

Court File No.: CV-23-00707330-00CL

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

BETWEEN:

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749
ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Respondents

AND

IN THE MATTER OF THE BANKRUPTCY OF HUGH WADDELL

**REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER
DATED OCTOBER 14, 2025**

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INTRODUCTION AND PURPOSE OF THIS REPORT

1. On December 8, 2023, pursuant to an order (as amended, the “**A&R Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as receiver (the “**Receiver**”) over all the property, assets, and undertakings of Velocity Asset and Credit Corporation (“**Velocity**”) and of 926749 Ontario Ltd. o/a Clonsilla Auto Sales and Leasing (“**Clonsilla**” and, together with Velocity, the “**Debtors**”) (together, the “**Property**”). A copy of the A&R Receivership Order and the related Endorsement is attached hereto as **Appendix “A”**.
2. The A&R Receivership Order granted the Receiver access to the books and records of the Debtors as well as investigative powers as a result of financial irregularities and transfers of Property that the Receiver discovered following its appointment.
3. On May 16, 2024, the Receiver filed assignments in bankruptcy in respect of the Debtors and Deloitte was appointed as trustee in bankruptcy of the Debtors (the “**Trustee**”).
4. Hugh Waddell (“**Waddell**”) was the principal of the Debtors. The investigation being conducted by the Receiver and the Trustee involved an investigation into potential causes of action that the Receiver and the Trustee, on behalf of the Debtors, may have against Waddell.
5. The Receiver served Waddell with a Notice of Motion on October 3, 2025, seeking to set aside transfers made by Clonsilla to Waddell between October 6, 2022 and December 8, 2023, as transfers at undervalue and/or preferences pursuant to sections 95 and 96 of the *Bankruptcy and Insolvency Act*. The Receiver is seeking the repayment of \$1,236,077.26 from Waddell as part of this motion.

6. On April 2, 2024, Peoples Trust Company (“**Peoples**”), the assignee of the applicant creditor who sought the appointment of the Receiver, commenced a bankruptcy application against Waddell personally (the “**Bankruptcy Application**”). On April 17, 2024, Waddell filed a notice of dispute in respect of the Bankruptcy Application (the “**Notice of Dispute**”), a copy of which is found attached hereto at **Appendix “B”**.
7. On May 3, 2024, Justice Conway made an order appointing Albert Gelman Inc. as Interim Receiver in respect of Waddell’s property, assets and undertakings pending the Bankruptcy Application could be heard. A copy of Justice Conway’s order and related endorsement are attached hereto at **Appendix “C”**.
8. The Bankruptcy Application was initially scheduled to be heard on November 4, 2024. Waddell was directed to deliver a responding affidavit by August 9, 2024. No responding affidavit was delivered by that time.
9. The Bankruptcy Application scheduled for November 4, 2024, was adjourned as the result of an adjournment request made in late October 2024 from Waddell, who asserted his medical issues prevented him from taking part in the proceedings.
10. The Bankruptcy Application was rescheduled to July 7, 2025, at a case conference before Justice Steele on April 29, 2025. A copy of Justice Steele’s endorsement is attached hereto as **Appendix “D”**.
11. At the July 7, 2025 hearing and a subsequent appearance on July 22, 2025, Waddell requested a further adjournment, which was granted. Waddell was required to deliver a responding record by September 5, 2025. A copy of Justice Kimmel’s endorsement is attached hereto as **Appendix “E”**.

12. On September 7, 2025, Waddell delivered a responding affidavit (the “**Waddell Affidavit**”) and requested additional time for the scheduling of the Bankruptcy Application.
13. In addition, on September 9, 2025, Maryanne Jacobs (“**Jacobs**”), who was the office administrator of Clonsilla during all relevant times, swore an affidavit in connection with concerns raised by Waddell relating to the receivership (the “**Jacobs Affidavit**”). Although this affidavit was not filed in connection with Waddell’s response to the Bankruptcy Application, it raises overlapping issues with the Waddell Affidavit which the Receiver believes are best addressed together, to give this court an accurate statement of the facts.
14. At a case conference on September 11, 2025, Justice Kimmel scheduled the Bankruptcy Application for two days on December 2 and 4, 2025. Justice Kimmel also ordered that any reply materials to the Waddell Affidavit be delivered by October 14, 2025. The endorsement issued by Justice Kimmel in connection with this case conference (the “**Case Conference Endorsement**”) explicitly stated at paragraph 8(a), that the Receiver may file a further report if the Receiver deems it necessary to respond to anything set out in the responding materials. A copy of the Case Conference Endorsement is attached hereto as **Appendix “F”**.
15. The purpose of this special report of the Receiver (the “**Special Report**”) is to respond to the Case Conference Endorsement and address numerous inaccurate or incomplete statements in the Waddell Affidavit and the Jacobs Affidavit. In particular, the Receiver is responding to the issues raised in the Waddell Affidavit and the Jacobs Affidavit regarding matters relating to the receivership proceeding and other evidence the Receiver has in its possession from the books and records of the Debtors.

TERMS OF REFERENCE

16. In preparing this Special Report, Deloitte has been provided with, and has relied upon, the Debtors' books and records, unaudited, draft, and/or internal financial information, discussions with the Debtors' management, shareholders, employees, and information from third-party sources (collectively, the "**Information**"). Except as otherwise described in this Special Report:
- a) Deloitte has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Deloitte 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.
 - b) The Receiver has filed this Special Report solely for the purpose of providing information to this Court. Parties using the Special Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
17. Unless otherwise stated, all dollar amounts contained in this Special Report are expressed in Canadian dollars.

WADDELL'S SIGNATURE ON GUARANTEES

18. The application record dated July 19, 2024, filed by Peoples in connection with the Bankruptcy Application, included an affidavit of Michael Lombard sworn on July 19, 2024 (the "**Lombard Affidavit**"). The Lombard Affidavit included copies of the personal

guarantees of Hugh Waddell in respect of the obligations of both Velocity (the “**Velocity Guarantee**”) and Clonsilla (the “**Clonsilla Guarantee**” and, together with the Velocity Guarantee, the “**Guarantees**”) owing to Enlightened Funding Corporation (“**Enlightened**”) at Exhibits “B” and “C”. The Guarantees have since been assigned to Peoples. The Guarantees are attached hereto as **Appendix “G”** and “**H**”.

19. On September 5, 2025, for the first time in the receivership or bankruptcy proceedings, Waddell stated in the Waddell Affidavit that the Guarantees bear a signature that is not his. Waddell stated that he “...did not see these signatures until preparing for this case.” Waddell did not raise this position:
 - a) in the Notice of Dispute dated April 17, 2024 that he filed in response to the Bankruptcy Application; or
 - b) in his Affidavit sworn April 29, 2024 that he filed in response to Peoples’ motion to appoint the Interim Receiver. Attached hereto as **Appendix “I”** is a copy of Waddell’s April 29, 2024 affidavit.
20. Through reviewing the books and records of the Debtors, the Receiver has been able to determine that Waddell instructed Jacobs to sign a package of documents on his behalf that would come from Hollinsworth Auguste (“**Auguste**”), one of the directors and officers of Velocity. The package that was provided by Auguste on the same day included signature pages for the Guarantees. Jacobs signed the Guarantees in Waddell’s name and returned them to Auguste and Waddell on the same day.
21. Jacobs has previously been examined by the Receiver as part of the receivership proceeding. During this examination held on October 1, 2024, she gave evidence that it

was regular practice for Waddell to ask her to sign physical documents and she would sign on Waddell's behalf. A copy of the relevant extract from the transcript of Jacobs' examination is attached hereto as **Appendix "J"**.

22. On April 22, 2022 at 7:23 A.M., Waddell emailed Jacobs from hugh@clonsillaautosales.com, his corporate email address. Prior to the A&R Receivership Order being granted, the Receiver communicated with Waddell through that email address. In this email, Waddell stated that "I am having all the docs sent to you which I need printed signed. Witnessed by anybody . and returned to [Hollinsworth Auguste]. Don't identify the witness just have them put a signature there." A copy of this email is attached hereto as **Appendix "K"**.
23. On April 22, 2022, at 3:36 P.M., Hollinsworth Auguste ("**Auguste**"), one of the directors and officers of Velocity, emailed Jacobs, copying Waddell, asking Jacobs to have Waddell sign the Clonsilla Guarantee. Auguste attached the signature page to the Clonsilla Guarantee to the email. A copy of this email with attachment is attached hereto as **Appendix "L"**.
24. On April 22, 2022, at 3:48 P.M., Auguste emailed Jacobs, copying Waddell, asking Jacobs to have Waddell sign the Velocity Guarantee and return the signed Velocity Guarantee to Auguste. Auguste attached the signature page to the Velocity Guarantee to the email. A copy of this email with attachment is attached hereto as **Appendix "M"**.
25. On April 22, 2022, at 4:56 P.M., Jacobs received separate emails from Clonsilla's office printer attaching scanned copies of the Clonsilla Guarantee and the Velocity Guarantee

with Waddell's signature applied. A copy of these emails with attachments are attached hereto as **Appendix "N"** and **"O"**, respectively.

26. On April 22, 2022, at 5:11 P.M., Jacobs forwarded the two emails received by Jacobs at 4:56 P.M. referred to in the above paragraph to Waddell and Auguste, which included the attached signed copies of the Clonsilla Guarantee and the Velocity Guarantee. A copy of these emails with attachments are attached hereto as **Appendix "P"** and **"Q"**, respectively.
27. It is evident from the documentary evidence that Waddell directed Jacobs to sign the Guarantees on his behalf and send them to Auguste, which is exactly what happened. Waddell had knowledge this occurred, as he directed the signing and was copied on the delivery of the signed Guarantees to Auguste.
28. Finally, Waddell regularly signed documents provided to Enlightened in his capacity as personal guarantor. As an example, following Enlightened's demands on its loans to the Debtors, the Debtors had to provide an acknowledgment and agreement to Enlightened regarding further draw requests.
29. These acknowledgments were signed by Velocity, Enlightened, Clonsilla and Waddell as guarantor. Among other things, these agreements acknowledged that the amounts advanced in connection with such draw requests formed part of the indebtedness owing by the Debtors and Waddell under the Guarantees. On June 28, 2023, Waddell emailed a copy of an acknowledgment signed by himself as guarantor to Nadia Romero of Enlightened. A copy of this email with attachment is attached hereto as **Appendix "R"**.

ALLEGED RECEIVABLE OWING BY ENLIGHTENED

30. The Waddell and Jacobs Affidavits assert that there is an approximately \$900,000 receivable owing by Enlightened to the Debtors as a result of overpayment to Enlightened. They also allege that the Receiver failed to properly investigate this issue. The Jacobs Affidavit asserts that, without this overpayment, the Debtors may have been able to continue in business.
31. The allegation made in the Jacobs Affidavit is that there were certain leases that Beacon Holdings Limited (“**Beacon**”), Velocity’s lender prior to Enlightened, only partially funded. Enlightened provided financing to Velocity in tranches as funding requests were made by Velocity. When Enlightened agreed to provide financing to Velocity to be used to repay Beacon for these leases, Enlightened agreed to fund the full value of the leases (and not just the limited amount that Beacon had financed).
32. Of the first three tranches of funding that Enlightened provided to Velocity, the first tranche was used to payout Beacon and the third tranche was used for the “top-up” financing. The second tranche was unrelated to the leases previously financed by Beacon.
33. The Jacobs Affidavit states that Enlightened was requiring repayment by the Debtors for both the original financing (the first tranche) provided by Beacon and the top-up financing provided by Enlightened (the third tranche). In other words, that Enlightened was being repaid for all of the advances it made in respect of the leases – the original financing and the top-up financing.
34. There was and is no receivable owing from Enlightened to the Debtors for any overpayment in relation to the leases listed in the Jacobs Affidavit. There is no evidence of

an overpayment to Enlightened and, as of the date of this report, an amount in excess of \$20 million remains outstanding to Peoples.

35. The allegations made by Waddell and Jacobs regarding this alleged overpayment reflect a misunderstanding of the nature of the transactions. Once the funds were advanced in each tranche to Velocity and Clonsilla, payments of principal and interest were required to be made to Enlightened to service and repay such debt. Waddell and Jacobs state that the Debtors had to make payments for both the first and third tranches of financing. However, this is how the transaction was supposed to work. Both tranches were required to be serviced and repaid as soon as they were advanced and until they were fully repaid. There was no interest or principal holiday on either of the two tranches, though they related to the same lease. Further, there was no interest or payment holiday if the lease was inactive, expired or cancelled.
36. The Jacobs Affidavit attaches a lease schedule which purports to include the list of leases that Enlightened received overpayments on. This is not a contemporaneous document and does not exist anywhere in the Debtors' books and records – it is a schedule prepared by Jacobs without any supporting documentation. The Receiver has reviewed the books and records of the Debtors and there are no documents to support the alleged overpayment.
37. Peoples is owed over \$20 million by the Debtors. At best, if there was an overpayment, which the Receiver has investigated and notes is not the case, such overpayment would be set-off against the debt owing to Peoples. As discussed further below, Peoples is expected to suffer a material shortfall, far in excess of the \$900,000 alleged overpayment.

ALLEGED HST REFUND

38. The Waddell Affidavit and the Jacobs Affidavit assert that the Receiver failed to collect HST refunds from the Canada Revenue Agency (“CRA”) in the amount of \$1.4 million that they believe was owing to Clonsilla.
39. The Jacobs Affidavit states that in November 2022, the CRA issued a ruling allowing Clonsilla to begin receiving monthly HST refunds in September 2023. The Receiver is not aware of any such ruling and Jacobs provided no document to support this allegation.
40. The Third Report of the Receiver dated April 15, 2024, already commented on the HST payable by Clonsilla. On February 29, 2024, the CRA delivered a Notice of Reassessment in respect of Clonsilla. The Notice of Reassessment advised that, as a result of the reassessment, Clonsilla owed the CRA \$883,176.47 in respect of unpaid GST and HST. A copy of the Notice of Reassessment is attached hereto as **Appendix “S”**.
41. The Receiver determined there was no basis to challenge the Notice of Reassessment. Clonsilla has never been entitled to HST refunds, but rather was in a tax-owing position.
42. Since its appointment, the Receiver has filed several HST filings with the CRA. Post-filing, the HST owing by Debtors has been significantly reduced by the input tax credits claimed in relation to the professional fees incurred in the receivership. Without such professional fees, the Debtors would remain in a significant owing position to the CRA.

LEASING PORTFOLIO

43. The Waddell Affidavit states that the debt owing to Peoples by Velocity and Clonsilla is not ascertainable at this time because Clonsilla’s lease fleet is still active and not fully

accounted for. Waddell states that the lease portfolio is worth \$13,256,012.00. In the Receiver's view, this estimate is incorrect.

44. On May 2, 2024, the Court granted an order authorizing the Receiver to carry out a sale process in respect of the leasing portfolio. As reported in the Sixth Report of the Receiver dated October 2, 2025 (the "**Sixth Report**"), the Receiver conducted a rigorous sale process to canvass the market. Ultimately, three letters of intent were submitted. However, the Receiver determined that none of the offers received would result in greater recoveries than if the lease portfolio were run-off with Northlake Financial ULC ("**Northlake**") continuing in its role as the lease servicer. Accordingly, the Receiver terminated the sale process on December 23, 2024, and the lease portfolio is being run-off by Northlake.
45. The run-off of the lease portfolio will not result in over \$13 million of realizations. The Sixth Report includes the Receiver's receipts and disbursements through August 31, 2025. As of that date, the Receiver had received \$3,996,937 in lease proceeds and \$606,814 from the sale of vehicles. A copy of the Sixth Report (without appendices) is attached hereto as **Appendix "T"**.
46. It is anticipated that there will be 3-4 years of further collections and the estimated recovery from the run-off of the lease portfolio is approximately \$4.2 million (including servicing fees but before estate administration costs). In any event, the Receiver estimates that Peoples will suffer a significant shortfall on its debt.

WADDELL'S CALCULATION OF THE DEBT

47. At paragraph 6 of the Waddell Affidavit, Waddell sets out a calculation claiming that, if the HST refund and alleged \$900,000 receivable issues were addressed and a tax write-off

of almost \$6 million for Peoples was factored in, then after receiving \$13.25 million for the lease portfolio there will be sufficient funds to repay Peoples.

48. For the reasons set out above, the calculations in the Waddell Affidavit are incorrect. Clonsilla was not entitled to a \$1.4 million HST refund, Enlightened was not overpaid by approximately \$900,000, Waddell should not be credited for a speculative tax deduction resulting from the Debtors' failure to pay their debts and the run-off of the lease portfolio will not result in net proceeds of \$13.25 million.
49. As outlined, Peoples is expected to suffer a material shortfall in excess of \$15 million and it is inaccurate to suggest that there will be sufficient funds to repay Peoples.

BOOKS AND RECORDS

50. The Jacobs Affidavit notes that the Receiver limited the ability of Waddell and Jacobs to access Clonsilla's records to respond to the receivership application.
51. Similar statements were made by Jacobs and Waddell in response to a motion being brought by the Receiver to claw back funds received by certain related parties to Clonsilla during the year prior to the receivership.
52. The Receiver provided a response in its Supplement to the Fifth Report dated September 29, 2025 (the "**Supplement**") and incorporates those responses to this report. A copy of the Supplement (without appendices) is attached hereto as **Appendix "U"**.
53. In addition, the Jacobs Affidavit states that on December 11, 2023, Waddell was required to vacate Clonsilla's office space and from Jacobs' perspective, "this had the practical

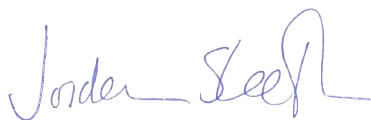
effect of cutting off access to records and impeding efforts to complete the forensic reconciliation necessary to prove the [Enlightened] receivable.”

54. This is inaccurate. The A&R Receivership Order was granted on December 8, 2023. Prior to the A&R Receivership Order, Waddell and Jacobs were free to review and make copies of any documentation they kept at the premises during this time.
55. After the granting of the A&R Receivership Order, the Receiver initially allowed Waddell to be present in the premises to review and organize documentation and to remove personal, non-relevant documents.
56. However, the Receiver discovered that Waddell was continuing to conduct business from the premises and had opened a second bank account for Clonsilla at the Bank of Nova Scotia without advising the Receiver that he was using to transfer funds to family members. Accordingly, the Receiver required Waddell to leave the premises.
57. Even after this discovery, the Receiver permitted Waddell to come back to the premises one final time under supervision on December 14, 2025, to review and remove or copy documents he wanted. Waddell did attend and conduct this final review and removal.

All of which is respectfully submitted at Toronto, Ontario this 14th day of October, 2025.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-Appointed
Receiver of Velocity Asset and Credit
Corporation and 926749 Ontario Ltd.
and without personal or corporate liability

Per:



Jorden Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX “A”

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

THE HONOURABLE	)	FRIDAY, THE 8 th
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2023

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749
ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT***

AMENDED AND RESTATED RECEIVERSHIP ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as receiver (in such capacity, the "**Receiver**") without security, of all of the present and future assets, undertakings and real and personal property of Velocity Asset and Credit Corporation ("**Velocity**") and of 926749 Ontario Ltd. (the "**Dealer**" and together with Velocity, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Eamonn Glavey sworn October 6, 2023 (the “**Glavey Affidavit**”), the Responding Record dated October 20, 2023 the Affidavit of Eamonn Glavey sworn October 24, 2023 and the First Report of the Receiver dated December 4, 2023, and on hearing the submissions of counsel for the Applicant, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of Deloitte to act as the Receiver,

SERVICE AND DEFINITIONS

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 Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Glavey Affidavit.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the present and future assets, undertakings and real and personal property of the Debtors acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”).

RECEIVER'S POWERS

4. **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 relocating of the Property to safeguard it, 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 manage, operate, and carry on the business of the Debtors, or any of them, in connection with the Property, including the powers to enter into any agreements or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business of the Debtors in connection with the Property, or any of them, or cease to perform or disclaim any contracts of any of the Debtors in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, in connection with the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors in connection with the Property;
- (h) 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 Debtors, for any purpose pursuant to this Order;

- (i) 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 Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings. 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;
- (j) to market any or all of the Property, including 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;
- (k) 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 \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$2,500,000; 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*, shall not be required;
- (l) 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 the Property or any part or parts thereof;
- (m) 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;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the either of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors; and
- (t) 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, including either of the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that: (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, advisors, 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 of the Property in each 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.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, patents, patent applications, documents, securities, contracts, orders, corporate and accounting records, bank account information and any other papers, records and information of any kind related to the business or affairs of the Debtors or 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 6 or in paragraph 7 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.

7. **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.

8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

INVESTIGATIVE POWERS

9. **THIS COURT ORDERS** that the Receiver is hereby authorized to exercise all available investigative and other rights and remedies that are available to a trustee in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B- 3, as amended.

10. **THIS COURT ORDERS** that the Receiver is hereby authorized to examine under oath any Person, including but not limited to representatives of the Debtors, that the Receiver reasonably considers to have knowledge of the affairs or Property of the Debtors.

NO PROCEEDINGS AGAINST THE RECEIVER

11. **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 DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that all rights and remedies against the Debtors, 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 Debtor to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment to which the Debtors are subject, (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

14. **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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, 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 Debtors 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

16. **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, 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

17. **THIS COURT ORDERS** that any and all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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 subsection 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 subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

19. **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

20. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of 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 subsections 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

21. **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 subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their 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 Commercial List of the Ontario Superior Court of Justice.

23. **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

24. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered, with the prior written consent of Peoples Trust Company of Canada ("**PTC**"), to borrow by way of: (a) advances from the Applicant irrevocably directed to the Receiver pursuant to the terms of the Enlightened Credit Agreement; or (b) advances from PTC, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest provided for in the Enlightened Credit Agreement (with respect to advances from the Applicant) or at such rate or rates of interest as it deems advisable

for such period or periods of time as it may arrange (with respect to advances from PTC), for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures (the "**Receiver's Borrowings**"). 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 Receiver's Borrowings, 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 subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

25. **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.

26. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for the Receiver's Borrowings pursuant to this Order.

27. **THIS COURT ORDERS** that the Receiver's Borrowings borrowed 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

28. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial>) 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 and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.insolvencies.deloitte.ca/en-ca/pages/search-insolvencies.aspx>.

29. **THIS COURT ORDERS** that the Debtors, the Receiver, the Applicant and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

30. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide 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, facsimile or email transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by e-mail transmission shall be deemed to be received on the same business day as transmission, or if sent 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

31. **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.

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

33. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or Europe to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of

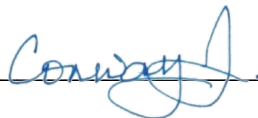
this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

34. **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 foreign representative in respect of the Debtors and the within proceedings for the purpose of having the within proceedings and this or any other Orders made in the within proceedings recognized in a jurisdiction outside Canada.

35. **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 full indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

36. **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.

37. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that Deloitte Restructuring Inc., the receiver (in such capacity, the "**Receiver**"), without security, of all of the present and future assets, undertakings and real and personal property of Velocity Asset and Credit Corporation ("**Velocity**") acquired for, or used in relation to a business carried on by Velocity, including all proceeds thereof, and of the Dealer Property (as defined in the affidavit of Eamonn Glavey sworn October 6, 2023) of 926749 Ontario Ltd., including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 26th day of October, 2023 (the "**Order**") made in an action having Court file number CV-23-00707330-00CL, 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 [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ 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 _____, 2023.

Deloitte Restructuring Inc., solely in its
capacity as Receiver of the Property, and not in
its personal or corporate capacity

Per: _____

Name:

Title:

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE <i>COURTS OF JUSTICE ACT</i>		
ENLIGHTENED FUNDING CORPORATION	and	VELOCITY ASSET AND CREDIT CORPORATION AND 926749 ONTARIO LTD.
Applicant	Respondents	Court File No.: CV-23-00707330-00CL
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced in Toronto
		AMENDED AND RESTATED RECEIVERSHIP ORDER
		THORNTON GROUT FINNIGAN LLP 100 Wellington Street West, Suite 3200 T.D. West Tower, Toronto-Dominion Centre Toronto, ON M5K 1K7 Rebecca Kennedy (LSO# 61146S) Email: rkennedy@tgf.ca Derek Harland (LSO#: 79504N) Email: dkharland@tgf.ca Tel: 416-304-1616 Fax: 416-304-1313 Lawyers for the Receiver



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL

DATE: December 8, 2023

NO. ON LIST: 4

TITLE OF PROCEEDING: ENLIGHTENED FUNDING CORP. -v- VELOCITY ASSET & CREDIT CORP. et al.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Aiden Nelms	Enlightened Funding Corporation	nelmsa@bennettjones.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Michael Rusek	Ontario Motor Vehicle Industry Council (OMVIC)	Michael.rusek@omvic.on.ca
David Dailly		david.dailly@omvic.on.ca
Hugh Waddell	926748 Ontario Ltd OA Clonsilla Auto (Self-Represented)	Hugh@clonsillaautosales.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Derek Harland	Receiver	धारलंद@tgf.ca
Rebecca Kennedy		rkennedy@tgf.ca
Monique Sassi	Nexgear Capital Corporation	msassi@cassels.com
Jeffrey Haylock	Beacon	jhaylock@polleyfaith.com

ENDORSEMENT OF JUSTICE CONWAY:

- [1] **All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Receiver dated December 8, 2023.**
- [2] The Receiver was appointed as receiver over the property and assets of the Debtors by order dated October 26, 2023. The appointment over the Dealer was a limited scope one. The Receiver now seeks an amended and restated receivership order (“**ARRO**”) that expands the scope of the receivership to include all of the Dealer’s property and enhanced investigative powers. The motion is supported by the creditors and OMVIC.
- [3] The Receiver’s First Report outlines serious concerns with the Dealer operations that the Receiver uncovered in the course of its preliminary investigation. These include issues of duplicate funding, irregularities in lease documentation, transfer of Dealer Property following the Receivership Order, and misappropriation of lease proceeds to purchase additional vehicles. The Receiver also details the communications it has had with OMVIC about public harm issues with respect to the non-remittance of customer payments to Canada General Warranty for insurance and warranty products. The Receiver also states that the Dealer has failed to maintain proper business records.
- [4] Mr. Waddell, the principal of the Dealer, attended today and requested an adjournment. He said he only received the materials early this week. He wants an opportunity to consult with counsel and consider the implications of this motion. He does not object to enhanced investigative powers for the Receiver but wants legal advice on the ability of the Receiver to assign the Dealer into bankruptcy.
- [5] After hearing submissions, I said that I would adjourn only the issue of the Receiver’s ability to assign the Dealer into bankruptcy. However, I denied the adjournment of the remainder of the motion, for two reasons. First, although service is short, Mr. Waddell has been aware of the issues raised by the Receiver since November 17, 2023 (the correspondence with him is in the record). Second, and most important, the record raises issues of public harm. Any adjournment could only exacerbate these concerns.
- [6] I am satisfied that it is just and convenient to grant the ARRO in this case. As noted above, the record raises issues of duplicate funding, irregularities in lease documentation, transfer of Dealer Property following the Receivership Order, and misappropriation of lease proceeds to purchase additional vehicles. The appointment of the Receiver is necessary at this stage to preserve, protect, and ultimately realize on the Property subject to the security of secured creditors. Also as noted above, OMVIC has serious concerns about the harm to consumers from unremitted payments to Canada General Warranty.
- [7] I make no factual findings at this point. However, the record satisfies me that the appointment of the Receiver is just and convenient and warranted under the circumstances.

- [8] I required the Receiver's counsel to amend the draft order to remove the powers re assigning the Dealer into bankruptcy. Counsel has now done so. This part of the motion is adjourned to another date to be set at a scheduling appointment before me.
- [9] I have signed the revised ARRO. The approval of activities order is satisfactory to me and I have signed it. Both orders to go as signed by me and attached to this Endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

APPENDIX “B”

ONTARIO
SUPERIOR COURT OF JUSTICE

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
Hugh Waddell
of the City of Peterborough
in the Province of Ontario

NOTICE DISPUTING APPLICATION

The Respondent, Hugh Waddell, hereby gives notice that he intends to oppose his being adjudged bankrupt and the making of a bankruptcy order as asked, and intends to dispute the statements contained in the Application and defend the making a bankruptcy order on the following, among other, grounds:

1. The applicant has no standing to bring this application as it is fully secured for any debt that may be owing to it. The applicant has secured assets upon which its debt is based which if disposed of at a fair evaluation, sufficient funds would be realized to pay it. Accordingly, the applicant has improperly valued its security.
2. All creditors but for the applicant are being paid in the ordinary course. There are no other creditors whose debts are long outstanding nor are there any special circumstances to warrant the making of a bankruptcy order.
3. The respondent denies that he committed any act of bankruptcy; namely,
 - a. That he entered into a fraudulent preference within the meaning of section 95 of the Bankruptcy and Insolvency Act;
 - b. That he removed property with the intent of defrauding creditors; and
 - c. That he ceased to pay his bills in the ordinary course;

and puts the applicant to the strict proof thereof.

4. The applicant's predecessor initiated a court-appointed receivership of companies for which the respondent undertook to guarantee up to \$10 million. The court-appointed receivership is in progress and has not made any distributions to creditors leaving the applicant with an unknown debt receivable from the respondent.
5. The respondent has a *bona fide* dispute with Enlightened Lending Corporation, the predecessor of the applicant. Enlightened Lending Corporation failed to advance moneys under its agreement with Velocity Asset and Credit Corporation and 926749 Ontario Ltd., causing them to default under its lending agreements. As the applicant is the assignee of the debt, it is bound by the equities between Enlightened Lending Corporation and Velocity Asset and Credit Corporation and 926749 Ontario Ltd., thereby discharging the respondent's guarantee.
6. The applicant is using the bankruptcy system as a clearing house for debts and has not pursued its account in the ordinary course of business. The applicant has never made a demand, nor initiated a claim for collection. As a result, the application has been filed for an improper purpose and is an abuse of process. There are no special circumstances to warrant the making of the bankruptcy order.

Dated at Toronto this 17th day of April, 2024

Hugh Waddell, by his lawyers,
Bennett & Company,
Attention: Frank Bennett
1320-25 Adelaide Street East
Toronto Ontario
M5C 3A1
Tel: 416.363.8688
Email: bennett@ican.net

Court file no.: BK-24-00208693-OT31

Peoples Trust, Applicant and Hugh Waddell, Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
BANKRUPTCY AND INSOLVENCY

NOTICE OF DISPUTE

BENNETT & COMPANY
Barristers & Solicitors
1320- 25 Adelaide Street East
Toronto, Ontario
M5C 3A1

Frank Bennett #11829F
Tel: 416.363.8688
Fax: 416.363.8083
Email: bennett@ican.net
Solicitors for Hugh Waddell

APPENDIX “C”

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE MADAM	)	FRIDAY, THE 3 rd
	)	
JUSTICE CONWAY	)	DAY OF MAY, 2024

**IN THE MATTER OF THE BANKRUPTCY OF
HUGH WADDELL**

**ORDER
(appointing Interim Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 46(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Albert Gelman Inc. as interim receiver (in such capacities, the "**Interim Receiver**") without security, for the purpose of preserving and protecting all of the assets, undertakings and properties of Mr. Hugh Waddell (the "**Debtor**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Greg Hutchinson sworn April 22, 2024 and the Exhibits thereto and the affidavit of Fara Guerrieri sworn April 22, 2024 and the Exhibits thereto and on hearing the submissions of counsel for Peoples Trust Company ("**Peoples**") and counsel to the Debtor, no one appearing for any other party although duly served as appears from the certificate of confirmation of service certified on April 30, 2024 and on reading the consent of Albert Gelman Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion 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 46(1) of the BIA and section 101 of the CJA, Albert Gelman Inc. is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including all proceeds thereof (the "Property").

INTERIM RECEIVER'S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property to the extent that the Interim Receiver deems it necessary for the preservation and protection of the Property but otherwise not to interfere with the use and enjoyment of the Property by the debtor until the hearing of the application herein or until this Court shall make further order. Without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim 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, including, without limitation any remaining proceeds from the sale of the property municipally known 23601 Via Las Palmas, Estero, Florida, United States of America (the "Florida Property Proceeds");
- (b) to exercise all of the rights and powers of the Debtor to transact with or otherwise act on the Debtors behalf in connection with any financial institutions, including signing authority on behalf of the Debtor;
- (c) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor;

- (d) to take any other interim conservatory steps with respect to the Property that the Interim Receiver deems necessary for the preservation and protection of the Property;
- (e) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim 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 Interim Receiver deems advisable; and
- (f) 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 Interim 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that the Debtor and all persons acting on its instructions or behalf shall grant access to the Property and deliver all such Property to the Interim Receiver on request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any books and records (including, without limitation, relating to the Florida Property Proceeds) (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim 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 Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

NO PROCEEDINGS AGAINST THE RECEIVER

6. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO INTERFERENCE WITH THE INTERIM RECEIVER

7. 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 Debtor, without written consent of the Interim Receiver or leave of this Court.

INTERIM RECEIVER TO HOLD FUNDS

8. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim 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, 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 Interim 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 Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

9. THIS COURT ORDERS that nothing herein contained shall require the Interim 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 Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim 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 INTERIM RECEIVER'S LIABILITY

10. THIS COURT ORDERS that the Interim 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. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

11. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim 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..

FUNDING OF THE INTERIM RECEIVERSHIP

12. THIS COURT ORDERS that the Interim 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 \$35,000 (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 Interim 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.

13. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

14. THIS COURT ORDERS that, in the event that the bankruptcy application in respect of Hugh Waddell is dismissed, the Receiver's Borrowings Charge shall be extinguished.

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

16. THIS COURT ORDERS that the monies from time to time borrowed by the Interim 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

17. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

18. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim 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 or

email transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile or email 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

19. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

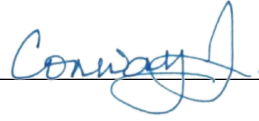
20. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

21. 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 Interim 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 Interim Receiver and its agents in carrying out the terms of this Order.

22. THIS COURT ORDERS that the Interim 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 Interim 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.

23. 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 Interim 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.

24. THIS COURT ORDERS that this order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the Interim Receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Interim Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Interim 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 [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ 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 Interim 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 Interim 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 Interim 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 Interim 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 Interim 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__.

[RECEIVER'S NAME], solely in its capacity
as Interim Receiver of the Property, and not in
its personal capacity

Per: _____

Name:

Title:



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL
BK-24-00208693-OT31

DATE: May 3, 2024

NO. ON LIST: 4/5

TITLE OF PROCEEDING: ENLIGHTENED FUNDING CORPORATION v. VELOCITY ASSET
AND CREDIT CORPORATION et al

IN THE MATTER OF THE BANKRUPTCY OF HUGH WADDELL

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Rebecca Kennedy Deborah Palter Derek Harland	Counsel for the Receiver - Deloitte	rkennedy@tgf.ca dpalter@tgf.ca dharland@tgf.ca
Haddon Murray	Counsel to Peoples Trust Company, the Applicant by assignment	haddon.murray@gowlingwlg.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Frank Bennett	Counsel for Velocity Asset and Credit Corporation and 926749 Ontario Ltd. O/A Clonsilla Auto Sales and Leasing	bennett@ican.net

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Michael Citak	Counsel for Equigenesis Corporation	mcitak@grllp.com
Jeffrey Haylock	Beacon Holdings Limited	jhaylock@polleyfaith.com

ENDORSEMENT OF JUSTICE CONWAY:

[1] This is the continuation of the motions that were before me on April 23, 2024.

Receiver's Motion

- [2] The Receiver seeks authorization to assign the Debtors into bankruptcy and approval of a sales process order. The Receiver has agreed to adjourn that part of its motion for approval of activities and fees to a later date, to be re-scheduled at a scheduling appointment.
- [3] The Debtors submit that this court does not have jurisdiction to grant the order authorizing the Receiver to assign them into bankruptcy. I do not accept this submission. The caselaw indicates that it is well established that a court may grant this order: see, for example, *Royal Bank v. Sun Squeeze Juices Inc.*, 1994 CarswellOnt 266, aff'd 1994 CarswellOnt 310, 28 C.B.R. (3d) 201. See also *Bank of Montreal v Owen Sound Golf and Country Club*, 2012 ONSC 557 at para. 7. Clearly, it is grounded in the incidental powers conferred on the court under s. 243 of the BIA and s. 101 of the *Courts of Justice Act*.¹
- [4] What I do accept, however, is that this is a matter of discretion, to be exercised by the court in the circumstances of each case. In the case at bar, there are several benefits to stakeholders to allow this assignment to occur including: (i) the secured creditor Peoples has indicated that it will bring a petition in any event. Allowing the Receiver to make the assignment will be more efficient and is in line with the single proceeding model for insolvency matters; (ii) it will alter the priorities such that the statutory deemed trusts for GST and HST owed by the Debtors will no longer apply, thereby increasing recoveries for stakeholders; and (iii) it will give the trustee various investigative powers under the BIA with respect to reviewable transactions described in the Receiver's reports.
- [5] Mr. Waddell has filed affidavits disputing much of the Receiver's conduct and statements in its reports. His counsel Mr. Bennett confirmed that Mr. Waddell does not seek to appeal the receivership orders but says that I should exercise my discretion not to grant the bankruptcy order on the basis of Mr. Waddell's evidence. While there is conflicting evidence in the record, the Receiver relies on undisputed facts in support of its request. For example, it relies on Mr. Waddell's own evidence of the Debtors' defaults to the Applicant

¹ The Debtors also submit that there has been no finding that they were insolvent. The factual record before me on the receivership application clearly established their insolvency.

in his affidavit of October 20, 2023 filed on the receivership application; the undisputed evidence of unplanting vehicles where floor plan financing had not been repaid out of lease financing proceeds (Receiver's Third Report, paras. 38-42); and the undisputed evidence of vehicle transfers to Auto Connect without a corresponding repayment to the secured creditor (Mr. Waddell's affidavit of April 11, 2024, para 13(e)).

- [6] Considering the benefits to stakeholders and the undisputed facts relied on by the Receiver, I am prepared to exercise my discretion to permit the Receiver to assign the Debtors into bankruptcy.
- [7] Mr. Bennett submits that Deloitte is conflicted in acting as the trustee in bankruptcy. A receiver is permitted to act as a trustee under s. 13.3(2) provided that disclosure of a potential conflict is made at the time of appointment and at the first meeting of creditors. Here, there are numerous secured creditors, it is not a single creditor receivership. None of the secured creditors has raised any issue with the appointment of Deloitte as the trustee. It is far more cost effective for Deloitte to act as the trustee, thereby preserving recovery for creditors. I have no issue appointing Deloitte as the trustee at this point. This may be revisited at the first meeting of creditors.
- [8] Under s. 2 of the BIA, the initial bankruptcy event was October 6, 2023, the date the receivership application was filed. The application contained a request for the power to assign the Debtors into bankruptcy: see *National Telecommunications (Re)*, 2017 ONSC 1475. The lookback period will therefore be calculated from that date.
- [9] The Receiver seeks approval of the sales process order. I am satisfied that this is the best means to maximize recoveries for stakeholders. The sale process is and will be subject to court supervision. The sale process timelines are acceptable. The process is open to a myriad of sale opportunities for the Debtor's assets.
- [10] At the request of Beacon, I include the following in this endorsement: The court recognizes that the process for allocating sales proceeds to different classes of leases or assets to be sold in the sales process, and for establishing a claims process to determine creditor entitlements to proceeds from such classes, remains to be determined, and is not determined by the court's approval of the sales process.
- [11] I have signed both orders on the Receiver's motion. Orders to go as signed by me and attached to this Endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

Peoples Motion

- [12] Peoples brings a motion for the appointment of an interim receiver over the assets of Mr. Waddell pending the hearing of its bankruptcy application against him. I am granting the order pursuant to s. 46(1) of the BIA.

- [13] There is evidence that Mr. Waddell attempted to dissipate his assets in the face of these insolvency proceedings. Specifically, on December 21, 2023, weeks after the full receivership was granted over the Debtors, he attempted to retroactively transfer his Florida property to his wife by filing a Corrective Warranty Deed stating that it was to be transferred to his wife and filing a Quit Claim Deed retroactive to February 2016. Those attempts were rejected.
- [14] Then, following correspondence from Peoples in January 2024 warning him about transferring his assets and the Florida property in particular, he continued to market the Florida property. Then, days after he received the bankruptcy application and on the eve of the hearing, he sold the property.
- [15] Peoples has met both parts of the test set out in *Konopny (Re)*, 2009 CanLII 44412. In light of Mr. Waddell's guarantee of the Debtors' indebtedness to Peoples (Velocity itself owes over \$19 million), I am satisfied on a balance of probabilities that Peoples will succeed in obtaining a bankruptcy order against Mr. Waddell. Further, Mr. Waddell's conduct with respect to the Florida property poses a real risk that assets will disappear if a receiver is not appointed.
- [16] I have reviewed the form of interim receivership order with counsel for Peoples and Mr. Waddell. I have required that it be scaled back considerably given that it is for the sole purpose of preserving assets owned by an individual. Counsel have done that and the form is now acceptable to me. It is far more balanced and in line with the purpose for which it is granted.
- [17] Peoples has now provided the required undertaking re damages.
- [18] Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

APPENDIX “D”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL
BK-24-00208693-OT31

DATE: April 29, 2025

NO. ON LIST: 1/2

TITLE OF PROCEEDING: ENLIGHTENED FUNDING CORPORATION v. VELOCITY ASSET
AND CREDIT CORPORATION et al

IN THE MATTER OF THE BANKRUPTCY OF HUGH WADDELL

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Haddon Murray James Aston	Counsel to Peoples Trust Company, the Applicant by assignment	haddon.murray@gowlingwlg.com james.aston@gowlingwlg.com
Rebecca Kennedy Derek Harland	Counsel for the Receiver - Deloitte	rkennedy@tgf.ca धारलंद@tgf.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Hugh Waddell	Self-represented	Hughwaddell1@gmail.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Frank Spizzirri	Counsel for Jagstan Consulting Inc	frank@spizzirrilaw.ca
Jorden Sleeth	Receiver for Velocity Asset and Credit Corporation and 926749 Ontario Ltd.	jsleeth@deloitte.ca

Adam Zeldin	Receiver – Albert Gelman Inc in its capacity as Interim Receiver of Hugh Waddell	azeldin@albertgelman.com
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ENDORSEMENT OF JUSTICE STEELE:

- [1] Case conference held via Zoom on April 29, 2025 to schedule the return of the bankruptcy application of Hugh Waddell, which had been adjourned *sine die* in November 2024.
- [2] Mr. Waddell, who is now self-represented, has had some health issues and requested that the return be scheduled after his follow up with his physician at the end of June.
- [3] The application is scheduled for **July 7, 2025 at 10 am via Zoom (2 hours).**
- [4] People's Trust Company noted that, given the history of this matter, there is a possibility of a contested adjournment request at the return.
- [5] The court reminded Mr. Waddell that in the event he intends to seek an adjournment, he needs to provide the court with affidavit evidence.

A handwritten signature in black ink, appearing to read "J Steele", is located in the lower right quadrant of the page.

APPENDIX “E”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-24-00208693-OT31
CV-23-00707330-00CL

HEARING DATES: July 7 & 22 , 2025

NO. ON LIST:

TITLE OF PROCEEDING:

IN THE MATTER OF THE BANKRUPTCY OF HUGH WADDELL
ENLIGHTENED FUNDING CORPORATION v. VELOCITY ASSET AND CREDIT CORPORATION
et al

BEFORE: MADAM JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Haddon Murray	Counsel for Peoples Trust Company, the Applicant by assignment	haddon.murray@gowlingwlg.com
James Aston (attended July 7 only)	Observer for Peoples Trust Company, the Applicant by assignment	james.aston@gowlingwlg.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Hugh Waddell	Self-Represented	hughwaddell1@gmail.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Rebecca Kennedy	Counsel for Receiver of Velocity and Clonsilla - Deloitte	rkennedy@tgf.ca

Derek Harland (attended July 7 only)	Counsel for Receiver of Velocity and Clonsilla - Deloitte	dharland@tgf.ca
Maya Poliak	Counsel for the Interim Receiver - Albert Gelman Inc	maya@chaitons.com
Adam Zeldin	Representative from the Interim Receiver - Albert Gelman Inc	azeldin@albertgelman.com

ENDORSEMENT OF MADAM JUSTICE KIMMEL:

- [1] At the request of the applicant (creditor by assignment) Peoples Trust Company ("Peoples"), an order was made on May 3, 2024 appointing Albert Gelman Inc. ("AGI") as the interim receiver (the "Interim Receiver"), under section 46(1) of the *Bankruptcy and Insolvency Act*, of all the assets, undertakings and properties, including all proceeds thereof (collectively, the "Property") of Hugh Waddell ("Mr. Waddell") for the purpose of preserving and protecting the Property pending the return of Peoples' application for an order assigning Mr. Waddell into bankruptcy and appointing AGI as bankruptcy trustee (the "Bankruptcy Application").

Requested Adjournment of Bankruptcy Application

- [2] On July 7, 2025, Mr. Waddell requested a second adjournment of this contested bankruptcy application that had been re-scheduled for a hearing on July 7, 2025, on medical grounds. Certain of the parties re-attended on July 22, 2025 to settle the form of order arising out of the July 7, 2025.
- [3] The July 22, 2025 case conference provided the opportunity for the court to review the previous orders and endorsements and to trace some of the provisions of this endorsement and the order now being signed back to earlier orders and endorsements. This exercise addressed the concerns that Mr. Waddell had expressed to the Receiver about the provisions of the proposed draft order.
- [4] Much of what the Receiver was proposing to include in the proposed form of order arising out of the July 7, 2025 case conference is addressed in this endorsement that was prepared immediately following the July 7, 2025 attendance. To the extent points proposed to be included in the draft order were already covered in the draft endorsement they have been removed from the revised form of order presented on July 22, 2025 for my signature. Directions provided in this endorsement shall have the same force and effect as a court order. The only provision of the proposed draft order that has not been incorporated into the final form of order or as a direction in this endorsement is the requirement for health care professionals to attend to be examined under oath. There may come a time where that is necessary, but I am not prepared to make that order now when they had no notice that such an order was being sought. The health care providers will be provided with a copy of

this endorsement and will be made aware through that mechanism that this request was made and has been deferred for now.

Procedural History and Prior Adjournments and Terms

- [5] This bankruptcy application was commenced in April 2024. After the appointment of the Interim Receiver, on June 12, 2024 a contested bankruptcy hearing was scheduled for a hearing on November 4, 2024. Mr. Waddell was directed to deliver a responding affidavit by August 9, 2024. No responding affidavit was delivered. Mr. Waddell delivered a Notice of Intention to Act in Person shortly after that, but has still not delivered, or requested leave to deliver, any responding affidavit in response to the requested bankruptcy order that he continues to oppose.
- [6] The November 4, 2024 contested bankruptcy hearing was adjourned for medical reasons based on a request that originated from Mr. Waddell's wife in late October 2024.
- [7] When the contested bankruptcy hearing was adjourned, Penny J. made an order on November 4, 2024 titled the Expanded Powers Order that included the following provisions:

2. THIS COURT ORDERS that, without limiting the power and protections of the Interim Receiver as set out in the Order of Justice Conway dated May 3, 2024, the Receiver is hereby further empowered and authorized, but not obligated, to act at once in respect of the Property to do any of the following where the Interim Receiver considers it necessary or desirable:
... (b) to make inquiries of the Debtor's healthcare professionals, including his cardiologist, solely in relation to any medical restrictions on his capacity to be examined or attend before the court in connection with this matter; and

...in each case where the Interim 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 Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that the Debtor shall produce, or consent to the production by any Bank of, his past five years of statements for any Bank accounts that the Debtor has held in the past five years, subject to any restrictions on his capacity to produce such information as are expressed by his

cardiologist, but is not required to take any steps to do so until after November 15, 2024.

- [8] The court's further November 15, 2024 reviewed certain of the provisions of the November 4, 2025 endorsement and also included the following provision:

3. Mr. Waddell's medical situation is still being investigated. Mr. Waddell shall continue to keep the Interim Receiver apprised of his medical appointments and the advice of his medical professionals regarding his health and its impacts upon his ability to participate in these proceedings. Mr. Waddell has provided, and shall continue to provide, his medical professionals with his consent to them communicating directly with the Interim Receiver in relation to any medical restrictions on his capacity to be examined or to attend before the court in connection with this matter, as provided for in paragraph 2 (b) of the November 4, 2024 order.

- [9] The contested bankruptcy hearing was rescheduled at a case conference by endorsement of Steele J. dated April 29, 2025 that:

- a. rescheduled the Bankruptcy Application hearing to July 7, 2025 (the "Revised Return Date"), following Mr. Waddell's next scheduled appointment with his cardiologist (which was scheduled for June 27, 2025); and
- b. required Mr. Waddell to provide the Court with affidavit evidence should he seek a further adjournment of the Bankruptcy Application.

Dealings with Mr. Waddell's Health Care Professionals

- [10] The Interim Receiver had spoken to Mr. Waddell's cardiologist prior to the April 29 appearance, and confirmed what was discussed in a March 13, 2025 letter to the cardiologist that has never been refuted or challenged by the cardiologist, summarized as follows:

As discussed, you confirmed that Mr. Waddell has coronary disease but his symptoms are not life-threatening. While you cannot predict the outcome of all potential situations, you do not believe that Mr. Waddell's symptoms indicate that stressful or anxious situations such as being examined or being the subject of a court proceeding will necessarily result in serious adverse health consequences.

- [11] Prior to Mr. Waddell's cardiologist appointment scheduled on June 27, 2025, on June 13, 2025, the Interim Receiver delivered correspondence to his cardiologist, Dr. Hartleib, (the "June 13 Letter") with a view to ascertaining Dr. Hartleib's professional opinion regarding Mr. Waddell's present medical condition and his capacity to engage in legal proceedings. As set out in the June 13 Letter, the Interim Receiver requested that Dr. Hartleib respond to a series of specific inquiries concerning Mr. Waddell's current health status and any associated limitations. The June 13 Letter further proposed a meeting or telephone conference between the Interim Receiver and Dr. Hartleib to take place following Mr. Waddell's upcoming medical appointment and in advance of the Revised Return Date.
- [12] The Interim Receiver did not receive any direct response from Dr. Hartleib to specific inquiries contained in the June 13 letter, despite follow up inquiries prior to and after June 26, 2025.
- [13] On July 4, 2025, Dr. Hartleib delivered a letter to the Interim Receiver (the "July 4 Cardiologist Letter"), indicating that:
- a. Mr. Waddell continues to struggle with angina that he reports is severely exacerbated by court attendances;
 - b. The angina is related to his known condition of chronic total occlusion;
 - c. Mr. Waddell's condition is not especially high risk, but Mr. Waddell's limiting symptoms should be taken at face value;
 - d. Further testing is being arranged at the cath lab to see if there are other interventional options;
 - e. It is reasonable for the Interim Receiver to avoid stressful situations which may exacerbate the angina; and
 - f. It is expected that it will be at least two months before the Doctor will be in a position to reevaluate Mr. Waddell.

- [14] Although not served on the other parties, Mr. Waddell swore an affidavit that he sent to the court appending this July 4 Letter from Dr. Hartleib in support of his adjournment request. The court stood down the July 7 hearing so that Mr. Waddell could send this affidavit to counsel for the other parties and for them to have a chance to review it.

The July 7, 2025 Adjournment Request: Medical Issues

- [15] In his affidavit Mr. Waddell states that his coronary arterial disease has impaired his ability to work and prepare his opposition to the bankruptcy application. Due to this impairment

and his lack of financial resources, he asks for an additional sixty days to give himself time to interview witnesses and prepare his responding material. He states that he is not seeking to delay the proceedings but only to allow himself the time he needs to respond and to establish that the major creditor who he believes is driving this application has been repaid in full. He also indicates in his affidavit that he wants to do discoveries.

- [16] While Mr. Waddell asked in his affidavit for an adjournment of 120 days, he promised to update the court within 60 days about his ability to proceed and potential timing for moving ahead. While not set out in his affidavit, he advised the court that he was told by his cardiologist that he will be referred to the cath lab and then have an appointment to review options for treatment or intervention, all within 60 days.

Opposition to Adjournment Request

- [17] The Applicant, supported by the Interim Receiver, opposed the adjournment request on various grounds.
- [18] Even after seeing the affidavit of Mr. Waddell (the first ground of objection having been that Mr. Waddell had not delivered an affidavit to support his adjournment request as he had been directed to do in the April 29 Endorsement), it was noted that there was no evidence from the doctor that meets the requirements for expert evidence, which these parties argue is required in circumstances such as this, in the form of a sworn affidavit or report from a qualified medical practitioner providing an opinion, justified by underlying facts and analysis (see *Castle Building Centres Group Limited v. Parkes*, 2024 ONSC 3705, at para. 80), that would enable the court to properly weigh the alleged medical prejudice to Mr. Waddell of proceeding today with this bankruptcy application against the prejudice to the applicant in having a further delay of the already once adjourned application (that Mr. Waddell did not file any evidence in response to within the deadlines imposed that expired long before the medical emergency that resulted in the first adjournment).
- [19] More significantly, these parties note that the untested letter from the cardiologist did not proffer an opinion that Mr. Waddell was medically unfit to participate in this proceeding. The letter simply accepts Mr. Waddell's reported symptoms of angina and stress associated with the proceeding. Since the Interim Receiver has not insisted on Mr. Waddell testifying and was prepared to proceed without any evidence from him (the deadline for such having long since passed and there having been no indication since the deadline passed that any evidence would be tendered) that should alleviate any stress associated with testifying.
- [20] The Interim Receiver filed an affidavit from private investigator about a meeting with Mr. Waddell at Trent Trading and Consignment about purchasing a boat, during which Mr. Waddell carried a ladder back and forth to the boat and following which Mr. Waddell gave him a business card, from which the court is asked to infer that Mr. Waddell is not credible

when he says he is not working because of his heart condition, and that he is well enough to make submissions in response to the bankruptcy application.

- [21] Further, these parties contend that the request now for time to file responding evidence and conduct a discovery (requested in Mr. Waddell's affidavit in support of this adjournment request for the first time) is out of time and should not be permitted.

Concerns About Access to Banking Records

- [22] The Interim Receiver reported that it has not had the full production it seeks from all financial institutions which is impeding its efforts in the meantime to full its mandate of preserving and protecting Mr. Waddell's property. In its reports filed the Interim Receiver also has identified concerns about possible transactions at undervalue that it does not under its current mandate have the power and authority to investigate and pursue. It was noted that at least part of the reluctance on the part of some of the financial institutions from which records are being sought is that they do not consider the scope of the order appointing the Interim Receiver to be broad enough to cover what it is asking for. At the very least, the Receiver wants to ensure that if there is a further adjournment it gains access to the banking records it has been asking for.
- [23] In response to an inquiry from the court, Mr. Waddell indicated that he is prepared to fully co-operate and has no objection to the Interim Receiver's mandate being expanded to facilitate its access to whatever banking records it seeks and to it investigating possible transactions he engaged in with others that may be identified in the banking records.
- [24] As noted at the July 22, 2025 case conference, the court had previously ordered that these banking records be produced, dating back to April 2019. The current focus is on satisfying the financial institutions that the records sought by the Receiver are covered by the court's orders and directions. That can be clarified in the further order that has been prepared and is now being signed.

Decision

- [25] At the hearing the adjournment was granted, on the following terms and with the following directions:
- a. The Interim Receiver's mandate will be expanded by a court order to facilitate its direct access to the banking records it seeks to enable it to continue to investigate transactions involving third parties that it identifies might be transactions at undervalue. The hope is that this will progress at a reasonable pace such that the Interim Receiver will be in a position to provide a report on its progress and outcomes at the next appearance which will be at a case conference scheduled for September 11, 2025 at 10: 00 a.m. I have signed the revised form of order dated

July 7, 2025 (revised based on the points considered and reviewed at the July 22, 2025 case conference). This signed order may be presented by the Interim Receiver to the relevant financial institutions for their pursual. Copies of any records received from the financial institutions pursuant to this order shall be provided to Mr. Waddell by the Interim Receiver.

- b. Mr. Waddell shall use the 60 days of additional time that he asked for, as he represented he would do in his July 4 affidavit, to investigate treatment options to manage his symptoms and to prepare and deliver his responding affidavit, that was due on August 9, 2024. No further indulgences will be granted for this given that the request has come almost a year after the original due date that passed while Mr. Waddell was represented by counsel and long before his medical emergency in late October 2024. Mr. Waddell's responding record shall be delivered by September 5, 2025.
- c. Dr. Hartleib is asked by this court to make reasonable and good faith efforts:
 - i. to arrange for the further investigation with the cath lab that is referenced in his July 4 Letter and review the results and report on them to both Mr. Waddell and the Interim Receiver, and
 - ii. to respond to the specific questions that the Interim Receiver asked in its June 13 Letter and any other specific questions that the Interim Receiver may ask,so that Dr. Hartleib's responses are available for the court to consider at the next court appearance scheduled for September 11, 2025 at 10:00 a.m.
- d. Mr. Waddell shall continue to advise the Interim Receiver at least one business day prior to any scheduled medical appointments. The court asks for the same level of responsiveness and co-operation from any other health care professionals who are contacted by the Interim Receiver concerning Mr. Waddell's health and any implications his health has on his ability to participate in these continuing proceedings.
- e. The court will provide further directions at the September 11, 2025 case conference regarding the return date for the bankruptcy application and any other pre-hearing steps to be taken. The parties shall upload their application records, any relevant reports of the Interim Receiver, and brief Aide Memoires setting out their positions regarding next steps, including the scheduling of the return of the bankruptcy application (maximum 5 pages double spaced), and any evidence they rely upon that is not contained in the application records or Interim Receiver's

Reports, by no later than 4:30 p.m. on September 9, 2025. Any material uploaded into Case Center or sent to the court must be served on all participating parties.

Other Considerations

- [26] The receiver appointed over various companies that Mr. Waddell was involved with (that he guaranteed the indebtedness of) in an application under court file number CV-23-00707330-00CL (the “Corporate Receivership Proceeding”) was in attendance at the proceedings on July 7, 2025. Although both court file numbers had hearing bundles in Case Center for the July 7, 2025 hearing date, there was no motion returnable in the Corporate Receivership Proceeding.
- [27] Counsel for the corporate receiver advised that they had been monitoring this proceeding and, so far, abiding by any limitations on Mr. Waddell’s ability to participate due to his health considerations. The court noted that, if any relief is being sought in the Corporate Receivership Proceeding it would have to be addressed at a case conference or motion convened for that purpose in which the relief being sought was clearly set out.
- [28] It was observed by the court in listening to some of the grounds upon which Mr. Waddell says he plans to oppose the bankruptcy application that he may be seeking to challenge the conduct of the corporate receiver. No directions or orders were made in this regard as the issues were not well enough developed. The court notes that Mr. Waddell’s request for discovery may be misplaced, especially if it is directed to the corporate receiver, but that was not something that could be resolved at the July 7 appearance.
- [29] The court takes health concerns seriously and tries to accommodate them when it has been established that they place limitations on the ability of a litigant to participate in a proceeding. Mr. Waddell has now received significant accommodations despite there being less than satisfactory medical evidence of his inability to participate. The court expects that the bankruptcy application will be scheduled at the next case conference absent medical evidence that Mr. Waddell is unable to participate. He is encouraged to focus on preparing and delivering his long overdue responding evidence in advance of that case conference, and to focus on any specific medical accommodations that are recommended by treating medical professionals to manage his condition while permitting him to participate.
- [30] This endorsement and the orders and directions contained in it shall have the immediate effect of a court order. The July 7, 2025 order as now signed by me may issue.

A handwritten signature in dark ink, appearing to read "Kimmel J.", with a stylized, cursive script.

KIMMEL J.

APPENDIX “F”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL
BK-24-00208693-OT31

DATE: SEPTEMBER 11, 2025

NO. ON LIST: 2 & 3

TITLE OF PROCEEDING: ENLIGHTENED FUNDING CORPORATION v. VELOCITY ASSET AND
CREDIT CORPORATION et al
BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Haddon Murray	Counsel to Peoples Trust Company	haddon.murray@gowlingwlg.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Hugh Waddell	Self-represented Defendant	hughwaddell1@gmail.com

For Other:

Name of Person Appearing	Name of Party	Contact Info
Rebecca Kennedy	Counsel for the Receiver, Deloitte	rkennedy@tgf.ca
Scott McGrath		smcgrath@tgf.ca
Derek Harland		dharland@tgf.ca
Adam Zeldin	Interim Receiver, Albert Gelman Inc.	azeldin@albertgelman.com
Maya Poliak	Counsel for Interim Receiver, Albert Gelman Inc	maya@chaitons.com
Jorden Sleeth	Receiver for Velocity Asset and Credit Corporation and 926749 Ontario Ltd	jsleeth@deloitte.ca

ENDORSEMENT OF JUSTICE KIMMEL:

- [1] The applicants and Albert Gelman Inc., in its capacity as the interim receiver (the "Interim Receiver"), seek to schedule the trial of this contested bankruptcy application. The last time this matter was before the court to be scheduled the court granted a further indulgence to Mr. Waddell to deliver his responding material, expanded the mandate of the Interim Receiver and scheduled this case conference.
- [2] The expectation was that the court would, at this case conference, provide further directions regarding the return date of the application and directions regarding any other intervening steps. The court's endorsement arising out of the July 7 and 22, 2025 attendances state that: "The court expects that the bankruptcy application will be scheduled at the next case conference absent medical evidence that Mr. Waddell is unable to participate".
- [3] While Mr. Waddell continues to raise health concerns, no sworn evidence or report from a health care professional has been provided that indicates that Mr. Waddell is unable to participate in this proceeding. He has been attending the case conferences, and he did deliver his responding an affidavit on September 7, 2025 (the "Waddell Affidavit"). This was only shortly after the deadline that had been ordered for the delivery of his responding materials.
- [4] Mr. Waddell continues to describe negative impacts that these proceedings are having on his health to the court and to his doctors, but despite the court's specific request, his cardiologist has not answered the questions that the Interim Receiver posed, including questions about any medical limitations on Mr. Waddell's ability to participate in this proceeding or accommodations that he might need.
- [5] The time has come for this contested trial of the bankruptcy application to be scheduled. Mr. Waddell expressed to the court that he is not opposing it being scheduled, but he did ask that it not be scheduled for another 90 to 120 days. There was no evidence or specific provided about why this amount of time was needed, just Mr. Waddell's hope that he will be able to receive some treatment during the intervening period that he hopes will relieve his angina.
- [6] Mr. Waddell also expressed concern about having to participate in a two day hearing which is the length of hearing that the court has determined should be scheduled. This length of hearing is to accommodate the expected *viva voce* evidence that will be presented, in addition to the pre-filed affidavits of witnesses and reports of the Interim Receiver (and possibly from the Receiver in the related receivership proceedings involving corporations that he was previously involved in, under court file no. CV-23- 00707330-00CL (the "Corporate Receivership Proceeding")).

[7] Given the history of this matter (most of which is set out in my last endorsement and I will not repeat), the trial should be scheduled before the end of this year. The court suggested that the trial be scheduled for two non-consecutive days in the same week. After some discussion about available dates, the trial was fixed for two days, on December 2 and 4, 2025 – this is almost three months away.

[8] The court also provides the following directions regarding pre-trial steps:

- a. Any reply material to be delivered in response to the Waddell Affidavit shall be delivered by October 14, 2025. This includes any reply evidence from the applicants but may also include further reports from the Interim Receiver and the Receiver in the Corporate Receivership Proceeding if they deem it necessary to say anything further in response to matters set out in the Waddell Affidavit.
- b. Since the court officers (the Interim Receiver and the Receiver) will not be cross-examined at the trial, Mr. Waddell will have the opportunity to pose questions to them in writing about any of their reports dealing with matters relevant to this personal bankruptcy application against him. Any such written questions should be served on all parties by no later than October 31, 2025.
- c. If the Interim Receiver and/or the Receiver receive any written questions from Mr. Waddell, all proper questions that may be relevant to this personal bankruptcy proceeding shall be answered in writing by them by no later than November 14, 2025.
- d. Any party who intends to cross examine an affiant of an affidavit at the trial shall provide notice of that intention to the affiant (or their lawyer) on or before November 21, 2025. Any party that intends to summons a witness to testify at the trial shall deliver the summons on or before November 21, 2025. The court officers will attend at the trial to answer any questions directed to them by the court, but they are not to be summonsed to testify by any party.
- e. Counsel for the applicants and the Interim Receiver shall ensure that all material that is required for the trial has been placed in the appropriate hearing bundle in case center at least three business days prior to December 2, 2025. This shall include all material that will by then have been exchanged and filed, and any material that Mr. Waddell has indicated he intends to rely upon or that either of them intend to rely upon at the trial.

[10] There was some discussion about the Corporate Receivership Proceeding, but nothing was before the court for scheduling. While I am not seized of either of these proceedings, given my familiarity with them the parties can ask the scheduling office to schedule future matters in either proceeding before me, as needed and if my schedule permits.

A handwritten signature in dark ink, appearing to read "Kimmel J.", with a stylized, cursive script.

KIMMEL J.

APPENDIX “G”

GUARANTEE AGREEMENT

This Agreement is made the 26th day of May, 2022

Between:

HUGH WADDELL

(the "**Guarantor**")

- and -

ENLIGHTENED FUNDING CORPORATION

(the "**Lender**")

Whereas:

- (a) pursuant to a credit agreement dated May 26, 2022 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, collectively the "**Credit Agreement**") between the Lender and Velocity Asset and Credit Corporation (the "**Borrower**"), the Lender has agreed to make available to the Borrower the credit facilities, as more particularly set out in the Credit Agreement;
- (b) the Guarantor is a shareholder of the Borrower;
- (c) as a condition to making available the credit facilities under the Credit Agreement, the Guarantor is required to execute and deliver this Agreement to the Lender; and
- (d) capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor agrees with the Lender as follows:

1. Guarantee. The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender, present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement (collectively, the "**Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Obligations shall include all principal, interest and fees due by the Borrower to the Lender,

all obligations of the Borrower under any agreement made between the Borrower and the Lender including, but not limited to, the Credit Agreement, and any liability of the Borrower arising under guarantees provided by the Borrower to the Lender in connection with the obligations of other parties.

2. Limitation of Liability; Interest. The liability of the Guarantor under this Agreement is limited to \$10,000,000 plus interest on all amounts due under this Agreement from the date the Lender demands payment thereof at the Prime Rate (as defined in the Credit Agreement).

3. Continuing Guarantee. The guarantee contained herein shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Borrower may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. This Agreement shall continue in full force and effect regardless of whether any guarantor (if more than one) or any other party responsible for the payment of the Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. Termination of Liability for Future Obligations. The Guarantor may, by written notice sent to the Lender as provided herein, terminate the liability of the Guarantor in respect of any Obligations incurred by the Borrower to the Lender after the date (the "**Termination Date**") which is 90 days following the date the Lender is deemed to have received such notice; provided that the liability of the Guarantor under this Agreement shall continue in full force and effect with respect to all Obligations incurred by the Borrower on or before the Termination Date, together with interest thereon and the Lender's expenses of enforcing payment of such Obligations. For greater certainty, the Guarantor shall continue to be responsible for any contingent obligations of the Borrower to the Lender in existence on the Termination Date, even though such contingent obligations may mature and be payable by the Borrower after the Termination Date, and even though the ultimate liability of the Borrower in respect of such contingent obligations may exceed the Borrower's contingent liability thereunder on the Termination Date.

5. Borrower's Status and Authority. All monies, advances, renewals or credits in fact borrowed or obtained from the Lender by the Borrower or by persons purporting to act on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

6. Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Obligations or any security held by or granted to the Lender to secure payment or performance of

the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, capital stock, constating documents or by-laws, ownership or control of the Borrower;
- (c) the death or the loss or diminution of capacity of the Guarantor or any of its trustees;
- (d) any amalgamation, merger, consolidation or other reorganization of the Borrower or of its business or affairs;
- (e) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (f) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (g) the loss of or failure to obtain, register, perfect or maintain any security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (h) the valuation by the Lender of any of its security, which shall not be considered as a purchase of such security, or as payment on account of the Obligations;
- (i) the failure or neglect of the Lender to demand payment of the Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's security;
- (j) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor;
- (k) any dealings described in Section 7 hereof; or
- (l) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower in respect of the Obligations or of the Guarantor in respect of this Agreement.

7. Dealings with the Borrower and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Obligations, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Obligations;
- (b) make advances to the Borrower and receive repayments in respect of the Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;
- (e) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all security given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any security upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, or waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all security held by the Lender, as the Lender may see fit in its absolute discretion.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever which would have resulted in the discharge or release of the liability of the Guarantor under this Agreement if the Guarantor had not been liable as principal debtor.

8. No Obligation to Exercise Other Remedies. The Lender shall not be obliged to

demand payment from or exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.

9. Enforcement. The Lender shall be entitled to make demand on the Guarantor upon the occurrence a default hereunder or an Event of Default (as defined in the Credit Agreement) or if the Borrower fails to pay or perform any of the Obligations when due.

10. Accounts Settled. Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

11. Waiver. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

12. Foreign Currency Obligations. To the extent permitted by applicable law, an obligation of the Guarantor in respect of any of the Obligations shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "**Agreed Currency**") that the Lender may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect. When used in this Agreement, "**Business Day**" shall mean a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.

13. Representations and Warranties. The Guarantor represents and warrants to the Lender as follows, and acknowledges that the Lender is relying upon the said representations and warranties as a basis for extending credit to the Borrower:

- (a) The Guarantor has all necessary capacity to enter into and perform all of his or her obligations contemplated by this Agreement.
- (b) Neither the execution and delivery to the Lender of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement will conflict with, result in a breach of, or constitute a default under any agreement or instrument to which the Guarantor is a party or by which the property and assets

or the Guarantor may be bound or affected, and does not require the consent or approval of any other party.

14. Disclosure. The Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

15. Taxes, etc. All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by applicable law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under Section 15(b) hereof and make such reports and filings in connection therewith in the manner required by applicable law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

16. Assignment. The Lender may from time to time upon notice to, but without the consent of the Guarantor, assign or transfer this Agreement and the Obligations or any portion thereof or interest therein to any other party (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender.

17. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the

Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment to the Lender had not been made.

18. Assignment and Postponement of Amounts Due to the Guarantor and Subordination of Security. Payment of all present and future debts and liabilities of the Borrower to the Guarantor or (if more than one) any of them (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the Guarantor shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, it shall be held by the Guarantor in trust for the Lender and shall be immediately paid to the Lender. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be subordinated to all present and future security held by the Lender in respect of the Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. The Guarantor may not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender. As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

19. Subrogation. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which the Guarantor may have against the Lender in respect of the Obligations or this Agreement, together with an acknowledgment that the Obligations and any security assigned by the Lender to the Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

20. Expenses. The Guarantor shall pay forthwith upon demand to the Lender all expenses, including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with (i) the negotiation and preparation of this Agreement, (ii) the administration of this Agreement, (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the collateral securing the Obligations, (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder, or (v) the failure of the Guarantor to perform or observe any of the provisions hereof.

21. Cumulative Rights. The rights and remedies of the Lender under this Agreement are cumulative

and are in addition to and not in substitution for any other rights and remedies of the Lender available at law, or in equity or otherwise. Notwithstanding anything to the contrary contained herein and for greater certainty, the obligations of the Guarantor pursuant to this Agreement are in addition to, and do not replace, the obligations of the Guarantor pursuant to the guarantee of the Guarantor in favour of the Lender dated as of the date hereof of the obligations of 926749 Ontario Ltd. to Lender.

22. Set-Off. Upon this Agreement becoming enforceable, the Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any and all deposits at any time held by the Lender for the account of the Guarantor and any other indebtedness at any time owing by the Lender to the Guarantor, whether or not the Lender shall have made any demand hereunder and whether or not any of such obligations may be unliquidated, contingent or unmatured.

23. Entire Agreement. This Agreement constitutes the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

24. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

25. Notice. Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, email or sent by registered mail, charges prepaid, addressed to the respective parties as follows:

- (i) if to the Guarantor:

123 Crescent St.
Peterborough Ontario K9J 2G3

Email: hugh@clonsillaaautosales.com

- (ii) if to the Lender:

Enlightened Funding Corporation

1100 Burloak Drive, Suite 702
Burlington, ON L7L6B2

Email: eg@enlightenedcapital.net
Attention: Eamonn Glavey

or to such other address or facsimile number as any party may from time to time designate in accordance with this Section. Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication made or given by facsimile or email on a Business Day before 4:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section.

26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

27. Joint and Several. If this Agreement has been executed by more than one guarantor, their obligations hereunder shall be joint and several, and all references to the "Guarantor" herein shall refer to all such guarantors, as the context requires.

28. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

29. Counterparts and Execution by Facsimile. This Agreement may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile, .pdf attached to an e-mail or other means of recorded electronic transmission and such transmission with an acknowledgement of receipt shall constitute delivery of an executed copy of this Agreement to the receiving party.

30. Time. Time shall be of the essence of this Agreement.

31. Further Assurances. The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

32. Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its legal representatives, heirs, executors, administrators, successors and permitted assigns.

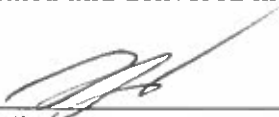
33. Copy of Agreement. The Guarantor acknowledges receipt of an executed copy of this Agreement.

34. Conflicts. In the event that any provisions of this Agreement contradict and are otherwise incapable of being construed in conjunction with the provisions of the Credit Agreement, the provisions of the Credit Agreement shall take precedence over those contained in this Agreement.

[Remainder of page intentionally blank; signature page follows]

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)
of:)


_____))
Name of Witness)


_____))
HUGH WADDELL)

APPENDIX “H”

GUARANTEE AGREEMENT

This Agreement is made the 26th day of May, 2022

Between:

HUGH WADDELL

(the "**Guarantor**")

- and -

ENLIGHTENED FUNDING CORPORATION

(the "**Lender**")

Whereas:

- (a) pursuant to a credit agreement dated May 26, 2022 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, collectively the "**Credit Agreement**") between the Lender and Velocity Asset and Credit Corporation (the "**Borrower**"), the Lender has agreed to make available to the Borrower certain credit facilities (the "**Credit Facilities**"), as more particularly set out in the Credit Agreement;
- (b) the Borrower shall use the proceeds of extensions of credit under the Credit Facilities to, among other things, finance the Borrower's financing of Eligible Leases made by 926749 Ontario Ltd. ("**CAS Dealer**") pursuant to a dealer funding agreement dated the date hereof between the Borrower and CAS Dealer;
- (c) the Guarantor owns CAS Dealer;
- (d) as a condition to making available the Credit Facilities under the Credit Agreement, the Guarantor is required to execute and deliver this Agreement to the Lender; and
- (e) capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor agrees with the Lender as follows:

1. **Guarantee.** The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of CAS Dealer to the Lender, present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by CAS Dealer to the Lender in any currency, including all principal,

interest, commissions, fees (including receiver's fees and expenses), legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement (collectively, the "**Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Obligations shall include all obligations of CAS Dealer under any agreement made between CAS Dealer and the Lender including, but not limited to, the guarantee and servicing agreement entered into by CAS Dealer in favour of Lender dated as of the date hereof, and any liability of CAS Dealer arising under guarantees provided by CAS Dealer to the Lender in connection with the obligations of other parties.

2. Continuing Guarantee. The guarantee contained herein shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that CAS Dealer may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. This Agreement shall continue in full force and effect regardless of whether any guarantor (if more than one) or any other party responsible for the payment of the Obligations (as defined in the Credit Agreement, the "**Borrower Obligations**") or the Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

3. Termination of Liability for Future Obligations. The Guarantor may, by written notice sent to the Lender as provided herein, terminate the liability of the Guarantor in respect of any Obligations incurred by CAS Dealer to the Lender after the date (the "**Termination Date**") which is 90 days following the date the Lender is deemed to have received such notice; provided that the liability of the Guarantor under this Agreement shall continue in full force and effect with respect to all Obligations incurred by CAS Dealer on or before the Termination Date, together with interest thereon and the Lender's expenses of enforcing payment of such Obligations. For greater certainty, the Guarantor shall continue to be responsible for any contingent obligations of CAS Dealer to the Lender in existence on the Termination Date, even though such contingent obligations may mature and be payable by CAS Dealer after the Termination Date, and even though the ultimate liability of CAS Dealer in respect of such contingent obligations may exceed the CAS Dealer's contingent liability thereunder on the Termination Date.

4. CAS Dealer's Status and Authority. All monies, advances, renewals or credits in fact borrowed or obtained from and all obligations owed to the Lender by CAS Dealer or by persons purporting to act on behalf of the CAS Dealer shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of CAS Dealer or its directors, officers, employees or agents, or that CAS Dealer may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of CAS Dealer is in excess of the powers of CAS Dealer or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or CAS Dealer or any of their directors, officers, employees or agents acting or purporting to act on their behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected

by anything done, suffered or permitted by the Lender in connection with the Borrower or CAS Dealer, the Borrower Obligations, the Obligations or any security held by or granted to the Lender to secure payment or performance of the Borrower Obligations or Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between any of the Lender, CAS Dealer and/or the Borrower relating to the advance of monies or granting of credit to the Borrower or CAS Dealer or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, capital stock, constating documents or by-laws, ownership or control of the Borrower or CAS Dealer;
- (c) the death or the loss or diminution of capacity of the Guarantor or any of its trustees;
- (d) any amalgamation, merger, consolidation or other reorganization of the Borrower or CAS Dealer or of their business or affairs;
- (e) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower or CAS Dealer, whether voluntary or otherwise;
- (f) the Borrower or CAS Dealer becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (g) the loss of or failure to obtain, register, perfect or maintain any security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (h) the valuation by the Lender of any of its security, which shall not be considered as a purchase of such security, or as payment on account of the Borrower Obligations or Obligations;
- (i) the failure or neglect of the Lender to demand payment of the Borrower Obligations from the Borrower, the Obligations from CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's security;
- (j) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower, CAS Dealer or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor;

- (k) any dealings described in Section 6 hereof; or
- (l) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower in respect of the Borrower Obligations, CAS Dealer in respect of the Obligations, or of the Guarantor in respect of this Agreement.

6. Dealings with the Borrower and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Borrower Obligations or the Obligations, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Borrower Obligations or the Obligations;
- (b) make advances to the Borrower or CAS Dealer and receive repayments in respect of the Borrower Obligations or Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower or CAS Dealer;
- (d) take or refrain from taking guarantees from other parties or security from the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party, or from registering or perfecting any security;
- (e) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all security given by the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party;
- (g) exercise any right or remedy which it may have against the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party or with respect to any security;
- (h) apply all monies at any time received from the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or other party or from the proceeds of any security upon such part of the Borrower Obligations or the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party; and

- (i) otherwise deal with, or waive or modify its right to deal with, the Borrower or CAS Dealer, any guarantor of the Borrower or CAS Dealer or any other party and all security held by the Lender, as the Lender may see fit in its absolute discretion.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever which would have resulted in the discharge or release of the liability of the Guarantor under this Agreement if the Guarantor had not been liable as principal debtor.

7. No Obligation to Exercise Other Remedies. The Lender shall not be obliged to demand payment from or exhaust its recourse against the Borrower or CAS Dealer, guarantors of the Borrower or CAS Dealer or other parties or enforce any security held in respect of the Borrower Obligations or Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.

8. Enforcement. The Lender shall be entitled to make demand on the Guarantor upon the occurrence a default hereunder or an Event of Default (as defined in the Credit Agreement) or if the CAS Dealer fails to pay or perform any of the Obligations when due.

9. Accounts Settled. Any account stated by the Lender to be due to it from CAS Dealer shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

10. Waiver. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

11. Foreign Currency Obligations. To the extent permitted by applicable law, an obligation of the Guarantor in respect of any of the Obligations shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "**Agreed Currency**") that the Lender may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect. When used in this Agreement, "**Business Day**" shall mean a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.

12. Representations and Warranties. The Guarantor represents and warrants to the Lender as follows, and acknowledges that the Lender is relying upon the said representations and warranties as a basis for extending credit to the Borrower:

- (a) The Guarantor has all necessary capacity to enter into and perform all of his or her obligations contemplated by this Agreement.
- (b) Neither the execution and delivery to the Lender of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement will conflict with, result in a breach of, or constitute a default under any agreement or instrument to which the Guarantor is a party or by which the property and assets or the Guarantor may be bound or affected, and does not require the consent or approval of any other party.

13. Disclosure. The Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or CAS Dealer or other guarantors of the Borrower Obligations or Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

14. Taxes, etc. All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by applicable law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under Section 14(b) hereof and make such reports and filings in connection therewith in the manner required by applicable law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

15. Assignment. The Lender may from time to time upon notice to, but without the consent of the Guarantor, assign or transfer this Agreement and the Obligations or any portion thereof or interest therein to any other party (the "**Assignee**"). The Assignee shall, to the extent of the

interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender.

16. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of CAS Dealer or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment to the Lender had not been made.

17. Assignment and Postponement of Amounts Due to the Guarantor and Subordination of Security. Payment of all present and future debts and liabilities of CAS Dealer to the Guarantor or (if more than one) any of them (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the Guarantor shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, it shall be held by the Guarantor in trust for the Lender and shall be immediately paid to the Lender. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be subordinated to all present and future security held by the Lender in respect of the Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. The Guarantor may not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender. As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

18. Subrogation. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from CAS Dealer a release of all claims and demands which CAS Dealer may have against the Lender; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which the Guarantor may have against the Lender in respect of the Obligations or this Agreement, together with an acknowledgment that the Obligations and any security assigned by the Lender to the Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

19. Expenses. The Guarantor shall pay forthwith upon demand to the Lender all expenses, including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with (i) the negotiation and preparation of this Agreement, (ii) the administration of this Agreement, (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the collateral securing the Obligations, (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder, or (v) the failure of the Guarantor to perform or observe any of the provisions hereof.

20. Cumulative Rights. The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies of the Lender available at law, or in equity or otherwise. Notwithstanding anything to the contrary contained herein and for greater certainty, the obligations of the Guarantor pursuant to this Agreement are in addition to, and do not replace, the obligations of the Guarantor pursuant to the guarantee entered into by the Guarantor in favour of the Lender dated as of the date hereof of the obligations of the Borrower to the Lender.

21. Set-Off. Upon this Agreement becoming enforceable, the Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any and all deposits at any time held by the Lender for the account of the Guarantor and any other indebtedness at any time owing by the Lender to the Guarantor, whether or not the Lender shall have made any demand hereunder and whether or not any of such obligations may be unliquidated, contingent or unmatured.

22. Entire Agreement. This Agreement constitutes the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

23. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

24. Notice. Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, email or sent by registered mail, charges prepaid, addressed to the respective parties as follows:

(i) if to the Guarantor:

123 Crescent St.
Peterborough Ontario K9J 2G3

Email: hugh@clonsillaaautosales.com

(ii) if to the Lender:

Enlightened Funding Corporation

1100 Burloak Drive, Suite 702
Burlington, ON L7L6B2

Email: eg@enlightenedcapital.net
Attention: Eamonn Glavey

or to such other address or facsimile number as any party may from time to time designate in accordance with this Section. Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication made or given by facsimile or email on a Business Day before 4:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section.

25. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

26. Joint and Several. If this Agreement has been executed by more than one guarantor, their obligations hereunder shall be joint and several, and all references to the "Guarantor" herein shall refer to all such guarantors, as the context requires.

27. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

28. Counterparts and Execution by Facsimile. This Agreement may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile, .pdf attached to an e-mail or other means of recorded electronic transmission and such transmission with an acknowledgement of receipt shall constitute delivery of an executed copy of this Agreement to

the receiving party.

29. Time. Time shall be of the essence of this Agreement.

30. Further Assurances. The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

31. Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its legal representatives, heirs, executors, administrators, successors and permitted assigns.

32. Copy of Agreement. The Guarantor acknowledges receipt of an executed copy of this Agreement.

33. Conflicts. In the event that any provisions of this Agreement contradict and are otherwise incapable of being construed in conjunction with the provisions of the Credit Agreement, the provisions of the Credit Agreement shall take precedence over those contained in this Agreement.

[Remainder of page intentionally blank; signature page follows]

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)

of:



Name of Witness



HUGH WADDELL

APPENDIX “I”

ONTARIO
SUPERIOR COURT OF JUSTICE

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
Hugh Waddell
of the Town of Peterborough
in the Province of Ontario

AFFIDAVIT OF HUGH WADDELL

I, **HUGH WADDELL**, of the Town of Peterborough, Ontario **MAKE OATH AND SAY:**

1. I am a director and officer of Velocity Asset and Credit Corporation and 926749 Ontario Ltd. o/a Clonsilla Auto Sales and Leasing which have operated a used car dealership for the past 28 years in Peterborough, Ontario, until they were placed into a court-appointed receivership on October 26, 2023, and as such, I have personal knowledge of the following.
2. I swear this affidavit opposing Peoples Trust's motion for an interim receiving order. I have served a notice disputing the application by Peoples Trust to place me into bankruptcy, Exhibit "A".
3. I and my wife owned a home in Florida. We purchased the home in 2011 first in a corporate name, and then back and forth in my name and then my wife's name, Nancy, for estate planning purposes. Prior to the sale in April, 2024, we both contributed to the carrying the costs of the home.
4. On closing April 18, 2024, title remained in my name.

5. We realized \$1,230,000 USD gross. After paying mortgages on title, costs of closing, agent's commission, lawyer's fees, and a holdback of \$184,500 USD for U.S. Government withholding tax, we netted \$63,768.74 USD which we are using for living expenses and lawyers' fees.

6. I also have a home in the Peterborough area at 1922 Maple Ridge Drive. The home is presently listed for sale at \$ 799,000. This price is designed to attract multiple offers in the \$900,000 range. It has two mortgages on title; a first mortgage \$565,000; a second mortgage for \$240,000. The home requires substantial repairs of approximately \$200,000. There does not appear to be any equity. However, if it turns out that there is some equity, I am prepared having regard to my living expenses to deposit one half of the net proceeds with my real estate lawyer pending final disposition of the application for a bankruptcy order.

7. I also have a 1% interest in 124 Lily Lake Road in Lakefield. The other 99% interest is held by our son Lawson. He has been the registered owner since 2020. At that time and now, Lawson is a disabled 34 year old and was not able to obtain a mortgage and therefore, I took title to qualify for a mortgage.

8. I do not consider my 1% ownership as being mine, but rather I consider holding title in trust for our son.

9. At the present time, there is a first mortgage of \$1,440,991 and a line of credit secured by the home for \$853,178.

SWORN remotely by Hugh Waddell)
stated as being located in the Town of)
Peterborough, before me at the City of Toronto)
in the province of Ontario on this 29th day of)
April, 2024 in accordance with O. Reg 431/20,)
Administering Oath or Declaration Remotely.)

Frank Bennett

A Commissioner for Taking Oaths
Frank Bennett



HUGH WADDELL

This is Exhibit “A” referred to in the
Affidavit of Hugh Waddell
sworn before me at the City of
Toronto in the province of Ontario on
this 29th day of April, 2024 in
accordance with O. Reg 431/20,
Administering Oath or Declaration
Remotely.

Frank Bennett

A Commissioner, etc.

ONTARIO
SUPERIOR COURT OF JUSTICE

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
Hugh Waddell
of the City of Peterborough
in the Province of Ontario

NOTICE DISPUTING APPLICATION

The Respondent, Hugh Waddell, hereby gives notice that he intends to oppose his being adjudged bankrupt and the making of a bankruptcy order as asked, and intends to dispute the statements contained in the Application and defend the making a bankruptcy order on the following, among other, grounds:

1. The applicant has no standing to bring this application as it is fully secured for any debt that may be owing to it. The applicant has secured assets upon which its debt is based which if disposed of at a fair evaluation, sufficient funds would be realized to pay it. Accordingly, the applicant has improperly valued its security.
2. All creditors but for the applicant are being paid in the ordinary course. There are no other creditors whose debts are long outstanding nor are there any special circumstances to warrant the making of a bankruptcy order.
3. The respondent denies that he committed any act of bankruptcy; namely,
 - a. That he entered into a fraudulent preference within the meaning of section 95 of the Bankruptcy and Insolvency Act;
 - b. That he removed property with the intent of defrauding creditors; and
 - c. That he ceased to pay his bills in the ordinary course;

and puts the applicant to the strict proof thereof.

4. The applicant's predecessor initiated a court-appointed receivership of companies for which the respondent undertook to guarantee up to \$10 million. The court-appointed receivership is in progress and has not made any distributions to creditors leaving the applicant with an unknown debt receivable from the respondent.
5. The respondent has a *bona fide* dispute with Enlightened Lending Corporation, the predecessor of the applicant. Enlightened Lending Corporation failed to advance moneys under its agreement with Velocity Asset and Credit Corporation and 926749 Ontario Ltd., causing them to default under its lending agreements. As the applicant is the assignee of the debt, it is bound by the equities between Enlightened Lending Corporation and Velocity Asset and Credit Corporation and 926749 Ontario Ltd., thereby discharging the respondent's guarantee.
6. The applicant is using the bankruptcy system as a clearing house for debts and has not pursued its account in the ordinary course of business. The applicant has never made a demand, nor initiated a claim for collection. As a result, the application has been filed for an improper purpose and is an abuse of process. There are no special circumstances to warrant the making of the bankruptcy order.

Dated at Toronto this 17th day of April, 2024

Hugh Waddell, by his lawyers,
Bennett & Company,
Attention: Frank Bennett
1320-25 Adelaide Street East
Toronto Ontario
M5C 3A1
Tel: 416.363.8688
Email: bennett@ican.net

Court file no.: BK-24-00208693-OT31

Peoples Trust, Applicant and Hugh Waddell, Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
BANKRUPTCY AND INSOLVENCY

NOTICE OF DISPUTE

BENNETT & COMPANY
Barristers & Solicitors
1320- 25 Adelaide Street East
Toronto, Ontario
M5C 3A1

Frank Bennett #11829F
Tel: 416.363.8688
Fax: 416.363.8083
Email: bennett@ican.net
Solicitors for Hugh Waddell

IN THE MATTER OF THE BANKRUPTCY OF HUGH WADDELL

Court File No.: BK-24-00208693-OT31

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at Toronto

AFFIDAVIT OF HUGH WADDELL

BENNETT & COMPANY

Barristers & Solicitors
25 Adelaide Street East, Suite 1320
Toronto, Ontario, M5C 3A1

Frank Bennett(LSO# 11829F)

Email: bennett@ican.net
Tel: 416-363-8688
Fax: 416-363-8083

Lawyers for the Respondent

APPENDIX “J”

Court File No. CV-23-00707330-00CL
Commenced in Toronto

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

B E T W E E N

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749 ONTARIO
LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Respondents

***IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF
THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS
AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT***

This is the Examination Under Oath of
MARYANNE VIVIANNE JACOBS, a Witness herein, taken by
TAYLOR REPORTING SERVICES, (Division of 1587321 Ontario
Ltd.), at the Best Western Plus Otonabee Inn, 84
Landsdowne Street East, Peterborough, Ontario, on the
1st day of October, 2024.

A P P E A R A N C E S:

**SCOTT MCGRATH,
REBECCA KENNEDY,
DEREK HARLAND**

-- for the Receiver, Deloitte
Restructuring Inc. in its capacity
as Court-Appointed Receiver

ALSO ATTENDING:

JAYLON ALLEYNE

-- Observer

224. Q. And then -- so he signs it right underneath his name?

A. Yes.

225. Q. Is that Mr. Scasny's signature? Would you be able to recognize that?

A. I want to say it is.

226. Q. Okay, and below that there's the lessor acceptance box and there's H. Waddell. Do you see that?

A. Yeah.

227. Q. And then at the bottom there's a signature for Mr. Waddell. Is that Mr. Waddell's signature, as far as you know?

A. I couldn't swear that it was, only for the fact that it is never the same. It's just -- We called it the seagull.

228. Q. Okay.

A. It's just a squiggle.

229. Q. Okay, so that's consistent with one of the types of signatures --

A. Yes.

230. Q. -- that he would apply. Were there any electronic signatures that you had to apply, Mr. Waddell's signature or anyone else's, or was it always them personally signing the documents?

A. Hugh sometimes would have us sign on his behalf

if he wasn't there.

231. Q. Okay. When you say "us" is it --

A. I've done and Rasto's done it. That's why I can't swear to this because that's Rasto's writing.

232. Q. When you -- sorry, when you say "that's Rasto's writing" --

A. The H. Waddell and manager, like that's Rasto's writing.

233. Q. Okay.

A. So I don't know whether that was Hugh or Rasto, 'cause we would -- we would complete that and then take them to Hugh for signatures and sometimes he would say "Well, I'm not gonna get back to the office. Just sign it for me," and --

234. Q. Okay, so anytime -- And you wouldn't write like a "Signed for Mr. Waddell," you would just try to mimic his signature?

A. We just did a seagull.

235. Q. Okay, and just you and Mr. Scasny? Did anybody else do that that you know of?

A. I -- I'm imagining but I couldn't say yes 'cause I don't know.

236. Q. Okay.

A. Hugh normally signed them but I know there were times that he wasn't coming back to the office and we did.

237. Q. And every time you did that and signed his signature, would you have done it with his authorization?

A. Absolutely.

238. Q. Okay, and what about Mr. Scasny, as far as you can answer that question, but would he always have authorization from Mr. Waddell before he --

A. He couldn't do any lease without Hugh's authorization, so I would say Hugh would have given him permission to do it because he wouldn't be able to do the lease. And before any leases were submitted for funding Hugh approved them all.

239. Q. Okay, and how would you submit them for funding? Was that through Velocity?

A. Yeah.

240. Q. So what would you do? You would scan the paper copy that you had and upload it through Velocity?

A. Yes. And then it would go in -- like it would go into Velocity and you would apply for the funding, and then it would move over to another column and then I would do the copy and paste thing and put it on a piece of paper and take it to him and say "This is what's being funded." He'd be like "We have to hold it because we need another thirty thousand," or, you know, "That one's not going to go 'til next month," or --

241. Q. Okay, so do I understand it right that you never

APPENDIX “K”

Natalie Longmore

From: Hugh Waddell <hugh@clonsillaautosales.com>
Sent: April 22, 2022 7:24 AM
To: Maryanne Jacobs
Subject: Fwd: Documents can you send all the docs through

Hi Maryanne

I am having all the docs sent to you which I need printed signed . Witnessed by anybody . and returned to Holl

Don't identify the witness just have them put a signature there .

I will be travelling after 11 so on routine stuff you can call me on Nancys phone 705 772 2108 anything else you can email or text me and I will call you when I am able .

Thanks Hugh

----- Forwarded message -----

From: **Hugh Waddell** <hugh@clonsillaautosales.com>
Date: Fri, Apr 22, 2022 at 7:19 AM
Subject: Documents can you send all the docs through
To: Hollinsworth T Auguste <htauguste@thedgroup.ca>

Hi Holl

I need to get all the Docs signed this morning before 11 if possible ,

Don't understand why we need a release signed by beacon if we can just pay them all out at our discretion .

Also Corrie might pay the rebate today which is 20 k we need !

Thanks Holl Hugh

--

Hugh Waddell

Clonsilla Auto Sales
(P) 705-742-6500
(F) 705-742-6407
www.clonsillaautosales.com

"There are no secrets to success, it is the result of preparation, hard work and learning from failure"
- General Colin Powell

--

Hugh Waddell

Clonsilla Auto Sales

(P) 705-742-6500

(F) 705-742-6407

www.clonsillaautosales.com

"There are no secrets to success, it is the result of preparation, hard work and learning from failure"
- General Colin Powell

APPENDIX “L”

Natalie Longmore

From: Hollinsworth T Auguste <htauguste@thedgroup.ca>
Sent: April 22, 2022 3:37 PM
To: maryanne
Cc: Hugh Waddell
Subject: Signatures for Clonsilla
Attachments: CAS Dealer (926749 Ontario) - Signature Package.pdf

Hi Maryanne,

Please have Hugh execute to attached Signature pages.

Thanks,
Holl

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year written above.

926749 ONTARIO LTD.

By: _____
Name:
Title:

Address:
Attention:
Email:

ENLIGHTENED FUNDING CORPORATION

By: _____
Name: Eamonn Glavey
Title: President

Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2
Attention: Eamonn Glavey
Email: eg@enlightenedcapital.net

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

926749 ONTARIO LTD.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)

of:)

)

)

Name of Witness

HUGH WADDELL

)

926749 ONTARIO LTD., as CAS

Per: _____

Name:

Title:

Name:

Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____

Name: Eamonn Glavey

Title: President

BANK OF MONTREAL, as Bank

Per: _____

Name:

Title:

Name:

Title:

APPENDIX “M”

Natalie Longmore

From: Hollinsworth T Auguste <htauguste@thedgroup.ca>
Sent: April 22, 2022 3:48 PM
To: maryanne
Cc: Hugh Waddell
Subject: Signature from Hugh
Attachments: Velocity - Signature Package - Executed.pdf

Hi Maryanne,

The attached document package has one page that needs to be signed by Hugh as the guarantor for Velocity.

Please have him sign and return to me.

Thanks,
Holl

The parties have executed this Agreement as of the day and year first written above.

Notice Information

Address:

Attention:

Email:

Facsimile:

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

By: 
Name: Hollinsworth Auguste
Title: President

By: _____
Name: _____
Title: _____
I/we have authority to bind the corporation

Notice Information

Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2

Attention: Eamonn Glavey

Email: eg@enlightenedcapital.net

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

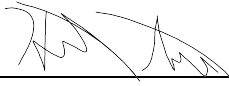
By: _____
Name: Eamonn Glavey
Title: President

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

**VELOCITY ASSET AND CREDIT
CORPORATION**

By:  _____
Name: Hollinsworth Auguste
Title: President

By: _____
Name: _____
Title: _____

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)

of:)

)

_____)
Name of Witness)

HUGH WADDELL

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

Per: _____



Name: Hollinsworth Auguste
Title: President

Name:
Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____

Name: Eamonn Glavey
Title: President

BANK OF MONTREAL, as Bank

Per: _____

Name:
Title:

Name:
Title:

APPENDIX “N”

Natalie Longmore

From: clonsillaauto@xerox.com
Sent: April 22, 2022 4:56 PM
To: Jacobs, Maryanne
Subject: doc2
Attachments: doc2.pdf

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:
Device Name: XRX9C934E5C7A88

For more information on Xerox products and solutions, please visit <http://www.xerox.com>

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year written above.

926749 ONTARIO LTD.

By: 
Name: HUGH WADDELL
Title: PRESIDENT

Address: 809 CLONSILLA AVE. PETERBOROUGH, ON K9J 5Y2
Attention: HUGH WADDELL
Email: hugh@clonsillaautosales.com

ENLIGHTENED FUNDING CORPORATION

By: _____
Name: Eamonn Glavey
Title: President

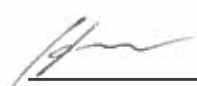
Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2
Attention: Eamonn Glavey
Email: eg@enlightenedcapital.net

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

926749 ONTARIO LTD.

By:  _____
Name: HUGH WADDELL
Title: PRESIDENT

By: _____
Name: _____
Title: _____

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence of:)
)
)

Name of Witness)



HUGH WADDELL

926749 ONTARIO LTD., as CAS

Per: 

Name: HUGH WADDELL
Title: PRESIDENT

Name:
Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____

Name: Eamonn Glavey
Title: President

BANK OF MONTREAL, as Bank

Per: _____

Name:
Title:

Name:
Title:

APPENDIX “O”

Natalie Longmore

From: clonsillaauto@xerox.com
Sent: April 22, 2022 4:56 PM
To: Jacobs, Maryanne
Subject: doc1
Attachments: doc1.pdf

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:
Device Name: XRX9C934E5C7A88

For more information on Xerox products and solutions, please visit <http://www.xerox.com>

The parties have executed this Agreement as of the day and year first written above.

Notice Information

Address:

Attention:

Email:

Facsimile:

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

By: 

Name: Hollinsworth Auguste

Title: President

By: _____

Name:

Title:

I/we have authority to bind the corporation

Notice Information

Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2

Attention: Eamonn Glavey

Email: eg@enlightenedcapital.net

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

By: _____

Name: Eamonn Glavey

Title: President

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

**VELOCITY ASSET AND CREDIT
CORPORATION**

By:  _____
Name: Hollinsworth Auguste
Title: President

By: _____
Name: _____
Title: _____

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)
of:)


_____) **Name of Witness**)


_____) **HUGH WADDELL**

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

Per: 

Name: Hollinsworth Auguste
Title: President

Name:
Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____
Name: Eamonn Glavey
Title: President

BANK OF MONTREAL, as Bank

Per: _____
Name:
Title:

Name:
Title:

APPENDIX “P”

Natalie Longmore

From: maryanne@clonsillaautosales.com
Sent: April 22, 2022 5:12 PM
To: 'Hollinsworth T Auguste'; 'Hugh Waddell'
Subject: FW: doc1
Attachments: doc1.pdf

Maryanne Jacobs
maryanne@clonsillaautosales.com
809 Clonsilla Avenue
Peterborough, ON
K9J 5Y2
(705) 742-6500 office
(705) 749-6407 fax

-----Original Message-----

From: clonsillaauto@xerox.com <clonsillaauto@xerox.com>
Sent: April 22, 2022 4:56 PM
To: Jacobs, Maryanne <maryanne@clonsillaautosales.com>
Subject: doc1

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:
Device Name: XRX9C934E5C7A88

For more information on Xerox products and solutions, please visit
<http://www.xerox.com>

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year written above.

926749 ONTARIO LTD.

By: 
Name: HUGH WADDELL
Title: PRESIDENT

Address: 809 CLONSILLA AVE. PETERBOROUGH, ON K9J 5Y2
Attention: HUGH WADDELL
Email: hugh@clonsillaautosales.com

ENLIGHTENED FUNDING CORPORATION

By: _____
Name: Eamonn Glavey
Title: President

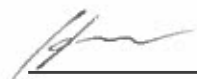
Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2
Attention: Eamonn Glavey
Email: eg@enlightenedcapital.net

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

926749 ONTARIO LTD.

By:  _____
Name: HUGH WADDELL
Title: PRESIDENT

By: _____
Name:
Title:

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence of:)
)
)

Name of Witness)



HUGH WADDELL

926749 ONTARIO LTD., as CAS

Per: 

Name: HUGH WADDELL
Title: PRESIDENT

Name:
Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____

Name: Eamonn Glavey
Title: President

BANK OF MONTREAL, as Bank

Per: _____

Name:
Title:

Name:
Title:

APPENDIX “Q”

Natalie Longmore

From: maryanne@clonsillaautosales.com
Sent: April 22, 2022 5:12 PM
To: 'Hollinsworth T Auguste'; 'Hugh Waddell'
Subject: FW: doc1
Attachments: doc1.pdf

Maryanne Jacobs
maryanne@clonsillaautosales.com
809 Clonsilla Avenue
Peterborough, ON
K9J 5Y2
(705) 742-6500 office
(705) 749-6407 fax

-----Original Message-----

From: clonsillaauto@xerox.com <clonsillaauto@xerox.com>
Sent: April 22, 2022 4:56 PM
To: Jacobs, Maryanne <maryanne@clonsillaautosales.com>
Subject: doc1

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:
Device Name: XRX9C934E5C7A88

For more information on Xerox products and solutions, please visit
<http://www.xerox.com>

The parties have executed this Agreement as of the day and year first written above.

Notice Information

Address:

Attention:

Email:

Facsimile:

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

By: 

Name: Hollinsworth Auguste

Title: President

By: _____

Name:

Title:

I/we have authority to bind the corporation

Notice Information

Address: 1100 Burloak Drive, Suite 702
Burlington, ON, L7L6B2

Attention: Eamonn Glavey

Email: eg@enlightenedcapital.net

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

By: _____

Name: Eamonn Glavey

Title: President

IN WITNESS WHEREOF, Lender and Grantor have executed this Agreement as of the date first written above.

**ENLIGHTENED FUNDING
CORPORATION**

By: _____
Name: Eamonn Glavey
Title: President

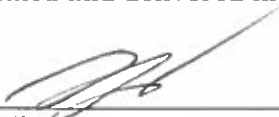
**VELOCITY ASSET AND CREDIT
CORPORATION**

By:  _____
Name: Hollinsworth Auguste
Title: President

By: _____
Name: _____
Title: _____

This Agreement has been executed by the Guarantor as of the date first stated above.

Signed, sealed and delivered in the presence)
of:)


_____))
Name of Witness)


_____))
HUGH WADDELL)

**VELOCITY ASSET AND CREDIT
CORPORATION, as Borrower**

Per: 

Name: Hollinsworth Auguste
Title: President

Name:
Title:

**ENLIGHTENED FUNDING
CORPORATION, as Lender**

Per: _____
Name: Eamonn Glavey
Title: President

BANK OF MONTREAL, as Bank

Per: _____
Name:
Title:

Name:
Title:

APPENDIX “R”

Dannallyn Salita

From: Hugh Waddell <hugh@clonsillaautosales.com>
Sent: June 28, 2023 4:48 PM
To: Jacquie Rabinowitz; Nadia Romero; Maryanne Jacobs
Subject: Fwd: Scanned from a Xerox Multifunction Printer
Attachments: Scanned from a Xerox Multifunction Printer.pdf

Hi Jacquie and Nadia

Please find the signed acknowledgement for Tranche 43.

Thanks to all

Hugh

----- Forwarded message -----

From: <clonsillaauto@xerox.com>
Date: Wed, Jun 28, 2023 at 4:44 PM
Subject: Scanned from a Xerox Multifunction Printer
To: Clonsilla <clonsillaautosales@cogeco.net>

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:
Device Name: XRX9C934E5C7A88

For more information on Xerox products and solutions, please visit <http://www.xerox.com>

--

Hugh Waddell

Clonsilla Auto Sales
(P) 705-742-6500
(F) 705-742-6407
www.clonsillaautosales.com

"There are no secrets to success, it is the result of preparation, hard work and learning from failure"
- General Colin Powell

ACKNOWLEDGMENT AND AGREEMENT RE: ADDITIONAL DRAW REQUEST

This Acknowledgment and Agreement is made effective the 28TH day of June, 2023,

BETWEEN:

VELOCITY ASSET AND CREDIT CORPORATION (the "**Borrower**")

and

ENLIGHTENED FUNDING CORP. (the "**Lender**")

and

1656801 ONTARIO LIMITED (the "**NAF Dealer**")

and

926749 ONTARIO LTD. (the "**CAS Dealer**")

and

HUGH WADDELL ("**Waddell**" and together with the Borrower, the Lender the NAF Dealer and the CAS Dealer, the "**Parties**" and each a "**Party**")

WHEREAS:

- A. The Lender and the Borrower are party to that certain Credit Agreement dated as of May 26, 2022 (the "**Credit Agreement**"). Certain Events of Default under the Credit Agreement have occurred and are continuing (the "**Existing Defaults**").
- B. As of May 29, 2023, the Borrower is indebted to the Lender in the amount of \$19,348,127.12, plus interest, fees, costs and charges accruing thereon pursuant to the terms of the Credit Agreement (the "**Indebtedness**").
- C. On May 29, 2023, the Lender sent a Demand Letter to the Borrower declaring the entire amount of the Indebtedness due and payable; and (ii) demanding repayment of the Indebtedness in full (the "**Demand Letter**"). Enclosed with the Demand Letter was a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**NITES**").
- D. The Borrower has acknowledged and accepted receipt of the Demand Letter and NITES and has acknowledged that the Existing Defaults have occurred and are continuing. Moreover, the Borrower has acknowledged that in light of the Existing Defaults, specifically the Maturity Date having occurred, the Lender has no further obligation to fund under the Credit Agreement but Borrower has nonetheless requested that further emergency credit in the amount of **\$222,364.22** be extended (the "**Emergency Draw Request**") under the Credit Agreement to enable the Borrower to meet its immediate funding obligation to the CAS Dealer and prevent imminent harm to the CAS Dealer and its business. A copy of the Emergency Draw Request is attached hereto as **Schedule "A"**.
- E. The Lender is prepared to honour the Emergency Draw Request on the basis that the Borrower, and each of the NAF Dealer, the CAS Dealer and Waddell (collectively, the "**Guarantors**") acknowledge and agree that the amounts advanced in connection with the Emergency Draw

Request (plus any interest, fees, costs and charges incurred in connection therewith) will be added to and form part of the Indebtedness that is immediately due and payable to the Lender and the Demand Letter and NITES will apply to these amounts as well, as will any Guarantees or Guarantee and Servicing Acknowledgements, without any requirement for further demand, presentment or notice by the Lender.

NOW THEREFORE, in consideration of the covenants, agreements and acknowledgements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

1. Definitions

Capitalized terms and expressions that are used in this Acknowledgement and Agreement but not otherwise defined herein have the meanings ascribed to them in the Credit Agreement:

2. Funding

The Borrower hereby directs the Lender to advance the amounts requested in the Emergency Draw Request directly to the CAS Dealer.

3. Acknowledgements by Borrower and Guarantors

The Borrower and the each of the Guarantors hereby reiterate, confirm, represent, warrant and agree to be bound by the acknowledgments set out in the recitals of this Acknowledgement and Agreement and acknowledge and agree that the Lender is agreeing to fund the Emergency Draw Request in reliance thereupon.

4. Waiver; Remedies

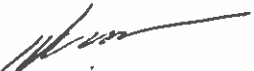
Nothing in this Acknowledgement and Agreement shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Credit Agreement, the Security and all documents and instruments provided in connection therewith.

5. Governing Law/Jurisdiction

This Acknowledgement and Agreement will be construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have duly executed this Acknowledgement on the day and year first written above.

VELOCITY ASSET AND CREDIT CORPORATION.

Per: 

Name: Sarah Anderson

Title: Secretary

ENLIGHTENED FUNDING CORP.

Per: _____
Name: _____
Title: _____

1656801 ONTARIO LIMITED

Per: _____
Name: _____
Title: _____

926749 ONTARIO LTD.

Per: _____
Name: *Hugh Waddell*
Title: *President*

HUGH WADDELL

[Signature]

WITNESS

[Signature]

Name: _____

APPENDIX “S”

Summerside PE C1N 6A2

926749 ONTARIO LTD
CLONSILLA AUTO SALES
809 CLONSILLA AVE
PETERBOROUGH ON K9J 5Y2



Summerside PE C1N 6A2

Page 1 of 16

926749 ONTARIO LTD
CLONSILLA AUTO SALES
809 CLONSILLA AVE
PETERBOROUGH ON K9J 5Y2

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000148

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

RESULTS

We did not receive the GST/HST returns we requested. As a result, we have estimated the tax you owe. Penalties apply to the amount we estimated. Interest accumulates daily on the overdue balance.

Result of this (Re)Assessment	\$	222,164.45
Prior Balance	\$	661,012.02
		=====
Total Balance	\$	883,176.47

~~This notice of assessment does not remove your obligation to file the overdue returns. To avoid more interest charges and possible legal action against you, you have to file your returns at once and pay all amounts owing. You must file a return for each reporting period even if you have nothing to report.~~

We are holding any refunds or credits you are entitled to, such as income tax refunds, until you file all your outstanding returns. This includes all returns required under other programs we administer.

Please keep this Notice of (Re)Assessment for your records.

For more information, phone or write to:

East Central Ontario TSO
1161 Crawford Drive
Peterborough ON K9J 6X6
Toll free number 1-800-959-5525 (Canada and United States)

Bob Hamilton
Commissioner of Revenue



926749 ONTARIO LTD

Page 2 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/02/01 To: 2023/02/01

Reference Number: 24057000162370799

Net Tax	\$	632.22
Interest and Penalty		
Arrears Interest	\$	62.33
Failure to File Penalty	\$	23.70
		=====
Result of (Re)Assessment	\$	718.25

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 3 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000149

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/02/02 To: 2023/02/28

Reference Number: 24057000162370800

Net Tax	\$	17,069.85
Interest and Penalty		
Arrears Interest	\$	1,551.85
Failure to File Penalty	\$	597.43
		=====
Result of (Re)Assessment	\$	19,219.13

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/03/01 To: 2023/03/31

Reference Number: 24057000162370801

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	1,563.12
Failure to File Penalty	\$	616.40
		=====
Result of (Re)Assessment	\$	21,146.02

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 5 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000150

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/04/01 To: 2023/04/30

Reference Number: 24057000162370802

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	1,398.73
Failure to File Penalty	\$	568.99
		=====
Result of (Re)Assessment	\$	20,934.22

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.

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926749 ONTARIO LTD

Page 6 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/05/01 To: 2023/05/31

Reference Number: 24057000162370803

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	1,241.43
Failure to File Penalty	\$	521.57
		=====
Result of (Re)Assessment	\$	20,729.50

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 7 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000151

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/06/01 To: 2023/06/30

Reference Number: 24057000162370804

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	1,080.96
Failure to File Penalty	\$	474.15
		=====
Result of (Re)Assessment	\$	20,521.61

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/07/01 To: 2023/07/31

Reference Number: 24057000162370805

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	922.46
Failure to File Penalty	\$	426.74
		=====
Result of (Re)Assessment	\$	20,315.70

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.

926749 ONTARIO LTD

Date
February 29, 2024
Business Number
13478 3554 RT0001
Period Covered
2023-02-01 to 2023-12-31

0000152

NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/08/01 To: 2023/08/31

Reference Number: 24057000162370806

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	770.87
Failure to File Penalty	\$	379.32
		=====
Result of (Re)Assessment	\$	20,116.69

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 10 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/09/01 To: 2023/09/30

Reference Number: 24057000162370807

Net Tax		
Interest and Penalty	\$	18,966.50
Arrears Interest	\$	616.19
Failure to File Penalty	\$	331.90
		=====
Result of (Re)Assessment	\$	19,914.59

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 11 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000153

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/10/01 To: 2023/10/31

Reference Number: 24057000162370808

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	468.29
Failure to File Penalty	\$	284.49
		=====
Result of (Re)Assessment	\$	19,719.28

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.

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—



Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/11/01 To: 2023/11/30

Reference Number: 24057000162370809

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	317.36
Failure to File Penalty	\$	237.07
		=====
Result of (Re)Assessment	\$	19,520.93

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.



926749 ONTARIO LTD

Page 13 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000154

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: Unfiled GST/HST Return(s)

Reporting Period From: 2023/12/01 To: 2023/12/31

Reference Number: 24057000162370810

Net Tax	\$	18,966.50
Interest and Penalty		
Arrears Interest	\$	152.37
Failure to File Penalty	\$	189.66
		=====
Result of (Re)Assessment	\$	19,308.53

EXPLANATION

This notice of assessment does not remove your obligation to file the overdue return. You still have to file this return and pay all amounts owing.

We have calculated a penalty for failing to file your return on time.

We have charged you arrears interest because you did not pay the amount owing by the due date.

GENERAL INFORMATION

For more information on Notices of (Re)Assessment, and your objection and appeal rights, see Guide RC4022, General Information for GST/HST Registrants, or visit canada.ca/revenue-agency. To prevent unnecessary delays when you correspond with us, please provide your Business Number.



926749 ONTARIO LTD

Page 14 of 16

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

MORE INFORMATION

For each reporting period, you have to file a return. For more information on when and how to file and submit your returns, and the consequences of filing a return late, go to canada.ca/gst-hst-filing and select "File the return" or call 1-800-959-5525.

If you did not file your return and make your payment on time because of circumstances beyond your control, you can apply for relief of penalties and interest. For more information about relief from penalties or interest and how to submit your request, go to canada.ca/taxpayer-relief.

If you do not have to file electronically, you can mail your completed paper return(s) to the address below.

CANADA REVENUE AGENCY
TAX CENTRE
275 POPE ROAD SUITE 103
SUMMERSIDE PE C1N 6A2



926749 ONTARIO LTD

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

0000155

NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)

HOW DO YOU PAY?

You can pay:

- online or by phone using a Canadian financial institution's services
- online at canada.ca/cra-my-payment
- online by setting up a pre-authorized debit agreement at canada.ca/my-cra-business-account
- in person with your remittance voucher at your Canadian financial institution or, for a fee, at a Canada Post retail outlet (cash or debit only)

For more information on how to make a payment, go to canada.ca/payments.

Note: There is a QR code printed on your remittance voucher that contains all the information required to make your payment with cash or debit at a Canada Post retail outlet.

Please use the attached voucher to pay the indicated amount owing.
See the reverse for further instructions.

Amount paid



Goods and Services Tax/Harmonized Sales Tax
Amount Owing Remittance Voucher
Pay online or at your financial institution

Business Name
926749 ONTARIO LTD

Business Number
13478 3554 RT 0001

20 7



Privacy Act,
Personal Information Bank number CRA PPU 047

Amount owing (\$)
883,176.47

Amount paid

RC159 E (18)X

2020020020000700134783554RT00010000000000883176472020021



926749 ONTARIO LTD

Date	February 29, 2024
Business Number	13478 3554 RT0001
Period Covered	2023-02-01 to 2023-12-31

NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)

Teller's Stamp

.....

We will charge a fee for any dishonoured payment.
DO NOT staple, paper clip, tape or fold this voucher
and do not use photocopied remittance vouchers.
DO NOT mail cash.
If an envelope accompanied this voucher, please ensure the
address below appears in the window of the envelope provided.

Teller's Stamp

CANADA REVENUE AGENCY
TAX CENTRE
275 POPE ROAD SUITE 103
SUMMERSIDE PE C1N 6A2

APPENDIX “T”

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

BETWEEN:

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749
ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Respondents

**SIXTH REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER
OCTOBER 3, 2025**

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APPENDIX “B”	A&R Receivership Order dated December 8, 2023
APPENDIX “C”	Approval and Activities Order dated December 8, 2023
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APPENDIX “E”	Third Report of the Receiver dated April 15, 2024 (without appendices)
APPENDIX “F”	Fourth Report of the Receiver dated May 14, 2024 (without appendices)
APPENDIX “G”	Fifth Report of the Receiver dated July 30, 2025 (without appendices)
APPENDIX “H”	Supplemental to Fifth Report of the Receiver dated September 29, 2025 (without appendices)
APPENDIX “I”	First Report of the Receiver dated December 4, 2023 (without appendices)
APPENDIX “J”	Second Report of the Receiver dated January 15, 2024 (without appendices)
APPENDIX “K”	Endorsement of Justice Kimmel dated July 16, 2024
APPENDIX “L”	Affidavit of Jorden Sleeth sworn April 12, 2024
APPENDIX “M”	Affidavit of Rebecca Kennedy sworn April 15, 2024
APPENDIX “N”	Affidavit of Jorden Sleeth sworn October 1, 2025
APPENDIX “O”	Affidavit of Rebecca Kennedy sworn October 1, 2025

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On October 6, 2023, Enlightened Funding Corporation (“**Enlightened**”) issued a Notice of Application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver of the property, assets, and undertakings of Velocity Asset and Credit Corporation (“**Velocity**”) and certain property of 926749 Ontario Ltd. o/a Clonsilla Auto Sales and Leasing (the “**Dealer**” and, together with Velocity, the “**Debtors**”), including all of the Leases, Leased Vehicles, Rights, Collections and the Dealer Blocked Account (each as defined in a dealer security agreement entered into between Enlightened and the Dealer) and all products or proceeds thereof (the “**Dealer Property**”).
2. On October 26, 2023, pursuant to an order of the Court (the “**Receivership Order**”), Deloitte was appointed as receiver (the “**Receiver**”) of the property, assets, and undertakings of Velocity and the Dealer Property. A copy of the Receivership Order is attached hereto as **Appendix “A”**.
3. On December 8, 2023, pursuant to an order (the “**A&R Receivership Order**”) of the Court, Deloitte was appointed as receiver over all the property, assets, and undertakings of Velocity and of the Dealer (together, the “**Property**”). A copy of the A&R Receivership Order is attached hereto as **Appendix “B”**.
4. Also on December 8, 2023, pursuant to an Order of the Court, the First Report dated December 4, 2023 (the “**First Report**”) and the activities of the Receiver set out therein were approved. A copy of the Order is attached hereto as **Appendix “C”**.

5. On May 3, 2024, pursuant to an Order (the “**Sale Approval Order**”) of the Court, the Receiver was authorized and directed to carry out the Sale Process (as defined in the Sale Approval Order). A copy of the Sale Approval Order is attached hereto as **Appendix “D”**.
6. Also on May 3, 2024, the Court granted an Order authorizing the Receiver to assign the Debtors into bankruptcy. The Receiver filed assignments in bankruptcy in respect of Velocity and the Dealer on May 16, 2024.
7. The purpose of this sixth report of the Receiver (the “**Sixth Report**”) is to provide information to the Court with respect to, among other things:
 - a) the activities of the Receiver since the Third Report of the Receiver dated April 15, 2024 (the “**Third Report**”);
 - b) the results of the Sale Process;
 - c) the outcome of the AutoLoans motion as discussed in the Fourth Report dated May 14, 2024 (the “**Fourth Report**”);
 - d) the Receiver’s motion for, among other things:
 - i. an order authorizing and directing the Receiver to make the Distributions (as defined below); and
 - ii. an order approving the activities and the fees and disbursements of the Receiver and its counsel, Thornton Grout Finnigan LLP (“**TGF**”) from September 19, 2023, to July 30, 2025 (the “**Fee Approval Period**”).

TERMS OF REFERENCE

8. In preparing this Sixth Report, Deloitte has been provided with, and has relied upon the Debtors' books and records, unaudited, draft, and/or internal financial information, discussions with the Debtors' management, shareholders, employees, and information from third-party sources (collectively, the "**Information**"). Except as otherwise described in this Sixth Report:
 - a) Deloitte has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Deloitte 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.
 - b) The Receiver has filed this Sixth Report solely for the purpose of providing information to this Court. Parties using the Sixth Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
9. Unless otherwise stated, all dollar amounts contained in this Sixth Report are expressed in Canadian dollars.
10. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Third Report, the Fourth Report, the Fifth Report of the Receiver dated July 30, 2025 (the "**Fifth Report**"), and the Supplemental to the Fifth Report of the Receiver dated September 29, 2025 (the "**Supplemental Fifth Report**"), copies of which, without

appendices, are attached hereto as **Appendix “E”**, **Appendix “F”**, and **Appendix “G”** **Appendix “H”**, respectively.

BACKGROUND

11. Velocity was incorporated on August 21, 2019, under the *Ontario Business Corporations Act* (the “**OBCA**”). The directors and officers of Velocity were Hollinsworth Auguste and Hugh Waddell (“**Waddell**”).
12. The Dealer was incorporated on June 4, 1991, and was revised on July 12, 1996, under the OBCA. The Dealer operated a used car dealership (the “**Dealership**”) located at 809 Clonsilla Avenue, Peterborough, Ontario. The directors and officers of the Dealer were Waddell and Meggan Waddell, Waddell’s daughter.
13. The Dealer’s primary business activity was selling and/or leasing used vehicles to customers with sub-prime credit ratings.
14. Prior to entering into financing arrangements with Enlightened, the applicant creditor in this proceeding, the Debtors were involved in a lease financing facility (the “**Beacon Facility**”) with Beacon Holdings Ltd. (“**Beacon**”). Beacon assigned certain leases to Enlightened, however, Beacon continues to have security interests in lease contracts (the “**Beacon Leases**”).
15. Velocity and Enlightened entered into a credit agreement dated May 26, 2022 (the “**Credit Agreement**”), pursuant to which Enlightened extended a revolving credit facility up to an aggregate principal amount of \$20 million (the “**Revolving Facility**”).

16. Enlightened and the Dealer also entered into a Guarantee and Servicing Agreement (the “**Guarantee**”) whereby the Dealer guaranteed the obligations of Velocity under the Revolving Facility and agreed to service the lease portfolio.
17. On May 26, 2022, Velocity and the Dealer both entered into security agreements in favour of Enlightened (the “**Velocity GSA**” and “**Dealer Security Agreement**”, respectively).
18. Pursuant to the Velocity GSA, Velocity granted Enlightened a security interest in all of the present and future undertakings and property, both real and personal, of Velocity in whatever form and wherever located.
19. Pursuant to the Dealer Security Agreement, the Dealer granted Enlightened a security interest in all of the Dealer’s right, title and interest, both present and future, in all of its presently owned or held and after-acquired owned or held Leases, Leased Vehicles, Rights, Collections and the Dealer Blocked Account (each as defined in the Dealer Security Agreement), and all products and proceeds of or relating to any of the foregoing, in each case, whether now owned or hereafter acquired or existing, and in whatever form and wherever located.
20. Advances under the Revolving Facility were required in multiple tranches by way of draw-down requests submitted by Velocity to Enlightened. The draw-down requests were prepared by the Dealer and were supported by schedules of lease contracts, including details of the vehicles and VINs.
21. In order to fund advances of the Revolving Facility in accordance with the Credit Agreement, Enlightened entered into a warehouse line of credit made as of May 26, 2022, with Peoples Trust Company of Canada (“**PTC**”).

22. On December 8, 2023, Enlightened and PTC entered into an assignment agreement whereby Enlightened assigned its security to PTC (the “**Assignment**”), including but not limited to, its rights under the Velocity GSA and the Dealer Security Agreement.
23. The financial and operational relationship between Velocity and the Dealer is set out in greater detail in the First Report. A copy of the First Report, without appendices, is attached hereto as **Appendix “I”**.

ACTIVITIES OF THE RECEIVER

24. Since the Third Report, the Receiver has undertaken the following activities in accordance with the terms of the Receivership Order:
 - a) liaised with Northlake ULC (“**Northlake**”) regarding Northlake’s servicing of the Debtors’ lease portfolio;
 - b) continued the investigation into the pre-receivership affairs of the Debtors, including the examination of several former employees of the Debtors related to such investigation;
 - c) conducted several examinations of former employees of the Dealer and related parties who received transfers of funds from the Dealer, all of which are reported in the Fifth Report;
 - d) updated the Receiver’s website with all relevant information to stakeholders;
 - e) reviewed and responded to inquiries from creditors and lessees;
 - f) discharged registrations on vehicles as they were sold;

- g) conducted the Sale Process, pursuant to which the Receiver prepared and marketed the Debtors' lease portfolio;
- h) negotiated and discussed the sale of the Debtors' lease portfolio with various interested parties;
- i) consulted with stakeholders, including PTC, regarding the Sale Process and the Transaction, which ultimately led to the termination of the Sale Process;
- j) directed counsel to provide a security opinion regarding the validity of certain secured creditors' security and the priority entitlement to a distribution of funds;
- k) responded to a motion brought by AutoLoans 4 You ("**AutoLoans**") for, among other things, a declaration that it owned certain vehicles purportedly purchased following the appointment of the Receiver; and
- l) addressed additional matters as they arose from time to time.

LEASE SERVICING

- 25. As set out in the Second Report of the Receiver dated January 15, 2024 (the "**Second Report**"), the Receiver determined that it was appropriate for Northlake to assume servicing of the lease portfolio. Northlake began servicing the portfolio on February 20, 2024 (the "**Transition Date**"). A copy of the Second Report, without appendices, is attached hereto as **Appendix "J"**.
- 26. Since the Transition Date, Northlake has conducted the following activities on behalf of the Receiver:
 - (i) collected lease payments from lessees;

- (ii) enforced delinquent leases and conducted repossession activities;
 - (iii) arranged for repossessed vehicles to be sold at auction;
 - (iv) prepared monthly reporting to the Receiver regarding the status of the lease portfolio, including with respect to collections and repossessions; and
 - (v) generally liaised with lessees regarding their leases.
27. Northlake delivered the most recent servicer report on September 24, 2025, for collections up to August 31, 2025. Since the Transition Date, Northlake has collected approximately \$3.2 million in lease payments and has repossessed 154 vehicles as a result of defaults under the leases. The proceeds from auction sales and sales to other car dealers in respect of repossessed vehicles is approximately \$606,814.

INVESTIGATION

28. Since its appointment, the Receiver has taken all necessary steps to maximize the revenue from the legitimate portion of the Dealer's business operations. As outlined in the First Report, however, the Receiver identified numerous concerns with the books and records of the Debtors, as well as with transfers of property in the months leading up to the appointment of the Receiver.
29. The A&R Receivership Order granted enhanced investigative powers to the Receiver, including the power to investigate any persons that the Receiver believes has knowledge of the affairs or property of the Debtors.

30. The Receiver has conducted a comprehensive investigation of the Dealer's financial records to trace the movement of funds to identify and pursue recoveries related to reviewable transactions, including transfers at undervalue and other preferences.
31. The Receiver has reported on the investigation relating to the transfer of funds in its Fifth Report.
32. In addition, the Receiver has also examined several employees of both Velocity and the Dealer regarding the Debtors' operations prior to the receivership. These examinations have provided further evidence regarding, among other things, the Debtors' submittal of funding requests to Enlightened for the same vehicle without a corresponding repayment of the principal balance on the initial lease to Enlightened and irregularities in signatures on various documents.

AUTOLOANS MOTION

33. On November 30, 2023, the Dealer provided four promissory notes to AutoLoans in respect of four vehicles (the "**Four Vehicles**") in the aggregate amount of \$90,543.01, which were personally guaranteed by Waddell. The promissory notes required monthly repayments on the first of every month beginning December 1, 2023, and ending on June 1, 2029. AutoLoans required the lessees to make their lease payments directly to AutoLoans in respect of the Four Vehicles.
34. Following the A&R Appointment Order, the Receiver directed that the lease payments be paid to the Receiver. AutoLoans, in response, asserted that it owned the Four Vehicles and that the Four Vehicles did not form part of the property the Receiver was appointed over.

35. AutoLoans brought a motion seeking a declaration they owned the Four Vehicles. The Receiver responded to the motion, taking the position that the Dealer owned the Four Vehicles and AutoLoans was merely an unsecured creditor in respect of the loan it advanced to the Dealer in respect of the Four Vehicles.
36. On July 16, 2024, Justice Kimmel issued an endorsement finding that the Four Vehicles were the property of the Dealer and the arrangement between AutoLoans, and the Dealer was a debtor-creditor relationship. A copy of the endorsement is attached hereto as **Appendix “K”**.
37. Following the release of the endorsement, the Receiver and AutoLoans entered into a bill of sale whereby AutoLoans purchased one of the Four Vehicles from the Receiver.

OUTCOME OF SALE PROCESS

38. Following the issuance of the Sale Process Approval Order, the Receiver administered the Sale Process. The Sale Process was formally launched on July 5, 2024. The timelines of the Sale Process were amended by the Receiver to provide for initial non-binding letters of intent to be delivered by August 20, 2024. Final and binding bids under phase 2 of the Sale Process were to be delivered by October 3, 2024.
39. The teaser for the Sale Process provided the following overview of the lease portfolio:
- a) there were 600 active leases of the Dealer with estimated gross monthly income from the lease portfolio of \$220,000;
 - b) the average return of the lease portfolio was 17.7%;
 - c) the average remaining lease receivable was approximately \$18,000; and

- d) the portfolio had significant arrears that presented an opportunity for a new owner to collect on, including collecting on vehicle buybacks from former expired leases that have not been completed.
40. The Receiver contacted 17 potential interested parties during the Sale Process regarding the opportunity. Five of these parties signed non-disclosure agreements to access a virtual data room established by the Receiver containing further information on the lease portfolio.
41. Of the five parties who accessed the data room, three letters of intent were provided (the “**LOIs**”). Only two of the LOIs involved an asset purchase of the lease portfolio. The third LOI was submitted by a vehicle servicing company that offered to enter into a service agreement with the Receiver. The Receiver determined that this LOI would result in fewer recoveries than if the lease portfolio were run-off with Northlake continuing in its role as the servicer. Accordingly, it was not acceptable to the Receiver.
42. While the Receiver attempted to negotiate a successful bid, the remaining LOIs submitted by the other bidders were not acceptable to the Receiver.
43. As a result, on December 23, 2024, the Receiver, in consultation with the senior secured lender, terminated the Sale Process.

THE PROPOSED DISTRIBUTIONS

44. Pursuant to the A&R Receivership Order, PTC has advanced to the Receiver \$600,000 in Receiver’s Borrowings under Receiver’s Certificates (each as defined in the A&R Receivership Order) delivered to PTC. These amounts were secured by the Receiver’s Borrowings Charge (as defined in the A&R Receivership Order). The Receiver had

sufficient funds to repay such amounts in April 2025 and such amount was repaid at the request of PTC on April 8, 2025.

45. As described in the Third Report, TGF had previously provided a security opinion to the Receiver opining that, subject to the customary qualifications and assumptions, as a matter of Ontario law:

- (i) the Peoples Security Documents (as defined in the Third Report) constitute legal, binding and enforceable obligations of the Debtors in favour of PTC;
- (ii) the Credit Agreement, the Velocity GSA and the Assignment create in favour of PTC a valid and enforceable security interest in the Collateral (as defined in the Velocity GSA) (the “**Velocity Charged Property**”);
- (iii) the Guarantee, the Dealer Security Agreement and the Assignment create in favour of PTC a valid and enforceable security interest in the Collateral (as defined in the Dealer Security Agreement (the “**Dealer Charged Property**”); and
- (iv) the Peoples Security Documents have been duly registered as required under the PPSA to perfect the security interest created thereby in the Velocity Charged Property and the Dealer Charged Property (the “**Peoples’ Security Opinion**”).

46. Also as described in the Third Report, TGF had previously opined that, subject to the customary qualifications and assumptions, as a matter of Ontario law, (a) the Demand Promissory Note and Loan and Security Agreement between the NextGear Capital Corporation (“**NextGear**”) and the Dealer (the “**Secured Note**”) created a legal, binding and enforceable obligation of the Dealer in favour of NextGear, (b) the Secured Note creates in favour of NextGear a valid security interest in the present and after-acquired

undertakings, property and assets of the Dealer that is subject to the applicable security documents and to which the PPSA applies, and (c) the Secured Note has been duly registered as required under the PPSA to perfect NextGear's security interest against the Dealer.

47. TGF has now also reviewed the security of Automotive Finance Canada Inc. ("**AFC**"). In particular, TGF has reviewed the demand promissory note and security agreement between the Dealer and AFC dated July 27, 2016, and the demand promissory note and security agreement between the Dealer and AFC dated May 2, 2019 (together, the "**AFC Secured Notes**"). Subject to the customary qualifications and assumptions, TGF has opined that as a matter of Ontario law:
- (i) the AFC Secured Notes constitute a legal, binding and enforceable obligation of the Dealer in favour of AFC;
 - (ii) the AFC Secured Notes create in favour of AFC a valid security interest in all present and after-acquired personal property of the Dealer; and
 - (iii) the AFC Secured Notes have been duly registered as required under the PPSA to perfect AFC's security interest against the Dealer.
48. PTC is the only party registered under the PPSA against Velocity. AFC, NextGear and PTC (except for a limited registration made by Vault Credit Corporation ("**Vault**") prior to PTC's registration in respect of a single vehicle as collateral) are the first three ranking secured interests registered under the PPSA against the Dealer. PTC's counsel has confirmed to TGF that there are no postponements or subordinations of either AFC or NextGear's security in favour of PTC.

49. Having already concluded that the security of each of PTC, NextGear and AFC are legal, valid and binding obligations of Velocity and/or the Dealer that have been properly perfected, TGF has issued security opinions to the Receiver that conclude, subject to customary qualifications and assumptions, that: (a) PTC has a first-ranking security interest against Velocity, (b) AFC has a first-ranking security interest against the Dealer, (c) NextGear has a second-ranking security interest against the Dealer, and (d) PTC has a third-ranking security interest against the Dealer (subject to the Vault registration referred to above).
50. TGF requested that NextGear and AFC provide payout statements indicating the total outstanding indebtedness secured against the Dealer's property.
51. NextGear has indicated that its total outstanding indebtedness as of December 18, 2024, will be \$217,130.11 (the "**NextGear Secured Indebtedness**"). AFC has indicated that its total outstanding indebtedness as of December 18, 2024, will be \$180,353.04 (the "**AFC Secured Indebtedness**").
52. The Receiver has consulted the books and records of the Dealer and confirmed that the NextGear Secured Indebtedness and the AFC Secured Indebtedness are consistent with the Dealer's books and records. On that basis, the Receiver is seeking an order directing that an amount equal to the AFC Secured Indebtedness be distributed to AFC in full satisfaction of the amounts secured by AFC's security against the Dealer and that an amount equal to the NextGear Secured Indebtedness be distributed to NextGear in full satisfaction of the amounts secured by NextGear's security against the Dealer (together, the "**AFC and NextGear Distributions**").

53. Based upon the Peoples' Security Opinion, PTC has a valid first-ranking security interest over all of the Debtor's present and after-acquired property. Accordingly, the Receiver recommends that it be authorized and directed to make distributions to PTC up to the balance owing to it after the AFC and NextGear Distributions (collectively, the **"Distributions"**)
54. As at the date of the receivership application, the total indebtedness owing by Velocity and the Dealer to PTC under the Credit Agreement was \$19,406,788 (excluding accruing fees, expenses and costs).
55. Following the AFC and NextGear Distributions, the only remaining economic stakeholders in these proceedings will be PTC and Beacon, in respect of certain leases that overlap with the security interests held by both parties. As outlined in the Third Report, Beacon holds security over some leases exclusively, as well as over others that overlap with security held by Enlightened. The non-overlapping leases have been transferred to Beacon, but a resolution remains outstanding with respect to the overlapping leases.
56. The Receiver will be discussing this issue with PTC and Beacon and, failing a negotiated resolution, will return to Court to determine how to distribute the remaining proceeds in the estate.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

57. Below is a table outlining the Receiver's Interim Statement of Receipts and Disbursements for the period from October 26, 2023, to August 31, 2025, for Velocity and from December 8, 2023, to August 31, 2025, for the Dealer (the **"Reporting**

Periods”). As of August 31, 2025, the Receiver had realized combined receipts of approximately \$5.3 million and made disbursements of approximately \$4.7 million. The following is the summary of the Interim Statement of Receipts and Disbursements.

In the Matter of the Receivership of Velocity Asset and Credit Corporation and 926749 Ontario Ltd. o/a Clonsilla Auto Sales and Leasing Interim Statement of Receipts and Disbursements For the period from October 26, 2023 to August 31, 2025 for Velocity; and For the period from December 8, 2023 to August 31, 2025 for the Dealer					
	Dealer		Velocity		Total
	26-Oct-23 - 31-Mar-24	1-Apr-24 - 31-Aug-25	8-Dec-23 - 31-Mar-24	1-Apr-24 - 31-Aug-25	For Both Periods
Receipts					
Lease Proceeds	\$ 899,322	\$3,097,615	\$ -	\$ -	\$ 3,996,937
Sales of Vehicles	\$ 258,009	\$ 348,804	\$ -	\$ -	\$ 606,814
Advance from Secured Creditor - PTC	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000
Insurance Premium Refunds and Proceeds	\$ 44,041	\$ 56,962	\$ -	\$ -	\$ 101,003
Bank Interest	\$ 1,430	\$ 13,218	\$ -	\$ -	\$ 14,648
Miscellaneous Receipts	\$ 3,310	\$ 4,964	\$ -	\$ 75	\$ 8,350
Total Receipts	\$1,806,113	\$3,521,563	\$ -	\$ 75	\$ 5,327,751
Disbursements					
Receiver's Fees and Disbursements	\$1,143,880	\$ 734,309	\$ -	\$ -	\$ 1,878,189
Legal Fees and Disbursements	\$ 80,102	\$ 994,806	\$ -	\$ -	\$ 1,074,909
Distribution to Secured Creditor - PTC	\$ -	\$ 600,000	\$ -	\$ -	\$ 600,000
Portfolio Servicing Fees	\$ 7,585	\$ 450,443	\$ -	\$ -	\$ 458,028
HST Paid	\$ 165,947	\$ 241,728	\$ -	\$ -	\$ 407,675
Operating Expenses	\$ 63,959	\$ 94,910	\$ -	\$ -	\$ 158,868
Interest Paid	\$ -	\$ 62,186	\$ -	\$ -	\$ 62,186
Distributions to Secured Creditor - Beacon	\$ -	\$ 39,896	\$ -	\$ -	\$ 39,896
Deemed Trust Claim	\$ -	\$ 17,805	\$ -	\$ -	\$ 17,805
Miscellaneous Disbursements	\$ 3,376	\$ 8,369	\$ -	\$ 75	\$ 11,820
Total Disbursements	\$1,464,848	\$3,244,452	\$ -	\$ 75	\$ 4,709,375
Excess of Receipts Over Disbursements	\$ 341,265	\$ 277,112	\$ -	\$ -	\$ 618,376

58. The Receiver provides the following comments on the material receipts and disbursements:

- (i) **Lease Proceeds:** the Receiver collected approximately \$4.0 million in lease payments from lessees during the Reporting Periods;
- (ii) **Sale of Vehicles:** the Receiver received proceeds of \$606,814 during the Reporting Periods;
- (iii) **Advance from PTC:** the Receiver received \$600,000 from PTC to fund the proceeding pursuant to the Receiver's Certificates. On April 8, 2025, the borrowings were fully repaid under the Receiver's Certificates;
- (iv) **Receiver's fees and disbursements:** fees incurred by the Receiver during the Reporting Periods totaled approximately \$1.9 million;
- (v) **Legal Fees and Disbursements:** fees incurred by the Receiver's legal counsel during the Reporting Periods totaled approximately \$1.1 million; and
- (vi) **Operating expenses:** the Receiver has paid Northlake servicing fees totaling approximately \$458,028.

FEES OF THE RECEIVER AND ITS COUNSEL

59. The Receiver and its legal counsel, TGF, have maintained detailed records of their professional time and costs since the date of the Receivership Order.

60. The Third Report of the Receiver previously set out the fees of the Receiver and TGF through March 31, 2024. At the hearing on May 3, 2024, as a result of opposition from

Waddell, the Receiver agreed to adjourn approval of its activities and fees to a later date, which the Receiver seeks to bring back on now.

61. The total fees of the Receiver during the period from October 26, 2023, to March 31, 2024, were \$1,166,606, together with expenses and disbursements in the sum of \$62,317 and HST in the amount of \$159,760, totaling \$1,388,683, as set out in the Affidavit of Jorden Sleeth sworn April 12, 2024 (the “**April Sleeth Affidavit**”). The April Sleeth Affidavit is attached hereto as **Appendix “L”**.
62. The total fees of TGF, in its capacity as counsel to the Receiver, during the period from September 19, 2023, to March 31, 2024, were \$339,840, together with expenses and disbursements in the sum of \$10,207 and HST in the amount of \$45,505, totaling \$395,552, as set out in the Affidavit of Rebecca Kennedy sworn April 15, 2024 (the “**April Kennedy Affidavit**”). The April Kennedy Affidavit is attached hereto as **Appendix “M”**.
63. The total fees of the Receiver during the period from April 1, 2024, to August 31, 2025, are \$535,394, together with expenses and disbursements in the sum of \$125,760 and HST in the amount of \$85,950, totaling \$747,104. The aforementioned has been particularly described in the Affidavit of Jorden Sleeth sworn October 1, 2025, and attached hereto as **Appendix “N”**.
64. The total fees of TGF, in its capacity as counsel to the Receiver, during the period from April 1, 2024, to August 31, 2025, are \$716,851, together with expenses and disbursements in the sum of \$35,012 and HST in the amount of \$97,742, totaling \$849,604. The aforementioned has been particularly described in the Affidavit of Rebecca Kennedy sworn October 1, 2025, and attached hereto as **Appendix “O”**.

65. Accordingly, the total fees of the Receiver during the Fee Approval Period are \$1,702,000, together with expenses and disbursements in the sum of \$188,077 and HST in the amount of \$245,710, totaling \$2,135,787 and the total fees of TGF, in its capacity as counsel to the Receiver, during the Fee Approval Period, are \$1,056,691, together with expenses and disbursements in the sum of \$45,219 and HST in the amount of \$143,247, totaling \$1,245,157.
66. The Receiver is of the view that its fees and disbursements, as well as the fees and disbursements of its legal counsel, are reasonable. The Receiver's fees and disbursements, as well as those of its legal counsel, have been presented to PTC, which has advanced funding to the Receiver for the purpose of funding the Receiver's mandate, and it has no objections or opposition to the fees presented. The Receiver seeks the Court's approval of its fees and disbursements, including the fees and disbursements of its legal counsel, as described in this Sixth Report.

CONCLUSION AND RECOMMENDATION

67. For the reasons set out herein, the Receiver recommends that the Court make an Order:
- (i) approving the Third Report, the Fourth Report, the Fifth Report, the Supplemental Fifth Report, and this Sixth Report and the activities described herein;
 - (ii) authorizing the Receiver to make the Distributions; and
 - (iii) approving the fees and disbursements of the Receiver and its counsel.

All of which is respectfully submitted at Toronto, Ontario this 2nd day of October, 2025.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-Appointed
Receiver of Velocity Asset and Credit
Corporation and 926749 Ontario Ltd.
and without personal or corporate liability



Per:

Jorden Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*

ENLIGHTENED FUNDING CORPORATION

and

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749
ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Applicant

Respondents

Court File No.: CV-23-00707330-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

SIXTH REPORT OF THE RECEIVER

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APPENDIX “U”

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

BETWEEN:

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

**VELOCITY ASSET AND CREDIT CORPORATION AND 926749
ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**

Respondents

**SUPPLEMENT TO THE FIFTH REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER
DATED SEPTEMBER 29, 2025**

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SANDI MCDAVID PROMISSORY NOTE	11
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APPENDICES

APPENDIX “A”	Information Certificate of 926749 Ontario Limited dated May 26, 2022
APPENDIX “B”	Transcripts from the Examination of Hollinsworth Auguste on March 11, 2025 and March 21, 2025
APPENDIX “C”	Exhibit 3 from the Examination of Hollinsworth Auguste
APPENDIX “D”	Email from Hollinsworth Auguste to Thornton Grout Finnigan LLP dated September 22, 2025

INTRODUCTION AND PURPOSE OF THIS REPORT

1. The Receiver's fifth report dated July 30, 2025 (the "**Fifth Report**") was filed in support of the Receiver's motion for an order (the "**Reviewable Transactions Order**") that, among other things:
 - (a) declares that the transfers (the "**Transfers**") out of the Dealer's estate to the parties (the "**Reviewable Transaction Parties**") listed in the Fifth Report and as described herein are preferences and/or transfers at undervalue pursuant to subsections 95(1)(b) and 96(1)(b) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), respectively or, in the alternative, subsection 95(1)(a), subsection 96(1)(a) of the BIA, or subsections 4(1) and 4(2) of the *Assignments and Preferences Act*, RSO 1990, c A-33 (the "**APA**"); and
 - (b) directs the Reviewable Transaction Parties to pay the Receiver the amounts set out below, which amounts constitute the Transfers received from the Dealer's estate.
2. Pursuant to the timetable established by the endorsement of Justice Cavanagh dated July 16, 2025 (the "**Timetable**"), the Reviewable Transaction Parties were required to deliver their responding materials by August 29, 2025. Certain of the Reviewable Transaction Parties requested an extension of this deadline to September 15, 2025, which the Receiver agreed to, provided it would have until September 29, 2025 to deliver a reply report.
3. All of the Reviewable Transaction Parties who have indicated an intention to file materials have now done so. In particular, the following materials have been delivered by the Reviewable Transaction Parties:
 - (a) Affidavit of Gerald Shapiro sworn August 27, 2025;

- (b) Responding Factum of Gerald Shapiro (undated);
- (c) Affidavit of Ian Anderson sworn September 2, 2025;
- (d) Responding Factum of Ian Anderson (undated);
- (e) Responding Motion Record of Rastislav Scasny dated August 29, 2025, including the Affidavit of Rastislav Scasny sworn August 29, 2025;
- (f) Responding Motion Record of Nancy Waddell, Sara Waddell, Taylor Waddell, Meggan Waddell, Thomas Sargeant and Northbridge Estates Inc. (collectively, the **“Waddell Related Parties”**) dated September 16, 2025, including the following affidavits:
 - i. Affidavit of Nancy Waddell sworn September 15, 2025 (**“Nancy Affidavit”**);
 - ii. Affidavit of Sara Waddell sworn September 15, 2025;
 - iii. Affidavit of Thomas Sargeant sworn September 15, 2025;
 - iv. Affidavit of Taylor Waddell sworn September 16, 2025 (the **“Taylor Affidavit”**);
 - v. Affidavit of Meggan Waddell sworn September 16, 2025 (the **“Meggan Affidavit”**); and
 - vi. Affidavit of Maryanne Jacobs sworn September 16, 2025 (the **“Jacobs Affidavit”**), and
- (g) Supplementary Responding Motion Record of the Waddell Related Parties dated September 16, 2025, including the Affidavit of Hugh Waddell sworn September 18, 2025 (the **“Hugh Affidavit”**); and

(h) Affidavit of Sandi McDavid sworn September 4, 2025 (the “**McDavid Affidavit**”).¹

4. The purpose of this supplement to the Fifth Report (the “**Supplemental Report**”) is to respond to certain statements made in the affidavits filed by the Reviewable Transaction Parties.
5. The Receiver has also scheduled cross-examinations of all of the affiants who swore an affidavit responding to the Receiver’s motion. The cross-examinations are scheduled to take place from September 30 – October 2, 2025.
6. Since the delivery of the Fifth Report, the Receiver has since settled with one of the initial Reviewable Transaction Parties, Paul Shapiro, and Mr. Shapiro is no longer one of the Reviewable Transaction Parties or subject to the Receiver’s motion.
7. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Fifth Report.

TERMS OF REFERENCE

8. In preparing this Supplemental Report, Deloitte has been provided with, and has relied upon the Debtors’ books and records, unaudited, draft, and/or internal financial information, discussions with the Debtors’ management, shareholders, employees, and information from third-party sources (collectively, the “**Information**”). Except as otherwise described in this Supplemental Report:

¹ The Receiver notes that the McDavid Affidavit does not contain any statements of Ms. McDavid and solely contains an exhibit attaching a promissory note purportedly entered into by Ms. McDavid. There also appears to be a brief two-page factum appended to the McDavid Affidavit. However, for the purposes of this Supplemental Report, the Receiver will refer to the exhibit as the McDavid Affidavit.

- a) Deloitte has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Deloitte 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.
 - b) The Receiver has filed this Supplemental Report solely for the purpose of providing information to this Court. Parties using the Supplemental Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
9. Unless otherwise stated, all dollar amounts contained in this Supplemental Report are expressed in Canadian dollars.

COMPLAINTS REGARDING BOOKS AND RECORDS OF THE DEALER

10. The Nancy Affidavit, Meggan Affidavit, Taylor Affidavit, Jacobs Affidavit and the Hugh Affidavit all generally make the same complaint that the Receiver somehow has prevented or hindered these individuals from having access to the books, records and other documents of the Dealer that they need to fully respond to the Receiver’s motion.
11. For example, the Meggan Affidavit complains that after the Receiver’s appointment, the Receiver removed all corporate books, records and other documents from the Dealer’s office, including personal records allegedly belonging to Meggan that were stored at Clonsilla’s office, including the promissory notes and other documentation evidencing the loans Meggan had provided to the Dealer.

12. The Meggan Affidavit states that the Receiver returned these documents to Clonsilla's office but complains that they were returned in a disorganized manner and Meggan has accordingly been unable to locate her supporting documents.
13. As an initial matter, many of the Waddell Related Parties and the other responding parties were able to provide copies of their loan documentation. It was incumbent on the Reviewable Transaction Parties to retain copies of their loan documentation rather than simply having them stored at the Dealer's office.
14. More importantly, the complaints made regarding the Receiver's handling of the books and records of the Dealer are unfounded.
15. The Receiver has not withheld any records from any of the Reviewable Transaction Parties. The Reviewable Transaction Parties have never made specific requests to the Receiver for documents.
16. The Receiver has acted in accordance with its duties as a court officer in all respects. The Receiver was appointed over all of the property of the Dealer, including all of its corporate records, pursuant to the Amended and Restated Receivership Order dated December 8, 2023 (the "**A&R Receivership Order**").
17. Paragraph 4(t) of the A&R Receivership Order provides the Receiver with the exclusive authority and power to deal with the Dealer's books and records. It was the Receiver's duty and obligation to take possession of the books and records. When the Receiver was appointed, it secured a storage room at the Dealer's office to store the books and records of the Dealer. The Receiver also had the books and records imaged and digitally stored.

18. Contrary to Meggan's suggestion that the Receiver returned the files in a disorganized manner, when the Receiver initially took possession, it discovered that there were material deficiencies and inconsistencies in the Dealer's record-keeping and that they were generally stored in a disorganized and cluttered fashion.
19. In particular, as stated in the First Report of the Receiver dated December 4, 2023, the Receiver determined that the Dealer did not maintain basic business records relating to their leasing portfolio and was advised by the Dealer's employees that business and accounting records were not consistently maintained. Accordingly, the Receiver had to undertake significant work to reconcile the Dealer's financial records as a result of the Dealer's poor record-keeping.
20. Ms. Jacobs also complains that the Receiver removed many personal documents belonging to the Waddell family. The Receiver took possession of all of the documents located at the Dealer's office, as it was obligated to do under the A&R Receivership Order.
21. The Receiver carried out its duties and obligations under the A&R Receivership Order. The Receiver's taking possession of the books and records of the Dealer was consistent with the typical practice of a receiver following appointment over a debtor's property.
22. In addition, on May 16, 2024, the Dealer was assigned into bankruptcy and Deloitte Restructuring Inc. was appointed as the trustee in bankruptcy (in such capacity, the "**Trustee**"). Pursuant to paragraph 71 of the BIA, all of the Dealer's property vested in the Trustee, including the books and records of the Dealer, and the Dealer ceased to have any capacity to dispose of or otherwise deal with its property.

UNDISCLOSED LOANS

23. The response by many of the Reviewable Transaction Parties to the Receiver's motion has been that the Transfers they received were for the repayment of loans advanced by the Reviewable Transaction Parties to the Dealer over a historical period of time. The following Reviewable Transaction Parties have asserted they advanced loans to the Dealer and the Transfers being sought to be set aside were, at least in part, for repayment of these loans:

- (a) Sara Waddell;
- (b) Northbridge Estates Inc. (allegedly as a conduit for other Waddell Related Parties);
- (c) Meggan Waddell;
- (d) Taylor Waddell;
- (e) Rastislav Scasny;
- (f) Gerald Shapiro; and
- (g) Sandi McDavid.

24. These loans were allegedly made dating back to at least 2014. The Jacobs Affidavit states that "...it was a normal and long-standing practice (from at least 2014 to 2023) for the Waddell family lenders to receive repayments monthly, either through in-kind expense offsets or by cash deposits to their bank accounts. This was part of the ordinary and usual business practices of the company during my employment and as long as the loans were on the companies (sp) ledgers."

25. However, these loans were not reflected on the Dealer's financial records and the Dealer represented to Enlightened, the primary secured creditor of the Dealer and the Applicant in this proceeding, that there were no debts owing by the Dealer to any party except those specifically disclosed (none of which were amounts owing by the Dealer to any Reviewable Transaction Party).
26. One of the closing documents required to be provided by the Dealer as consideration for Enlightened's agreement to enter into a credit agreement was an information certificate. The information certificate was required to be provided to assist with Enlightened's due diligence while it evaluated whether to provide financing to the Dealer.
27. On May 26, 2022, the Dealer provided the information certificate to Enlightened, as required (the "**Information Certificate**"). The Information Certificate provided general disclosure to Enlightened of the Dealer's background and affairs. A copy of the Information Certificate is attached as **Appendix "A"**.
28. In paragraph 24 of the Information Certificate, the Dealer represented that (emphasis added): "[t]he [Dealer] has not guaranteed and is not otherwise liable for the obligations of others and has no debt, except as follows:". The Dealer listed the following debts:
 - (a) \$638,566.00 owing to NextGear Capital Corporation and Automotive Finance Canada Inc.;
 - (b) \$17,423.00 owing to Vault Credit Corporation;
 - (c) \$495,626.00 owing to Merchant Opportunities Fund Limited Partnership;
 - (d) \$2,548.44 owing to Blue Chip Leasing Corporation; and

(e) \$617,843.00 owing to Automotive Finance Canada Inc.

29. The Dealer did not disclose to Enlightened any amounts owing to any of the Reviewable Transaction Parties, despite the majority of the loans allegedly being repaid by the Transfers having been made prior to the date of the Information Certificate.
30. Accordingly, Enlightened advanced almost \$20 million to the Dealer unaware of: (i) apparently significant financial obligations owing by the Dealer to family members and employees of the Dealer, or (ii) the fact that regular loan repayments would be being made by the Dealer to these parties, presumably with Enlightened's money.

SANDI MCDAVID PROMISSORY NOTE

31. Ms. McDavid is Hugh's mother.
32. The McDavid Affidavit attaches one document – a promissory note dated December 5, 2022 purportedly between Sandy² McDavid, as lender, and 2712697 Ontario Ltd. and the Dealer, as borrowers (the “**McDavid Note**”). The McDavid Note provides for the repayment to Ms. McDavid of a \$35,000 loan she advanced to the Dealer on October 12, 2022.
33. The McDavid Note is purportedly signed by “Hollingsworth (sp) Auguste Taylor” on behalf of the Dealer. As noted in the Fifth Report, Mr. Auguste was a director and officer of Velocity, not the Dealer. Further, Mr. Auguste's name is spelled incorrectly in the McDavid Note (Hollinsworth not Hollingsworth and he does not go by the name “Taylor”).

² The promissory note refers to “Sandy” McDavid, however, the McDavid Affidavit spells her first name as “Sandi”.

34. Mr. Auguste was previously examined by the Receiver on March 11 and March 21, 2025, as part of the Receiver's investigation into the Dealer's affairs. The transcripts from the examination of Mr. Auguste are attached as **Appendix "B"**.
35. During this examination, Mr. Auguste was shown a copy of an unsigned promissory note between Virginia Hamilton and 2712697 Ontario Limited. A copy of this promissory note, which was Exhibit 3 to Mr. Auguste's examination, is attached as **Appendix "C"**.
36. The promissory note, although unsigned, listed Mr. Auguste's name as the signatory for 2712697 Ontario Limited and again spelled Mr. Auguste's name incorrectly as "Hollingsworth Auguste Taylor".
37. When asked about this document, Mr. Auguste denied being aware of the document and testified that he had never seen it before. In particular, Mr. Auguste stated that "[m]y name is incorrect in every way" and that he would never spell his first name with a G or put Taylor at the end of his name. Mr. Auguste also testified that he believed this document was put together by Hugh without making Mr. Auguste aware of the document. Mr. Auguste was justifiably very concerned by this document.
38. Given the discrepancies in the McDavid Note, and the earlier testimony of Mr. Auguste regarding a document with the exact same misspelling of his name as signatory, the Receiver contacted Mr. Auguste to ask him whether he was aware of the McDavid Note.
39. Mr. Auguste advised that:
- (a) he has never been an employee, director or officer of the Dealer;

- (b) he did not sign the McDavid Note and does not recognize the signature on the McDavid Note as his signature;
- (c) he was not aware of this loan and did not authorize anyone to sign on his behalf;
- (d) he was not the “Chief Financial Officer” of the Dealer; and
- (e) the name shown as his name is incorrect.

40. A copy of Mr. Auguste’s email is attached hereto as **Appendix “D”**.

SUMMARY OF TRANSFERS

41. The Fifth Report included a summary table setting out amounts claimed from each of the Reviewable Transaction Parties during both the three-month lookback period and the twelve-month lookback period. However, the amounts listed for the three-month lookback period were incorrectly calculated. Accordingly, the Receiver is providing an updated summary table below with corrected amounts and which reflects the removal of Paul Shapiro.

<u>Party</u>	<u>Amount Claimed (3 months)</u>	<u>Amount Claimed (12 months)</u>
Nancy Waddell	\$4,300.00	\$32,150.00
Meggan Waddell	\$6181.00	\$85,681.00
Sara Waddell	\$25,290.00	\$124,684.00
Taylor Waddell	\$23,111.00	\$155,236.00
Northbridge Estates	\$70.00	\$12,950.00
Sandy McDavid	\$3,108.00	\$9,380.33

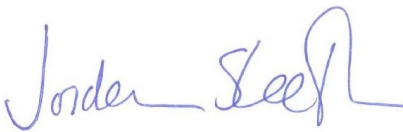
<u>Party</u>	<u>Amount Claimed (3 months)</u>	<u>Amount Claimed (12 months)</u>
Ian Anderson	\$4,307.50	\$21,070.98
Thomas Sargeant	\$0	\$1,700.00
Gerald Shapiro	\$3,800.00	\$3,800.00
Marion Shapiro	\$13,281.39	\$37,853.14
Glortran Consulting	\$600.00	\$20,104.00
Rastislav Scasny	\$84,797.80	\$330,931.00
Total	\$169,646.69	\$857,840.45

CONCLUSION AND RECOMMENDATION

42. For the reasons set out herein, the Receiver continues to recommend that the Court grant the Reviewable Transactions Order.

All of which is respectfully submitted at Toronto, Ontario this 29th day of September, 2025.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-Appointed
Receiver of Velocity Asset and Credit
Corporation and 926749 Ontario Ltd.
and without personal or corporate liability

Per: 
Jorden Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT***

ENLIGHTENED FUNDING CORPORATION

and

VELOCITY ASSET AND CREDIT CORPORATION ET AL.

Applicant

Respondents

Court File No.: CV-23-00707330-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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