

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**AYAZ SOMANI IN HIS CAPACITY AS EXECUTOR OF
THE ESTATE OF NASEEM SOMANI**

Respondent

**THIRD REPORT OF DELOITTE RESTRUCTURING INC.,
IN ITS CAPACITY AS RECEIVER
DATED MAY 20, 2020**

TABLE OF CONTENTS

INTRODUCTION - 4 -
TERMS OF REFERENCE - 7 -
UPDATE ON REAL PROPERTY AND APPROVAL OF SALE AGREEMENT..... - 7 -
SUMMARY OF THE CLAIMS PROCEDURE - 12 -
INDEPENDENT LEGAL OPINION ON SECURITY INTERESTS..... - 13 -
STATEMENT OF RECEIPTS AND DISBURSEMENTS..... - 14 -
PROPOSED DISTRIBUTIONS TO RBC..... - 14 -
RECEIVER’S RECOMMENDATIONS..... - 15 -

APPENDICES

APPENDIX	DESCRIPTION
A	Appointment Order and Endorsement of Justice Pattillo dated December 13, 2019
B	First Report of the Receiver dated January 27, 2020 (without appendices)
C	Administrative Order dated January 31, 2020
D	Claims Procedure Order dated January 31, 2020
E	Second Report of the Receiver dated February 11, 2020 (without appendices)
F	Authorization Order and Endorsement of Justice Hainey dated March 19, 2020
G	Executed Agreement of Purchase and Sale re 106 Angus Glen – Redacted Version
H	Statement of Receipts and Disbursements for the interim period February 11, 2020 to May 12, 2020 and cumulative period December 13, 2019 to May 12, 2020
I	Affidavit of Stefano Damiani of Deloitte Restructuring Inc. sworn May 19, 2020
J	Affidavit of Tamila Ivanov of Borden Ladner Gervais LLP sworn May 15, 2020

CONFIDENTIAL APPENDICES

CONFIDENTIAL APPENDIX	DESCRIPTION
A	Confidential Supplement to the Report of the Receiver
B	Executed Agreement of Purchase and Sale re 106 Angus Glen – Unredacted Version
C	Summary and Chronology of Offers Receiver re 106 Angus Glen

INTRODUCTION

1. An application was made by Royal Bank of Canada (“**RBC**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver (the “**Receiver**”) of: (i) all of the present and after acquired personal property of the Estate of Naseem Somani (the “**Somani Estate**” or the “**Debtor**”) held at National Bank of Canada and National Bank Financial (together, “**National Bank**”) (the “**National Bank Property**”); and (ii) the real property registered in the name of the Somani Estate known municipally as 106 Angus Glen Boulevard, Markham, Ontario (the “**Real Property**” or “**106 Angus Glen**”, and together with the National Bank Property, the “**Property**”).
2. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 13, 2019 (the “**Appointment Order**”) and the Endorsement of Justice Pattillo (the “**December 13 Endorsement**”), Deloitte was appointed as the Receiver of the Property. Copies of the Appointment Order and the December 13 Endorsement are attached hereto as **Appendix “A”**.
3. The Appointment Order, among other things, authorized the Receiver to market any or all of the Property including 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 sole discretion may deem appropriate.
4. As described in paragraphs 9 and 10 of the First Report (defined below), the Somani Estate is the testamentary estate of Naseem Ayaz Somani (“**Naseem**”), who was the spouse of Ayaz Madat Somani (“**Ayaz**”). Ayaz is the Estate Trustee and Executor of the will of the Somani Estate. Naseem was a long-serving senior executive of Dynacare, a leading Canadian health and laboratory services company which is a subsidiary of US-based Laboratory Corporation of America Holdings (“**LabCorp**”), until retiring as its Chief Executive Officer in July 2018. Naseem passed away on March 17, 2019 (“**Date of Death**”). Naseem was the owner of 106 Angus Glen and the National Bank Property. Naseem and Ayaz have two adult children.
5. As described more particularly in paragraph 11 of the First Report (defined below), the Somani Estate is indebted to RBC pursuant to a mortgage on the Real Property and as a guarantor of credit facilities granted by RBC (the “**RBC Indebtedness**”) to AVG (OEAM) Inc. (“**AVG**”), a related entity. Ayaz, together with Karim Suleman (“**Suleman**”), are the sole directors and officers of AVG, a privately-owned Ontario corporation headquartered in Toronto, Ontario. AVG was placed

into receivership pursuant to an Order of the Court dated February 21, 2020 and bankrupted on March 6, 2020 and Ayaz and Suleman were each personally bankrupted also on March 6, 2020, all administered by Trustees other than Deloitte.

6. The Receiver understands that the Somani Estate continues to be represented by the following professionals:
 - (a) Howard Manis of Macdonald, Sager, Manis LLP acts as legal counsel to both the Somani Estate and Ayaz. Bruce Drake of Bruce Drake Law Office and Hooey Remus LLP acts as legal counsel on estate legal matters; and
 - (b) Stella Gasparro of MNP LLP (“MNP” or the “**Estate Tax Advisor**”) provides estate tax services to Ayaz as estate trustee and executor.
7. On January 27, 2020, the Receiver issued its first report to the Court (the “**First Report**”) for the purpose of, among other things, updating the Court on the Receiver’s activities in respect of the National Bank Property and 106 Angus Glen, and seeking orders approving the Receiver’s interim Statement of Receipts and Disbursements for the period December 13, 2019 to January 23, 2020 and relief in respect of outstanding estate and creditor information as described below. A copy of the First Report (without appendices) is attached hereto as **Appendix “B”**.
8. On January 31, 2020, the Court issued an order (the “**Administrative Order**”) requiring Ayaz Somani to provide to the Receiver within five (5) days of the date of the Administrative Order, a list of all persons whom Ayaz Somani has reason to believe will assert a general creditor claim against the Somani Estate, together with a list of all assets on hand when the Executor took office, a list of all debts of the Somani Estate, identifying debts as at August 30, 2019 and all payments, distributions and transfers of property of the Somani Estate and a list of the remaining assets of the Somani Estate. Attached hereto as **Appendix “C”** is a copy of the Administrative Order.
9. Also on January 31, 2020, the Court issued a further order (the “**Claims Procedure Order**”) approving the Receiver’s proposed claims procedure to identify and determine the claims of the creditors of the Somani Estate (the “**Claims Procedure**”) and the Receiver’s proposed Claims Procedure Order, and authorizing and directing the Receiver to implement the Claims Procedure. Attached hereto as **Appendix “D”** is a copy of Claims Procedure Order.
10. On February 11, 2020, the Receiver issued its second report to the Court (the “**Second Report**”) for the purpose of, among other things, updating the Court on the Receiver’s activities in respect of the National Bank Property and 106 Angus Glen, and seeking an order approving the Receiver’s interim Statement of Receipts and Disbursements for the period January 24, 2020 to February 10,

2020 and relief in respect of a bankruptcy of the Estate as described below. A copy of the Second Report (without appendices) is attached hereto as **Appendix “E”**.

11. On March 19, 2020, the Court issued an order (the “**Authorization Order**”): (i) approving the Receiver’s interim Statement of Receipts and Disbursements to February 10, 2020, (ii) authorizing but not obligating the Receiver to file an assignment into bankruptcy on behalf of the Somani Estate; (iii) authorizing Deloitte to act as trustee of the bankrupt Somani Estate; and (iv) authorizing the Receiver to transfer \$30,000 to Deloitte in its capacity as proposed trustee in bankruptcy to fund the administration of the proposed bankruptcy. Attached hereto as **Appendix “F”** is a copy of Authorization Order.
12. On May 11, 2020, the Receiver filed an assignment into bankruptcy on behalf of the Somani Estate.
13. The purpose of this third report of the Receiver (“**Report**”) is to:
 - (a) provide the Court with additional information and findings in respect of the Property;
 - (b) provide the Court with an evidentiary basis to make Orders:
 - (i) approving this Report and the activities of the Receiver as described in this Report;
 - (ii) approving the sale transaction (the “**Transaction**”) to be effected through an agreement of purchase and sale dated March 27, 2020 (the “**Sale Agreement**”) between the Receiver and Wen Ying Lin (“**Lin**” or the “**Purchaser**”), and authorizing the Receiver to take such steps and execute such documents as may be necessary or desirable for the completion of the Transaction, and vesting in the Purchaser all of the Debtor’s right, title and interest in and to 106 Angus Glen free and clear of all encumbrances, except certain permitted encumbrances;
 - (iii) temporarily sealing the confidential supplemental to this Report (the “**Confidential Supplement**”), together with the confidential appendices thereto, filed with this Court from the public record until the closing of the Transaction;
 - (iv) approving an interim distribution of available surplus proceeds of \$2,000,000 to RBC, the Debtors’ senior secured lender, as described herein, and authorizing the Receiver to make additional distributions to RBC in such amounts as the Receiver deems appropriate in repayment of the RBC indebtedness up to \$8,034,954 without further approval of the Court;
 - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period February 11, 2020 to May 12, 2020 (the “**R&D**”); and

- (vi) approving the professional fees and disbursements of the Receiver and its legal counsel in the amounts set out in this Report and authorizing the Receiver to pay all such fees and disbursements.

TERMS OF REFERENCE

14. In preparing this Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, certain books and records, discussions with Ayaz, Estate Legal Counsel and Estate Tax Advisor, together with information from representatives of National Bank (collectively, the “**Information**”) and Realtors (as defined in the First Report). 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 Report in its capacity as a Court-appointed Receiver to support the Court’s approval of the Receiver’s activities and other relief being sought. Parties using the Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
15. Unless otherwise stated, all dollar amounts contained in the Report are expressed in Canadian dollars.
16. Unless otherwise provided, all other capitalized terms not otherwise defined in this Report are as defined in the Appointment Order, the First Report or the Second Report.

UPDATE ON REAL PROPERTY AND APPROVAL OF SALE AGREEMENT

Overview and Vacant Possession

17. As set out in the First Report, 106 Angus Glen was the principal residence of Naseem who purchased it as a newly constructed luxury residential property in 2007.

18. Further to paragraphs 19 and 27 of the Second Report, Ayaz vacated 106 Angus Glen on February 18, 2020 pursuant to an interim occupancy agreement with the Receiver.
19. The Receiver reviewed quotes for vacant property insurance coverage with Roughly Insurance Brokers Ltd. (“**Roughly Insurance**”), the incumbent insurance broker, and also with an alternate insurance broker. The Receiver ultimately bound coverage through Roughly Insurance for a three-month period to May 18, 2020, and arrangements have been made for an extension until the closing of the Transaction.
20. The Receiver retained Richmond Advisory Services as property manager (the “**Property Manager**”) who attended at 106 Angus Glen on February 18, 2020 to, among other things, supervise the move, change the locks, take photographs of the premises and any damage following the move, prepare a summary report, redirect utility accounts, and winterize the premises.
21. The Property Manager arranged for the installation of an updated security system and established a recurring site inspection and maintenance protocol in accordance with insurance policy requirements, which will remain in effect until the closing of the Transaction.
22. As set out in paragraph 22 of the Second Report, the Receiver executed an exclusive listing agreement with Century 21 Leading Edge Realty Inc. o/a The Tar Team (“**Tar**”).

Marketing of 106 Angus Glen

23. The Property Manager and Tar conducted independent assessments of damage to the premises and made arrangements to complete required repairs and painting to prepare the property for market.
24. Tar took the following steps to prepare 106 Angus Glen for market in a timely manner:
 - (a) worked with the Property Manager to assess damage to the premises and made arrangements to complete required repairs and painting;
 - (b) arranged for professional cleaning of the premises;
 - (c) arranged for staging of the principal rooms with rental furniture and decorative accessories, and purchased certain missing fixtures;
 - (d) obtained professional photographs of the premises and prepared a marketing brochure;
 - (e) advised the Receiver on market conditions and recommended a listing price of \$3,388,000;

- (f) uploaded an online profile for 106 Angus Glen to Tar's website, prepared an email teaser to Tar's internal database of 2,112 prospective buyers and 1,790 real estate agents, utilized social media marketing channels, and prepared a public MLS listing for the marketing launch date of February 27, 2020; and
 - (g) facilitated showings to thirteen (13) prospective purchasers and solicited feedback.
25. The Receiver's independent legal counsel, Borden Ladner Gervais LLP ("**BLG**"), prepared an amended form of Agreement of Purchase and Sale based on the OREA (Ontario Real Estate Association) template, together with input from Tar, for use by prospective purchasers.
 26. On March 11, 2020, an offer (the "**First Offer**") was submitted to Tar and reviewed by the Receiver. Following consultations with Tar with respect to pricing, comparable transactions, market conditions and other factors, the Receiver executed a counteroffer. The prospective purchaser rejected that counteroffer, and submitted an insignificantly improved offer on March 17, 2020, which the Receiver and Tar deemed to be of insufficient value.
 27. On March 22, 2020, another prospective purchaser, Lin, submitted an offer to Tar. Following consultations with Tar, the Receiver and Lin exchanged counter offers which resulted in the Purchaser twice increasing its offer amount. On March 27, 2020, the parties executed the Sale Agreement.
 28. On March 30, 2020, the Purchaser delivered the deposit of \$200,000 to the Receiver's trust account in accordance with the Sale Agreement.
 29. On April 3, 2020, the Purchaser executed a form of waiver agreement (the "**Conditions Waiver**") which waived the conditions in favour of the Purchaser with respect to financing, home inspection, examination of title, and review by the Purchaser's legal counsel. Also on April 3, 2020, the Purchaser and the Receiver executed an amendment to the Sale Agreement (the "**Amendment**") in connection with the Purchaser's ability to assign the Sale Agreement.
 30. A redacted copy of the Sale Agreement, together with the Conditions Waiver and Amendment, are attached hereto as **Appendix "G"**, and an unredacted copy is attached as **Confidential Appendix "B"** to the Confidential Supplement.
 31. A bid chart which sets out the dates and offer amounts received is attached as **Confidential Appendix "C"** to the Confidential Supplement.

Terms of the Sale Agreement

32. A summary of the non-commercially sensitive key terms of the Sale Agreement is provided below.

Summary of the Agreement of Purchase and Sale	
Purchaser	<ul style="list-style-type: none">• Wen Ying Lin (or the Purchaser's assignee)
Transaction Type	<ul style="list-style-type: none">• Sale of real property• Form of Approval and Vesting Order appended to the Sale Agreement
Date of Sale Agreement	<ul style="list-style-type: none">• March 27, 2020, as amended on April 3, 2020
Purchase Price	<ul style="list-style-type: none">• Confidential
Deposit Received	<ul style="list-style-type: none">• \$200,000
Outside Closing Date	<ul style="list-style-type: none">• July 3, 2020
Purchased Assets	<ul style="list-style-type: none">• 106 Angus Glen, as more particularly and legally described in Schedule "B" to the Approval and Vesting Order• Chattels as described in paragraph 4 of the Sale Agreement, including electric light fixtures, window coverings, appliances, and HVAC equipment
Conditions to Closing	<ul style="list-style-type: none">• Approval and Vesting Order issued by the Court• The Purchaser's payment of the balance of the purchase price• Filing of the Receiver's Certificate in the form substantially similar to the Approval and Vesting Order

The Receiver's Observations

33. In seeking the Court's approval of the Sale Agreement and to complete the Transaction, the Receiver makes the following observations for consideration by the Court:

- (a) the Receiver conducted a detailed review of listing proposals from six realtors as set out in paragraphs 29 to 32 of the First Report, which included comparable market information. The Receiver also sought additional input from Tar, a specialist realtor in the area of Markham, Unionville, and Stouffville, with particular depth in the luxury

home segment, with respect to a commercially reasonable assessment of the Real Property;

- (b) the Purchaser's offer substantially followed the Receiver's form of offer;
- (c) ongoing property taxes, utilities, maintenance, insurance, property management fees, and other protective disbursements can be mitigated by the timely realization of a commercially reasonable transaction which can be completed without delay in accordance with the timelines established in the Sale Agreement;
- (d) RBC, the primary economic stakeholder, has advised the Receiver that it approves of the Transaction;
- (e) the Purchaser's offer is higher than the First Offer;
- (f) the Receiver believes the Transaction represents commercially reasonable value; and
- (g) the Sale Agreement represents an advantageous offer and maximizes recoveries for all stakeholders.

34. To the extent that this Court does not approve the Receiver completing the Sale Agreement, or if the Sale Agreement is approved by the Court but the Transaction is not completed for other reasons, public disclosure of the offers received and the contents of the Sale Agreement, including the purchase price, could negatively impact the Receiver's re-marketing of the Real Property. For that reason, the Receiver is seeking an Order of this Honourable Court to seal the Confidential Supplement, which includes an unredacted version of the Sale Agreement and bid summary, until the Receiver's Certificate has been filed with this Honourable Court.

UPDATE ON ESTATE TAX INFORMATION

35. As set out in paragraph 15 of the Second Report, the Estate Tax Advisor had previously estimated that tax returns could be filed in February or March 2020, subject to availability of information. This has not occurred due to the Estate Tax Advisor's challenges in obtaining information from the Executor in a timely manner.

36. In March 2020, the Receiver and its counsel communicated directly with Dynacare to expedite the collection of certain tax information required by the Estate Tax Advisor. Dynacare provided the Receiver with a 2019 T4 slip which disclosed that taxes had been withheld at source, an amount of consulting fees paid to an entity which the Receiver understands was owned by Naseem and/or Ayaz, and provided documentation setting out that there was no new stock compensation in 2019

or future outstanding stock compensation owing to Naseem. The Receiver also obtained additional tax slips with respect to various investments which were held at National Bank. The Receiver has forwarded this information to the Estate Tax Advisor.

37. The Estate Tax Advisor has recently provided the Receiver with a detailed update of outstanding information as at May 13, 2020 and its upcoming activities with respect to the two remaining tax returns: (i) a T1 personal income tax return for the period January 1, 2019 to the Date of Death, and (ii) a T3 estate tax return for the period March 18, 2019 to March 17, 2019. The Receiver will continue to follow up with the Estate Tax Advisor in this regard.

SUMMARY OF THE CLAIMS PROCEDURE

38. The Claims Procedure Order established a Claims Bar Date of March 31, 2020.
39. The Receiver caused the publication of a Notice to General Creditor Claimants in The Globe & Mail (National Edition) on February 10, 2020 and February 18, 2020.
40. On February 11, 2020, the Receiver distributed a General Creditor Claims Package to the Service List and other potential creditors, including the City of Markham and utility service providers.
41. RBC was the only creditor who had filed a claim (the “**RBC Claim**”) with the Receiver pursuant to the Claims Procedure Order. The RBC Claim set out indebtedness totaling \$8,034,954 as at December 13, 2019, comprised of \$2,074,366 for the Mortgage and \$5,960,589 with respect to Guarantee and Collateral Mortgage.
42. The Receiver has not received a claim from Canada Revenue Agency (“**CRA**”). Following the Estate Tax Advisor’s filing of the remaining tax returns, the Receiver will follow up with CRA in connection with its claim, if any.
43. The Receiver will also follow up with the Executor with respect to any additional estate administrative taxes payable in addition to what was disclosed on the Estate Information Return (“**EAT**”) dated December 5, 2019 which the Executor had filed with the Ministry of Finance. A copy of the EAT was appended to the Second Report.
44. Deloitte, in its capacity as Trustee in Bankruptcy, will review claims received in the companion bankruptcy administration in due course.

INDEPENDENT LEGAL OPINION ON SECURITY INTERESTS

45. BLG, in its capacity as independent legal counsel to the Receiver, conducted a review of the following loan and security documents:
- (a) RBC Homeline Plan Agreement dated January 17, 2012 in the amount of \$2,260,000 between RBC and Naseem Somani (the “**Loan Agreement**”);
 - (b) Acknowledgement and Direction dated January 21, 2012 executed by Naseem Somani with respect to a charge/mortgage in favour of RBC in the principal amount of \$2,260,000 over the Real Property (the “**Mortgage**”);
 - (c) Guarantee and Postponement of Claim in respect of AVG (OEAM) Inc. dated September 18, 2019 granted by Ayaz Somani, in his capacity as executor of the Somani Estate, limited to the principal amount of \$5,875,000 in favour of RBC (the “**Guarantee**”);
 - (d) Security Agreement dated September 25, 2019 granted by Ayaz Somani, in his capacity as executor of the Somani Estate, in respect of the National Bank Property in favour of RBC (the “**Security Agreement**”); and
 - (e) Acknowledgement and Direction dated September 18, 2019 executed by Ayaz Somani, in his capacity as executor of the Somani Estate, with respect to a Collateral Charge in favour of RBC in the principal amount of \$5,875,000 over the Real Property (the “**Collateral Charge**”).
46. BLG’s conclusions with respect to the loan and security documents are contained in a report delivered to the Receiver on March 3, 2020 and supplemented on March 5, 2020 (collectively, the “**Security Review**”). The Security Review is limited to the laws of the Province of Ontario (“**Ontario Law**”) and the federal laws of Canada applicable therein.
47. Subject to standard assumptions and qualifications set forth in the Security Review, the Security Review concludes that, among other things:
- (a) the Mortgage creates a valid security interest in favour of RBC in the property of Naseem Somani described in the Mortgage, and such security interests have been properly perfected by registration at the applicable Land Registry Office; and
 - (b) each of the Security Agreement and Collateral Mortgage creates a valid security interest in favour of RBC in the property of Ayaz Somani, in his capacity as executor of the

Somani Estate, described in the Security Agreement and Mortgage (as applicable), and such security interests have been properly perfected by registration under the *Personal Property Security Act* (Ontario) (the “PPSA”) and at the applicable Land Registry Office, as applicable.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

48. Attached as **Appendix “H”** is a cumulative Statement of Receipts and Disbursements for the period December 13, 2019 to May 12, 2020, together with interim activity for the period February 11, 2020 to May 12, 2020.
49. As at May 12, 2020, the closing cash balance was \$4,442,562, which includes the Purchaser’s deposit of \$200,000 being held in trust by the Receiver pursuant to the terms of the Sale Agreement for 106 Angus Glen.

PROPOSED DISTRIBUTIONS TO RBC

50. As set out earlier in this Report, the Receiver has obtained an independent legal opinion confirming the validity and enforceability of RBC’s security.
51. At this time, the Receiver is seeking Court approval of an interim distribution to RBC of \$2,000,000 from surplus funds on hand, and which takes into account a reserve for the following items:
 - (a) a conservative estimate of income taxes owing to CRA;
 - (b) other estimated estate taxes and liabilities;
 - (c) calculated current and future protective disbursements, carrying costs and realtor commissions in respect of 106 Angus Glen; and
 - (d) professional fees and other Court Ordered charges.
52. In order to minimize the costs associated with obtaining approval by the Court for further distributions to RBC, the Receiver also seeks Court approval for future distributions to RBC up to \$8,034,954 without further order of this Court, which amount represents the secured obligations owing to RBC.

PROFESSIONAL FEES

53. The Receiver, and its legal counsel, BLG, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraphs 16 and 17 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
54. The fees of the Receiver during the period November 12, 2019 to April 30, 2020 amount to \$144,097.50, and together with other expenses and disbursements of \$3,847.56, and Harmonized Sales Tax ("HST") in the amount of \$19,232.86, total \$167,177.92. The time spent by the Receiver is more particularly described in the Affidavit of Stefano Damiani of Deloitte, sworn May 19, 2020 (the "**Damiani Affidavit**") in support hereof and is attached hereto as **Appendix "I"**.
55. The legal fees incurred by BLG during the period November 11, 2019 to April 30, 2020 amount to \$122,443.80, and together with disbursements of \$3,572.56 and HST of \$16,283.75, total \$142,300.11. The time spent by BLG personnel is more particularly described in the Affidavit of Tamila Ivanov of BLG, sworn May 15, 2020 (the "**Ivanov Affidavit**") in support hereof and attached hereto as **Appendix "J"**.
56. The Receiver is of the view that the fees and disbursements set out in the Damiani Affidavit and Ivanov Affidavit (collectively, the "**Fee Affidavits**") are reasonable in the circumstances and should be approved by the Court.

RECEIVER'S RECOMMENDATIONS

57. For the reasons set out above, the Receiver recommends that the Court make Orders:
- (a) approving this Report and the activities of the Receiver as described herein;
 - (b) approving the Transaction to be effected through the Sale Agreement, and authorizing the Receiver to take such steps and execute such documents as may be necessary or desirable for the completion of the Transaction, and vesting in the Purchaser all of the Debtor's right, title and interest in and to 106 Angus Glen free and clear of all encumbrances, except certain permitted encumbrances;
 - (c) temporarily sealing the Confidential Supplement, together with the confidential appendices thereto, filed with this Court from the public record until the closing of the Transaction;

- (d) approving an interim distribution of surplus proceeds to RBC, as described herein, and authorizing the Receiver to make additional distributions to RBC up to the cumulative amount of \$8,034,954 to repay the RBC indebtedness;
- (e) approving the Receiver's Interim Statement of Receipts and Disbursements for the period February 11, 2020 to May 12, 2020; and
- (f) approving the professional fees and disbursements of the Receiver and its legal counsel in the amounts set out this Report and authorizing the Receiver to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 20th day of May, 2020.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the
Court-appointed receiver of
certain assets and property of the
Estate of Naseem Somani,
and not in its personal or corporate capacity

Per:



Paul M. Casey, CPA, CA, FCIRP, LIT
Senior Vice-President



Stefano Damiani, CPA, CA, CIRP, LIT
Vice-President

ROYAL BANK OF CANADA

-and- AYAZ SOMANI IN HIS CAPACITY AS EXECUTOR OF THE ESTATE OF NASEEM SOMANI

Applicant

Respondent

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

PROCEEDING COMMENCED AT
TORONTO

**THIRD REPORT OF THE RECEIVER, DELOITTE
RESTRUCTURING INC.**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide St W
Toronto, Ontario M5H 4E3
Tel: 416-367-6000
Fax: 416-367-6749

Roger Jaipargas LSO No. 43275C

Tel: 416-367-6266
rjaipargas@blg.com

Tyler McNaughton – LSO No. 78081Q

Tel: (416) 367-6037
Email: tmcnaughton@blg.com

Lawyers for Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver of certain assets and property of the Estate of Naseem Somani