019 to advise the Court of, among other things, a late offer received for the Property and an Agreement reached between the Purchaser, the City of Ottawa and the Ontario Ministry of Housing for the continuation of the affordable housing program at 347 Barber.
7. On October 3, 2019, after hearing preliminary submissions from the parties, Justice Hackland adjourned the Sale Approval Motion to October 11, 2019 so that Liahona and other parties could file responding material.
8. On October 8, 2019, the Receiver filed with the Court its Second Supplemental Report to the Seventh Report which: i) addressed the immediate financial implications to the Debtors' estates if the Sale Approval Motion was further adjourned or dismissed; ii) addressed the

purported concerns raised in the Affidavit of Chi Van Ho sworn October 3, 2019; and iii) reported to the Court on the receipt of a revised late offer.

9. On October 11, 2019, the Sale Approval Motion was heard by Justice Hackland who granted the Amended and Restated Approval and Vesting Order (the “**Vesting Order**”).
10. In his endorsement made with respect to the October 11, 2019 hearing, which was released on October 23, 2019, Justice Hackland:
  - i) approved a distribution from the net proceeds of sale, subject to the Receiver holding back “the sum of \$1.7 million pending the Court’s further ruling on a disputed prepayment penalty claimed by FN.”;
  - ii) held that there must be a trial of issues (the “**Trial of Issues**”) with respect to the FN’s entitlement to the payment of what he referred to as the “yield maintenance penalty” (“**Yield Maintenance**”) and any ancillary issues; and
  - iii) directed counsel to arrange a case conference to agree on a timetable for the Trial of Issues.
11. The Receiver and the Purchaser agreed on a Transaction closing date of October 18, 2019. However, on October 17, 2019, counsel for the Debtors served a Notice of Appeal in respect of the Vesting Order. As a result, the parties agreed to extend the closing date to November 5, 2019 to enable the Receiver to move for directions before a single judge of the Court of Appeal for Ontario (the “**COA**”).
12. On November 4, 2019, the Receiver brought an urgent motion (the “**Receiver’s Urgent Motion**”) before Justice Fairburn of the COA seeking, among other things:
  - i) a declaration that the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the “**BIA**”) governs the appeal of the Vesting Order;
  - ii) a declaration that there is no automatic right of appeal with respect to the Vesting Order pursuant to subsections 193(a) through (d) of the BIA; and



- iii) a declaration that the Vesting Order is not stayed pursuant to section 195 of the BIA or the *Courts of Justice Act*, R.S.O. 1990 c. C.43 or the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194.
13. In support of the Receiver's Urgent Motion, the Receiver filed its Eighth Report dated October 30, 2019 (the "**Eighth Report**").
  14. On November 4, 2019, Justice Fairburn granted the Receiver's motion and held that there is no automatic right to appeal the Vesting Order and that leave to appeal must be sought under s. 193(e) of the BIA, which the Debtors had failed to seek. Justice Fairburn further held that even if the Debtors had a right of appeal or were granted leave to appeal, triggering a stay pursuant to section 195 of the BIA, she would cancel the stay because the appeal lacked merit and the relative prejudice to the parties arising from a stay weighed against a stay.
  15. The parties agreed to extend the closing date of the Transaction to a date that was three days after the COA's decision in order to accommodate the time necessary to recalculate the statement of adjustments and for the Purchaser to arrange for the balance of the purchase price to be wired to the Receiver. The Transaction closed on November 7, 2019.
  16. On November 25, 2019, as a result of the parties having settled the terms of an interim distribution and other matters, Justice Hackland granted the Interim Administration and Distribution Order dated October 23, 2019 (the "**Interim Distribution Order**"), a copy of which is attached hereto as **Appendix "C"**.
  17. The Trial of Issues was held by videoconference on July 22, 30, 31, August 12 and 13, 2020. In advance of the Trial of Issues, the Receiver filed with the Court its Ninth Report to the Court dated June 29, 2020 (the "**Ninth Report**") which, among other things, provided the Court with an update on the closing of the Transaction and the status of the reserves being held by the Receiver, and sought the Court's approval of its activities and its fees up to June 20, 2020 and the fees of its counsel, Dickinson Wright LLP ("**DW**"), up to June 24, 2020. A copy of the Ninth Report is attached hereto as **Appendix "D"** (without appendices).

18. By Order dated August 13, 2020 (the “**August 13 Order**”), Justice Hackland, among other things, approved the Receiver’s activities as described in the Eighth Report and the Ninth Report, and reserved his decision regarding the dispute over the allocation of the Reserve and the approval of the Receiver’s professional fees referenced in the Ninth Report until the release of reasons in the Trial of Issues. A copy of the August 13 Order is attached hereto as **Appendix “E”**.
19. On November 16, 2020, Justice Hackland released his Reasons for Judgment with respect to the Trial of Issues (the “**YM Decision**”) in which he found that prepayment of future interest on the FN mortgages was properly payable to FN in the amount of \$1,473,141.82 (the “**YM Judgment Amount**”). Justice Hackland further determined that the Receiver’s expenses are properly allocated on the basis recommended by the Receiver in its Ninth Report.
20. On November 26, 2020, Liahona served an appeal (the “**Liahona Appeal**”) of the YM Decision of Justice Hackland seeking, among other things, judgment that i) FN is not entitled to the YM Judgment Amount from the estates of the Debtors; and ii) that the Receiver pay all amounts in its reserve fund credited to the estate of GDH11 to Liahona forthwith.
21. On December 15, 2020, the Debtors also served an appeal (and together with the Liahona Appeal, the “**Appeals**”) of the YM Decision seeking, among other things, judgment that FN is not entitled to the YM Judgment Amount and that the Receiver pay to Liahona the amounts in its reserve fund credited to the estate of GDH 11 that are due to Liahona, and to pay all other monies credited to the estate of the Debtors.
22. The above noted Court Orders, Endorsements, the Receiver’s previous reports, this the Receiver’s Tenth Report to the Court (the “**Tenth Report**”), and other key documents have been posted on the Receiver’s website at [www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11](http://www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11).

## **PURPOSE OF REPORT**

23. The purpose of this Tenth Report is to:

- (a) seek the Court's approval of the activities of the Receiver as described in the Tenth Report;
- (b) update the Court on the status of the Appeals;
- (c) update the Court on the status of the reserves held by the Receiver;
- (d) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to February 5, 2021;
- (e) seek the Court's approval of the fees and disbursements of the Receiver from to January 29, 2021 and the fees and disbursements of DW from June 25, 2020 to February 4, 2021.

## TERMS OF REFERENCE

24. In preparing this Tenth Report and its previous reports, the Receiver has reviewed unaudited financial information and other records related to the Property provided by its property manager, CLV Group Inc. ("CLV"), information provided by third-party sources, and has held discussions with individuals involved in administering the Property (collectively, the "**Information**"). Except as described in this report:
- (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
  - (b) the Receiver has prepared this Tenth Report in its capacity as a Court-appointed officer to support the Court's approval of the Receiver's activities to date, its course of action with respect to the Trial of Issues, and the other relief being sought. Parties using this

report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

25. Unless otherwise stated, all dollar amounts contained in this Tenth Report are expressed in Canadian dollars.
26. Unless otherwise provided, all other capitalized terms not otherwise defined in this Tenth Report are as defined in the Terms and Conditions of Sale, the APS, the Appointment Order, the Expanded Powers Order, the Interim Distribution Order or the YM Judgment (collectively, the “**Orders**”).

#### **RECEIVER’S ACTIVITIES SINCE THE NINTH REPORT**

27. Since the date of the Ninth Report, the Receiver has undertaken the following activities in accordance with the terms of the Orders:
  - (a) attended and participated in the Trial of Issues;
  - (b) reviewed the YM Decision with DW;
  - (c) responded to information requests from Blaneys concerning the reserves being held by the Receiver;
  - (d) reviewed and provided comments on drafts of the YM Judgment;
  - (e) attended a videoconference convened with Justice Hackland on January 15, 2021 at which a timetable was established for cost submissions concerning the Trial of Issues and the Receiver’s motion for approval of its fees and disbursements and those of DW;
  - (f) updated its reserve analysis to the date of this Tenth Report; and
  - (g) prepared the Receiver’s Interim Statement of Receipts and Disbursements.

## STATUS OF THE APPEALS

28. The Receiver understands that Liahona, the Debtors, and FN have agreed that the Appeals should be consolidated under one file number. As of the date of this Tenth Report, we have not been advised that the consolidation has been completed. The hearing of the Appeal has not yet been scheduled.

## STATUS OF THE RESERVE

29. As set out in the Ninth Report, prior to the parties agreeing to the terms of the Interim Distribution Order, the Receiver prepared an analysis of the funds available for distribution. The analysis showed the Receiver's proposed reserve for current unpaid and future fees and disbursements for itself and its legal counsel, the funds ordered held back by Justice Hackland in respect of Yield Maintenance (including an amount equivalent to one year's interest thereon) (collectively, the "**Reserve**"), and the proposed funds to be distributed on an interim basis. The analysis was summarized as follows:

	Total	345 Barber	347 Barber
<b>Proceeds from sale of the Property</b>			
Gross Purchaser Price	\$ 13,000,000.00	\$ 9,490,000.00	\$ 3,510,000.00
Less: net deductions re: statement of adjustments	(327,886.33)	(211,089.14)	(116,797.19)
Net proceeds received by Receiver	\$ 12,672,113.67	\$ 9,278,910.86	\$ 3,393,202.81
Add: total excess cash from operations available for distribution	(81,743.60)	(59,672.83)	(22,070.77)
Total Funds Available for Interim Distribution before Reserve	\$ 12,590,370.07	\$ 9,219,238.03	\$ 3,371,132.04
Less: total Reserve	(800,000.00)	(539,235.49)	(260,764.51)
Gross funds available for Interim Distribution	11,790,370.07	8,680,002.55	3,110,367.52
Less: Holdback for Yield Maintenance Issue	(1,550,258.56)	(999,504.81)	(550,753.75)
<b>Net funds available for Interim Distribution</b>	<b>10,240,111.51</b>	<b>7,680,497.73</b>	<b>2,559,613.78</b>
<b>Interim Distributions as of November 26, 2019:</b>			
First National	\$ 8,551,802.03	\$ 5,996,477.07	\$ 2,555,324.96
Liahona	1,684,020.66	1,684,020.66	
Undistributed	4,288.82		4,288.82
	\$ 10,240,111.51	\$ 7,680,497.73	\$ 2,559,613.78

30. The amount of the Reserve attributable to Yield Maintenance, being \$1,550,358.56, was based on the “prepayment penalty” amount set out in FN payout statements dated November 22, 2019, which statements were the basis for the interim distribution that was completed on November 26, 2019. The amount of \$1,550,358.56 consisted of FN’s prepayment penalty calculation of \$1,525,845.04 plus one year of simple interest at 1.6% of \$24,413.52.
31. In considering the issue further, the Receiver formed the view, which FN agrees with, that the prepayment penalty crystallized on the date of the sale of the Property, being November 7, 2019. As a result, the portions of the Reserve that should be attributable to paragraphs 7(f)(ii) and (iii) of the Interim Distribution Order are \$1,473,141.82 and \$23,570.27, respectively. This revised amount of the Reserve for the “Prepayment penalty” is consistent with the amount set out in paragraph 37 of the Agreed Statement of Facts dated July 29, 2020 and the YM Judgment Amount.
32. The changes in the Reserve as of February 5, 2021 are as follows:

	<b>Interim Distribution Order Reserve</b>				
	<b>7(i)</b>	<b>7(ii)</b>	<b>7(iii)</b>	<b>7(iv)</b>	<b>Total</b>
Original Reserve balance	\$ 525,000.00	\$ 1,525,845.04	\$ 24,413.52	\$ 275,000.00	\$ 2,350,258.56
Amended Reserve balance	\$ 525,000.00	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00	\$ 2,296,712.09
Less: Reserve draw downs					
DW Invoice #1436120	(217,172.20)				(217,172.20)
DW Invoice #1487978	(43,097.51)				(43,097.51)
DW Invoice #1502968	(63,946.44)				(63,946.44)
DW Invoice #1551081	(14,977.02)				(14,977.02)
Receiver Invoice #8000947566	(18,297.53)				(18,297.53)
Receiver Invoice #8001245537	(28,287.86)				(28,287.86)
Receiver Invoice #8001358235	(35,310.24)				(35,310.24)
Receiver Invoice #8001585577	(11,011.85)				(11,011.85)
Current Reserve balance	\$ 92,899.35	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00	\$ 1,864,611.44
Less: Reserve for prepayment amounts (7(ii)) and interest thereon (7(iii))					\$ (1,496,712.09)
Plus: Unreserved cash held by the Receiver					\$ 204,096.56
Total cash held by the Receiver, excluding prepayment amounts (7(ii)) and interest thereon (7(iii))					<u>\$ 571,995.91</u>

Discription of Reserves:

7(i) - Reserve for the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the trial of the Yield Maintenance Issue and ancillary issues

7(ii) - Reserve for the prepayment amounts claimed by FN arising from the early payment of its charges against the Property

7(iii) - Reserve for an amount equivalent to one (1) year of interest at 1.6% per annum on the Yield Maintenance Penalties, commencing from the date the Transaction is completed

7(iv) - Reserve for the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues

33. As provided for in the YM Decision, the payment of professional fees and disbursements outstanding as at the date of the Interim Distribution Order have been allocated on the 73/27 Allocation, whereas the professional fees and disbursements incurred since then have been allocated based on the Yield Maintenance allocation. As a result, the current allocation of the components of the Reserve is as follows:

<u>Components of Reserve</u>	<u>Total</u>	<u>345 Barber</u>	<u>347 Barber</u>
7(i) - Outstanding and future fees and disbursements of the Receiver and DW	92,899.35	61,175.09	31,724.26
7(ii) - Yield Maintenance Penalty	1,473,141.82	949,305.70	523,836.12
7(iii) - One year of interest at 1.6% per annum on the Yield Maintenance Penalty	23,570.27	15,188.89	8,381.38
7(iv) - Outstanding and future fees and disbursements of FN	275,000.00	177,212.45	97,787.55
	<u>\$ 1,864,611.44</u>	<u>\$ 1,202,882.12</u>	<u>\$ 661,729.31</u>

## STATEMENT OF RECEIPTS AND DISBURSEMENTS

34. Attached hereto as **Appendix “F”** is the Interim Statement of Receipts and Disbursements for the receivership for the period September 22, 2017 to February 5, 2021 (the “**R&D**”). The R&D includes the rental receipts received into the property management account and the disbursements made by the Receiver from its trust account. The R&D separates out the receipts and disbursements between September 22, 2017 and June 25, 2020, which receipts and disbursements were reported on in the Receiver’s previous reports and approved by the Court, and the receipts and disbursements between June 26, 2020 and February 5, 2021, which reflect the Receiver’s receipt and disbursement activity since the Ninth Report.
35. As the R&D indicates, the Receiver is holding \$2,068,708 in its trust account, an amount which exceeds the current balance of the Reserve by \$204,097. The excess balance is attributed to cash being held in a deposit account by CLV that was not reported to the Receiver when it calculated the amount of funds available for distribution on an interim basis, and to interest earned on funds being held by the Receiver, including the Reserve.

## PROFESSIONAL FEES

36. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before a judge of the Court.
37. The total fees of the Receiver during the period from June 20, 2020 to January 29, 2021, amount to \$40,993.00 together with disbursements of \$nil plus HST of \$5,329.09, totaling \$46,322.09. The time spent by the Receiver is more particularly described in the Affidavit of Hartley Bricks, a Senior Vice-President of Deloitte, sworn on February 2, 2021 in support hereof and attached hereto as **Appendix “G”**.
38. Attached hereto as **Appendix “H”** is the Affidavit of Hartley Bricks sworn June 25, 2020 regarding the Receiver’s fees for the period September 1, 2019 to June 19, 2020 in the



amount of \$117,816.07, inclusive of HST. The aforesaid Affidavit was previously appended to the Ninth Report. In his August 13 Order, Justice Hackland reserved approval of these fees until the release of his reasons of the Trial of Issues. With the YM Decision now released, the Receiver is also seeking approval of these fees.

39. The total legal fees and disbursements of DW, in its capacity as counsel to the Receiver, for the period August 11, 2020 to February 4, 2021 amount to \$78,923.46, inclusive of HST (the “**DW Fees**”). The time spent by DW is more particularly described in the Affidavit of David Preger, a partner of DW, sworn February 4, 2021 in support hereof and attached hereto as **Appendix “I”**.
40. The Receiver has reviewed the DW Fees as set out in Appendix “I” and finds the work performed and charges to be appropriate and reasonable in the circumstances.

## **RECEIVER REQUESTS**

41. For the reasons set out above, the Receiver requests that the Court make an Order:
  - (a) approving the activities of the Receiver as described in this Tenth Report;
  - (b) approving the R&D;
  - (c) approving the professional fees and disbursements of the Receiver from September 1, 2019 to January 29, 2021, and the fees and disbursements of DW from August 11, 2020 to February 4, 2021, all as set out in the fee affidavits, and authorizing the Receiver to pay the professional fees from available funds; and
  - (d) such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted at Toronto, Ontario this 5<sup>th</sup> day of February, 2021.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as the Court-  
appointed Receiver and Manager of  
certain real property of Golden Dragon Ho  
10 Inc. and Golden Dragon Ho 11 Inc., and  
without personal or corporate liability

A handwritten signature in cursive script that reads "Deloitte Restructuring Inc.".

Paul Casey, CPA, CA, FCIRP, LIT  
*Senior Vice-President*

Hartley Bricks MBA, CPA, CA, CIRP, LIT  
*Senior Vice-President*

## Appendix F

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

and

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

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**SUPPLEMENTAL REPORT TO THE  
TENTH REPORT OF THE RECEIVER & MANAGER**

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**DATED MARCH 17, 2021**

1. This report is supplemental to the Receiver's Tenth Report dated February 5, 2021 (the "**Tenth Report**"). It is being filed to report on matters pertinent to the upcoming videoconference hearing before the Court on March 19, 2021.
2. Capitalized terms used herein have the meanings ascribed to them in the Tenth Report.
3. Specifically, the Receiver wishes to report that:
  - (a) FN, Liahona and the Debtors (collectively, the "**Parties**") have reached an agreement regarding FN's costs of the Trial of Issues, which the Receiver supports; and
  - (b) no opposition has been raised by any of the Parties in respect to the relief sought by the Receiver in its Notice of Motion filed in connection with the Tenth Report.

#### **FN'S COST OF THE TRIAL OF ISSUES**

4. The Parties have agreed that FN's costs of the Trial of the Issues be paid by Liahona and the Debtors, jointly and severally, on a partial indemnity basis in the amount of \$208,470.25, inclusive of disbursements (including the Fuller Landau expert report) and HST (collectively, "**FN's Trial Costs**"). FN's Trial Costs are to be satisfied from the reserve established for the future legal fees and disbursements of FN pursuant to paragraph 7(f)(iv) of the Interim Administration and Distribution Order dated October 23, 2019 (the "**FN Fee Reserve**") and are to be allocated to the FN Fee Reserve on the basis of 73% to 345 Barber and 27% to 347 Barber.

5. In consideration for the settlement of FN's Trial Costs in the manner described above, the Parties have agreed that the Receiver shall pay to Liahona and the Debtors from the surplus funds it is holding over and above the Fee Reserve the aggregate sum of \$90,402.44, to be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber (the "**Payout Allocation**"). The Receiver shall make the payment by wire transfer to Conway Baxter Wilson LLP in trust. The requirement of any form of direction from Liahona, the Debtors and/or Chi Van Ho, or any other stakeholders of the estates of the Debtors, to the Receiver to make such payment is to be dispensed with. The payment may be allocated among Conway Baxter Wilson LLP and Martin Diegel, Barrister and Solicitor, as they may in their sole and absolute discretion agree; provided, however, that such allocation shall not impact, vary or amend the Payout Allocation.
6. Lastly, the Parties have agreed that the above-noted settlement is to be subject to the Court approving certain fees and disbursements of Blaney McMurtry LLP and Dewart Gleason LLP in respect of services performed on behalf of FN. To that end, the Receiver has been provided with a fee affidavit of Chad Kopach of Blaney McMurtry LLP, sworn March 16, 2021, with respect to the fees and disbursements of Blaney McMurtry LLP for the period of September 3, 2019 to and including November 4, 2019, which total \$118,758.19, including HST (the "**Blaney Fees**"). A copy of Mr. Kopach's fee affidavit is attached hereto as **Appendix "A"**.
7. The Receiver has also been provided with a fee affidavit of Sean Dewart of Dewart Gleason LLP, sworn March 16, 2021, with respect to the fees and disbursements of Dewart Gleason LLP for the period of October 5, 2019 to and including October 17, 2019, which total

\$24,179.79, including HST (the “**DG Fees**”). A copy of Mr. Gleason’s fee affidavit is attached as **Appendix “B”**.

8. The Receiver has reviewed the Blaney Fees and the DG Fees as set out in the above-noted fee affidavits and considers the charges to be appropriate and reasonable in the circumstances.
9. On the basis of the basis of the foregoing, the Receiver supports the agreement of the Parties with respect to costs and recommends that it be approved and that the Receiver be authorized to distribute funds from the reserve established by paragraph 7(f)(iv) of the Interim Administration and Distribution Order dated October 23, 2019 in order to give effect to the Parties’ agreement.

All of which is respectfully submitted at Toronto, Ontario this 17<sup>th</sup> day of March, 2021.

**DELOITTE RESTRUCTURING INC.**,  
solely in its capacity as the Court-  
appointed Receiver and Manager of  
certain real property of Golden Dragon Ho  
10 Inc. and Golden Dragon Ho 11 Inc., and  
without personal or corporate liability

A handwritten signature in dark ink that reads "Deloitte Restructuring Inc." in a cursive, flowing script.

Paul Casey, CPA, CA, FCIRP, LIT  
*Senior Vice-President*

Hartley Bricks MBA, CPA, CA, CIRP, LIT  
*Senior Vice-President*

## **Appendix G**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE	)	FRIDAY, THE 19 <sup>TH</sup>
	)	
JUSTICE HACKLAND	)	DAY OF MARCH, 2021

B E T W E E N:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**ORDER  
(Costs of Trial of Issues)**

**THIS MOTION**, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (the “**GDH 10 Debtor**”), municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”), and of certain real property of Golden Dragon Ho 11 Inc. (the “**GDH 11 Debtor**” and together with the GDH 10 Debtor, collectively, the “**Debtors**”), municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**” and together with 347 Barber, the “**Property**”), was heard this day by videoconference due to the COVID-19 crisis.

**ON READING** the Supplemental Report to the Tenth Report of the Receiver dated March 17, 2021 and on hearing the submissions of counsel for the Receiver, counsel First National Financial GP Corporation (“**FN**”), counsel for Liahona Mortgage Investment Corp.

(“**Liahona**”), counsel for the Debtors, no one else appearing for anyone else on the service list, although served, and on being advised of the consent of FN, Liahona and the Debtors and of the support of Receiver with respect to the terms of this Order,

1. **THIS COURT ORDERS** that FN’s costs of the Trial of the Issues heard on July 22, 30, 31 and August 12 and 13, 2020 be and are hereby payable to FN by Liahona and the Debtors, jointly and severally, on a partial indemnity basis in the amount of \$208,470.25, inclusive of disbursements (including the Fuller Landau expert report) and HST (collectively, “**FN’s Trial Costs**”).

2. **THIS COURT ORDERS** that FN’s Trial Costs shall be paid from that portion of the Reserve established by paragraph 7(f)(iv) of the Interim Administration and Distribution Order dated October 23, 2019 (the “**FN Fee Reserve**”).

3. **THIS COURT ORDERS** that FN’s Trial Costs shall be allocated to the FN Fee Reserve on the basis of 73% to 345 Barber and 27% to 347 Barber.

4. **THIS COURT ORDERS** that the Receiver shall forthwith pay to Liahona and the Debtors from the surplus funds it is holding over and above the Fee Reserve the aggregate sum of \$90,402.44, to be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber (the “**Payout Allocation**”).

5. **THIS COURT ORDERS** that the Receiver shall make the payment of \$90,402.44 provided for in paragraph 4 hereof by wire transfer to Conway Baxter Wilson LLP in trust. The requirement of any form of direction from Liahona, the Debtors and/or Chi Van Ho, or any other stakeholders of the estates of the Debtors, to the Receiver to make such payment to Conway Baxter Wilson LLP is hereby dispensed with. Such payment shall be allocated among Conway Baxter Wilson LLP and Martin Diegel, Barrister and Solicitor, as they may in their sole and absolute discretion agree; provided, however, that such allocation shall not impact, vary or amend the Payout Allocation.

6. **THIS COURT ORDERS** that the fees and disbursements of Blaney McMurtry LLP for the period of September 1, 2019 to and including November 4, 2019 and of Dewart Gleason LLP for the period of October 5, 2019 to and including October 17, 2019 be and are hereby approved.

Charles Hackland J.  
Justice C.T. Hackland

**FIRST NATIONAL FINANCIAL GP CORPORATION**  
Applicant

-and-

**GOLDEN DRAGON HO 10 INC. et. al.**  
Respondents

Court File No. CV-17-73967

	<p><b>ONTARIO</b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p><b>PROCEEDING COMMENCED AT</b></p> <p><b>OTTAWA</b></p>
	<p><b>ORDER</b></p>
	<p><b>DICKINSON WRIGHT LLP</b> Barristers &amp; Solicitors 199 Bay Street Suite 2200, P.O. Box 447 Commerce Court Postal Station Toronto, Ontario, M5L 1G4 Fax: (844) 670-6009</p> <p><b>DAVID P. PREGER (36870L)</b> Email: <a href="mailto:dpreg@rickinsonwright.com">dpreg@rickinsonwright.com</a> Tel: (416) 646-4606</p> <p>Lawyers for the Court-appointed Receiver, Deloitte Restructuring Inc.</p>

## Appendix H

**CITATION:** *First National Financial GP Corporation v. Golden Dragon HO 10 Inc. et al.*  
2021 ONSC  
**COURT FILE NO.** 17-73967  
**DATE:** 20210512

**SUPERIOR COURT OF JUSTICE - ONTARIO**

**RE:** First National Financial GP Corporation, Applicant

**AND**

Golden Dragon HO 10 Inc. and Golden Dragon HO 11 Inc., Respondents

**BEFORE:** The Honourable Justice C.T. Hackland

**COUNSEL:** David P. Preger and David Z. Seifer, for the Receiver, Deloitte Restructuring Inc.

Martin Diegel, for the Respondents Golden Dragon

Thomas G. Conway and Kevin Caron, for Liahona Mortgage Investment Corp.

Eric Golden, for First National GP Corporation

**HEARD:** March 19, 2021

**ENDORSEMENT (APPROVAL OF RECIEVER'S 10<sup>TH</sup> REPORT)**

[1] The court appointed receiver, Deloitte Restructuring Inc. seeks approval for its Tenth Report dated February 5, 2021 and the Supplemental Report to its Tenth report dated March 17, 2021 dealing with its ongoing administration of the receivership of the 345 and 347 Barber St. properties in Ottawa.

[2] The Receiver's Tenth report outlines the Receiver's activities detailed therein and the Supplement outlines the parties agreement regarding FN's costs of the Trial Issues heard before this court heard on July 22, 30, 31 and August 12 and 13, 2020. The Tenth report also documents the fees and disbursements of the receiver from September 1, 2019 to January 29, 2021 and its counsel Dickinson Wright LLP from August 11, 2020 to February 4, 2021.

[3] All parties supported the approval sought for the contents of the Tenth report and the Supplement, except only that the debtors are seeking a reduction of the Receiver's fees, as discussed below.

[4] The debtors (the mortgagors) submit that the receiver, Mr. Bricks from Deloitte's, should not have attended all 4 days of the Trial of Issues. This was a Zoom hearing that ultimately turned on the interpretation of mortgage documentation and points of law and it is suggested he could have been available to attend remotely if and when required. In my view, it is not particularly helpful to look back, after the events, and postulate that the receiver might have been excused from the hearing. That type of issue warrants discussion prior to the hearing. In any event the administration of this receivership has been very contentious and both the mortgagors and the second mortgagee have been highly critical of certain of the receiver's actions, especially relating to the sale of the two properties and the obtaining of the expanded powers order to authorize the sale. If it had been suggested to me that the receiver be excused from attendance at the trial of issues, I would have discouraged the idea. I have found the ongoing advice of the receiver, through counsel, to be invaluable throughout this contentious matter.

[5] The mortgagors also seek a reduction in the time Mr. Bricks has charged for his involvement in the preparation and review of the Receiver's Ninth and Tenth Reports and also some of his time on the Eighth Report. A reduction of 50% of his fees is sought. The suggested reductions total \$14,595. The accounting and priorities issues in this receivership relate to two separate apartment buildings on two separate but linked properties, which gave rise to a series of accounting and financial issues, discussed in detail in these reports. There are substantial sums of money involved. The case is currently proceeding on appeal to the Court of Appeal for the second time.

[6] The legal test for reviewing a receiver's fees and those of its counsel have been addressed by the Court of Appeal in *Bank of Nova Scotia v Diemer*, 2014 ONSC 365, by Pepall J.A.:

[33] The court endorsed the factors applicable to receiver's compensation described by the New Brunswick Court of Appeal in *Belyea: Bakemates*, at para. 51. In *Belyea*, at para. 9, Stratton J.A. listed the following factors:

- the nature, extent and value of the assets;
- the complications and difficulties encountered;
- the degree of assistance provided by the debtor;
- the time spent;
- the receiver's knowledge, experience and skill;
- the diligence and thoroughness displayed;
- the responsibilities assumed;
- the results of the receiver's efforts; and

- the cost of comparable services when performed in a prudent and economical manner.

[7] Justice Pepall further stated:

[45] That said, in proceedings supervised by the court and particularly where the court is asked to give its imprimatur to the legal fees requested for counsel by its court officer, the court must ensure that the compensation sought is indeed fair and reasonable. In making this assessment, all the *Belyea* factors, including time spent, should be considered. However, value provided should pre-dominate over the mathematical calculation reflected in the hours times hourly rate equation. Ideally, the two should be synonymous, but that should not be the starting assumption. Thus, the factors identified in *Belyea* require a consideration of the overall value contributed by the receiver's counsel. The focus of the fair and reasonable assessment should be on what was accomplished, not on how much time it took. Of course, the measurement of accomplishment may include consideration of complications and difficulties encountered in the receivership.

[8] I am of the view that the time spent by the receiver was reasonable in the context of this highly contentious case. Mr. Brick's hourly rates are not the subject of any objection. The Receiver's reports are the means by which the court is able to appreciate and assess the legal and financial issues as they unfold and to carry out its oversight responsibilities. Carefully prepared and accurate Reports such as the Receiver has prepared in this case are essential. The contentious sale process addressed in these Reports was carried out efficiently at fair market value, to the benefit of all stakeholders.

[9] The mortgagors' conduct necessitated the appointment of a receiver in the first place and they have done nothing to assist with the smooth administration of this receivership and indeed did their best to vigorously oppose the court approved sale. An element of co-operation on the mortgagors' part would have reduced the professional fees of all concerned.

[10] In the court's view, the Receiver's Reports reflect its diligence and thoroughness displayed throughout and are of great assistance to the court. The receivers accounts will be accepted as proposed in the Tenth report, without reduction.



**Disposition**

[11] The Receiver's Tenth Report and the Supplement thereto are approved, including the professional fees for which court approval is sought. I ask that an updated order in this respect be provided by the Receiver for my signature.

A handwritten signature in cursive script, appearing to read "Hackland C.T.", is written above a horizontal line.

Mr. Justice Charles T. Hackland

**Date:** May 12, 2021

**CITATION:** *First National Financial GP Corporation v. Golden Dragon HO 10 Inc. et al.*  
2021 ONSC

**COURT FILE NO.** 17-73967

**DATE:** 20210512

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**RE:** First National Financial GP Corporation,  
Applicant

**AND**

Golden Dragon HO 10 Inc. and Golden  
Dragon HO 11 Inc., Respondents

**COUNSEL:** David P. Preger and David Z. Seifer, for  
the Receiver, Deloitte Restructuring Inc.

Martin Diegel, for the Respondents  
Golden Dragon

Thomas G. Conway and Kevin Caron,  
for Liahona Mortgage Investment Corp.

Eric Golden, for First National GP  
Corporation

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**ENDORSEMENT**

---

Justice Charles T. Hackland

**Released:** May 12, 2021

## Appendix I

Court File No. C68855  
Court File No. C69031

COURT OF APPEAL FOR ONTARIO

THE HONOURABLE JUSTICE MACPHERSON	)	WEDNESDAY, THE
THE HONOURABLE JUSTICE VAN RENSBURG	)	31 <sup>st</sup> DAY OF
THE HONOURABLE JUSTICE ROBERTS	)	AUGUST, 2022

BETWEEN:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant  
(Respondent)

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents  
(Respondents)

AND BETWEEN:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant  
(Respondent)

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents  
(Appellants)

**ORDER**

**THIS APPEAL** made by the appellants, Liahona Mortgage Investment Corporation (“**Liahona**”), Golden Dragon Ho 10 Inc. (“**GDH 10**”) and Golden Dragon Ho 11 Inc. (“**GDH 11**”)

in Court File No. C68855, to set aside the Trial Judgment of the Honourable Justice Hackland, dated November 16, 2020, granting judgment following trial (the “**Trial**”) in favour of the respondent, First National Financial GP Corporation (“**FN**”), in the amount of \$1,473,141.82 (the “**Future Interest**”) in respect of the future interest being claimed by FN on its three mortgages (collectively, the “**FN Mortgages**”) over the properties municipally known as 345 Barber Street, Ottawa and 347 Barber Street, Ottawa , and the order of the Honourable Justice Hackland, dated March 19, 2021 awarding FN its costs of the Trial (the “**Main Appeal**”),

**AND THIS APPEAL** by the appellants, GDH 10 and GDH 11 (collectively, “**GDH**”) in Court File No. C69031 to set aside the Endorsement of the Honourable Justice Hackland, dated May 12, 2021, approving the fees and disbursements from September 1, 2019 to January 29, 2021 of Deloitte Restructuring Inc. (the “**Receiver**”) in its capacity as the court-appointed receiver and manager of certain real property of GDH 10, being 347 Barber Street, and of certain real property of GDH 11, being 345 Barber (the “**Fee Appeal**” and together with the Main Appeal, collectively, the “**Appeals**”),

**WERE HEARD** on January 26, 2022 by Zoom videoconference in the presence of the lawyers for Liahona, GDH 10 and GDH 11, FN and the Receiver, no parties not appearing, and judgment was reserved until this day.

**ON READING** the Appeal Book and Compendium of Liahona, the Appeal Book and Compendium of GDH, the Compendium of FN, the Compendium of the Receiver, the Exhibit Book of Liahona, the factum and Book of Authorities of Liahona, the factum and Book of Authorities of GDH, the factum and Book of Authorities of FN, and the factum and Book of

Authorities of the Receiver, and on hearing the submissions of counsel for Liahona, GDH, FN and the Receiver:

1. **THIS COURT ORDERS** that the Main Appeal be and is hereby allowed.
2. **THIS COURT ORDERS AND DECLARES** that the FN Mortgages do not provide for accelerated Future Interest being payable to FN under the FN Mortgages.
3. **THIS COURT ORDERS** that FN pay the costs of this appeal to Liahona and GDH in the sum of \$60,000.00 plus disbursements and HST (the “**Appeal Costs Award**”), to be allocated among Conway Baxter Wilson LLP and Martin Diegel, Barrister and Solicitor, as they may in their sole and absolute discretion agree, in full and final satisfaction of the Appeal Costs Award.
4. **THIS COURT ORDERS** that the Fee Appeal be and is hereby dismissed.
5. **THIS COURT ORDERS** that the Receiver’s legal fees and disbursements in connection with the Appeals shall be dealt with on a passing of accounts before a Justice Hackland, or another judge of the Superior Court of Justice in Ottawa, in the underlying receivership proceeding.

THIS ORDER BEARS INTEREST at the rate of 3% per year commencing on October 12, 2022.

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

*December 30, 2022*

PER / PAR: *ND*



Registrar, Court of Appeal for Ontario

## Appendix J

Court File No. 17-73967

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) FRIDAY, THE  
)  
JUSTICE HACKLAND ) 21st DAY OF July , 2023

BETWEEN:

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

## Respondents

**APPLICATION UNDER** Section 47 of the *Bankruptcy and Insolvency Act*  
R.S.C. 1985, C. B-3, as amended

## ORDER

**THIS MOTION** made by Deloitte Restructuring Inc. (the “**Receiver**”) for distributions as a result of the Judgment of the Court of Appeal for Ontario (the “**Appeal Judgment**”) in Court File No. C68855 and Court File No. C69031 dated August 31, 2022 (the “**Appeals**”), the Judgment of the Supreme Court of Canada (the “**SCC Judgment**”) in Court File No. 40465 dated April 13, 2023 (the “**SCC Leave Application**”) **AND THIS MOTION** made by Martin Diegel, barrister and solicitor (“**Mr. Diegel**”), for an Order approving the fees and disbursements of Mr. Diegel rendered in the receivership proceeding herein and directing the Receiver to pay such fees and disbursements, were heard this day at Ottawa.



**ON READING** the Trial Judgment of the Honourable Justice Hackland dated November 16, 2020, granting judgment following trial (the “**Trial**”) in favour of First National Financial GP Corporation (“**FN**”), in the amount of \$1,473,141.82 (the “**Future Interest**”) in respect of the future interest being claimed by FN on its three mortgages (collectively, the “**FN Mortgages**”) over the properties municipally known as 345 Barber Street, Ottawa (“**345 Barber**”) and 347 Barber Street, Ottawa (“**347 Barber**” and together with 345 Barber, collectively, the “**Properties**”), the Appeal Judgment reversing the Trial Judgment and the Order of the Honourable Justice Hackland, dated March 19, 2021, awarding FN its costs of the Trial (the “**Main Appeal**”), and the SCC Judgment dismissing leave to appeal to the Supreme Court of Canada, and the Consent of First National Financial GP Corporation, Liahona Mortgage Investment Corporation (“**Liahona**”), Golden Dragon Ho 10 Inc. (“**GDH 10**”) and Golden Dragon Ho 11 Inc. (“**GDH 11**”) to this Order (collectively, “**GDH**”), the Notice of Motion of Mr. Diegel and the Affidavit of Jacob Charles Diegel, sworn June 27, 2023 (the “**Diegel Affidavit**”) and on being advised of the consent of the Receiver, FN, Liahona and GDH to the within Order,

1. **THIS COURT ORDERS AND DIRECTS** that the Receiver is to pay to Liahona out of the reserve it is currently holding from the sale of the Properties (the “**Reserve**”) attached as Schedule “A” hereto, 73% of the Future Interest amount that forms part of the Reserve (column 7(ii) of Schedule “A”).

2. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of Mr. Diegel rendered to GDH in the receivership proceeding herein as set out in the Diegel Affidavit are hereby approved.

3. **THIS COURT ORDERS AND DIRECTS** the Receiver to pay from the portion of the Reserve representing 27% of the Future Interest amount (column 7(ii) of schedule “A”), being GDH’s portion of the Future Interest (the “**GDH Future Interest Reserve**”), the sum of \$340,409.89 to Mr. Diegel. The requirement of any form of direction from GDH, or any other stakeholders of the estates of GDH, to the Receiver to make such payment to Mr. Diegel, is hereby dispensed with

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to set aside the remainder of the GDH Future Interest Reserve, pending further Order of Justice Hackland, or of another judge of the Superior Court of Justice in Ottawa in the receivership proceeding herein (the “**GDH Future Interest Allocation**”).

5. **THIS COURT ORDERS** that subject to allocating the all-inclusive amount of \$25,000.00 for Liahona’s portion of the Receiver’s fees and disbursements since the Appeals were heard until the Receiver’s discharge in the proceeding herein, and subject to the Receiver setting aside the GDH Future Interest Allocation, the Receiver shall disburse to Liahona 73% of the remaining Reserve after payment to Liahona of the amount set out in paragraph 1 above (columns 7(i), 7(iii), 7 (iv) and “surplus cash” of Schedule “A”).

6. **THIS COURT ORDERS** that following the payments by the Receiver to Liahona in paragraphs 1 and 5 above, the Receiver will have no further monetary obligations to Liahona out of the Reserve, or otherwise, subject only to any future Order made in this proceeding by Justice Hackland, or of another judge of the Superior Court of Justice in Ottawa, regarding the passing of the accounts of the Receiver in connection with the Appeals or otherwise.

7. **THIS COURT ORDERS** that the remaining portion of the Reserve, following the payments to Liahona in paragraphs 1 and 5 above and the payment to Mr. Diegel in paragraph 3 above, be maintained by the Receiver along with the GDH Future Interest Allocation, pending further Order of Justice Hackland, or another judge of the Superior Court of Justice in Ottawa in the underlying receivership proceeding.

8. **THIS COURT ORDERS AND DIRECTS** that Liahona and GDH are entitled to their costs of Trial, and that FN shall pay to Liahona and GDH their Trial costs of \$208,470.25 inclusive of disbursements and HST (the “**Trial Costs Award**”), to be allocated among Conway Baxter Wilson LLP and Mr. Diegel, as they may in their sole and absolute discretion agree, in full and final satisfaction of the Trial costs, and any other claim for costs against FN in the proceeding herein, save and except for the Appeal Costs Award and the SCC Costs Award (as defined below).

9. **THIS COURT ORDERS** that that costs of the Appeals, in the all-inclusive sum of \$73,981.04 inclusive of disbursements and HST (the “**Appeal Costs Award**”), and the costs of the SCC Leave Application in the all-inclusive sum of \$2,400 inclusive of disbursements and HST (the “**SCC Costs Award**”), which are also to be paid by FN, be allocated among Conway Baxter Wilson LLP and Mr. Diegel, Barrister and Solicitor, as they may in their sole and absolute discretion agree, in full and final satisfaction of the Appeal Costs Award and the SCC Costs Award.

10. **THIS COURT ORDERS** that the Trial Costs Award, the Appeal Costs Award and the SCC Costs Award shall be paid by wire transfer to Conway Baxter Wilson LLP in trust. The requirement of any form of direction from Liahona or GDH, or any other stakeholders of the estates of GDH, to FN to make such payment to Conway Baxter Wilson LLP, is hereby dispensed with.

*Hackland J.*

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Justice C.T. Hackland

Issuance Date: July 24, 2023

## Schedule "A"

### RESERVES HELD BY THE RECEIVER

	7(i)	7(ii)	7(iii)	7(iv)	Surplus Cash	Total
Reserve Balance at July 6, 2023	\$ 25,189.18	\$ 1,473,141.82	\$ 23,570.27	\$ 275,000.00	\$ 197,284.27	\$ 1,994,185.54

Description of Reserves:

7(i) - Reserve for the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the trial of the

7(ii) - Reserve for the prepayment amounts claimed by FN arising from the early payment of its charges against the Property

7(iii) - Reserve for an amount equivalent to one (1) year of interest at 1.6% per annum on the Yield Maintenance Penalties, commencing from the date the

7(iv) - Reserve for the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues

**FIRST NATIONAL FINANCIAL GP CORPORATION**  
Applicant

-and-

**GOLDEN DRAGON HO 10 INC. et. al.**  
Respondents

Court File No. CV-17-73967

	<p><b>ONTARIO</b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p>PROCEEDING COMMENCED AT <b>OTTAWA</b></p>
	<p><b>ORDER</b></p>
	<p><b>DICKINSON WRIGHT LLP</b> Barristers &amp; Solicitors 199 Bay Street Suite 2200, P.O. Box 447 Commerce Court Postal Station Toronto, Ontario, M5L 1G4 Fax: (844) 670-6009</p> <p><b>DAVID P. PREGER (36870L)</b> Email: <a href="mailto:dpreger@dickinsonwright.com">dpreger@dickinsonwright.com</a> Tel: (416) 646-4606</p> <p>Lawyers for the Court-appointed Receiver, Deloitte Restructuring Inc.</p>

## **Appendix K**

**In the Matter of the Receivership of  
of certain real property of  
Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.  
Interim Receiver's Statement of Receipts and Disbursements (consolidated)  
For the period September 22, 2017 to March 31, 2024**

	<b>September 22, 2017 to February 5, 2021</b>	<b>February 6, 2021 to March 31, 2024</b>	<b>September 22, 2017 to March 31, 2024</b>
<b>Receipts</b>			
Proceeds from sale of property	\$ 13,000,000.00		\$ 13,000,000.00
Tenant rental receipts	1,845,744.27		1,845,744.27
Provincial Affordability payments	162,555.00		162,555.00
Telus (rooftop cellular equipment)	36,894.00		36,894.00
Coin laundry receipts	22,179.00		22,179.00
Interest	27,614.70	97,628.29	125,242.99
Miscellaneous receipts	10,453.00		10,453.00
Receiver's Certificate	484,753.00		484,753.00
<b>Total Receipts</b>	<b>\$ 15,590,192.97</b>	<b>\$ 97,628.29</b>	<b>\$ 15,687,821.26</b>
<b>Disbursements</b>			
Filing fees paid to Official Receiver	70.00		70.00
Receiver's fees	563,730.94	8,187.50	571,918.44
Legal fees	498,103.40	135,402.66	633,506.06
Commissions	162,500.00		162,500.00
Consultant fees	2,900.00		2,900.00
GST/HST paid	333,112.00	18,666.73	351,778.73
PST paid	12,949.00		12,949.00
Bank charges	1,359.00	504.40	1,863.40
Operating expenses:	-		
Postage	21.12		21.12
Signage	95.00		95.00
Enterphones	1,137.00		1,137.00
Insurance	161,859.00		161,859.00
Property Management fees	179,140.00		179,140.00
Repairs & maintenance	820,322.00		820,322.00
Janitorial	70,378.00		70,378.00
Prepaid deposits-utilities	3,102.00		3,102.00
Gas & Heating	69,500.00		69,500.00
Electricity	48,604.00		48,604.00
Water & Sewage	88,441.00		88,441.00
Computer	964.00		964.00
Equipment	34,407.00		34,407.00
Rental agent fees	14,732.00		14,732.00
General Expense	4,286.00		4,286.00
Realty taxes (net)	22,735.00		22,735.00
Other	23,255.34		23,255.34
Redirection of Monthly Affordability Payments to I	167,958.31		167,958.31
Distribution to First National	8,551,802.03		8,551,802.03
Distribution to Liahona	1,684,020.66	1,480,755.44	3,164,776.10
Payment to Martin Diegel		340,409.89	340,409.89
<b>Total Disbursements</b>	<b>\$ 13,521,483.80</b>	<b>\$ 1,983,926.62</b>	<b>\$ 15,505,410.42</b>
<b>Excess of Receipts and Disbursements</b>	<b>\$ 2,068,709.17</b>	<b>\$ (1,886,298.33)</b>	<b>\$ 182,410.84</b>



## Appendix L

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

and

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

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**AFFIDAVIT OF CATHERINE HRISTOW  
(Sworn April 1, 2024)**

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**I, Catherine Hristow** of the Town of Willow Beach, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed interim receiver (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. municipally known as 347 Barber Street. Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. municipally known as 345 Barber St. Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”). As such, I have personal knowledge of the matters to which I hereinafter refer.

2. Attached hereto as **Exhibit “A”** is a summary of the accounts issued by the Receiver for services rendered during the period February 1, 2021 to March 31, 2024 (the “**Period**”). The total fees incurred during the Period were \$23,772.50 plus disbursements of nil and HST of \$3,090.43 for total fees of \$26,862.93.

3. Attached hereto as **Exhibit "B"** are true copies of the accounts of the Receiver with respect to the Property for the Period, including a detailed description of the activities, number of hours worked, applicable hourly rates, and totals. The Receiver's average hourly rate charged over the Period is approximately \$466. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Period.

4. Based on my review of the accounts referred to herein and my personal knowledge of this matter, the accounts referred to herein represent a fair and accurate description of the services provided and the amounts charged by the Receiver.

5. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and for no other or improper purpose.

**SWORN** before me at the City of Toronto,  
in the Province of Ontario, on April 1, 2024

)  
)  
)  
)

  
**CATHERINE HRISTOW**



Commissioner for Taking Affidavits

David Preger

## Exhibit “A”

### Summary of Invoices Issued by the Receiver of certain real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
November 12, 2021	February 1, 2021 to October 31, 2021	\$ 8,187.50	-	\$ 1,064.38	\$ 9,251.88
April 1, 2024	November 1, 2021 to March 31, 2024	15,585.00	-	2,026.05	17,611.05
		<u>\$ 23,772.50</u>	<u>-</u>	<u>\$ 3,090.43</u>	<u>\$ 26,862.93</u>

**Exhibit “B”**

**Copies of Invoices Issued by the Receiver of certain real property of  
Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.**

**Invoice 8002195562****Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Golden Dragon Ho 10 Inc. & Golden Dragon Ho 11 Inc.  
c/o Deloitte Restructuring Inc., Interim Receiver  
8 Adelaide St. West, Suite 200  
Toronto ON M5H 0A9  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: November 12, 2021  
Client No.: 1148618  
WBS#: FIRC0013  
Engagement Partner: Philip Reynolds  
HST Registration : 122893605RT0001

**For professional services rendered****Fees**

By Deloitte Restructuring Inc. in its capacity as Court-appointed receiver and manager of certain of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. for the period of February 1, 2021 to October 31, 2021.

Please see the attached appendices for details.

**Sales Tax**

HST applicable 8,187.50

HST at 13.00 % 1,064.38

**Total Amount Due (CAD) 9,251.88**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8002195562

November 12, 2021

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
c/o Deloitte Restructuring Inc., Interim Receiver	1148618	8002195562	9,251.88	Payment for invoice 8002195562

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



## Appendix #1

### Summary of Fees

Name	Level	Hours	Rate	Amount
Bricks, Hartley	Senior Vice President	13.3	550.00	7,315.00
Hristow, Catherine	Senior Vice President	1.0	550.00	550.00
Brown, Rose	Trust Administrator Manager	1.1	125.00	137.50
Conorton, Laura	Consultant	0.6	125.00	75.00
Keene, Ashley	Senior	0.4	275.00	110.00
<b>Total Professional Hours and Fees</b>		<b>16.4</b>		<b>8,187.50</b>
Out-of-pocket Expenses				-
<b>Total Fees and Expenses (CAD)</b>				<b>8,187.50</b>



**Appendix #2****Work performed from February 1, 2021 to October 31, 2021**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
02-02-21	Bricks, Hartley	Revise report; prepare fee affidavit.	1.5
04-02-21	Hristow, Catherine	Review draft Tenth Report and appendices and provide comments on same.	0.9
04-02-21	Bricks, Hartley	Corresp. with D. Preger re report; Revise report for C. Hristow comments and DW fees;	1.3
05-02-21	Conorton, Laura	Preparing and processing two wire payments.	0.6
05-02-21	Bricks, Hartley	Revise report for DW comments; prepare analysis of reserves requested by E. Golden; finalize report for service.	3.2
18-02-21	Bricks, Hartley	Review of draft order, disc. same with E. Golden and prepare revised wording of order and forward to D. Preger.	1.0
17-03-21	Bricks, Hartley	Draft supplemental report to court and discuss same with D. Preger, revise report and forward to D. Preger for service.	2.3
18-03-21	Bricks, Hartley	Review of draft orders and corresp. with D. Preger re same.	1.0
19-03-21	Bricks, Hartley	Prepare for and attend hearing re Receiver's Notice of Motion for cost settlement order and other approvals.	1.0
21-03-21	Keene, Ashley	Update Receiver's website for recent documents.	0.4
23-03-21	Bricks, Hartley	Review M. Diegel submissions and provide comments to D. Preger; prepare disbursement request for payment of legal fees as per March 19 costs order.	1.4
23-03-21	Brown, Rose	Trust Banking Administration - Prepare wire request, have signed and fax to RBC for processing.	0.4
23-03-21	Hristow, Catherine	Review and approve wire transfer.	0.1
24-03-21	Brown, Rose	Trust Banking Administration - Confirm wire process and input into Ascend.	0.1
12-05-21	Bricks, Hartley	Review of corresp. from E. Golden re reserves, review of banking info and respond re status of reserves.	0.6
14-05-21	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.3
03-09-21	Brown, Rose	Trust Banking Administration - Confirm investment renewal with HB, Send email to RBC to request re-investment.	0.2
09-09-21	Brown, Rose	Trust Banking Administration - Update Ascend with New investment, scan and file back up.	0.1
<b>Total</b>			<b>16.4</b>



ATTN: Golden Dragon Ho 10 Inc. & Golden Dragon Ho 11 Inc.  
c/o Deloitte Restructuring Inc., Interim Receiver  
8 Adelaide St. West, Suite 200  
Toronto ON M5H 0A9  
Canada

**Invoice 54899815**

**Deloitte Restructuring Inc.**  
Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: April 01, 2024  
Client No.: 1148618  
WBS#: FIR01399  
Engagement Partner: Philip Reynolds

GST/HST Registration: 122893605RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

By Deloitte Restructuring Inc. in its capacity as Court-appointed receiver and manager of certain of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. for the period of November 1, 2021 to March 31, 2024.

Please see the attached appendices for details.

**Sales Tax**

HST applicable 15,585.00

HST at 13.00 % 2,026.05

**Total Amount Due (CAD) 17,611.05**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 54899815

April 01, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
c/o Deloitte Restructuring Inc., Interim Receiver	1148618	0054899815	17,611.05	Payment for invoice 0054899815

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

**For USD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1**  
**Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Bricks, Hartley	Senior Vice President	26.0	550.00	14,300.00
Brown, Rose	Trust Administrator	4.2	125.00	525.00
Conorton, Laura	Consultant	2.3	125.00	287.50
Alvi, Farrah	Consultant	0.7	125.00	87.50
Dew, Todd	Senior	1.4	275.00	385.00
<b>Total Professional Hours and Fees</b>		<b>34.6</b>		<b>15,585.00</b>
Out-of-pocket Expenses				-
<b>Total Fees and Expenses (CAD)</b>				<b>15,585.00</b>

**Appendix #2****Work performed from November 1, 2021 to March 31, 2024**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
11/15/2021	Conorton, Laura	Processing payment.	0.5
1/6/2022	Dew, Todd	Bank reconciliation.	0.2
1/26/2022	Dew, Todd	Bank reconciliation.	0.2
1/26/2022	Bricks, Hartley	Discussion with D. Preger regarding court of appeal hearing and costs	0.5
1/27/2022	Bricks, Hartley	Review of draft letter re costs and provide comments to D. Preger.	0.1
5/13/2022	Alvi, Farrah	Bank reconciliation.	0.2
5/16/2022	Brown, Rose	Transfer between account to cover online bank fees/	0.1
6/14/2022	Alvi, Farrah	Bank reconciliation.	0.5
7/20/2022	Dew, Todd	Bank reconciliation.	0.2
8/22/2022	Brown, Rose	Complete wire request and input into Ascend.	0.3
8/22/2022	Dew, Todd	Bank reconciliation.	0.2
9/7/2022	Brown, Rose	Email/telephone call to RBC to cash out investment and input into Ascend.	0.3
9/8/2022	Brown, Rose	Update Ascend with investment purchase.	0.2
9/12/2022	Brown, Rose	Complete investment entries and file back up.	0.2
9/12/2022	Bricks, Hartley	Review of court of appeal decision; prepare update of reserves and reconciliation of cash held by Receiver and forward to E. Golden.	2.5
9/14/2022	Bricks, Hartley	Discussion with D. Preger re implications of court of appeal decision, reserves and draft order.	0.3
9/15/2022	Dew, Todd	Bank reconciliations	0.2
9/16/2022	Bricks, Hartley	Working on updated report.	2.5
9/21/2022	Bricks, Hartley	Review of draft order, review of files and provide comments to D. Preger.	1.1
9/23/2022	Bricks, Hartley	Review various correspondence regarding draft order; correspondence. to/from K. Caron regarding investment of funds.	0.2
9/26/2022	Bricks, Hartley	Respond to K. Caron with investment information.	0.1

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
9/29/2022	Bricks, Hartley	Review of correspondence from D. Preger regarding draft order and correspondence regarding same.	0.3
10/13/2022	Bricks, Hartley	Review of correspondence from E. Golden regarding changes to draft order.	0.2
10/14/2022	Bricks, Hartley	Review of correspondence concerning draft order.	0.1
10/21/2022	Dew, Todd	Bank reconciliation.	0.2
10/25/2022	Bricks, Hartley	Review of correspondence and draft order and correspondence with D. Preger regarding Receiver's position.	0.3
11/17/2022	Dew, Todd	Bank reconciliation.	0.2
11/30/2022	Brown, Rose	Investment renewal and input in Ascend.	0.7
12/6/2022	Bricks, Hartley	Review of correspondence re court orders, review receivership accounting, update Schedule "A" to Distribution Order and forward to counsel.	0.5
3/27/2023	Brown, Rose	Input transfer between accounts.	0.1
3/29/2023	Brown, Rose	Scanning and saving T5 Slip on Q and file hardcopy.	0.1
4/13/2023	Bricks, Hartley	Review and respond to various correspondence regarding Supreme Court decision and distribution.	0.3
4/14/2023	Bricks, Hartley	Review of files and update schedule A; prepare proposed allocation of funds and forward to Liahona and GDH	1.5
5/5/2023	Bricks, Hartley	Section 246(2) reporting	1.0
5/8/2023	Bricks, Hartley	Prepare 246(2) reports.	4.5
5/9/2023	Bricks, Hartley	Revise 246(2) reports and finalize same	0.5
5/18/2023	Bricks, Hartley	Correspondence with appraiser and M. King regarding site visit	0.1
5/31/2023	Bricks, Hartley	Discussion with D. Preger regarding status of order.	0.2
6/21/2023	Bricks, Hartley	Discussion with D. Preger regarding draft order and schedule.	0.2
6/22/2023	Bricks, Hartley	Review of ledger and update Schedule A to draft order, prepare correspondence on same.	0.5
6/22/2023	Brown, Rose	Send general ledger to H. Bricks.	0.1
7/6/2023	Bricks, Hartley	Update Schedule A to the draft order and forward to all parties.	0.2
7/12/2023	Bricks, Hartley	Review of Diegel motion record and discuss same with D. Preger.	1.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/13/2023	Bricks, Hartley	Review of draft order; discussion with E. Golden regarding draft order and further discussion with D. Preger regarding same.	0.4
7/24/2023	Bricks, Hartley	Review of order, review of banking information and correspondence with K. Caron and M. Diegel regarding wire information.	0.7
7/25/2023	Bricks, Hartley	Review of corresp. from K. Caron; prepare cheque requisitions for distributions as per court order.	0.8
7/25/2023	Conorton, Laura	Preparing wires, and update website.	1.1
7/26/2023	Bricks, Hartley	Correspondence concerning distribution confirmation.	0.2
7/27/2023	Conorton, Laura	Website updates.	0.7
8/1/2023	Bricks, Hartley	Commence draft of Eleventh Report to Court.	5.2
10/4/2023	Brown, Rose	Send C. Hristow copy of cheque received for Telus.	0.1
10/5/2023	Brown, Rose	Discuss cheque received for Telus and send C. Hristow copy of general ledger for reference.	0.3
11/21/2023	Brown, Rose	Prepare statement of receipts and disbursements as at Sep 22, 2023. Pull Ascend reports and send to C. Hristowl.	0.5
2/28/2024	Brown, Rose	Pull GL report from Ascend and update R&D and send to CH. Review Wire payment.	0.9
2/29/2024	Brown, Rose	Pull and send various disbursement voucher to CH.	0.3
<b>Total</b>			<b>34.6</b>

## **Appendix M**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**FIRST NATIONAL FINANCIAL GP CORPORATION**

Applicant

- and -

**GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Respondents

**FEE AFFIDAVIT OF DAVID PREGER**

*(Sworn March 28, 2024)*

I, **DAVID PREGER**, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am a partner with the law firm of Dickinson Wright LLP (“**DW**”). I have personal knowledge of the matters to which I hereinafter depose.
2. DW has acted as independent counsel to Deloitte Restructuring Inc. (the “**Receiver**”), in its capacity as Court-appointed receiver of the assets, undertaking and property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.

3. DW's fees and disbursements in connection with this matter for the period of February 4, 2021 to March 28, 2024 total \$69,219.28, excluding HST. Attached as **Exhibit "A"** are true copies of DW's accounts for the period indicated.
4. Attached as **Exhibit "B"** is a chart which summarizes the expertise and area of practice of the lawyers involved in rendering services to the Receiver, their hourly rates charged to the Receiver, as well as the average hourly rate charged. The hourly rates charged to the Receiver by DW are DW's normal hourly rates.

**SWORN BEFORE ME** at the City  
of Toronto, in the Province of Ontario  
this 28<sup>th</sup> day of March, 2024



\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)



\_\_\_\_\_  
**DAVID PREGER**

This is Exhibit “A” referred to in the Affidavit of David Preger sworn March 28, 2024.

A handwritten signature in blue ink, appearing to be 'D. Preger', is written on a light blue rectangular background.

---

*Commissioner for Taking Affidavits (or as may be)*

INVOICE DATE: AUGUST 18, 2022  
 INVOICE NO.: 1725224

 DELOITTE RESTRUCTURING INC.  
 22 ADELAIDE STREET WEST  
 SUITE 2000  
 TORONTO, ONTARIO M5H 0A9

CLIENT/MATTER NO.: 058347-00002

RE: RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.

## PRIVILEGED AND CONFIDENTIAL

FOR PROFESSIONAL SERVICES THROUGH JULY 31, 2022

CAD

TOTAL FEES CURRENT INVOICE .....	\$	51,733.00
HST - ONTARIO .....	\$	6,725.29
<b>TOTAL CURRENT INVOICE .....</b>	<b>\$</b>	<b>58,458.29</b>

*This statement may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.*

CAD Remittance Instructions		
***Terms: Due and Payable Upon Receipt***		
Mail To:	Electronic Direct Deposits (EFT non-wire payments): (Domestic Only - Canada):	Wire Instructions:
Dickinson Wright LLP 199 Bay Street Suite 2200 Commerce Court West Toronto, ON, M5L 1G4	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399  (Please Reference Invoice Numbers)	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399 SWIFT CODE: ROYCCAT2 Sort Code://CC000300002 (Sort Code used only for Non-US Foreign Wires) (Please Reference Invoice Numbers)

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
 CLIENT/MATTER NO.:058347-00002

 INVOICE DATE: AUGUST 18, 2022  
 INVOICE NO.: 1725224  
 PAGE 2
**CURRENT INVOICE DETAIL**

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
02/04/21	DZS	Draft notice of motion of the receiver in connection with tenth report;	2.0	680.00
02/04/21	DPP	Review and review draft Tenth Report from Hartley Bricks, review and revise Tenth Report, emails to and from Hartley Bricks, confer with David Seifer	3.7	2,756.50
02/05/21	DZS	Review and revise notice of motion;	0.2	68.00
02/05/21	DPP	Receive and review revised Tenth Report from Hartley Bricks, suggest final amendments, emails to and from Hartley Bricks, arrange for Motion Record to be prepared and served	1.6	1,192.00
03/11/21	DPP	Receive and diarize notice of intention to dismiss appeal for delay from Court of Appeal of	0.2	149.00
03/12/21	DPP	Telephone conference with Eric Golden, review decision respecting costs of trial of issues, prepare Order respecting costs, email to service list to review and approve	2.2	1,639.00
03/15/21	DPP	Receive and review email from Eric Golden and revision to Order respecting costs	0.3	223.50
03/16/21	DPP	Receive and review fee Affidavit of Sean Dewart from Eric Golden, receive and review emails from Martin Diegel, Eric Golden and Kevin Caron, receive and review fee Affidavit of Chad Kopach, telephone conference with Eric Golden, telephone conference with Hartley Bricks	0.8	596.00
03/17/21	DPP	Receive and review Supplemental Report from Hartley Bricks, revise Supplementary Report, emails to and from Hartley Bricks, telephone conference with Hartley Bricks	2.4	1,788.00
03/18/21	DPP	Confer with David Seifer, arrange for Supplemental Motion Record to be prepared, email Supplemental Motion Record to service list, receive and review emails from Eric Golden, telephone conference with Eric Golden, telephone conference with Hartley Bricks, email to Tina Johanson, email revised Order respecting costs to service list, receive and review email from Martin Diegel confirming approval, review and revise draft Order respecting Tenth Report and Supplemental Report, email to service list, receive and review email from Kevin Caron	2.4	1,788.00
03/18/21	DZS	Prepare notice of motion and draft orders re supplemental to the tenth report of the receiver in connection with its motion returnable March 19;	3.3	1,122.00

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
 CLIENT/MATTER NO.:058347-00002

 INVOICE DATE: AUGUST 18, 2022  
 INVOICE NO.: 1725224  
 PAGE 3

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
03/19/21	DPP	Receive and review email from Martin Diegel, receive and review email from Tina Johanson, receive and review email from Hartley Bricks, telephone conference with Hartley Bricks, confer with David Seifer, emails from and to Tina Johanson, emails from and to Doreen Navarro, receive and review email from Martin Diegel, emails from and to Hartley Bricks, telephone conference with Hartley Bricks, emails from and to Tina Johanson, emails from and to Hartley Bricks, Zoom appearance before Hackland J., confer with David Seifer, receive and review email from Hartley Bricks, telephone conference with Hartley Bricks	2.0	1,490.00
03/19/21	DZS	Prepare for and attend motion before Hackland J. re receiver's tenth report and supplemental to the tenth report;	1.4	476.00
03/22/21	DPP	Emails from and to Martin Diegel	0.2	149.00
03/23/21	DPP	Email Debtors' submission regarding Receiver's fees to Hartley Bricks, receive and review emails from Eric Golden, Harley Bricks, Tom Conway, Eric Golden and Jacob Charles Diegel	0.6	447.00
03/24/21	DPP	Receive and review email from Rebecca Singh, receive and review email from Hackland J.	0.2	149.00
03/26/21	DPP	Confer with David Seifer, receive and review further email from Hackland J.	0.2	149.00
03/26/21	DZS	Draft and email response to Hackland J. re response to M. Diegel's objections to Receiver's fees;	0.1	34.00
04/09/21	DPP	Review written submissions filed on behalf of the Debtors regarding Receiver's fees, confer with David Seifer, review applicable caselaw, review Receiver's reports in relation to matters raised in debtor's written submission, draft responding submissions on behalf of the Receiver, confer with David Seifer	6.3	4,693.50
04/09/21	DZS	Conduct research re objections to receiver's fees; prepare brief of costs submissions in response to the debtors' objections to the receiver's fees;	2.2	748.00
04/10/21	DZS	Review and revise written response of the Receiver to the Debtors' objections to the Receiver's fees;	1.0	340.00
04/26/21	DPP	Receive and review email from Doreen Navarro	0.2	149.00
05/12/21	DPP	Receive and review endorsement of Hackland J. respecting Receiver's fees, email to Hartley Bricks, telephone conference with Hartley Bricks, receive and review email from Eric Golden	0.5	372.50
05/13/21	DPP	Receive and review emails from Doreen Navarro	0.2	149.00
05/20/21	DPP	Confer with David Seifer	0.1	74.50
05/21/21	DZS	Revise Order re Tenth Report and Supplement to the Tenth Report of the Receiver in accordance with Justice Hackland's direction in his honour's endorsement;	0.4	136.00

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
 CLIENT/MATTER NO.:058347-00002

 INVOICE DATE: AUGUST 18, 2022  
 INVOICE NO.: 1725224  
 PAGE 4

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
05/21/21	DPP	Confer with David Seifer	0.1	74.50
05/31/21	DPP	Receive and review Debtors' amended notice of appeal, factum and compendium	0.7	521.50
06/01/21	DPP	Receive and review emails from Eric Golden, Martin Diegel, Doreen Navarro and Tom Conway	0.4	298.00
06/03/21	DPP	Receive and review emails from Doreen Navarro and Eric Golden	0.1	74.50
07/06/21	DPP	Receive and review notice from Court of Appeal regarding hearing on January 26, 2022, diarize date, email to Hartley Bricks	0.2	149.00
07/07/21	DPP	Receive and review emails from Tom Conway, Eric Golden and Martin Diegel	0.2	149.00
10/03/21	DPP	Receive and review email from Eric Golden	0.1	74.50
12/01/21	DPP	Receive and review email from Tom Conway	0.1	74.50
12/02/21	DPP	Receive and review email from Eric Golden	0.1	74.50
12/07/21	DPP	Receive and review email from Eric Golden	0.1	74.50
12/08/21	DPP	Receive and review email from Eric Golden	0.1	74.50
12/14/21	DPP	Review First National's Factum and Compendium	3.1	2,309.50
12/16/21	DPP	Receive and review email from Eric Golden, telephone conference with Eric Golden	0.4	298.00
12/20/21	DPP	Receive and review emails from Tom Conway and Eric Golden, email to Eric Golden	0.2	149.00
01/07/22	DPP	Telephone conference with Eric Golden	0.1	79.50
01/11/22	DPP	Receive and review emails from Doreen Navarro and Eric Golden	0.1	79.50
01/12/22	DPP	Receive and review emails from Martin Diegel, Eric Golden, Doreen Navarro, fill out counsel slip to Doreen Navarro and Martin Diegel, receive and review email from Jacob Charles Diegel	0.3	238.50
01/21/22	DPP	Begin drafting Receiver's factum	4.8	3,816.00
01/22/22	DPP	Draft Receiver's factum	7.1	5,644.50
01/23/22	DAP	Drafting of factum and preparation of compendium.	6.0	1,800.00
01/23/22	DZS	Confer with Dan Poliwoda re respondent's compendium and footnotes to factum	0.3	109.50
01/24/22	DPP	Confer with Dan Poliwada, review and revise Receiver's Factum, confer with Dan Poliwada, email Factum and Compendium to service list, receive and review emails from Eric Golden and Martin Diegel	6.2	4,929.00
01/24/22	DAP	Finalizing factum and compendium; calls with D. Preger and J. Nairne.	5.1	1,530.00

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: AUGUST 18, 2022  
INVOICE NO.: 1725224  
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<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
01/25/22	DPP	Receive and review emails from Eric Golden and Tom Conway, review appeal material filed by all parties and prepare for appeal	4.6	3,657.00
01/26/22	DPP	Continue preparing for appeal, Zoom appearance before Court of Appeal, telephone conference with Hartley Bricks, email proposal regarding Receiver's costs to Tom Conway, Eric Golden and Martin Diegel, receive and review email from Eric Golden	4.0	3,180.00
01/27/22	DPP	Receive and review emails from Tom Conway, Martin Diegel and Eric Golden, emails from and to Hartley Bricks	0.4	318.00
01/28/22	DPP	Email to Tom Conway regarding Receiver's position with respect to its costs, emails from Eric Golden, Tom Conway, videoconference with Eric Golden and Tom Conway, email to Tom Conway, emails from and to Eric Golden and Tom Conway, receive and review email from Martin Diegel	0.5	397.50
TOTAL FEES			80.1	\$ 51,733.00
HST - ONTARIO				\$ 6,725.29
TOTAL CURRENT INVOICE				\$ <u>58,458.29</u>

TIMEKEEPER SUMMARY				
<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>RATE</u>	<u>HOURS</u>	<u>VALUE</u>
DAVID P. PREGER	PARTNER	770.00	58.10	44,689.50
DAVID Z. SEIFER	ASSOCIATE	352.50	10.90	3,685.00
DAN A. POLIWODA	ASSOCIATE	300.00	11.10	3,330.00
TOTAL FEES CURRENT INVOICE			<u>80.10</u>	\$ <u>51,733.00</u>

PLEASE NOTE THAT THIS ACCOUNT IS DUE UPON RECEIPT

**DICKINSON WRIGHT LLP**



**DAVID P. PREGER**

In accordance with the Solicitors Act interest at 1.3% will be charged on all accounts outstanding over 30 days. E.&O.E.



IN ACCOUNT WITH



199 BAY STREET, SUITE 2200  
P.O. BOX 447, COMMERCE COURT WEST  
TORONTO, ON CANADA M5L 1G4  
TELEPHONE: (416) 777-0101  
<http://www.dickinsonwright.com>  
GST/HST NUMBER: 831204003 RT0001

INVOICE DATE: MARCH 28, 2024  
INVOICE NO.: 1907446

DELOITTE RESTRUCTURING INC.  
22 ADELAIDE STREET WEST  
SUITE 2000  
TORONTO, ON M5H 0A9  
CANADA

CLIENT/MATTER NO.: 058347-00002

RE: RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.

PRIVILEGED AND CONFIDENTIAL

FOR PROFESSIONAL SERVICES THROUGH MARCH 28, 2024

		<u>CAD</u>
TOTAL FEES CURRENT INVOICE .....	\$	17,130.50
TOTAL DISBURSEMENTS CURRENT INVOICE .....	\$	355.68
HST - ONTARIO .....	\$	2,273.20
<b>TOTAL CURRENT INVOICE .....</b>	<b>\$</b>	<b><u>19,759.38</u></b>

*This statement may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.*

Remittance Instructions		
***Terms: Due and Payable Upon Receipt***		
Mail To:	Wire Instructions:	ACH Instructions:
Dickinson Wright LLP 199 Bay Street Suite 2200 Commerce Court West Toronto, ON, M5L 1G4	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399 SWIFT CODE: ROYCCAT2 Sort Code://CC000300002 (Sort Code used only for Non-US Foreign Wires)	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399
(Please reference your client/invoice numbers when paying electronically)		

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: MARCH 28, 2024  
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### CURRENT INVOICE DETAIL

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
08/31/22	DPP	Receive and review reasons of Court of Appeal, email to Hartley Bricks	0.5	397.50
08/31/22	DPP	Emails from and to Hartley Bricks regarding reasons of Court of Appeal	0.3	238.50
09/13/22	DPP	Receive and review emails from Kevin Carron, Eric Golden, Martin Diegel and Harley Bricks	0.3	238.50
09/14/22	DPP	Receive and review emails from Eric Golden, Kevin Caron, Martin Diegel, email to all counsel, emails from and to Kevin Caron, receive and review emails from Eric Golden, Kevin Caron, Martin Diegel and Susan Gutteridge, email to all counsel	0.3	238.50
09/15/22	DPP	Videoconference with all counsel	0.3	238.50
09/19/22	DPP	Receive and review email from Mufida Shaikh of Court of Appeal confirming panel's approval of extension on costs submissions, receive and review emails from Martin Diegel and Eric Golden	0.3	238.50
09/20/22	DPP	Receive and review email from Eric Golden with draft Order of Court of Appeal	0.3	238.50
09/23/22	DPP	Receive and review emails from Kevin Caron and Mufida Shaikh	0.1	79.50
09/29/22	DPP	Revise draft Order of Court of Appeal, email redlined and clean version to all counsel	0.5	397.50
10/03/22	DPP	Receive and review emails from Mufida Shaikh and Eric Golden	0.1	79.50
10/13/22	DPP	Receive and review email from Eric Golden	0.1	79.50
10/14/22	DPP	Receive and review emails from Kevin Caron and Martin Diegel	0.3	238.50
10/24/22	DPP	Receive and review email from Eric Golden	0.1	79.50
10/25/22	DPP	Receive and review email from Martin Diegel	0.1	79.50
10/25/22	DPP	Receive and review email from Eric Golden, receive and review email from Hartley Bricks, telephone conference with Hartley Bricks	0.3	238.50
11/07/22	DPP	Receive and review emails from Martin Diegel, Eric Golden, Hartley Bricks, email to Eric Golden, receive and review leave applicator, email to Hartley Bricks	0.5	397.50
11/11/22	DPP	Receive and review emails from Kevin Caron and Martin Diegel	0.1	79.50
11/12/22	DPP	Email to Kevin Caron and Martin Diegel	0.1	79.50
11/13/22	DPP	Receive and review email from Eric Golden	0.1	79.50

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: MARCH 28, 2024  
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<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
11/16/22	DPP	Emails from and to Kevin Caron and Martin Diegel, receive and review email from Eric Golden	0.1	79.50
11/23/22	DPP	Emails from and to Eric Golden and Kevin Caron	0.1	79.50
11/24/22	DPP	Receive and review email from Martin Diegel	0.1	79.50
11/25/22	DPP	Conference call with Kevin Caron, Eric Golden and Martin Diegel	0.2	159.00
11/28/22	DPP	Receive and review email and revised draft Order of Court of Appeal	0.3	238.50
11/29/22	DPP	Receive and review email from Martin Diegel	0.1	79.50
12/05/22	DPP	Receive and review emails from Eric Golden and Kevin Caron	0.2	159.00
12/06/22	DPP	Receive and review emails from Eric Golden, receive and review email Hartley Bricks with schedule to distribution order	0.3	238.50
12/30/22	DPP	Receive and review issued and entered Order of Court of Appeal	0.1	79.50
01/08/23	DPP	Briefly review Responses of GDH and Liahona on leave application and Rly to Responses	0.4	340.00
04/13/23	DPP	Receive and review emails from Martin Diegel, Hartley Bricks and Kevin Caron	0.2	170.00
04/13/23	DPP	Receive and review email from Eric Golden advising that leave application was dismissed	0.1	85.00
04/14/23	DPP	Receive and review updated schedule from Hartley Bricks	0.2	170.00
05/17/23	DPP	Receive and review emails from Kevin Caron and Eric Golden, receive and review revised draft distribution Order from Kevin Caron, receive and review emails from Martin Diegel, Hartley Bricks and Eric Golden	0.4	348.00
06/21/23	DPP	Receive and review updated schedule from Hartley Bricks, telephone conference with Hartley Bricks, email to all counsel	0.6	522.00
06/23/23	DPP	Receive and review email from Hartley Bricks to all counsel attaching schedule, receive and review emails from Dexter Tang and Martin Diegel regarding charging order, email to Dexter Tang inquiring whether Hackland J. is prepared to deal with matter in writing	0.5	435.00
06/26/23	DPP	Receive and review emails from Dexter Tang and Martin Diegel	0.1	87.00
06/27/23	DPP	Receive and review emails from Kevin Caron, Dexter Tang and Martin Diegel, email to Martin Diegel	0.2	174.00
06/29/23	DPP	Receive and review email from Dexter Tang	0.1	87.00

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
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<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
07/06/23	DPP	Receive and review Martin Diegel's Motion Record for charging order, receive and review email from Kevin Caron, receive and review updated schedule for distribution order from Hartley Bricks	0.7	609.00
07/12/23	DPP	Email to Hartley Bricks, telephone conference with Hartley Bricks, revise distribution order and include relief sought by Martin Diegel, prepare letter to Justice Hackland in draft, email revised order and letter to all counsel to approve	2.4	2,088.00
07/13/23	DPP	Receive and review emails from Martin Diegel and Kevin Caron, email to and from Eric Golden, email to Hartley Bricks, telephone conference with Hartley Bricks, email letter to Dexter Tang, distribution order for signing by Justice Hackland and Martin Diegel's motion record for charging order	0.6	522.00
07/14/23	DPP	Emails from and to Dexter Tang	0.1	87.00
07/24/23	DPP	Receive and review signed Order of Justice Hackland from Ottawa court, email to all counsel	0.2	174.00
08/01/23	DPP	Emails from and to Hartley Bricks regarding issues remaining to be addressed in his final report	0.3	261.00
08/21/23	DPP	Receive and review email from Martin Diegel	0.1	87.00
08/23/23	DPP	Email to Benoit Clouatre requesting name of person to whom file will be transitioned	0.2	174.00
08/26/23	DPP	Receive and review email from Benoit Clouatre advising that carriage will be transitioned to Catherine Hristow	0.1	87.00
08/28/23	DPP	Conference call with Benoit Clouatre and Catherine Hristow	0.3	261.00
08/31/23	DPP	Receive and review email from Marin Diegel, email to Catherine Hristow requesting final report of the Receiver	0.3	261.00
09/01/23	DPP	Receive and review email from Catherine Hristow	0.1	87.00
09/20/23	DPP	Email to Catherine Hristow requesting final report	0.1	87.00
09/21/23	DPP	Emails from and to Catherine Hristow	0.1	87.00
09/22/23	DPP	Receive and review email from Catherine Hristow	0.1	87.00
10/12/23	DPP	Emails to and from Catherine Hristow	0.2	174.00
10/17/23	DPP	Receive and review email from Martin Diegel, email to Catherine Hristow	0.1	87.00
10/19/23	DPP	Email to Catherine Hristow	0.1	87.00
10/30/23	DPP	Receive and review email from Martin Diegel, email to Cathrine Hristow	0.1	87.00
11/10/23	DPP	Receive and review email from Martin Diegel, emails to and from Catherine Hristow regarding status of final report	0.2	174.00
01/29/24	DPP	Receive and review email and Motion Record from Martin Diegel	0.4	374.00

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
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<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
02/26/24	DPP	Receive and review factum of Martin Diegel, emails to and from Catherine Hristow	0.3	280.50
02/28/24	AD	PPSA and Writs of Execution searches for FIRST NATIONAL FINANCIAL GP CORPORATION GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.;	0.6	195.00
02/28/24	DPP	Obtain and review executions searches and PPSA enquiry reports of both debtors, emails to and from Catherine Hristow, telephone conference with Catherine Hristow, receive and review email from Martin Diegel, email to Catherine Hristow	1.0	935.00
02/29/24	DPP	Emails from and to Catherine Hristow	0.4	374.00
03/05/24	DPP	Emails from and to Catherine Hristow	0.1	93.50
03/06/24	DPP	Emails from and to Catherine Hristow, telephone conference with Catherine Hristow	0.4	374.00
03/06/24	DPP	Review Eleventh Report in draft, telephone conference with Catherine Hristow	1.2	1,122.00
03/12/24	DPP	Receive and review email from Cathrine Hristow	0.2	187.00
03/28/24	DPP	Email to Catherine Hristow, telephone conference with Catherine Hristow	0.3	280.50
TOTAL FEES			20.3	\$ 17,130.50

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
 CLIENT/MATTER NO.:058347-00002

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<u>DATE</u>	<u>DISBURSEMENTS</u>	<u>VALUE</u>
03/04/24	Dickinson Wright LLP - TERAVIEW DAPP ACTIVITY	98.10
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - GOLDEN DRAGON HO 11 INC. EDD ON PPR SEARCH - ELECTRONIC INV# 3168307 DATE: 03/04/2024	32.75
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - FIRST NATIONAL FINANCIAL GP CORPORATION EDD ON WRITS OF EXECUTION - BY NAME INV# 3168307 DATE: 03/04/2024	53.11
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - GOLDEN DRAGON HO 10 INC. EDD ON WRITS OF EXECUTION - BY NAME INV# 3168307 DATE: 03/04/2024	53.11
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - FIRST NATIONAL FINANCIAL GP CORPORATION EDD ON PPR SEARCH - ELECTRONIC INV# 3168307 DATE: 03/04/2024	32.75
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - GOLDEN DRAGON HO 10 INC. EDD ON PPR SEARCH - ELECTRONIC INV# 3168307 DATE: 03/04/2024	32.75
03/04/24	Dye & Durham - BILLABLE COURT AND RELATED - VENDOR: DYE & DURHAM - GOLDEN DRAGON HO 11 INC. EDD ON WRITS OF EXECUTION - BY NAME INV# 3168307 DATE: 03/04/2024	53.11
TOTAL DISBURSEMENTS		\$ 355.68
HST - ONTARIO		\$ 2,273.20
TOTAL CURRENT INVOICE		\$ <u>19,759.38</u>

TIMEKEEPER SUMMARY				
<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>RATE</u>	<u>HOURS</u>	<u>VALUE</u>
DAVID P. PREGER	PARTNER	862.50	19.70	16,935.50
ALEXANDRA DINCA	LEGAL CLERK	325.00	0.60	195.00
TOTAL FEES CURRENT INVOICE			<u>20.30</u>	\$ <u>17,130.50</u>

IN ACCOUNT WITH



199 BAY STREET, SUITE 2200  
P.O. BOX 447, COMMERCE COURT WEST  
TORONTO, ON CANADA M5L 1G4  
TELEPHONE: (416) 777-0101  
<http://www.dickinsonwright.com>  
GST/HST NUMBER: 831204003 RT0001

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: MARCH 28, 2024  
INVOICE NO.: 1907446  
PAGE 7

***PLEASE NOTE THAT THIS ACCOUNT IS DUE UPON RECEIPT***

***DICKINSON WRIGHT LLP***

A handwritten signature in blue ink, appearing to read 'DP', followed by a long horizontal stroke.

**DAVID P. PREGER**

In accordance with the Solicitors Act interest at 1.3% will be charged on all accounts outstanding over 30 days. E.&O.E.

This is Exhibit "B" referred to in the Affidavit of David Preger  
sworn March 28, 2024.

A handwritten signature in blue ink, appearing to be "D. Preger", is written over a light blue rectangular background.

---

*Commissioner for Taking Affidavits (or as may be)*



## Billing Rates of Dickinson Wright LLP

For the period February 4, 2021 to March 28, 2024

	Rate	Hours	Year of Call	Area of Practice
David Preger	770.00 (2022) 862.50 (2024)	58.10 19.70	1995	Bankruptcy and Insolvency
David Seifer	352.50	10.90	2018	Bankruptcy and Insolvency
Dan Poliwoda	300.00	11.10	2021	Bankruptcy and Insolvency
Alexandra Dinca	325.00	0.60		Law Clerk

4887-4471-2626 v1 [58347-2]

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
  
**PROCEEDING COMMENCED AT**  
**OTTAWA**

**FEE AFFIDAVIT OF DAVID PREGER**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
Commerce Court West  
199 Bay Street, Suite 2200  
Toronto, ON M5L 1G4

**DAVID P. PREGER (36870L)**

Email: [dpreg@rickinsonwright.com](mailto:dpreg@rickinsonwright.com)  
Tel: (416) 646-4606

**LISA S. CORNE (27974M)**

Email: [lc@rickinsonwright.com](mailto:lc@rickinsonwright.com)  
Tel: (416) 646-4608  
Fax: (844) 670-6009

Lawyers for Deloitte Restructuring Inc., Court-appointed  
Receiver of Golden Dragon Ho 10 Inc. and Golden Dragon Ho  
11 Inc.