

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

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**MOTION RECORD  
(Returnable December 13, 2013)**

December 10, 2013

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

**Eric Golden (LSUC # 38239M)**

(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte Restructuring Inc., in its  
capacity as court appointed receiver and  
manager of Rose of Sharon (Ontario)  
Retirement Community

**TO:** Receivership Service List

# INDEX

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

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**I N D E X**

1. Notice of Motion returnable December 13, 2013 .....	1-11
A. Draft Order .....	12-14
B. Receivership Service List.....	15
2. Affidavit of Hartley M. Bricks sworn December 5, 2013 .....	16-17
A. Summary of Accounts.....	18
B. Deloitte Accounts for period January 2, 2013 to October 31, 2013.....	19-58
3. Affidavit of Chad Kopach sworn December 10, 2013 .....	59-61
A. Legal Costs Summary and Summary of Accounts .....	62
B. Blaneys Legal Account dated January 31, 2013 .....	63-65
C. Blaneys Legal Account dated February 28, 2013 .....	66-70
D. Blaneys Legal Account dated March 31, 2013 .....	71-75

E.	Blaneys Legal Account dated April 30, 2013 .....	76-80
F.	Blaneys Legal Account dated May 31, 2013 .....	81-83
G.	Blaneys Legal Account dated June 30, 2013 .....	84-86
H.	Blaneys Legal Account dated August 31, 2013 .....	87-90
I.	Blaneys Legal Account dated September 30, 2013 .....	91-94
J.	Blaneys Legal Account dated October 31, 2013 .....	95-96
4.	Affidavit of Christopher Stanek sworn December 9, 2013.....	97-98
A.	Legal Costs Summary .....	99-101
B.	Gowlings Legal Accounts from March 14, 2013 to November 27, 2013.....	102-149
5.	Fourth Report of the Receiver.....	150-161
A.	Amended and Restated Appointment Order dated September 27, 2011 .....	162-177
B.	Order and Endorsement of Justice Morawetz dated February 28, 2013 .....	178-186
C.	Letter dated March 1, 2013 from Blaney McMurtry LLP to Arm's Length Claimants.....	187-191
D.	Letter dated March 1, 2013 from Blaney McMurtry LLP to Remaining Claimants.....	192-197
E.	Attendance list of March 4, 2013 meeting at the Property.....	198-200
F.	Schedule of Life Lease Units Amended as of March 8, 2013 .....	201-203
G.	Draft Representative Counsel Order including draft Opt-Out Letter and draft Receiver's Notice .....	204-214
6.	Fifth Report of the Receiver .....	215-237
A.	Amended and Restated Appointment Order dated September 27, 2011 .....	238-255
B.	Certificate of Amendment dated July 1, 2013 changing the name of Deloitte & Touche Inc. to Deloitte Restructuring Inc.....	256-257
C.	Order and Endorsement of Justice Morawetz dated February 28, 2013 .....	258-266
D.	Fourth Report to Court of the Receiver dated March 11, 2013 (without appendices)	267-278
E.	Endorsement of Justice Morawetz datd March 12, 2013 .....	279

F.	Memorandum of Law prepared by Blaney McMurtry LLP dated April 5, 2013 .....	280-287
G.	Representative Counsel Order and Endorsement of Justice Mesbur dated April 11, 2013 .....	288-305
H.	Order of Justice Mesbur dated April 11, 2013 re funds held by Korean (Toronto) Credit Union Limited .....	306-308
I.	Endorsement and ALUs Settlement Approval Order of Justice Mesbur dated September 10, 2013 .....	309-321
J.	Order of Justice Mesbur dated November 14, 2013.....	322-325
K.	Endorsements and Order (Discharge of Representative Counsel and ILA Appointment) dated November 22, 2013 .....	326-339
L.	Operating statement for the Nursing Home for the period January 1, 2013 to September 30, 2013 .....	340
M.	Receiver's Interim Statement of Receipts and Disbursements for the period September 27, 2011 to September 30, 2013.....	341

# TAB 1

Court File No. CV-11-9399-00CL

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

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**NOTICE OF MOTION**

**DELOITTE RESTRUCTURING INC.** (“**Deloitte**”), in its capacity as court appointed receiver and manager (the “**Receiver**”) of Rose of Sharon (Ontario) Retirement Community (“**Rose**”), will make a motion to a judge presiding over the Commercial List at 10:00 a.m. on December 13, 2013 at 330 University Avenue, Toronto, Ontario.

**THE PROPOSED METHOD OF HEARING:** The motion will be heard orally.

**THE MOTION IS FOR** an Order substantially in the form of the draft attached as Schedule “A” hereto:

1. if necessary, abridging the time for service of the Notice of Motion and Motion Record herein, validating service of the Notice of Motion and Motion Record, and dispensing with further service thereof;
2. approving the Third Report to the Court of the Receiver dated February 19, 2013 (the “**Third Report**”) and the Receiver’s actions and activities as set out in the Third Report;
3. approving the Fourth Report to the Court of the Receiver dated March 11, 2013 (the “**Fourth Report**”) and the Receiver’s actions and activities as set out in the Fourth Report;
4. approving the Fifth Report to the Court of the Receiver dated December 10, 2013 (the “**Fifth Report**”) and the Receiver’s actions and activities as set out in the Fifth Report;
5. approving and accepting the Receiver’s Interim Statement of Receipt and Disbursements for the period from September 27, 2011 to September 30, 2013, as set out in Appendix “M” to the Fifth Report;
6. approving the fees and disbursements of the Receiver for the period from January 1, 2013 to October 31, 2013, the fees and disbursements of Gowling Lafleur Henderson LLP for the period from January 1, 2013 to November 27, 2013, and the fees and disbursements of Blaney McMurtry LLP for the period from January 1, 2013 to October 31, 2013;
7. increasing to \$2,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (defined below); and
8. such further and other relief as counsel may request and this Court may permit.



**THE GROUNDS FOR THE MOTION ARE:**

1. pursuant to an Order (the “**Appointment Order**”) of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 27, 2011 (the “**Appointment Date**”), as amended, Deloitte was appointed as Receiver of all of the current and future assets, undertakings and properties of Rose;
2. the Property is a twelve (12) storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the “**Property**”) consisting of a 60 bed long term care component on floors 4 to 6 (the Nursing Home), and a residential life lease component consisting of 90 apartments (the Life-Lease Units) and related amenities (the “**Life-Lease Residence**”) on the remaining floors (floors 2, 3 and 7 through 12);
3. since its appointment, the Receiver has managed and administered the Property for the benefit of stakeholders, and among other things:
  - (a) caused the Nursing Home to be operated in accordance with applicable law and regulation, through the professional management of Assured Care Consulting Inc. (“**ACC**”), a manager approved by the Ministry of Health and Long-Term Care;
  - (b) caused the Property, apart from the operations of the Nursing Home, to be professionally managed by Sterling Silver Development Corporation through its division, Sterling Karamar Property Management (“**Sterling**”), as approved by this Court;
  - (c) caused a review of the condition of the building to be prepared by an independent expert;

- (d) investigated the nature and extent of the payments made by, and interests of, various parties in the Life-Lease Units, and various realization strategies for the Property;
  - (e) made appropriate inquires and pursued the registration of the Property under the *Condominium Act*; and
  - (f) generally managed and administered the Property in a commercially reasonable fashion in accordance with applicable law;
4. the Receiver's Third Report provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**");
5. in connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient for a particular segment of stakeholders (the Arm's Length Claimants as defined in the Third Report), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative counsel was appointed to act on behalf of the Arm's Length Claimants ("**Representative Counsel**"). Peoples had proposed that should Representative Counsel be appointed on terms acceptable to Peoples, it was agreeable to the Receiver paying the reasonable fees of Representative Counsel from the receivership estate;

6. in its motion materials dated February 22, 2013, the Receiver proposed that Kronis, Rotzstain, Margles, Cappel LLP (“**KRMC**”) be appointed as Representative Counsel for the Arm’s Length Claimants.
7. the motion for the appointment of Representative Counsel was adjourned on consent from February 28, 2013, to March 12, 2013. The adjournment was intended to provide the Arm’s Length Claimants with the opportunity to meet with KRMC concerning KRMC’s potential retainer as Representative Counsel and to address concerns raised with the Receiver concerning the categorization by the Receiver of certain Unit-holders as being, or not being, Arm’s Length Claimants as set out in Appendix “E” to the Third Report;
8. the Receiver’s Fourth Report provided the Court with an update on the Receiver’s activities in respect of its motion for the appointment of Representative Counsel including the re-categorization of certain Unit-holders, requested that the motion to appoint Representative Counsel be put over to a later date and requested an order establishing a protocol and timeline for such an appointment;
9. on March 12, 2013, Justice Morawetz made an Endorsement adjourning the motion to appoint Representative Counsel to April 11, 2013;
10. on April 8, 2013, Peoples served its motion materials (the “**Priority Motion**”) seeking priority over all of the mortgages registered against the Property and over the Life Lease Claimants (as defined in the Priority Motion);
11. on April 11, 2013, the motion for the appointment of Representative Counsel was heard by Justice Mesbur who issued an Order approving the appointment of KRMC as

Representative Counsel (the “**Representative Counsel Order**”) in respect of the Priority Motion, including setting \$150,000.00 (plus disbursements actually incurred and applicable taxes) as the maximum amount of fees for work done as Representative Counsel payable out of the Rose estate, but subject to increase on further Order of this Court. Also on April 11, 2013, Her Honour established the timeframe for the delivery of materials in respect of the hearing of the Priority Motion, which was scheduled to be heard on September 10, 11 and 12, 2013;

12. also on April 11, 2013, Justice Mesbur issued an Order (the “**KCU Order**”) in respect of Rose’s funds held in bank accounts at Korean (Toronto) Credit Union Limited (“**KCU**”);
13. on September 10, 2013, the date scheduled for the hearing of the Priority Motion, Gowlings advised the Court that Peoples had entered into a settlement agreement with the Arm’s Length Unit-holders in respect of the Priority Motion (the “**ALU Settlement**”) and sought the Court’s approval of the ALU Settlement covering twenty-eight of the Property’s Life-Lease Units. The ALU Settlement was not opposed by any party to this proceeding. Justice Mesbur approved the ALU Settlement and issued an Order (the “**ALUs Settlement Approval Order**”) effecting same. The remaining issues concerning the Priority Motion were adjourned to November 14 and 15, 2013;
14. on November 14, 2013, Justice Mesbur issued an Order (the “**Priority Claims Order**”) ordering and declaring that Peoples was entitled to priority over the claims of all persons claiming an interest in 25 of the Property’s Life-Lease Units, except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List);

15. Justice Mesbur also set November 22, 2013 as the date for:
- (i) the hearing of a Receiver's motion to terminate Representative Counsel's current mandate and provide KRMC with a new mandate to provide independent legal advice ("**ILA**") to certain individual unrepresented unit holders who have or will enter into settlements with Peoples regarding their units ("**ILA Unit-holders**");
  - (ii) the scheduling of issues respecting priority in relation to any non-settling director unit holders, non-settling investor unit holders, Unimac and the Mugungwha Units; and
  - (iii) the hearing of the issue on the admissibility of the affidavit of Leon Hui sworn November 11, 2013;
16. On November 22, 2013, Justice Mesbur issued an Order (Discharge of Representative Counsel and ILA Appointment) (the "**ILA Order**") which, among other things:
- (i) amended Representative Counsel's Mandate to remove from the group represented by Representative Counsel those referenced in the preamble to the Representative Counsel Order as "the tenants of other units of the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence";
  - (ii) increased the maximum amount for legal fees to which Representative Counsel shall be allowed to \$275,000.00, plus disbursements and HST;
  - (iii) discharged KRMC as Representative Counsel;
  - (iv) appointed KRMC to provide independent legal advice to ILA Unit-holders with respect to the nature, meaning and effect of any documents to be executed in connection with certain proposed settlements, and the obligations and liabilities of such ILA Unit-holders thereunder (the "**ILA Mandate**");

- (v) established a maximum amount for legal fees for work done by KRMC as part of the ILA Mandate at \$15,000.00, plus disbursements and HST;
17. Justice Mesbur also set December 13, 2013 as the date for the hearing to deal with:
- (i) the Priority Issue with respect to Unimac and any non-settled units;
  - (ii) approval of conditional settlements with settling unit-holders;
  - (iii) allocation of the payment of the fees of Representative Counsel over the initial \$150,000.00 amount (and related disbursements and HST), and the KRMC legal costs associated with the ILA Mandate; and
  - (iv) the passing of accounts for the Receiver, its counsel, Peoples' counsel, and Representative Counsel;
18. Also on November 22, 2013, Justice Mesbur:
- (i) established a timetable for the delivery of any additional facts on the issue of the allocation of compensation of the fees of Representative Counsel and KRMC's fees associated with the ILA Mandate; and
  - (ii) ruled that the affidavit of Leon Hui sworn November 11, 2013 would not be admitted and may not be referred to on December 13, 2013, the return date of the Priority Motion;
19. since the commencement of the receivership, the Receiver has borrowed \$1,500,000.00 from Peoples by way of Receiver's Certificates in order to fund the receivership, substantially to fund the cost of rectification efforts to date and to fund Receiver and legal and other professional fees in connection with the Priority Issue and the various

- Statements of Claim the Receiver has issued. The Receiver's borrowings are the maximum allowed under the Appointment Order;
20. the Receiver has engaged Sedun + Kanerva Architects Inc. ("**Sedun**") to finalize the Draft Plan of Condominium and certify that the easements and reciprocal rights of ways have been correctly identified in the Declaration. The Receiver has also engaged Norman Lee & Associates Inc. ("**NLA**") to provide the certification required by the City that the Property has been completed in accordance with the *Condominium Act*. The Receiver had previously engaged NLA to prepare a Building Audit Report ("**BAR**"), the results of which were reported in the Third Report, and to manage the commissioning of the building's mechanical and HVAC systems;
  21. NLA has advised the Receiver that in order to provide the certification required by the City (that the Property has been completed in accordance with the *Condominium Act*), substantially all of the deficiencies identified in the BAR need to be rectified. NLA has previously estimated the costs of rectifying the deficiencies at \$3.0 million. The Receiver has directed NLA to commence preparing the tender packages for the major areas of repair (waterproofing of the underground garage, replacement of windows and modification of balcony railings), which information will be provided to contractors in order for them to submit bids for the repair work;
  22. as at September 30, 2013, the balance of funds in the Receiver's possession is \$360,923.00. As set out above, the Receiver is in the process of soliciting quotes to rectify various deficiencies in the building, which work will commence early in 2014. In order to fund its rectification efforts, the Receiver will require further funding from

- Peoples. Accordingly, the Receiver is seeking an Order increasing the Receiver's borrowing limit to \$2,500,000.00;
23. the interim statement of receipts and disbursements of the Receiver attached as in Appendix "M" to the Fifth Report is a fair and accurate representation of the funds received and disbursed directly by the Receiver since the appointment of the Receiver up to September 30, 2013;
  24. the fees and disbursements of the Receiver and its counsel are fair and reasonable in the circumstances;
  25. the Receiver has reviewed the KRMC invoices relating to the Representative Counsel Mandate, and finds the work performed and charges to be appropriate and reasonable. The Receiver's position is that for the same reasons the Receiver moved for appointment of Representative Counsel with an initial maximum amount of \$150,000.00 for fees (plus disbursements and applicable taxes), approved of the ALU Settlement, and approved of the increase in the maximum amount for fees to \$275,000.00, Representative Counsel fees in excess of \$150,000.00 (plus disbursements and applicable taxes) should be allocated to the Rose estate;
  26. the *BIA*;
  27. the *CJA*;
  28. Rule 3.02 of the Rules of Civil Procedure; and
  29. such further and other grounds as counsel may advise and this Honourable Court permit.



**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

1. The Third Report to the Court of the Receiver, dated February 19, 2013
2. The Fourth Report to the Court of the Receiver, dated March 11, 2013
3. The Fifth Report to the Court of the Receiver, dated December 6, 2013;
4. the Affidavit of Hartley Bricks sworn December 5, 2013;
5. the Affidavit of Chad Kopach sworn December 10, 2013;
6. the Affidavit of Christopher Stanek sworn December 9, 2013; and
7. such further and other evidence as counsel may advise and this Court permit.

December 10, 2013

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

**Eric Golden (LSUC # 38239M)**

(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte Restructuring Inc., in its capacity as court appointed receiver and manager of Rose of Sharon (Ontario) Retirement Community

**TO:** Receivership Service List (see Schedule "B")

# TAB A

## SCHEDULE "A"

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE	)	FRIDAY, THE 13 <sup>th</sup> DAY
	)	
JUSTICE MESBUR	)	OF DECEMBER, 2013

**B E T W E E N:****PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**O R D E R**

**THIS MOTION** made by **Deloitte Restructuring Inc.**, in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the "**Receiver**") for an Order (i) abridging the time for service of the notice of motion and motion record herein, (ii) approving the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**") and the activities described therein, (iii) approving the Fourth Report of the Receiver dated March 11, 2013 (the "**Fourth Report**") and the activities described therein, (iv) approving the Fifth Report of the Receiver dated December 10, 2013 (the "**Fifth**

**Report**”), (v) approving and accepting the Receiver’s Interim Statements of Receipts and Disbursements for the period from September 27, 2011 to September 30, 2013, (vi) increasing to \$2,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (as defined in the Notice of Motion), and (vii) approving the fees and disbursements for services rendered by the Receiver for the period from January 1, 2013 to October 31, 2013, the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from January 1, 2013 to October 31, 2013, and the fees and disbursements of Gowling Lafleur Henderson LLP (“**Gowlings**”) for the period from January 1, 2013, to November 27, 2013, was heard this day at Toronto.

**ON READING** the Receiver’s Motion Record dated December 10, 2013, the Third Report, the Fourth Report, the Fifth Report, the affidavit of Hartley Bricks sworn December 5, 2013, the affidavit of Chad Kopach sworn December 10, 2013, and the affidavit of Christopher Stanek sworn December 9, 2013, and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant, and counsel for Trisura and Unimac, no one else appearing,

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion returnable December 13, 2013 (the “**NOM**”), and related motion material filed in support of that NOM (the “**Motion Material**”) be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that the Third Report dated February 19, 2013, and the actions of the Receiver and its counsel described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Fourth Report dated March 11, 2013, and the actions of the Receiver and its counsel described therein be and are hereby approved.
  4. **THIS COURT ORDERS** that the Fifth Report dated December 10, 2013, and the actions of the Receiver and its counsel described therein be and are hereby approved.
  5. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from September 27, 2011 to September 30, 2013 as set out at Appendix "M" of the Receiver's Fifth Report, be and is hereby accepted and approved.
  6. **THIS COURT ORDERS** that the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order issued by Justice Campbell on September 27, 2011, be and is hereby increased to \$2,500,000.00.
  7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from January 1, 2013 to October 31, 2013, the fees and disbursements of Blaneys from January 1, 2013 to October 31, 2013, and the fees and disbursements of Gowlings from January 1, 2013 to November 27, 2013 be and are hereby approved.
-

# TAB B

**SCHEDULE "B"****RECEIVERSHIP SERVICE LIST****AND TO: GOWLING LAFLEUR HENDERSON LLP**

Barristers & Solicitors  
 1 First Canadian Place  
 100 King Street West, Suite 1600  
 Toronto, Ontario M5X 1G5

**Clifton Prophet**

Tel: 416-862-3509  
 Fax: 416-863-3609  
 Email: [Clifton.Prophet@Gowlings.com](mailto:Clifton.Prophet@Gowlings.com)

Lawyers for Peoples Trust Company, and Deloitte & Touche Inc. in its capacity as court-appointed receiver of Rose of Sharon (Ontario) Retirement Community

**AND TO: ATTORNEY GENERAL LEGAL SERVICES DIVISION**

Crown Law Office – Civil  
 McMurtry-Scott Building  
 8th Floor  
 720 Bay Street  
 Toronto, ON M7A 2S9

**Attention: Eunice Machado**

Tel: (416) 326-6084  
 Fax: (416) 326-4181  
 Email: [Eunice.Machado@ontario.ca](mailto:Eunice.Machado@ontario.ca)

Lawyers for Ministry of Health and Long-Term Care

**AND TO: BELSITO, BAICHOO & RUSO/BPR LITIGATION LAWYERS**

Barristers and Solicitors  
 1 West Pearce Street, Suite 505  
 Richmond Hill, Ontario L4B 3K3

**Attention: Justin P. Baichoo**

Tel: (416) 512-2529  
 Fax: (866) 395-9140  
 E-mail: [justin@bprlitigation.com](mailto:justin@bprlitigation.com)

Lawyers for Mikal-Calladan Construction Inc. and Unimac Group Ltd.

**AND TO: ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
165 Vaughan Road  
Toronto, Ontario M6C 2L9

**Attention Mr. John Yoon**  
Tel: (416) 998-2777  
Email: [john.yoon@sympatico.ca](mailto:john.yoon@sympatico.ca)

**AND TO: DEPARTMENT OF JUSTICE**  
Exchange Tower  
130 King Street West  
Suite 3400  
P.O. Box 36  
Toronto, Ontario M5X 1K6

**Attention: Diane Winters**  
Tel: (416) 973-3172  
Fax: (416) 973-0810  
Email: [diane.winters@justice.gc.ca](mailto:diane.winters@justice.gc.ca)

**AND TO: MINISTRY OF FINANCE (ONTARIO)**  
Legal Services Branch  
33 King Street West, 6<sup>th</sup> Floor  
Oshawa, Ontario L1H 8H5

**Attention: Kevin O'Hara, Senior Counsel**  
Tel: (905) 433-6934  
Fax: (905) 436-4510  
Email: [kevin.ohara@ontario.ca](mailto:kevin.ohara@ontario.ca)

**AND TO: WILLIAM L. CAMPBELL/TURFPRO INVESTMENTS INC.**  
112 West Street  
Brantford, Ontario N3T 3G1

Tel: (519) 754-1140  
Fax: (519) 754-0950  
Email: [bcampbell320@rogers.com](mailto:bcampbell320@rogers.com)



**AND TO: WATEROUS HOLDEN AMEY HITCHON LLP**

P.O. Box 1510  
20 Wellington Street  
Brantford, Ontario N3T 5V6

**Attention: Clark Holden**

Tel: (519) 759-6220  
Fax: (519) 759-8360  
Email: [law@waterousholden.com](mailto:law@waterousholden.com)

Lawyers for Turfpro Investments Inc.

**AND TO: UNITED FOOD AND COMMERCIAL WORKERS CANADA,  
LOCAL 175**

2200 Argentia Road  
Mississauga, Ontario L5N 2K7

**Attention: Natalie Wiley**

Tel: (905) 821-8329  
Fax: (905) 821-7144  
Email: [natalie.wiley@ufcw175.com](mailto:natalie.wiley@ufcw175.com)

Lawyers for United Food and Commercial Workers Canada, Local 175

**AND TO: LAVERY DE BILLY LLP**

Suite 1810  
360 Albert Street  
Ottawa, Ontario K1R 7X7

**Attention: Paul Lepsoe / Eugene Czolij**

Tel: (613) 594-4936  
Fax: (613) 594-8783  
Email: [PLepsoe@lavery.ca/ECzolij@laverly.ca](mailto:PLepsoe@lavery.ca/ECzolij@laverly.ca)

Lawyers for Canada Mortgage and Housing Corporation

**AND TO: KOREAN (TORONTO) CREDIT UNION**

635 Bloor Street  
Toronto, Ontario M6G 1L1

**Attention: Brian Kim**

Tel: (416) 535-4511  
Fax: (416) 535-9323  
Email: [briankim@koreancu.com](mailto:briankim@koreancu.com)

**AND TO: BORDEN LADNER GERVAIS LLP**

Barristers and Solicitors  
Scotia Plaza, 40 King Street West  
Toronto, Ontario M5H 3Y4

**Attention: Roger Jaipargas / James MacLellan**

Tel: (416) 367-6266 / (416) 367-6592

Fax: (416) 361-7067 / (416) 361-7350

Email: [rjaipargas@blg.com](mailto:rjaipargas@blg.com) / [jmaclellan@blg.com](mailto:jmaclellan@blg.com)

Lawyers for Trisura Guarantee Insurance Company

**AND TO: VACE INVESTMENTS INC.**

101 Frederick Street  
Kitchener, Ontario N2H 6R2

**Attention: Vern Heinrichs**

Email: [vheinrichs@amibsc.com](mailto:vheinrichs@amibsc.com)

**AND TO: KRONIS, ROTSZTAIN, MARGLES, CAPPEL LLP**

Barristers and Solicitors  
8 King Street East  
Suite 1000  
Toronto, ON M5C 1B5

**Attention: Mervyn Abramowitz / Phillip Cho**

Tel: (416) 218-5620 / (416) 218-5494

Fax: (416) 306-9874

Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com) / [pcho@krmc-law.com](mailto:pcho@krmc-law.com)

Lawyers for ILA Unit-holders

**AND TO: SHELDON HUXTABLE PROFESSIONAL CORPORATION**

Barristers & Solicitors  
1801 - 180 Dundas Street  
Toronto, ON M5G 1Z8

**Patricia L. McLean/ Peter M. Daigle**

Tel: (416) 595-5151, ext. 128

Fax: (416) 595-5959

Email: [pmclean@sheldonhuxtable.com](mailto:pmclean@sheldonhuxtable.com)/[pdaigle@sheldonhuxtable.com](mailto:pdaigle@sheldonhuxtable.com)

Lawyers for Assured Care Consulting Inc.

**AND TO: DEVRY SMITH FRANK LLP**

Lawyers & Mediators  
95 Barber Greene Road  
Suite 100  
Toronto, ON M3C 3E9

**Mark R. Mancini**

Tel: (416) 446-5830  
Fax: (416) 449-7071  
Email: [mark.mancini@devrylaw.ca](mailto:mark.mancini@devrylaw.ca)

Lawyers for John Yoon, Moon Yoon, Daniel Yoon and Mugungwha Homes

**AND TO: BRUCE McEACHERN**

Barrister & Solicitor  
31 Prince Arthur Avenue  
Toronto, ON M5R 1B2

Tel: (416) 964-2247, ext. 140  
Fax: (416) 960-5456  
Email: [bgm@ca.inter.net](mailto:bgm@ca.inter.net)

Lawyer for Steven Yu and Lawrence (Myung Kyou) Kim

**AND TO: WHITE, DUNCAN, LINTON LLP**

P.O. Box 457  
45 Erb Street East  
Waterloo, ON N2J 4B5

**Irwin A. Duncan**

Tel: (519) 886-3340  
Fax: (519) 886-8651  
Email: [iad@kwlaw.net](mailto:iad@kwlaw.net)

Lawyers for Vace Investments Inc. and Vern Heinrichs

**AND TO: CHAITONS LLP**

5000 Yonge Street  
10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

Stephen Schwartz  
Tel: (416) 218-1132  
Fax: (416) 222-8402  
Email: [Stephen@chaitons.com](mailto:Stephen@chaitons.com)

Lawyers for York Health Care Developments Inc.

**AND TO: CHANG ADVOCACY PROFESSIONAL CORPORATION**  
Suite 407, 989 Derry Road East  
Mississauga, ON L5T 2J8

Charles Chang  
Tel: (905) 670-8868  
Fax: (905) 670-8871  
Email: [cchang@changadvocacy.com](mailto:cchang@changadvocacy.com)

Lawyer for the former Directors/Directors Group

**AND TO: MATTHEW R. HARRIS**  
Barrister & Solicitor  
100 Sheppard Avenue West  
Suite 103  
Toronto, ON M2N 1M6

Tel: (416) 733-8778  
Fax: (416) 733-8778  
Email: [m.harris@matthewrharrislawyer.com](mailto:m.harris@matthewrharrislawyer.com)

Lawyer for John Yoon and SDM Design Consulting Inc.

**AND TO: ROY O'CONNOR LLP**  
200 Front Street West, 23<sup>rd</sup> Floor  
P.O. Box #45  
Toronto, ON M5V 3K2

Sean M. Grayson  
Tel: (416) 362-1989  
Fax: (416) 362-6204  
E-mail: [smg@royoconnor.ca](mailto:smg@royoconnor.ca)

Lawyers for Richard Yoon

## TAB 2

Court File No. CV-11-9399-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

---

AFFIDAVIT OF HARTLEY M. BRICKS  
(Sworn December 5, 2013)

---

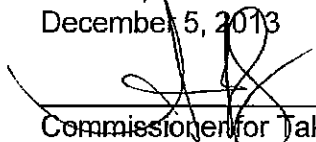
I, **Hartley M. Bricks** of the City of Toronto, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. I am a Vice-President of Deloitte Restructuring Inc., the court appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**"). As such, I have personal knowledge of the matters to which I hereinafter refer.
2. Attached hereto as **Exhibit "A"** is a summary of the accounts issued by the Receiver of Rose for services rendered during the period January 1, 2013 to October 31, 2013 (the "**Period**").
3. Attached hereto as **Exhibit "B"** are true copies of the accounts of the Receiver with respect to Rose for the Period, including a detailed description of the activities, number of hours worked, applicable hourly rates, and totals. The Receiver's average hourly rate charged over the Period is approximately \$435. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Period.

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

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

SWORN before me at the City of Toronto, in the Province of Ontario, on December 5, 2013

  
Commissioner for Taking Affidavits

Anna Koroncos, a Commissioner, etc.,  
Province of Ontario  
for Deloitte Restructuring Inc.,  
Trustee in Bankruptcy,  
Expires July 10, 2016.

)  
)  
)  
)  
  
\_\_\_\_\_  
HARTLEY M. BRICKS

# TAB A



This is Exhibit "A" referred to  
 in the Affidavit of Hartley Bricks  
 sworn before me this 5<sup>th</sup> day of  
December 2013  
 A Commissioner, etc.

## Exhibit "A"

**Summary of Invoices Issued by the Receiver for  
 Rose of Sharon (Ontario) Retirement Community**

Anna Koroneos, a Commissioner, etc.,  
 Province of Ontario  
 for Deloitte Restructuring Inc.,  
 Trustee in Bankruptcy,  
 Expires July 10, 2016.

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Amount of Invoice (including HST)</u>
14-Mar-13	January 1, 2013 to January 31, 2013	87,911.74
12-Apr-13	February 1, 2013 to February 28, 2013	63,107.68
6-May-13	March 1, 2013 to March 31, 2013	70,024.41
20-Jun-13	April 1, 2013 to April 30, 2013	43,902.76
10-Jul-13	May 1, 2013 to June 30, 2013	19,957.50
14-Aug-13	July 1, 2013 to July 31, 2013	12,277.45
19-Sep-13	August 1, 2013 to August 31, 2013	16,753.95
8-Oct-13	September 1, 2013 to September 30, 2013	42,323.02
4-Nov-13	October 1, 2013 to October 31, 2013	<u>13,193.88</u>
		<u>\$ 369,452.39</u>

# TAB B

# Deloitte.

This is Exhibit "B" referred to  
in the Affidavit of Hartley Backs  
Sworn before me this 5<sup>th</sup> day of  
December 2013

A. Commissioner, etc.,

Deloitte & Touche Inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada  
Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: March 14, 2013  
Invoice No: 3264351  
Client/Mandate No: 902388.1000002  
Partner: Daniel R. Weisz

HST Registration No: 133245290

## Invoice #17

For professional services rendered for the period January 1, 2013 to January 31, 2013 in connection with the appointment of Deloitte & Touche Inc. as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
1/2/2013	Weisz, Daniel	Discussion with E. Golden of Blaney McMurtry LLP ("Blaneys") regarding report to Court; review Backflow Prevention Device Test Overdue Notice and email to P. Crisolago of Sterling Karamar in respect of same; discussion with D. Nishimura regarding postings to website.
1/3/2013	Weisz, Daniel	Review comments from E. Golden on the Third Report to Court ("Third Report"); continue updating report; review and execute disbursements.
1/4/2013	Weisz, Daniel	Work on report; review files regarding pre-receivership payments; review correspondence from Canada Revenue Agency regarding deemed trust; review water bill notice received from the City of Toronto; exchange emails with M. Mallich of Peoples Trust Company on same; discussion with H. Weber on the water bills and review of transactions; forward draft report to E. Golden.
1/7/2013	Weisz, Daniel	Review and execute disbursements; exchange emails with Vern Heinrichs; email to E. Golden regarding the Third Report.
1/8/2013	Weisz, Daniel	Telephone discussion with E. Golden; update the Third Report and send to E. Golden; review and execute disbursements; review email from C. Stanek of Gowling Lafleur Henderson LLP ("Gowlings").
1/8/2013	Weber, Haley	Update the Receiver's interim statement of receipts and disbursements to December 31, 2012 ("R&D").
1/9/2013	Weisz, Daniel	Review draft notice of motion and forward suggested amendments thereto to E. Golden; attend at Blaneys to meet with E. Golden to review draft report and draft notice of motion; Discussion with H. Weber on the R&D; review draft letter prepared by C. Stanek to counsel for Trisura and Milca Calladan.

Invoice #17  
 Rose of Sharon - Receivership  
 March 14, 2013  
 Page 2

Date	Professional	Description
1/9/2013	Weber, Haley	Continue update of the R&D.
1/10/2013	Weisz, Daniel	Review draft Statement of Defence and Counterclaim in the construction lien action and discussion with C. Stanek on same; discussion with C. Prophet on construction lien claim.
1/14/2013	Weisz, Daniel	Discussion with H. Bricks on status; review updated Statement of Defence in construction lien action, discussion with H. Bricks on same and conference call with C. Stanek and H. Bricks.
1/14/2013	Bricks, Hartley	Review of draft Statement of Defence in the construction lien claim and provide comments to C. Stanek; conference call with D. Weisz and C. Stanek regarding Statement of Defence; review of various documents; provide management reports to Peoples.
1/15/2013	Bricks, Hartley	Discussion with Mr. Gawalko, regarding life lease monthly payments; review and prepare comments on the notice of motion and discuss same with D. Weisz; correspondence with E. Golden regarding the notice of motion.
1/15/2013	Weisz, Daniel	Discussion with H. Bricks regarding report and notice of motion.
1/16/2013	Bricks, Hartley	Review and revise notice of motion; review December 2012 property management report for the life lease residence.
1/17/2013	Weisz, Daniel	Review amended notice of motion and send correspondence to C. Prophet of Gowlings regarding same; review updated schedule of the life lease residence unit holders and discussion with H. Bricks on status; review statement of defence filed by Trisura and discussion with H. Bricks and then C. Stanek on same.
1/17/2013	Bricks, Hartley	Review and revise the Third Report and discussion with D. Weisz regarding same.
1/17/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report.
1/18/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report.
1/18/2013	Weisz, Daniel	Review documents, discussion with H. Bricks on schedule of Unit-holders and notice of motion; review correspondence from C. Paulikot of Gowlings regarding the notice of motion; review updated Third Report and discussion with H. Bricks on same; telephone discussion with C. Prophet.
1/18/2013	Bricks, Hartley	Review and revise notice of motion and the Third Report and discussion with D. Weisz regarding same; review of January 2013 Ministry of Health and Long-Term Care ("MOH") Payment Notice and correspondence with S. Sirju of Assured Care Consulting regarding recoveries being taken by the MOH.
1/20/2013	Weisz, Daniel	Review and update notice of motion and report, emails to H. Bricks and E. Golden.
1/21/2013	Weisz, Daniel	Discussion with H. Bricks on status; review email to E. Golden and attachments.
1/21/2013	Bricks, Hartley	Revisions to notice of motion and court report; review of comments from D. Weisz; discussion with E. Golden regarding notice of motion and forward comments to him.

Invoice #17  
 Rose of Sharon - Receivership  
 March 14, 2013  
 Page 3

Date	Professional	Description
1/21/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
1/22/2013	Weisz, Daniel	Prepare for and attend a conference call with H. Bricks and E. Golden regarding the Third Report and notice of motion.
1/22/2013	Bricks, Hartley	Attend conference call with E. Golden and D. Weisz regarding the notice of motion; discussion with H. Weber regarding the R&D and review of same.
1/22/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
1/23/2013	Weisz, Daniel	Discussion with C. Prophet on the status of the Third Report; review Statement of Defence filed by Mikal Calladan; discussion with H. Bricks on revising schedule of units based on schedule located.
1/23/2013	Bricks, Hartley	Revisions to motion materials; review of life lease materials with A. Emmons; review of professional fees and cash flow forecasts; telephone messages with L. Doraty of Canada Mortgage and Housing Corporation ("CMHC") regarding timing.
1/23/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
1/24/2013	Weisz, Daniel	Review documents, discussion with C. Stanek on Statement of Defence filed by Mikal Calladan; discussion with R. Brown on nursing home funding cheque; discussion with H. Bricks on his discussion with E. Golden regarding the Third Report.
1/24/2013	Bricks, Hartley	Revisions to life lease schedules; review Statement of Defence filed by Mikal Calladan and discuss same with D. Weisz; review correspondence from K. Soma of Sterling Karamar regarding cash flow funding and arrange for same.
1/24/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
1/24/2013	Brown, Rose	Trust Banking Administration - recording deposit and EFT fundings, discussion with D. Weisz and prepare transfer to Assured Care and between accounts.
1/25/2013	Weisz, Daniel	Discussion with E. Golden regarding return date of motion and H. Bricks on same.
1/25/2013	Bricks, Hartley	Review and make changes to the notice of motion; review of life lease schedules prepared by A. Emmons; respond to email from Y. Boswell of CMHC regarding the status of the Receiver's Third Report and the timing for its motion to Court.
1/25/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule and discuss same with H. Bricks; review notice of motion concerning life lease units.
1/28/2013	Weisz, Daniel	Review updated notice of motion; review updated schedule of life lease units; meet with A. Emmons and H. Bricks on same.
1/28/2013	Bricks, Hartley	Review and revise Third Report; correspondence with CMHC regarding status and correspondence with E. Golden regarding same.
1/28/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.

Invoice #17  
 Rose of Sharon - Receivership  
 March 14, 2013  
 Page 4

Date	Professional	Description
1/29/2013	Weisz, Daniel	Conference call with H. Bricks and E. Golden regarding the Third Report; review further updates to the Third Report and meet with H. Bricks on same; telephone discussion with E. Golden.
1/29/2013	Bricks, Hartley	Review and revise the Third Report and discussion with D. Weisz and E. Golden regarding same.
1/29/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
1/30/2013	Weisz, Daniel	Discussion with H. Bricks on status; review updated life lease schedule and discussion with A. Emmons on same; review updated report and make further changes; attendance upon emails regarding representative counsel.
1/30/2013	Bricks, Hartley	Review and revise the Third Report; various discussions with E. Golden regarding the report and discussion with D. Weisz regarding status.
1/30/2013	Emmons, Amanda	Revisions to the life lease summary schedule; review the Third Report regarding life lease unit sections and provide comments to H. Bricks.
1/31/2013	Weisz, Daniel	Review changes to the Third Report; discussion with A. Emmons regarding the report; telephone discussion with E. Golden regarding the Third Report; telephone discussion with Vern Heinrichs; telephone discussion with E. Golden regarding his comments on the Third Report; review letter from White, Duncan, Linton, LLP, counsel to Vern and Victor Heinrichs and email to counsel regarding same; discussion with C. Prophet on the notice of motion; review the R&D.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #17  
 Rose of Sharon - Receivership  
 March 14, 2013  
 Page 5

**Summary of Fees**

<b>Professional</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Fee</b>
Weisz, Daniel R.	Senior Vice President	41.5	\$ 575.00	\$ 23,862.50
Bricks, Hartley	Vice President	61.1	480.00	\$ 29,328.00
Emmons, Amanda	Senior Associate	83.9	275.00	\$ 23,072.50
Weber, Haley	Senior Associate	5.0	275.00	\$ 1,375.00
Brown, Rose	Trust Administration	1.6	100.00	\$ 160.00
<b>Total hours and professional fees</b>		<b>193.1</b>		<b>77,798.00</b>
<b>HST @ 13%</b>				<b>10,113.74</b>
<b>Total payable</b>				<b>\$ 87,911.74</b>

Payable upon receipt to: Deloitte & Touche Inc.



Daniel R. Weisz, CA-CIRP, CIRP  
 Senior Vice President

# Deloitte.

Deloitte & Touche Inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: April 12, 2013  
Invoice No: 3287577  
Client/Mandate No: 902388.1000002  
Partner: Daniel R. Weisz

HST Registration No: 133245290

## Invoice #18

For professional services rendered for the period February 1, 2013 to February 28, 2013 in connection with the appointment of Deloitte & Touche Inc. as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
2/1/2013	Weisz, Daniel	Review amended notice of motion and discussion with E. Golden of Blaney McMurtry LLP ("Blaneys") regarding same, review subsequent versions and email to E. Golden; discussion with M. Abramowitz and P. Cho of Kronis, Rotsztein, Margles, Cappel LLP ("KRMC") regarding possible engagement as representative counsel; discussion with E. Golden regarding timing of service of notice of motion, Peoples Trust Company's ("Peoples") position on various issues.
2/4/2013	Weisz, Daniel	Discussion with H. Bricks on status; review email from E. Golden to counsel for Canada Mortgage and Housing Corporation ("CMHC"); review mortgage priority chart prepared by Blaneys, email to E. Golden regarding same; discussion with E. Golden regarding timing of service of report; review updated notice of motion and discussion with H. Bricks on same; discussion with M. Abramowitz regarding representative counsel matter.
2/4/2013	Bricks, Hartley	Discussion with D. Weisz on status of motion materials; prepare revisions to the Third Report to the Court (the "Third Report"); review notice of motion and mortgage priority schedule prepared by E. Golden; discussion with D. Weisz and E. Golden regarding finalization of report and timing for motion.
2/4/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
2/4/2013	Brown, Rose	Trust Banking Administration - checking account online and input various deposits.
2/5/2013	Weisz, Daniel	Discussion with H. Bricks on status and the Third Report; review of correspondence regarding Trisura Guarantee Insurance Company ("Trisura") cost award payment and attend to deposit of cheque; review changes to report; review of offer to settle from Trisura and discussion with H. Bricks on same, email to C. Stanek of Gowling Lafleur Henderson LLP ("Gowlings") on same.



Invoice #18  
 Rose of Sharon - Receivership  
 April 12, 2013  
 Page 2

Date	Professional	Description
2/5/2013	Bricks, Hartley	Attend to revisions to the Third Report and discussion with E. Golden regarding same; discussion with A. Emmons regarding life lease units; discussion with D. Weisz regarding court report; review and execute disbursements; email to E. Golden regarding life lease documents.
2/5/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule; discuss life lease documents with H. Bricks.
2/5/2013	Brown, Rose	Trust Banking Administration - Deposit.
2/6/2013	Weisz, Daniel	Review further revised amendments to the Third Report and discuss same with H. Bricks.
2/6/2013	Bricks, Hartley	Review E. Golden's comments on the Third Report; discussion with R. Berg of Assured Care Consulting Inc. regarding nursing home matters; correspondence with Marsh Canada Inc. regarding obtaining a Certificate of Insurance for the Toronto Central LHN.
2/6/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
2/7/2013	Weisz, Daniel	Discussion with C. Prophet on condominium conversion; discussion with H. Bricks on report status.
2/7/2013	Bricks, Hartley	Revisions to the Third Report; discussion with E. Golden regarding his comments on the report.
2/7/2013	Emmons, Amanda	Prepare and organize information on each life lease unit for the Third Report and update life lease summary schedule.
2/8/2013	Weisz, Daniel	Review the Third Report; finalize and swear affidavit of fees.
2/8/2013	Bricks, Hartley	Discussion with E. Golden regarding comments on the Third Report; review draft Notice of Motion and provide comments to E. Golden.
2/11/2013	Bricks, Hartley	Finalize report and provide to E. Golden; review and execute disbursements; correspondence with R. Berg regarding disbursements.
2/12/2013	Bricks, Hartley	Meeting with E. Golden regarding finalizing motion materials; conference call with KRMC regarding details on proposed representative counsel role.
2/13/2013	Bricks, Hartley	Review of files regarding information required for affidavit of documents in performance bond claim.
2/13/2013	Bricks, Hartley	Review of notice of motion and provide blackline comments to E. Golden.
2/14/2013	Bricks, Hartley	Meeting with C. Stanek to discuss documentation required for performance bond claim; review of files regarding same.
2/15/2013	Bricks, Hartley	Review of files regarding building plans; review of files for affidavit of documents; attend meeting at Gowlings with C. Paulikot, C. Prophet and D. Tang to discuss status of condominium conversion; various correspondence to N. Lee regarding building drawings and request to meet to review building matters; review and respond to correspondence from W. Campbell regarding the status of the Receiver's motion.
2/19/2013	Weisz, Daniel	Discussion with H. Bricks on status of the Third Report and other matters; review changes to draft Notice of Motion; prepare for and attend meeting at Gowlings with C. Prophet, E. Golden, C. Paulikot, and H. Bricks to discuss status of condominium conversion; review email from V. Heinrichs and reply to same; prepare for and attend conference call

Invoice #18  
 Rose of Sharon - Receivership  
 April 12, 2013  
 Page 3

Date	Professional	Description
		with N. Lee, H. Bricks, C. Paulikot and D. Tang regarding documents required for condominium conversion, subsequent conference call with C. Paulikot, D. Tang, H. Bricks to discuss.
2/19/2013	Bricks, Hartley	Meeting at Gowlings with C. Prophet, D. Tang, C. Paulikot, E. Golden, D. Weisz and to discuss condominium conversion issues and changes to the Notice of Motion and the Third Report; revise the Third Report and forward final version to E. Golden; various discussions with E. Golden.
2/20/2013	Weisz, Daniel	Review email from P. Lee of Rose of Sharon Life Lease Residents Korean Council and discuss same with H. Bricks; discussion with H. Bricks regarding report status; review Statement of Defence from Unimac; review defence of third party claim from NCK Engineering.
2/20/2013	Bricks, Hartley	Attend upon revisions to the Third Report; prepare response to life lease tenant; review correspondence from counsel to Vern & Victor Heinrichs and discuss same with D. Weisz; correspondence with P. Crisolago of Sterling Karamar regarding property matters.
2/21/2013	Weisz, Daniel	Prepare for and attend conference call with H. Bricks, L. Sedun of Sedun + Kanerva Architects Inc. regarding Mr. Sedun's attendance at the property on Monday; telephone call with M. Abramowitz regarding representative counsel matter; telephone call with C. Prophet regarding letter from counsel to V. Heinrichs and condominium conversion; review draft letter to arm's length unit holders and discuss same with H. Bricks.
2/21/2013	Bricks, Hartley	Review and provide comments on letters to unit-holders; review of files regarding construction related documents.
2/22/2013	Bricks, Hartley	Review of correspondence regarding service of the Notice of Motion; discussion with E. Golden regarding service matters.
2/25/2013	Weisz, Daniel	Review and exchange emails with E. Golden; information to D. Nishimura regarding website posting; discussion with J. Kim regarding letter translation; email to C. Prophet regarding status of reply to counsel to V. Heinrichs regarding request received; Discussion with C. Prophet regarding representative counsel, report; telephone call with C. Prophet regarding upcoming court attendance; review email from E. Golden regarding same, conference call with M. Mallich and H. Bricks to discuss the Third Report and matters relating thereto; review email from P. Lee and update reply; review email from B. Mosey and H. Bricks on same; telephone call with M. Abramowitz; review draft order and email to E. Golden regarding same.
2/25/2013	Bricks, Hartley	Attendance at Rose of Sharon to meet with D. Tang of Gowlings and Mr. Sedun to tour premises and discuss work to be done; arrange for posting of motion record and Receiver's report; review of files regarding construction drawings; prepare response to P. Lee; review and respond to correspondence from B. Mosey.
2/25/2013	Brown, Rose	Estate Banking Administration - Input various deposit/service charges to account and prepare disbursement transfer to Assured Care.
2/26/2013	Weisz, Daniel	Review M. Abramowitz email and C. Prophet on same; review draft rider to proposed court order, review email from M. Mancini and H. Bricks on same; review Gowlings draft response to letter from White, Duncau, Linton LLP; discussions with M. Abramowitz, C. Prophet, and E. Golden regarding the appointment of representative counsel; review updated draft

Invoice #18  
 Rose of Sharon - Receivership  
 April 12, 2013  
 Page 4

Date	Professional	Description
		court order; review proposed addition to the order regarding the appointment of representative counsel; exchange emails with E. Golden on same; review further emails regarding draft court order with respect to representative counsel; review email regarding request for extension of the Receiver's application.
2/26/2013	Bricks, Hartley	Review email from M. Abramowitz; review of further correspondence from B. Mosey and update life lease records in respect of same; review of files regarding construction plans; discussion with E. Golden regarding representative counsel and upcoming motion; telephone discussion with M. Chun regarding upcoming motion and representative counsel; correspondence with N. Lee regarding the status of the property.
2/27/2013	Weisz, Daniel	Email to E. Golden regarding court order vis-a-vis Korean (Toronto) Credit Union; telephone call with V. Heinrichs regarding court application; telephone call with M. Chun with respect to the receivership, representative counsel, etc.; telephone call with C. Prophet regarding form of court order to be sought; review email regarding same; discussion with H. Bricks on various matters; email documents to C. Stanek regarding construction litigation; telephone call regarding translation of letter into Korean; telephone call with M. Abramowitz regarding court attendance; prepare for court.
2/27/2013	Bricks, Hartley	Prepare for court motion; various discussions with D. Weisz regarding outstanding matters; prepare schedule of funding requirements for next six months; discussion with E. Golden regarding motion and various correspondence received from counsel.
2/28/2013	Weisz, Daniel	Review email from V. Heinrichs; review exchanges of emails between Blaneys and Justin Baichoo, and between Blaneys and BLG regarding today's court appearance; prepare for and attend in court regarding Receiver's motion; review court order and judge's endorsement; review documents received.
2/28/2013	Bricks, Hartley	Attendance in Court regarding motion on priority matter; various discussions with E. Golden, C. Prophet, D. Weisz, M. Abramowitz, P. Cho and various life lease tenants; review of correspondence from R. Berg regarding operational matters; review of endorsement and order and arrange for posting on the Receiver's website.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #18  
Rose of Sharon - Receivership  
April 12, 2013  
Page 5

## Summary of Fees

Professional	Position	Hours	Rate	Fee
Weisz, Daniel R.	Senior Vice President	29.5	\$ 575.00	\$ 16,962.50
Bricks, Hartley	Vice President	66.0	480.00	\$ 31,680.00
Emmons, Amanda	Senior Associate	25.4	275.00	\$ 6,985.00
Brown, Rose	Trust Administration	<u>2.2</u>	100.00	<u>\$ 220.00</u>
<b>Total hours and professional fees</b>		<b>123.1</b>		<b>\$ 55,847.50</b>
HST @ 13%				7,260.18
<b>Total payable</b>				<b>\$ 63,107.68</b>

Payable upon receipt to: Deloitte & Touche Inc.



Daniel R. Weisz, CA•CIRP, CIRP  
Senior Vice President

# Deloitte.

Deloitte & Touche Inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: May 6, 2013  
Invoice No: 3315244  
Client/Mandate No: 902388.1000002  
Partner: Daniel R. Weisz

HST Registration No: 133245290

## Invoice #19

For professional services rendered for the period March 1, 2013 to March 31, 2013 in connection with the appointment of Deloitte & Touche Inc. as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
3/1/2013	Weisz, Daniel	Email to E. Golden of Blaney McMurtry LLP ("Blanays") regarding a proposed meeting; discussion with H. Bricks on next report and upcoming meeting; prepare agenda for meeting; review and update draft letter to arm's length claimants including discussions with E. Golden and H. Bricks on same; discussion with J. Kim regarding meeting on Monday evening; meet with A. Emmons with respect to schedule required regarding attendees at meeting and service list regarding claimants; review, update and finalize email in response to Vern Heinrichs; finalize arrangements for meeting on Monday with Blanays and Kronis, Rotsztain, Margles, Cappel LLP ("KRMC").
3/1/2013	Bricks, Hartley	Review and prepare response to correspondence from Vern Heinrichs; prepare correspondence to M. Mallich of Peoples Trust Company ("Peoples") regarding results of court hearing, order issued and the Receiver's requiring funding; review correspondence from M. Mallich regarding funding; review and comment on letter to life lease residents and various discussions with D. Weisz and E. Golden regarding same.
3/1/2013	Brown, Rose	Website update - adding two documents.
3/4/2013	Weisz, Daniel	Review letter from Marsh Canada Limited ("Marsh") regarding work required at the building and discuss same with H. Bricks; meet with A. Emmons regarding schedules prepared; prepare for and attend meeting at KRMC with E. Golden, M. Abramowitz, P. Cho and H Bricks to discuss representative counsel issues in preparation for meeting with life lease residents; discussion with H. Bricks regarding meeting and conference call with E. Golden and H. Bricks on same; e-mail to M. Mallich

Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 2

Date	Professional	Description
		regarding receipt of courier from Peoples; update meeting agenda and discussion with E. Golden on same; attend meeting at Rose of Sharon with the Arm's Length Claimants.
3/4/2013	Bricks, Hartley	Review letter from Marsh and discuss same with D. Weisz, correspondence to Sterling Karamar regarding obtaining quotes for mold remediation; prepare for and attend meeting at KRMC to discuss agenda for meeting with Arm's Length Claimants; review and respond to an email from an Arm's Length Claimant; revise schedules for service list; attend meeting at Rose of Sharon with Arm's Length Claimants.
3/4/2013	Brown, Rose	Trust Banking Administration - deposit.
3/4/2013	Emmons, Amanda	Attend Arm's Length Claimants meeting at Rose of Sharon.
3/4/2013	Kim, Jessica	Attend meeting at Rose of Sharon to translate proceedings.
3/5/2013	Weisz, Daniel	Discussion with M. Abramowitz regarding a follow up to yesterday's meeting; prepare for and attend meeting at Gowling Lafleur Henderson LLP ("Gowlings") with N. Lee, D. Tang and H. Bricks with respect to work required regarding condominium conversion.
3/5/2013	Bricks, Hartley	Attend meeting with D. Tang, N. Lee and D. Weisz regarding building condition and condominium conversion; prepare Fourth Report to the Court; review of correspondence from C. Stanek of Gowlings regarding the construction litigation.
3/5/2013	Emmons, Amanda	Update attendance sheets; review notes from meeting.
3/6/2013	Weisz, Daniel	Meet with A. Emmons regarding schedule of life lease unit holders; prepare for and attend meeting at KRMC with E. Golden, H. Bricks, M. Abramowitz and P. Cho; subsequent email to C. Prophet to set up conference call; discussion with H. Bricks regarding classification of life lease unit holders; telephone discussions with a life lease unit holder who advised of their agreement to have KRMC represent them, and emails to them to confirm same; discussion with H. Bricks on Rose of Sharon directors following review of minutes of directors meetings; conference call with H. Bricks and E. Golden; subsequent conference call with C. Prophet, E. Golden and H. Bricks.
3/6/2013	Bricks, Hartley	Attend meeting with M. Abramowitz, P. Cho, E. Golden and D. Weisz regarding representative counsel matters; prepare Fourth Report to the Court; telephone discussion with Kaylee Handler, counsel for a life lease unit holder regarding the status of the receivership; review of files regarding board of director minutes and discussion with D. Weisz regarding classification of directors; prepare schedule of board members at various points in time; conference call with E. Golden and C. Prophet regarding status; correspondence with J. Yoon regarding Rose of Sharon directors; revise life lease schedule.
3/6/2013	Brown, Rose	Trust Banking administration - disbursement cheques.
3/7/2013	Weisz, Daniel	Review and update Fourth Report to Court; review draft letter to arm's length claimants and remaining claimants; discussion with H. Bricks on various matters; review draft order regarding appointment of representative counsel, opt-out letter relating to same; review letter from a life lease unit holder and draft letter to Peoples relating to same; review

Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 3

Date	Professional	Description
		email from L Hui.
3/7/2013	Bricks, Hartley	Draft Fourth Report to the Court; discussion with D. Weisz re status of various matters; review and provide comments on draft representative counsel order, receiver notice, opt-out letter and letter to arm's length claimants; prepare schedule to representative counsel order; various discussions with E. Golden regarding representative counsel order and process.
3/8/2013	Weisz, Daniel	Update letter to life lease unit holder; review various documents; meet with H. Bricks, conference call with E. Golden, H. Bricks; attend conference call with M. Mallich and C. Prophet regarding status of condominium conversion and priority issue; review other counsel comments on draft documents and email to E. Golden regarding same.
3/8/2013	Bricks, Hartley	Revisions to report and materials; discussion with E. Golden regarding report; discussion with K. Mahar of Thornton Grout Finnigan LLP ("TGF") regarding status of the receivership; review representative counsel motion materials and discuss same with D. Weisz; review and respond to correspondence from a life lease unit holder.
3/11/2013	Weisz, Daniel	Review various emails from E. Golden regarding classification of life lease unit holders, review various documents regarding same and discussion with H. Bricks on same; review various drafts of report to court; review revised schedule of unit holders; review updated representative counsel order, notice of receiver and opt-out letter; review email from L. Hui and respond; review and respond to correspondence from P. Lee.
3/11/2013	Bricks, Hartley	Revisions to Fourth Report and various discussions and correspondence with D. Weisz and E. Golden regarding same; review of draft order, receiver's notice and opt-out letter and provide comments to E. Golden; review and respond to correspondence from B. Campbell; various correspondence regarding representative counsel motion.
3/12/2013	Weisz, Daniel	Prepare for and attend in Court regarding Receiver's application for appointment of representative counsel; meet with H. Bricks to discuss outstanding matters; email to N. Lee regarding status of proposal to be submitted; email to C. Stanek regarding availability for conference call further to his email of today.
3/12/2013	Bricks, Hartley	Prepare for and attend in court regarding motion for appointment of representative counsel; various discussions with E. Golden regarding status; review of correspondence from C. Stanek re discovery plan in the construction litigation and discuss same with D. Weisz; review of repair quotes received from Sterling Karamat.
3/13/2013	Weisz, Daniel	Meet with H. Bricks on various matters; prepare for and attend conference call with C. Stanek, C. Prophet and H. Bricks to discuss the construction litigation; review H. Weber email regarding the City of Toronto water bill.
3/13/2013	Bricks, Hartley	Correspondence with Marsh regarding status of rectifications at the property; discussion with Altus Group regarding possible update of appraisal; respond to correspondence from B. Campbell; review and

Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 4

Date	Professional	Description
		respond to various correspondence from E. Golden regarding the representative counsel matter.
3/13/2013	Brown, Rose	Estate Banking Administration - sent ACC details of wire sent in January and February 2013.
3/14/2013	Weisz, Daniel	Review endorsement of Justice Morawetz; review draft letter to unit holders and provide comments to E. Golden; review request from S. Schwartz of Chaitons LLP and reply to same; review CRA Pensionable and Insurable Earnings Review for 2012; review summary of activities regarding January and update; review correspondence with S. Schwartz and H. Bricks on same; review emails; email to D. Tang to enquire regarding status of extension from City of Toronto regarding condominium conversion; review quotation regarding intercom, H. Bricks on same; draft reply to email from L Hui.
3/14/2013	Bricks, Hartley	Various discussions with E. Golden regarding representative counsel matter and other receivership matters; review of draft representative counsel order; review of correspondence from counsel to York Health Care, review of files and prepare response.
3/14/2013	Emmons, Amanda	Research for phone numbers of unit holders with returned motion records and calling/emailing those unit holders; compiling documents and table of contents in regards to the construction litigation.
3/15/2013	Weisz, Daniel	Review amended draft court order regarding appointment of representative counsel, email to E. Golden providing comments, review email from P. Lee to E. Golden; conference call with H. Bricks and E. Golden; review correspondence from White Duncan Linton regarding its request, email to C. Prophet on same and conference call with C. Prophet and H. Bricks regarding same.
3/15/2013	Bricks, Hartley	Review of correspondence from E. Golden regarding a life lease unit holder, review of files and respond to same; review of draft consent order and discussion with C. Prophet regarding same; discussion with D. Weisz and C. Prophet regarding White Duncan Linton correspondence.
3/15/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/18/2013	Weisz, Daniel	Review emails; telephone discussion with C. Prophet; telephone discussion with N. Lee regarding information required and email to C. Stanek on same; discussion with C. Stanek regarding water arrears, exchange various emails; review email from J. Yoon regarding Mugungwha Homes' request to be a non arms-length party to be represented by representative counsel.
3/18/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/19/2013	Brown, Rose	Estate Banking Administration - disbursement cheques.
3/19/2013	Weisz, Daniel	Review email from a life lease unit holder, discussion with A. Emmons on same and send message to E. Golden regarding same; discussion with C. Prophet regarding email received by the Receiver.
3/19/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.



Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 5

Date	Professional	Description
3/20/2013	Bricks, Hartley	Review of the property manager's cash requirements; review of correspondence from E. Golden regarding life lease purchasers; discussion with B. Langlois of AEC Property Tax Solutions ("AEC") regarding a potential appeal of property taxes for the property; correspondence with N. Lee regarding proposal to repair a leak in the mechanical penthouse.
3/20/2013	Weisz, Daniel	Review correspondence; review email from J. Kim; meet with H. Bricks regarding possible property tax appeal.
3/20/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/21/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/22/2013	Weisz, Daniel	Respond to e-mail from L. Hui; review amount to be transferred to Assured Care Consulting Inc. ("ACC") and discussion with R. Brown on same
3/22/2013	Bricks, Hartley	Review and revise property tax appeal agreement with AEC.
3/22/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/22/2013	Brown, Rose	Print online report to confirm funds received from Ministry; prepare transfer to ACC and between accounts.
3/25/2013	Weisz, Daniel	Review proposal received from N. Lee, email to N. Lee regarding same; telephone discussion with N. Lee and H. Bricks on same; review correspondence regarding renewal of the L-SAA agreement with the Central Toronto LHIN; review status of appraisal update; email to M. Mallich to update status of condominium conversion; review correspondence from AEC regarding property tax appeal engagement, email to C. Prophet on same; review Gowlings account.
3/25/2013	Bricks, Hartley	Discussion with D. Weisz regarding status; review of correspondence from R. Berg of ACC regarding the L-SAA renewal; review of correspondence from C. Stanek regarding the construction litigation; review of appraisal proposal received from Altus Group.
3/25/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/26/2013	Weisz, Daniel	Conference call with C. Prophet and C. Sklar of Gowlings regarding the status of various matters; email to E. Golden regarding the recovery of funds of Rose of Sharon at Korean Credit Union; review draft discovery plan regarding the construction litigation, and send comments to C. Stanek; review R. Berg comments on L-SAA to be executed.
3/26/2013	Bricks, Hartley	Discussion with D. Weisz regarding status; review of correspondence from C. Stanek regarding the discovery plan in connection with the construction litigation.
3/26/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/27/2013	Weisz, Daniel	Discussion with C. Prophet regarding proposed agreement with AEC regarding property tax appeal; review and sign agreement and related letter; respond to e-mail from J. Yoon; review email from C. Kim;

Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 6

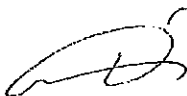
Date	Professional	Description
		discussion with H. Bricks regarding payments made to J. Yoon and discussion with C. Prophet and H. Bricks on same.
3/27/2013	Bricks, Hartley	Review and execute L-SAA with the Toronto Central LHN; discussion with R. Berg regarding various operational matters; various discussions with E. Golden regarding status of representative counsel matter; review of files regarding Korean Credit Union balances and withdrawals and prepare correspondence to E. Golden regarding same; review of files and discussion with C. Prophet regarding disbursements made to J. Yoon.
3/27/2013	Emmons, Amanda	Compiling documents and table of contents in regards to the construction litigation.
3/28/2013	Weisz, Daniel	Exchange emails with C. Prophet regarding a corporate search to be performed; review correspondence from C. Stanek regarding the construction litigation; prepare response to email from C. Kim.
3/28/2013	Weisz, Daniel	Review schedule of payments made to J. Yoon and discussion with A. Emmons on same; review correspondence from E. Golden to a life lease unit holder.
3/28/2013	Bricks, Hartley	Review and respond to various questions from E. Golden; discussion with E. Golden regarding responses to life lease unit holders.
3/28/2013	Emmons, Amanda	Reviewing binders for payments to J. Yoon and compiling spreadsheet on these payments; compiling documents and table of contents in regards to the construction litigation.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #19  
 Rose of Sharon - Receivership  
 May 6, 2013  
 Page 7

**Summary of Fees**

Professional	Position	Hours	Rate	Fee
Weisz, Daniel R.	Senior Vice President	43.2	\$ 575.00	\$ 24,840.00
Bricks, Hartley	Vice President	52.2	480.00	25,056.00
Emmons, Amanda	Senior Associate	40.7	275.00	11,192.50
Kim, Jessica	Senior Associate	2.0	275.00	550.00
Brown, Rose	Trust Administration	3.3	100.00	330.00
<b>Total hours and professional fees</b>		<b>141.4</b>		<b>\$ 61,968.50</b>
HST @ 13%				8,055.91
<b>Total payable</b>				<b>\$ 70,024.41</b>

Payable upon receipt to: Deloitte & Touche Inc.



Daniel R. Weisz, CA•CIRP, CIRP  
 Senior Vice President

**REMITTANCE ADDRESS:**  
 Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:  
 Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte LLP

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

# Deloitte.

Deloitte & Touche inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rosé of Sharon (Ontario) Retirement Community  
c/o Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: June 20, 2013  
Invoice No: 3362565  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: -133245290

## Invoice #20

For professional services rendered for the period April 1, 2013 to April 30, 2013 in connection with the appointment of Deloitte & Touche Inc. as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company");

Date	Professional	Description
4/2/2013	Weisz, Daniel	Commence reply to email from L. Hui; review files; conference call with E. Golden of Blaney McMurtry LLP ("Blaneys") and H. Bricks regarding status.
4/2/2013	Bricks, Hartley	Conference call with E. Golden and D. Weisz regarding status of the priority motion.
4/3/2013	Weisz, Daniel	Review files; finalize draft response to first email from L. Hui; discussion with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") on various matters; review and draft reply to second e-mail from L. Hui.
4/4/2013	Weisz, Daniel	Review draft Memorandum of Law - Appointment of Representative Counsel and e-mail to E. Golden regarding same; discussion with C. Prophet on his review of various draft emails; conference call with E. Golden and H. Bricks regarding Memorandum of Law; review updated version and discussion with E. Golden on same; review C. Prophet's comments on draft responses and finalize responses to C. Kim and L. Hui.
4/4/2013	Bricks, Hartley	Conference call with E. Golden and D. Weisz regarding Memorandum of Law.
4/5/2013	Weisz, Daniel	Discussions with E. Golden and M. Abramowitz of Kronis, Rotsztein, Margles, Cappel LLP ("KRMC") regarding categorization of unit holders including conference call re same; review updated Memorandum of Law; suggest update discussion with E. Golden on same; telephone call with C. Prophet and C. Sklar regarding service of Peoples Trust Company materials and posting of same on Receiver's website; e-mail to N. Lee of Norman Lee & Associates regarding the status of his proposal; review proposed settlement with Korean Credit Union ("KCU") and email to E. Golden regarding same.

Invoice #20  
 Rose of Sharon - Receivership  
 June 20, 2013  
 Page 2

4/5/2013	Bricks, Hartley	Review and respond to various e-mails; review of Memorandum of Law and provide comments to E. Golden.
4/8/2013	Weisz, Daniel	Discussion with H. Bricks regarding status and B. Gore request; e-mail to C. Prophet regarding Peoples' notice of motion and posting of same to the Receiver's website.
4/8/2013	Bricks, Hartley	Review of various correspondence; review of Peoples' notice of motion; correspondence with B. Gore regarding information request and discussion with D. Weisz regarding same; correspondence with R. Berg regarding release of information.
4/9/2013	Weisz, Daniel	Review Peoples Trust Notice of Motion; review draft order regarding settlement with KCU and send comments to E. Golden; review e-mails; review e-mails; discussion with C. Prophet on materials filed.
4/9/2013	Bricks, Hartley	Correspondence with Gowlings regarding delivery of letters; review of correspondence from E. Golden regarding KCU settlement and review draft order and release.
4/10/2013	Weisz, Daniel	Meet with H. Bricks to discuss church request to use space and repair of mechanical penthouse leak; conference call with H. Bricks and N. Lee regarding repair of mechanical penthouse leak and status of proposal regarding condominium conversion; conference call with D. Tang and H. Bricks following discussion with N. Lee and email to N. Lee regarding same; review of updated draft court order, notice of receiver and opt-out letter in preparation for court attendance tomorrow; prepare e-mail with comments; review updated documents and telephone call with E. Golden on same; Review C. Stanek of Gowlings correspondence regarding Trisura, Gowlings' proposed response and email C. Stanek regarding same.
4/10/2013	Bricks, Hartley	Various discussions with E. Golden regarding motion materials; review of draft representative counsel order; discussion with E. Golden regarding KCU order; discussion with D. Weisz regarding outstanding matters; discussion with N. Lee with D. Weisz regarding status of estimate of repair costs and timing for proposal re condo conversion.
4/11/2013	Weisz, Daniel	Prepare for and attend application to court for appointment of representative counsel for the arm's length claimants; review draft letter to City of Toronto from Gowlings regarding extension to deadline for condominium registration, provide comments and forward to D. Tang.
4/11/2013	Bricks, Hartley	Prepare for and attend court on representative counsel motion; prepare list of residents and tenants for KRMC.
4/12/2013	Weisz, Daniel	Review files regarding commissioning of equipment and discussion with H. Bricks on same and email to N. Lee on same.
4/12/2013	Bricks, Hartley	Prepare owner and resident listing for KRMC; correspondence with Sterling Karamar regarding status of various matters; discussion with D. Weisz regarding status; discussion with E. Golden regarding letters to residents.
4/15/2013	Weisz, Daniel	Prepare for and attend conference call with C. Prophet and H. Bricks to discuss condominium conversion, appraisal and set up meeting regarding Rose of Sharon transactions to be reviewed; discussion with M. Mallich of Peoples Trust Company re costs to commission HVAC and mechanical systems.

Invoice #20  
 Rose of Sharon - Receivership  
 June 20, 2013  
 Page 3

4/15/2013	Bricks, Hartley	Conference call with C. Prophet regarding status of various matters;
4/16/2013	Weisz, Daniel	Review KRMC accounts received; discussion with H. Bricks regarding repairs to the building including exchanges of emails with N. Lee.
4/16/2013	Bricks, Hartley	Update tenant schedule and correspondence with property manager regarding same; correspondence with N. Lee regarding work to be done; execute disbursements.
4/16/2013	Brown, Rose	Trust Banking Administration - Disbursement cheques.
4/17/2013	Weisz, Daniel	Sign cheques; review schedule of occupants and discussion with H. Bricks on same.
4/18/2013	Weisz, Daniel	Discussion with H. Bricks regarding email/voicemail from N. Lee; discuss subdivided unit (PH4/PH6); review emails from D. Tang; reply and call in to N. Lee; e-mail to N. Lee regarding cost of commissioning and his fees; prepare for and attend at Gowlings to meet with H. Bricks and C. Prophet, and D Tang for part, regarding litigation considerations, status of condominium conversion.
4/18/2013	Bricks, Hartley	Review correspondence from N. Lee regarding role of architect and forward same to D. Tang; review correspondence from property manager re number of units and correspondence to Gowlings regarding same; preparation and attendance at a meeting at Gowlings with C. Prophet, and then D. Tang to discuss various matters; review March 2013 property management report.
4/19/2013	Weisz, Daniel	Discussions with N. Lee regarding commissioning of equipment, e-mail to N. Lee regarding engagement letter; discussion with H. Bricks regarding PH4 and PH6 and on status of funding requirement in receivership, notes to file.
4/19/2013	Bricks, Hartley	Discussion with D. Weisz regarding cash flow, N. Lee and other matters; review of correspondence from C. Stanek regarding performance bond claim.
4/22/2013	Bricks, Hartley	Review of correspondence from C. Chaug, counsel to certain board members, and discussion with E. Golden regarding same.
4/22/2013	Weisz, Daniel	Review revised discovery plan and correspondence from various defendants in the litigation against Trisura et al; e-mail reply to C. Stanek.
4/23/2013	Bricks, Hartley	Telephone discussion with V Heinrichs regarding proposal to take out Peoples loan; prepare cash flow forecast and correspondence to M. Mallich regarding requirement for further funding; discussion with P. Cho of KRMC regarding request to meet to discuss arm's length claimants and arrange same.
4/23/2013	Brown, Rose	Trust Banking Administration - Deposit.
4/24/2013	Bricks, Hartley	Prepare documents for meeting with KRMC; discussion with E. Golden regarding meeting with KRMC and status of priority motion.
4/24/2013	Weisz, Daniel	Discussion with H. Bricks on status.
4/24/2013	Emmons, Amanda	Reviewing binders for lease agreements between unit holders and tenants.
4/25/2013	Weisz, Daniel	Prepare for and attend meeting with M. Abramowitz and P. Cho regarding their request to meet regarding the arm's length claimants and information requested.

Invoice #20  
 Rose of Sharon - Receivership  
 June 20, 2013  
 Page 4

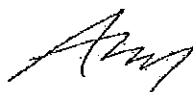
4/25/2013	Bricks, Hartley	Prepare for and attend a meeting at KRMC to discuss background and information request.
4/25/2013	Emmons, Amanda	Reviewing binders for lease agreements between unit holders and tenants; compiling documents and table of contents in regards to the construction litigation.
4/26/2013	Bricks, Hartley	Review of correspondence from property tax appeal company and respond to same.
4/28/2013	Emmons, Amanda	Compiling documents in regards to the construction litigation.
4/29/2013	Bricks, Hartley	Review of correspondence from P. Cho and commence accumulating information requested.
4/30/2013	Weisz, Daniel	Review draft amended statement of claim regarding addition of Royal Windsor, email to C. Stanek regarding same; email to N. Lee regarding reporting on progress; review Receiver Certificate #3 and sign in anticipation of funding receipt.
4/30/2013	Bricks, Hartley	Review information request from KRMC, forward same to Blainey's and prepare information requested; review correspondence from C. Stanek regarding Amended Statement of Claim; prepare Receiver's Certificate.
4/30/2013	Emmons, Amanda	Compiling documents in regards to the construction litigation.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #20  
 Rose of Sharon - Receivership  
 June 20, 2013  
 Page 5

### Summary of Fees

Professional	Position	Hours	Rate	Fee
Weisz, Daniel R.	Senior Vice President	25.5	\$ 575.00	\$ 14,662.50
Bricks, Hartley	Vice President	41.4	480.00	19,872.00
Emmons, Amanda	Senior Associate	15.3	275.00	4,207.50
Brown, Rose	Trust Administration	1.1	100.00	110.00
<b>Total hours and professional fees</b>		<b>83.3</b>		<b>\$ 38,852.00</b>
HST @ 13%				5,050.76
<b>Total payable</b>				<b>\$ 43,902.76</b>

Payable upon receipt to: Deloitte & Touche Inc.



Adam Bryk, CA-CIRP  
 Senior Vice President

**REMITTANCE ADDRESS:**

Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

**Wire Transfer Information:**

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address - Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte LLP

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



**Deloitte.**

Deloitte Restructuring Inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: July 10, 2013  
Invoice No: 3372614  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: 133245290

**Invoice #21**

For professional services rendered for the period May 1, 2013 to June 30, 2013 in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
5/1/2013	Bricks, Hartley	Prepare information as requested by Kronis Rotsztain Margles Cappel LLP ("KRMC"); prepare Receiver's certificate and forward to Peoples Trust Company; review and execute disbursements.
5/1/2013	Emmons, Amanda	Compile and organize documents for construction litigation.
5/2/2013	Bricks, Hartley	Review of December 31, 2012 operating statement provided by R. Berg of Assured Care Consulting Inc.
5/2/2013	Emmons, Amanda	Compile and organize documents for construction litigation.
5/2/2013	Brown, Rose	Completion of on-going trust account banking administration, deposit and record EFT deposit.
5/3/2013	Bricks, Hartley	Correspondence with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding information requested by KRMC; review correspondence from E. Golden of Blaney McMurtry LLP regarding KRMC's information request and respond to same; review correspondence on construction litigation.
5/6/2013	Weisz, Daniel	Telephone call with N. Lee of Norman Lee & Associates on various matters, notes to file.
5/6/2013	Bricks, Hartley	Review of correspondence from P. Crisolago of Sterling Karamar regarding garage door repairs; review and execute disbursements; correspondence with B. Gore regarding his request to meet.
5/6/2013	Emmons, Amanda	Compile and organize documents for construction litigation.
5/7/2013	Bricks, Hartley	Prepare information requested by KRMC and forward to E. Golden; provide information requested by AEC Property Tax consultants and 8760 Group regarding utilities consultants; review of correspondence from C. Stanek of Gowlings regarding construction litigation; review

Invoice #21  
 Rose of Sharon - Receivership  
 July 10, 2013  
 Page 2

Date	Professional	Description
		correspondence from R. Berg regarding purchasing agreement and execute same.
5/7/2013	Emmons, Amanda	Compile and organize documents for construction litigation.
5/8/2013	Emmons, Amanda	Compile and organize documents for construction litigation.
5/8/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
5/9/2013	Brown, Rose	Completion of on-going trust account banking administration - Input deposit
5/10/2013	Weisz, Daniel	Review e-mail from P Cho of KRMC.
5/10/2013	Bricks, Hartley	Correspondence with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding Turfpro information, review of Court order and accumulate documents; review of Ministry of Health and Long-Term Care (the "MOH") reconciliation for 2011 and correspondence with S. Sirju of ACC regarding same; review correspondence from P. Cho regarding Arm's Length Claimant issues.
5/14/2013	Bricks, Hartley	Discussion with E. Golden regarding response to KRMC questions; correspondence with C. Stanek of Gowlings regarding construction documents compiled and forward same.
5/16/2013	Weisz, Daniel	Correspondence with N. Lee regarding the status of building commissioning.
5/16/2013	Bricks, Hartley	Review and respond to correspondence from KRMC regarding Arm's Length Claimants; correspondence with E. Golden regarding status.
5/21/2013	Weisz, Daniel	Meeting with B. Gore and H. Bricks regarding current status, notes to file; review Gowlings April account, review proposed e-mail to P. Cho in response to his e-mail.
5/21/2013	Bricks, Hartley	Attend meeting with B. Gore to discuss status of the receivership; revise responding correspondence to KRMC, discuss same with E. Golden and finalize same; review and execute disbursements.
5/22/2013	Weisz, Daniel	Review e-mail from B. Campbell of Turfpro to H. Bricks and review file.
5/22/2013	Brown, Rose	Completion of on-going trust account banking administration - deposit and record service fees charged to account.
5/23/2013	Weisz, Daniel	Review draft e-mail to B. Campbell.
5/23/2013	Bricks, Hartley	Review and respond to correspondence from B. Campbell regarding monthly invoices.
5/24/2013	Weisz, Daniel	Review and update draft e-mail to B. Campbell in reply to his e-mail.
5/24/2013	Bricks, Hartley	Prepare Turfpro documents pursuant to Order of Justice Arnell obtained by counsel to the Heinrichs and forward to C. Prophet.
5/27/2013	Weisz, Daniel	Discussion with H. Bricks regarding condominium conversion and other matters.
5/27/2013	Bricks, Hartley	Review of memo from D. Tang regarding his meeting with the architect and engineer, discuss same with D. Weisz and telephone call to D. Tang to confirm certain matters; prepare correspondence to V. Heinrichs regarding location of drawings.
5/27/2013	Brown, Rose	Completion of on-going trust account banking administration, and

Invoice #21  
 Rose of Sharon - Receivership  
 July 10, 2013  
 Page 3

Date	Professional	Description
		disbursement processing - transfer disbursement to ACC.
5/31/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
6/3/2013	Bricks, Hartley	Review and revise letter prepared by C. Stanek of Gowlings to counsel for V. Heinrichs regarding providing the Receiver with plans and documents.
6/5/2013	Bricks, Hartley	Correspondence with M. Mallich regarding the status of the receivership.
6/7/2013	Bricks, Hartley	Review correspondence from C. Stanek regarding the construction litigation.
6/12/2013	Bricks, Hartley	Correspondence with C. Stanek regarding a response to counsel for V. Heinrichs.
6/17/2013	Bricks, Hartley	Correspondence with M. Mallich of Peoples regarding operating results for nursing home; review and respond to correspondence from C. Stanek regarding review of architectural files at V. Heinrich's lawyer's office and correspondence with N. Lee regarding same; review of correspondence from P. Cho of KRMC regarding priority matter; review of KRMC invoices and prepare correspondence to C. Prophet of Gowlings regarding same.
6/18/2013	Bricks, Hartley	Review of correspondence from C. Stanek and respond to same; review and execute disbursements.
6/20/2013	Bricks, Hartley	Correspondence with ACC regarding funding; correspondence with Peoples regarding professional fees.
6/21/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing, disbursement transfer to ACC and input various deposits for month.
6/24/2013	Bryk, Adam	Review bank reconciliations for May, 2013.
6/26/2013	Bricks, Hartley	Review and execute disbursements; review and respond to correspondence from C. Prophet of Gowlings regarding life lease holder schedule and other correspondence from Gowlings regarding construction litigation and condo conversion.

Invoice #21  
 Rose of Sharon - Receivership  
 July 10, 2013  
 Page 4

Summary of Fees

Professional	Position	Hours	Rate	Fee
Weisz, Daniel R.	Senior Vice President	3.1	\$575.00	\$ 1,782.50
Bryk, Adam	Senior Vice President	0.2	575.00	115.00
Bricks, Hartley	Vice President	18.3	480.00	8,784.00
Emmons, Amanda	Senior Associate	24.0	275.00	6,600.00
Brown, Rose	Trust Administration	3.8	100.00	380.00
<b>Total hours and professional fees</b>		<b>49.4</b>		<b>\$ 17,661.50</b>
HST @ 13%				2,296.00
<b>Total payable</b>				<b>\$ 19,957.50</b>

Payable upon receipt to: Deloitte Inc.

Adam Bryk, CA•CIRP  
 Senior Vice President

# Deloitte.

Deloitte Restructuring Inc.  
181 Bay St.  
Suite 1400  
Toronto ON M5J 2V1  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: August 14, 2013  
Invoice No: 3391580  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: 133245290

## Invoice #22

For professional services rendered for the period July 1, 2013 to July 31, 2013 in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
7/3/2013	Bricks, Hartley	Discussion with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding status of various matters.
7/4/2013	Bricks, Hartley	Correspondence with Sterling Karamar Property Management Company ("Sterling") regarding bank accounts; discussion with C. Prophet regarding J. Yoon; review of correspondence from B. Campbell of TurfPro Investments Inc. ("Turfpro"), review of files and provide documents.
7/5/2013	Bricks, Hartley	Correspondence with Assured Care Consulting Inc. ("ACC") regarding accounting matters; review of monthly report from Sterling Karamar Property Management ("Sterling").
7/9/2013	Bricks, Hartley	Review of draft correspondence prepared by C. Stanek of Gowlings regarding construction litigation and provide comments regarding same; review of Peoples Trust Company ("Peoples") affidavit on priority motion; correspondence with Gina of Sterling regarding property cash flow.
7/12/2013	Bricks, Hartley	Correspondence with M. Mallich of Peoples regarding representative counsel and correspondence with C. Prophet regarding same.
7/18/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing; telephone call to utilities company to obtain bill and PDF to ACC.
7/23/2013	Brown, Rose	Return items -- PDF copies to Sterling and send originals by mail.
7/29/2013	Bricks, Hartley	Review of correspondence from M. Mallich regarding unit valuations and prepare spreadsheet and respond to same; review and respond to further correspondence from M. Mallich regarding unit holder matters.

Invoice #22  
Rose of Sharon - Receivership  
August 14, 2013  
Page 2

7/29/2013	Bricks, Hartley	Review of various correspondence regarding the construction litigation.
7/29/2013	Brown, Rose	Completion of on-going trust account banking administration; prepare transfer to ACC.
7/30/2013	Bricks, Hartley	Review and respond to various correspondence from Peoples regarding Arm's Length Claimants.
7/30/2013	Bryk, Adam	Review and execute monthly funds transfer.
7/31/2013	Bricks, Hartley	Review of Arm's Length Claimants motion record and affidavits filed by other parties; discussion with D. Shenouda of Marsh Canada Limited regarding insurance renewal and questions from the insurer; prepare insurance renewal.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #22  
 Rose of Sharon - Receivership  
 August 14, 2013  
 Page 3

Summary of Fees

Professional	Position	Hours	Rate	Fee
Bryk, Adam	Senior Vice President	0.2	\$575.00	\$ 115.00
Bricks, Hartley	Vice President	22.0	\$480.00	10,560.00
Brown, Rose	Trust Administration	1.9	\$100.00	190.00
<b>Total hours and professional fees</b>		<b>24.1</b>		<b>\$ 10,865.00</b>
HST @ 13%				1,412.45
<b>Total payable</b>				<b>\$ 12,277.45</b>

Payable upon receipt to: Deloitte Restructuring Inc.



for Adam Bryk, CA•CIRP  
 Senior Vice President

**REMITTANCE ADDRESS:**

Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

**Wire Transfer Information:**

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte LLP

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

# Deloitte.

Deloitte Restructuring Inc.  
5140 Yonge Street  
Suite 1700  
Toronto ON M2N 6L7  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6151  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: September 19, 2013  
Invoice No: 3410299  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: 122893605

## Invoice #23

For professional services rendered for the period August 1, 2013 to August 31, 2013 in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
8/6/2013	Bricks, Hartley	Attendance at a meeting with N. Lee of Norman Lee & Associates and D. Tang of Gowling Lafleur Henderson LLP ("Gowlings") to review documents relating to the condo conversion and discuss the status of same and status of the commissioning of the building; review of records for documents on subcontractor reports and forward same to N. Lee and D. Tang; review responses for insurance questionnaire prepared by R. Berg of Assured Care Consulting Inc. ("ACC") and complete balance of questionnaire.
8/8/2013	Bricks, Hartley	Prepare insurance renewal form and telephone discussion with D. Shenouda of Marsh (Canada) Limited regarding same; prepare responses to operational and risk related questions proposed by the insurer; review of correspondence prepared by C. Stanek of Gowlings and respond to same.
8/8/2013	Bryk, Adam	Review cheques and bank accounts.
8/9/2013	Bricks, Hartley	Meeting at Rose of Sharon with the M. Bernhard of Nova Services and R. Berg to discuss facility matters; correspondence and discussion with N. Lee regarding facility matters.
8/12/2013	Bricks, Hartley	Discussion with C. Prophet of Gowlings regarding life lease matters.
8/13/2013	Bricks, Hartley	Discussion with C. Prophet regarding life lease unit holders schedule and other matters.
8/13/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/16/2013	Bricks, Hartley	Review and respond to correspondence from R. Berg; review monthly report.



Invoice #23  
 Rose of Sharon - Receivership  
 September 19, 2013  
 Page 2

Date	Professional	Description
8/16/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/19/2013	Bricks, Hartley	Review of Peoples Trust Factum.
8/20/2013	Bricks, Hartley	Provide S. Sirju of ACC with final tax bill.
8/21/2013	Bricks, Hartley	Review and execute disbursements and correspondence with S. Sirju regarding same.
8/22/2013	Bricks, Hartley	Discussion with E. Golden of Blaney McMurty LLP ("Blaneys") regarding status of priority motion.
8/23/2013	Bricks, Hartley	Review of priority motion documents; discussion with C. Prophet regarding various factual questions posed by Canada Mortgage and Housing Corporation ("CMHC") and message to E. Golden regarding same; correspondence with R. Berg regarding status of repairs at facility; correspondence with P. Crisalago of Sterling Karamar Property Management regarding status of mold remediation; review and provide comments on correspondence forwarded by C. Prophet; prepare a gross proceeds estimate.
8/26/2013	Bricks, Hartley	Prepare proceeds analysis for Gowlings and comments on answers to CMHC questions and discussion with C. Prophet regarding same.
8/26/2013	Brown, Rose	Prepare outgoing transfer to ACC, obtain signature and email to TD Bank.
8/29/2013	Bricks, Hartley	Discussion with C. Prophet regarding settlement with the ALUs; discussion with N. Lee regarding building remediation issues, review of files and prepare correspondence to R. Berg regarding the status of remediation.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #23  
 Rose of Sharon - Receivership  
 September 19, 2013  
 Page 3

**Summary of Fees**

Professional	Position	Hours	Rate	Fee
Bryk, Adam	Senior Vice President	0.3	\$575.00	\$ 172.50
Bricks, Hartley	Vice President	30.3	\$480.00	14,544.00
Brown, Rose	Trust Administration	1.1	\$100.00	110.00
<b>Total hours and professional fees</b>		<b>31.7</b>		<b>\$ 14,826.50</b>
HST @ 13%				1,927.45
<b>Total payable</b>				<b>\$ 16,753.95</b>

Payable upon receipt to: Deloitte Restructuring Inc.

Adam Bryk, MBA, CPA, CA•CIRP  
 Senior Vice President

**REMITTANCE ADDRESS:**

Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

**Wire Transfer Information:**

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

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

# Deloitte.

Deloitte Restructuring Inc.  
5140 Yonge Street  
Suite 1700  
Toronto ON M2N 6L7  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6151  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: October 8, 2013  
Invoice No: 3419735  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: 122893605

## Invoice #24

For professional services rendered for the period September 1, 2013 to September 30, 2013 in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company");

Date	Professional	Description
9/3/2013	Bricks, Hartley	Conference call with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") and E. Golden of Blaney McMurty LLP ("Blaneys") regarding status of priority motion and settlement with Arm's Length Unit-holders ("ALUs"); prepare memo on certain unit-holder issues; discussion with Sterling Karamar Property Management Company ("Sterling") regarding statements of account for unit holders.
9/4/2013	Bricks, Hartley	Prepare memo to C. Prophet regarding life lease purchaser matters; review factum from Unimac Counsel; review Amended Order and Supplementary Factum from Gowlings; review correspondence from J. Yoon regarding maintenance fees.
9/4/2013	Brown, Rose	Input deposits and disbursements to General Ledger.
9/10/2013	Bricks, Hartley	Attendance on a conference call with C. Prophet, E. Golden, and M. Abramowitz and P. Cho of Kronis Rotszain Margles Cappel LLP ("KRMC") to discuss settlement agreement and court appearance; review of files regarding information for settlement with ALUs and correspondence with KRMC regarding same; attendance in court for priority motion and settlement approval.
9/11/2013	Bricks, Hartley	Review of files regarding information for settlement with ALUs; correspondence with G. Dos Santos of Sterling regarding property tax payments and forward copy of final tax bill; review of issued and entered ALU Settlement Order and Endorsement of Justice Mesbur and arrange for posting of same on Receiver's website.

Invoice #24  
 Rose of Sharon - Receivership  
 October 8, 2013  
 Page 2

9/12/2013	Bricks, Hartley	Discussion with E. Golden regarding status of contents of next Receiver's report; correspondence with P. Cho regarding the information concerning the settlement with the ALUs; review of draft affidavit of documents forwarded by Gowlings.
9/13/2013	Bricks, Hartley	Review of draft affidavit of documents and correspondence with C. Ceey of Gowlings regarding same.
9/16/2013	Bricks, Hartley	Review of draft affidavit of documents; discussion with E. Golden regarding Fifth Report to the Court; correspondence with M. Abramowitz regarding KRMC's accounts.
9/17/2013	Bricks, Hartley	Review of schedules provided by Gowlings.
9/17/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
9/18/2013	Bricks, Hartley	Attendance on a conference call with C. Prophet, H. Murray and E. Golden to discuss issues involved with settlement with ALUs, information required by Gowlings and other matters; prepare information as requested by Gowlings.
9/19/2013	Bricks, Hartley	Prepare information as requested by Gowlings on potential claims against J. Yoon and discuss same with E. Golden; prepare Fifth Report to the Court; review correspondence received from Aviva regarding insurance renewal and telephone call/e-mail to D. Shenouda and A. St. Germain of Marsh Canada Limited ("Marsh") regarding same.
9/20/2013	Bricks, Hartley	Preparation of Fifth Report to the Court.
9/23/2013	Bricks, Hartley	Discussion with A. St. Germaine regarding insurers refusal to renew coverage and alternative insurers; discussion with C. Chew of Canada Brokerlink regarding an application for coverage and complete same; e-mail questions to R. Berg required for insurance application; prepare Fifth Report to the Court.
9/24/2013	Bricks, Hartley	Draft Fifth Report to the Court; discussion with C. Prophet regarding claims against J. Yoon, and status of any materials filed by J. Baichoo on behalf of Unimac and requirement to file a report to Court; discussion with E. Golden regarding status and claims; review of R. Berg's responses to certain questions from the insurance application, complete insurance application and forward to C. Chew at Canada Brokerlink; review draft statement of claim against J. Yoon and SDM Consulting and discuss same with E. Golden; discussion with A. Oyenubi, counsel for 2383431 Ontario Inc., assignee of the second mortgage of Morrison Financial, regarding being added as a loss payee on Rose's insurance policy.
9/24/2013	Brown, Rose	Trust Banking Administration - Deposit.
9/25/2013	Bricks, Hartley	Review of affidavit of documents; correspondence with E. Golden regarding statement of claim against J. Yoon and review comments regarding same.
9/26/2013	Bricks, Hartley	Discussion with C. Prophet regarding statement of claim and review revised draft of same; review of correspondence from R. Berg regarding a resident family issue and discussion with C. Prophet regarding same; review of draft Affidavit of Documents and correspondence with Gowlings regarding same.

Invoice #24  
Rose of Sharon - Receivership  
October 8, 2013  
Page 3

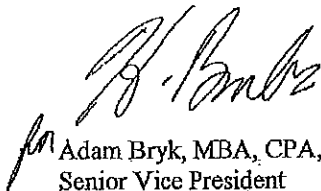
9/27/2013	Bricks, Hartley	Correspondence with R. Berg and C. Prophet regarding potential Occupational Health and Safety Matter; review final version of Statement of Claim against J. Yoon and correspondence with Blaneys regarding same; review monthly reports.
9/30/2013	Bricks, Hartley	Review of repair and maintenance update provided by N. Lee of Norman Lee & Associates; prepare response to M. Mallich of Peoples Trust Company regarding status of various issues including condo conversion, nursing home and repairs; correspondence with R. Berg regarding 2012 ARR submission.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Invoice #24  
 Rose of Sharon - Receivership  
 October 8, 2013  
 Page 4

Summary of Fees

Professional	Position	Hours	Rate	Fee
Bricks, Hartley	Vice President	77.8	\$480.00	\$37,344.00
Brown, Rose	Trust Administration	1.1	\$100.00	110.00
<b>Total hours and professional fees</b>		<b>78.9</b>		<b>\$37,454.00</b>
HST @ 13%				4,869.02
<b>Total payable</b>				<b>\$42,323.02</b>

Payable upon receipt to: Deloitte Restructuring Inc.

  
 for Adam Bryk, MBA, CPA, CA-CIRP  
 Senior Vice President

**REMITTANCE ADDRESS:**

Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

**Wire Transfer Information:**

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

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

# Deloitte.

Deloitte Restructuring Inc.  
5140 Yonge Street  
Suite 1700  
Toronto ON M2N 6L7  
Canada

Telephone: 416-601-6150  
Fax: 416-601-6151  
www.deloitte.ca

Rose of Sharon (Ontario) Retirement Community  
c/o Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date: November 4, 2013  
Invoice No: 3434243  
Client/Mandate No: 902388.1000002  
Partner: Adam Bryk

HST Registration No: 122893605

## Invoice #25

For professional services rendered for the period October 1, 2013 to October 31, 2013 in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., as Receiver and Manager (the "Receiver") of Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon" or the "Company"):

Date	Professional	Description
10/2/2013	Bricks, Hartley	Discussion with M. Mallich of Peoples Trust Company ("Peoples") regarding life lease claimants, schedule and status of negotiations with other claimants and Canada Mortgage and Housing Corporation ("CMHC").
10/2/2013	Brown, Rose	Trust Banking Administration - prepare transfer between account and send to the bank.
10/3/2013	Bricks, Hartley	Attendance on a conference call with A. Abbot of Gowlings LLP ("Gowlings") and R. Berg of Assured Care Consulting Inc. ("ACC") regarding issue with family member of a Rose of Sharon resident; discussion with M. Mallich regarding information on settlement agreement.
10/3/2013	Brown, Rose	Trust Banking Administration - prepare transfer between accounts and input various entries for the week.
10/7/2013	Brown, Rose	Trust Banking Administration - complete transfer between accounts.
10/8/2013	Bricks, Hartley	Telephone discussion with R. Berg regarding the status of various issues including the issue with a family member of a Rose of Sharon resident.
10/9/2013	Bricks, Hartley	Telephone discussion with R. Berg regarding family member of a resident.
10/16/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
10/21/2013	Bricks, Hartley	Discussion with N. Lee of Norman Lee & Associates, regarding status of repairs and arrange meeting on site; discussion with E. Golden of Blaney McMurty LLP ("Blaneys") regarding status.

Invoice #25  
 Rose of Sharon - Receivership  
 November 4, 2013  
 Page 2

Date	Professional	Description
10/22/2013	Bricks, Hartley	Correspondence with C. Prophet of Gowlings to arrange update meeting; review of various correspondence.
10/22/2013	Brown, Rose	Trust Banking Administration - transfer to ACC and record entries in General Ledger.
10/23/2013	Bricks, Hartley	Attendance on a conference call with C. Prophet, H. Murray and E. Golden to discuss the status of various matters and the upcoming appearance in court to argue the balance of the priority motion.
10/23/2013	Brown, Rose	Trust Banking Administration - send request to transfer funds to ACC and record in Ascend.
10/24/2013	Bricks, Hartley	Attendance at Gowlings to review documents and execute affidavit.
10/25/2013	Bricks, Hartley	Attendance at Rose of Sharon for meeting with N. Lee, R. Berg, and Omar to discuss building maintenance and repair matters; telephone call with Y. Boswell of CMHC regarding questions on proposed settlement with certain claimants and email update to Gowlings regarding same.
10/30/2013	Bricks, Hartley	Attendance at Gowlings to execute revised Affidavit of Documents; prepare court report; draft letter to Marsh Canada Limited regarding insurance payment.
10/30/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
10/31/2013	Bricks, Hartley	Draft Fifth Report to the Court.
		To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.



Invoice #25  
 Rose of Sharon - Receivership  
 November 4, 2013  
 Page 3

### Summary of Fees

Professional	Position	Hours	Rate	Fee
Bricks, Hartley	Vice President	23.7	\$480.00	\$ 11,376.00
Brown, Rose	Trust Administration	3.0	\$100.00	300.00
<b>Total hours and professional fees</b>		<b>26.7</b>		<b>\$ 11,676.00</b>
HST @ 13%				1,517.88
<b>Total payable</b>				<b>\$ 13,193.88</b>

Payable upon receipt to: Deloitte Restructuring Inc.

Adam Bryk, MBA, CPA, CA•CIRP  
 Senior Vice President

#### REMITTANCE ADDRESS:

Deloitte Management Services LP  
 5140 Yonge Street, Suite 1700  
 Toronto, ON M2N 6L7 CANADA

#### Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

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

PEOPLES TRUST COMPANY

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

- and -

Applicant

Respondent

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

Proceeding Commenced at TORONTO

**AFFIDAVIT OF HARTLEY M. BRICKS**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 - 2 Queen Street East  
TORONTO, Ontario  
M5C 3G5

**Eric Golden (LSUC #38239M)**  
Telephone: (416) 593-3927  
Facsimile: (416) 593-3437

Lawyers for Deloitte Restructuring Inc., in its capacity as  
court appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

## **TAB 3**

Court File No. No. CV- 11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the Bankruptcy and Insolvency Act,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
Courts of Justice Act, R.S.O. 1990, c. C.43**

**AFFIDAVIT OF CHAD KOPACH**

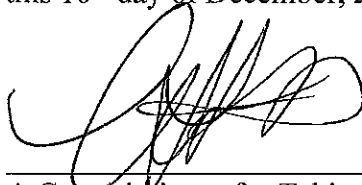
**I, CHAD KOPACH**, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Blaney McMurtry LLP ("**Blaneys**"), the lawyers for Deloitte Restructuring Inc. ("**Deloitte**") in relation to Rose of Sharon (Ontario) Retirement Community ("**Rose**"). As such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated I verily believe it to be true.

2. Pursuant to an Order of the Honourable Mr. Justice Campbell dated September 27, 2011, Deloitte was appointed as Interim Receiver and Receiver and Manager of Rose. Blaneys has provided services and incurred disbursements in relation to the receivership of Rose (the “**Receivership**”) for the period from January 1, 2013 to and including October 31, 2013 as described in the Legal Costs Summary attached hereto and marked as **Exhibit “A”**, and the detailed accounts rendered by Blaneys dated January 31, 2013, February 28, 2013, March 31, 2013, April 30, 2013, May 31, 2013, June 30, 2013, August 31, 2013, September 30, 2013 and October 31, 2013 (redacted to remove privileged communication), which are attached hereto and marked as **Exhibits “B”, “C”, “D”, “E”, “F”, “G”, “H”, “I” and “J”**, respectively (the “**Blaneys Accounts**”).
3. Based on my review of the Blaneys Accounts and my personal knowledge of this matter, the Blaneys Accounts represent a fair and accurate description of the services provided and the amounts charged by Blaneys.
4. A total of approximately 254 hours were expended by Eric Golden, John Polyzogopoulos, Shawn Wolfson and Chad Kopach during the period noted above in performing legal services relating to the Receivership.
5. I verily believe that the hourly billing rates, outlined in detail in the Blaneys Accounts, are in the range of normal average hourly rates charged by legal counsel for services rendered in relation to engagements similar to Blaneys’ engagement as counsel for Deloitte.

6. I swear this Affidavit in support of a motion for, among other things, approval of Deloitte's fees and disbursements and those of its counsel and for no other or improper purpose.

SWORN BEFORE ME at )  
the City of Toronto, )  
in the Province of Ontario, )  
this 10<sup>th</sup> day of December, 2013 )



A Commissioner for Taking Affidavits

*C. MacInnis*



CHAD KOPACH

# TAB A

## LEGAL COSTS SUMMARY

LAWYER	YEAR OF CALL	HOURLY RATE (as of February 1, 2013)
Eric Golden	1996	\$450.00
John Polyzogopoulos	2000	\$425.00
Shawn Wolfson	2002	\$430.00
Chad Kopach	2003	\$375.00

## SUMMARY OF ACCOUNTS

No.	Date of Account	Fees	Disbursements	H.S.T.	Total
1.	January 31, 2013	\$18,306.00	\$ 0.00	\$2,379.78	\$20,685.78
2.	February 28, 2013	\$29,368.50	\$8,437.71	\$4,896.22	\$42,702.43
3.	March 31, 2013	\$23,340.00	\$2,851.76	\$3,404.93	\$29,596.69
4.	April 30, 2013	\$15,915.00	\$4,852.81	\$2,699.82	\$23,467.63
5.	May 31, 2013	\$ 3,195.00	\$ 69.83	\$ 424.43	\$ 3,689.26
6.	June 30, 2013	\$ 5,085.00	\$ 65.72	\$ 669.59	\$ 5,820.31
7.	August 31, 2013	\$ 7,335.00	\$ 14.00	\$ 955.37	\$ 8,304.37
8.	September 30, 2013	\$ 8,797.50	\$ 243.00	\$1,151.74	\$10,192.24
9.	October 31, 2013	\$ 1,350.00	\$ 0.00	\$ 175.50	\$ 1,525.50
TOTAL					\$145,984.21
Average Hourly Rate - (before H.S.T.)		Total fees (before H.S.T.): \$112,692.00 ÷ Total hours: 253.8 = \$444.02			

THIS IS EXHIBIT " A " TO THE AFFIDAVIT  
 OF CHAD KOPACH SWORN  
 BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013

  
 Commissioner, etc.

*C. MacInnis*



# TAB B

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
January 31, 2013

Invoice No.  
496948

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

THIS IS EXHIBIT " B " TO THE AFFIDAVIT  
OF CHAD KOPPEL SWORN  
BEFORE ME THIS 10<sup>th</sup> DAY OF  
DECEMBER, 2013  
[Signature]  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended January 31, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
January 2, 2013	EG	0.20	Telephone call with D. Weisz concerning [REDACTED]
January 8, 2013	EG	6.70	Telephone call with Danny Weisz concerning [REDACTED] revise [REDACTED]
January 8, 2013	CK	1.00	Review and revise notice of motion;
January 9, 2013	EG	1.30	Emails from and to D. Weisz concerning [REDACTED] left vm for C. Prophet; meet with D. Weisz concerning [REDACTED] [REDACTED]
January 10, 2013	EG	5.30	Telephone call with Cliff concerning meeting; revise [REDACTED] [REDACTED]
January 11, 2013	EG	4.30	Revise Report;

Date  
January 31, 2013

000064

Invoice No.  
496948

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
January 15, 2013	EG	4.00	Email to Deloittes concerning [REDACTED] [REDACTED] telephone call with same; revise same; email to same; revise [REDACTED] email to same
January 16, 2013	EG	0.70	Revisions to [REDACTED] email to HB concerning same; status email to Cliff;
January 21, 2013	EG	0.40	Email from and to Danny concerning [REDACTED] vm's from and to H. Bricks concerning [REDACTED] telephone call with same concerning same;
January 22, 2013	EG	0.50	Telephone call with Hartley and Danny concerning [REDACTED]
January 24, 2013	EG	2.20	Revise [REDACTED] telephone call with H. Bricks concerning [REDACTED]
January 25, 2013	EG	1.50	Revise [REDACTED] email to H. Bricks concerning same; telephone calls with same and D. Weisz concerning [REDACTED] emails from and to Cliff;
January 28, 2013	EG	2.50	Revise report;
January 29, 2013	EG	3.60	Emails from H. Bricks concerning [REDACTED] [REDACTED] review latest draft of report; conference call with Danny and Hartley concerning [REDACTED] [REDACTED]
January 30, 2013	EG	1.00	Telephone call with H. Bricks; revisions to report; status email to Cliff; email from and telephone call with D. Weisz concerning [REDACTED] [REDACTED] email to same and others regarding same and motion date; telephone call with Court concerning motion dates;
January 31, 2013	EG	4.50	Prepare [REDACTED] instruct Shawn Wolfson to review and revise same; review and revise [REDACTED] telephone call with D. Weisz concerning [REDACTED] telephone call

Date  
January 31, 2013

**000065**

Invoice No.  
496948

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
January 31, 2013	SW	1.20	with Prophet concerning meeting; revise notice of motion to take account of last set of revisions to Report; Telephone conversation with E. Golden regarding confirmation of priority of mortgages; reviewing Parcel PIN and drafting mortgage priority chart;

OUR FEE HEREIN: \$18,306.00  
FEE HST: \$2,379.78

<u>Lawyer</u>	<u>Title</u>	<u>Houts</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	38.70	\$450.00	\$17,415.00
Shawn Wolfson	Partner	1.20	\$430.00	\$516.00
Chad Kopach	Partner	1.00	\$375.00	\$375.00

TOTAL FEES AND DISBURSEMENTS: \$18,306.00  
TOTAL HST: \$2,379.78

TOTAL AMOUNT DUE: \$20,685.78

**BLANEY McMURTRY LLP**

  
Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB C

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
February 28, 2013

Invoice No.  
498058

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

THIS IS EXHIBIT " C " TO THE AFFIDAVIT  
OF CHAD KOPACH SWORN  
BEFORE ME THIS 10<sup>th</sup> DAY OF  
DECEMBER 2013  
[Signature]  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended February 28, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 1, 2013	EG	1.60	Telephone call with D. Weisz concerning [redacted] meet with Cliff Prophet to [redacted] [redacted]; Review S. Wolfson summary of mortgages;
February 1, 2013	SW	0.30	Revising mortgage priority chart; reviewing mortgage registrations;
February 4, 2013	EG	2.50	Email to counsel for CMHC; revise Notice of Motion; email from and telephone call with D. Weisz concerning [redacted];
February 5, 2013	EG	3.20	Email from Court concerning motion date; email to Cliff concerning [redacted] [redacted]; telephone call from H. Bricks concerning [redacted] email from H. Bricks concerning [redacted]; telephone call with same; revise report to

Invoice No.  
498058

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			deal with [REDACTED]
February 6, 2013	EG	2.00	Email to Deloitte enclosing [REDACTED] instructions to Shawn Wolfson concerning [REDACTED] meet with same; emails from and to Cliff concerning same;
February 6, 2013	SW	2.00	Reviewing and considering language in Notice of Motion relating to [REDACTED] considering [REDACTED] and discussion with J. Freelan regarding same; drafting revisions to provisions in Notice of Motion relating to [REDACTED] emails to and from and telephone conversation with E. Golden regarding same; communication with Gowlings regarding [REDACTED]
February 8, 2013	EG	3.80	[REDACTED] telephone call with H. Bricks concerning same; emails to and from same concerning same;
February 11, 2013	EG	0.20	Telephone call with H. Bricks concerning issuing and serving report; emails from and to parties and KRMC concerning rep counsel;
February 12, 2013	EG	1.80	Conference call with proposed rep counsel; meet with H. Bricks concerning [REDACTED] [REDACTED] meet with Wolfson concerning [REDACTED]
February 12, 2013	SW	0.50	Drafting language for proposed order to postpone financial encumbrances to city easement to be registered; discussion with E. Golden regarding same;
February 13, 2013	EG	3.90	Review and revise Notice of Motion following [REDACTED] email to

Date  
February 28, 2013

000068

Invoice No.  
498058

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Gowlings concerning [REDACTED] [REDACTED] email to Gowlings and receiver concerning [REDACTED]
February 13, 2013	SW	0.40	Telephone conversation with Gowlings regarding language for receiver report; email to E. Golden regarding [REDACTED] [REDACTED]
February 15, 2013	SW	0.50	Telephone conversation with Gowlings regarding form of Order; emails to and from and telephone conversation with E. Golden regarding same;
February 19, 2013	EG	4.00	Email to H. Bricks concerning [REDACTED] [REDACTED] communications with Wolfson concerning [REDACTED] revise notice of motion; email from and to counsel for CMHC concerning status
February 19, 2013	SW	0.50	Drafting language for draft vesting order in respect of road widening; emails to and from and telephone conversation with E. Golden regarding same;
February 20, 2013	CK	3.50	Review material and research caselaw regarding obtaining order for representative counsel for certain unit holders;
February 21, 2013	EG	8.10	Review and revise recipient list; draft letters to same; review and revise fee affidavit; communications with Prophet, KRMC and deloitte; prepare motion records;
February 21, 2013	CK	1.80	Revise notice of motion; draft and revise affidavit and calculate fees to be approved;
February 22, 2013	EG	8.00	Attend to all steps regarding service of notice of motion on all parties;
February 22, 2013	CK	1.00	Finalize service letters, notice of motion and commence draft of memorandum of law;



Date  
February 28, 2013

000069

Invoice No.  
498058

File No.  
104079-0001

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 25, 2013	EG	1.50	Emails from and to Deloittes concerning [REDACTED] emails from and to Prophet and rep counsel concerning issues; emails to service list enclosing Motion Record;
February 25, 2013	CK	1.80	Draft memorandum of law for use on pending motion to appoint representative counsel;
February 26, 2013	EG	2.90	Email from and to Mark Mancini (counsel for Yoon) concerning rep counsel; telephone calls with H. Bricks concerning [REDACTED] emails to Court concerning Order; email from and to Danny Weisz concerning [REDACTED] telephone call with same concerning [REDACTED] emails from and to KRMC and Cliff concerning [REDACTED] emails from counsel for Unimac concerning adjournment; email to Distribution List concerning same;
February 27, 2013	EG	3.80	Left vm for Brian Kim at KCU; email from and to Danny concerning same; email from and to Receiver concerning same; emails from and to counsel for Unimac and others on list regarding timetable; email to KCU concerning same; prepare for motion;
February 28, 2013	EG	7.20	Revise Order; emails from and to counsel for Trisura concerning same; prepare for and attend court hearing; email to counsel for Trisura concerning Order; email to service list concerning same; telephone call with D. Weisz concerning [REDACTED] and preparing [REDACTED] emails to Deloittes concerning [REDACTED] review status of initial notices of motion sent to all Claimants

Date  
February 28, 2013

000070

Invoice No.  
498058

File No.  
104079-0001

-5-

OUR FEE HEREIN: \$29,368.50  
FEE HST: \$3,817.91

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	54.50	\$450.00	\$24,525.00
Shawn Wolfson	Partner	4.20	\$430.00	\$1,806.00
Chad Kopach	Partner	8.10	\$375.00	\$3,037.50

<u>Disbursements</u>	<u>Amount</u>
Court Fees* - Non-Taxable	\$127.00
Computer Searches - R.E. (Teraview) * -	\$16.00
Agent's Fees & Disbursements	\$55.00
Courier	\$765.04
Off-Site Copying (Not Photocopying)	\$75.45
Reproduction Charges	\$6,191.15
Binding and Tab Charges	\$1,185.07
Computer Searches - R.E. (Teraview)	\$23.00

TOTAL DISBURSEMENTS: \$8,437.71

\*HST is not charged

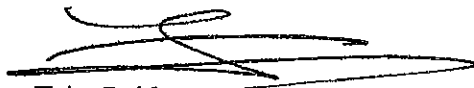
DISBURSEMENT HST: \$1,078.31

TOTAL FEES AND DISBURSEMENTS: \$37,806.21

TOTAL HST: \$4,896.22

TOTAL AMOUNT DUE: \$42,702.43

**BLANEY McMURTRY LLP**



Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB D

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1


Date  
March 31, 2013

Invoice No.  
500084

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

THIS IS EXHIBIT " D " TO THE AFFIDAVIT  
OF EMAD KORAICH SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
  
Commissioner, etc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended March 31, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 1, 2013	EG	8.00	Letters to all claimants concerning status; emails to and from DT, KRMC and Gowlings concerning same; arrange for service of letters; emails between DT and KRMC concerning rep counsel meeting;
March 4, 2013	EG	8.30	Prepare for and attend meeting with Rep counsel; cross reference missing addressees; emails to and from H. Brick concerning same; email from and to AM Heinrichs; prepare for and attend meeting at Rose;
March 5, 2013	EG	0.20	Emails to KRMC concerning meeting; email from Laurence Kim concerning address change;
March 5, 2013	EG	2.00	Revise memorandum of law on Rep Counsel;

Date  
March 31, 2013

000072

Invoice No.  
500084

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 6, 2013	EG	3.40	Attend rep counsel meeting at KRMC; emails from and to counsel for Unimac concerning scheduling; conference call with DT and Prophet;
March 7, 2013	EG	7.60	Draft Rep Counsel Order and schedules; vm from and to Shelly Fenton; email from to Baichoo concerning same; emails from and to H. Bricks concerning [REDACTED] telephone call with D. Weisz concerning [REDACTED] [REDACTED] email from and to C. Kim concerning revised address for Lawrence Kim; email from and to KCU concerning return date; telephone call with local developer Shelly Fenton; draft claimants letter; emails from Deloittes enclosing [REDACTED] revise same;
March 8, 2013	EG	2.80	Prepare service list; revise Claimants letter; email to Deloittes concerning [REDACTED] telephone call with B. Maceachern concerning his clients' position; email and telephone call with Commercial Court concerning scheduling;
March 11, 2013	EG	4.80	Email from and to counsel for ACC; vm from and to Steven Schwartz; email from and to counsel for the Yoons and Mugungwa; email from DT concerning TGF acting for John Yoon and L. Kim; email from and to counsel for Lawrence Kim and Steven Yu; telephone call with office of counsel for Heinrichs/Vace; email from KRMC and DT concerning revisions to Rep Counsel Order and Notice; revise same; emails to DT concerning same; vm from and Jane Kim; vm from and telephone call with Mansoo Chun; vm from Paul Lee concerning court attendance and email from

Date  
March 31, 2013

000073

Invoice No.  
500084

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			same enclosing letters from Unit-holders concerning their categorization; email to same concerning same; email from and to Sunwha Lee concerning recategorization; telephone calls with DT; revisions to Order and Notice; telephone call with Morris Kawalsko; revise 4th report; telephone call with H. Bricks; email from and to B, Kim of KCU; email to Receivership service list concerning status; email from L. Hui concerning list; email from DT to same; email between Campbell and DT;
March 12, 2013	EG	0.10	Status update to clients;
March 12, 2013	EG	2.60	Communications with court concerning scheduling; attend in court on motion;
March 13, 2013	EG	1.00	Status update to Receivership List and email to Rep Counsel concerning same; emails from and to KRMC concerning timing; telephone call with H.Bricks; telephone call with Stephen Swartz;
March 14, 2013	EG	2.50	Review endorsements; draft letter to Claimants;email to DT concerning same and telephone call with same concerning same; update distribution list; conference call regarding timetable; email to and from unit holders for 908 and 805;
March 15, 2013	EG	3.00	Update service list; letter to Claimants; email from KRMC concerning revised order; email to parties concerning same; email from and to P. Cho concerning amending rep counsel Order; amend same; email from and to P. Lee concerning O. Yoon categorization; email to Receiver concerning same;
March 19, 2013	CK	0.50	Review article on representative counsel

Date  
March 31, 2013

000074

Invoice No.  
500084

File No.  
104079-0001

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 20, 2013	EG	0.10	regarding revisions to factum; Email from and to J. Kim concerning her directorship;
March 22, 2013	CK	1.30	Review NIR article and cases cited therein regarding representative counsel; correspondence to counsel on other rep counsel cases regarding endorsements from same;
March 26, 2013	CK	0.20	Correspondence exchanged with lawyer for counsel on prior representation matter (unrelated to within action) regarding unpublished reasons for decision on representation issue;
March 27, 2013	EG	3.30	Email from J. Yoon to DT concerning Mugungwha; email to J. Yoon concerning same; email from and to Soon Young concerning unit number; emails from and to DT concerning same; email from J. Kim concerning her classification; email from DT concerning same; email from and to L. Kim concerning his address and L. Kim address; telephone call with Merv and HB concerning directors; response to Jane Kim; review director docs; respond to O. Yoon; email from and to KCU lawyer concerning settlement;
March 28, 2013	EG	0.50	Email from and to P. Lee concerning O. Yoon issue; letter to O. Yoon concerning same; email to DT concerning same; email from and to D. Weisz concerning L. Kim questions;

OUR FEE HEREIN:  
FEE HST:

\$23,340.00  
\$3,034.20

Date  
March 31, 2013

**000075**

Invoice No.  
500084

File No.  
104079-0001

-5-

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	50.20	\$450.00	\$22,590.00
Chad Kopach	Partner	2.00	\$375.00	\$750.00

<u>Disbursements</u>	<u>Amount</u>
Agent's Fees & Disbursements	\$35.00
Courier	\$2,460.81
Scanned/Oversized/Colour Copies	\$176.40
Reproduction Charges	\$179.55

TOTAL DISBURSEMENTS: \$2,851.76

\*HST is not charged

DISBURSEMENT HST: \$370.73

TOTAL FEES AND DISBURSEMENTS: \$26,191.76

TOTAL HST: \$3,404.93

TOTAL AMOUNT DUE: \$29,596.69

**BLANEY McMURTRY LLP**

  
Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.



# **TAB E**

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
April 30, 2013

Invoice No.  
502209

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

**RE: Rose of Sharon (Ontario) Retirement  
Community**

THIS IS EXHIBIT "C" TO THE AFFIDAVIT  
OF CHAIM KOPPEL SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
[Signature]  
Commissioner, etc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended April 30, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 1, 2013	EG	0.50	Email from Jane Kim and from Chang Yong An concerning their classification as directors; email to Deloittes concerning same; follow-up email to counsel for KCU concerning its position;
April 1, 2013	CK	1.30	Review additional representative counsel caselaw; revisions to memorandum of law;
April 2, 2013	EG	0.40	Telephone call with H. Bricks and D. Weisz concerning [REDACTED] email from and to counsel for KCU concerning settlement;
April 3, 2013	EG	4.80	Email from and to An concerning director issue; email from and to Jane Kim concerning counsel issue; email from and to P. Lee concerning his classification

Date  
April 30, 2013

000077

Invoice No.  
502209

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 3, 2013	CK	1.10	concerns; email from and to KRMC concerning C. Chang as potential counsel; emails from and to Deloittes concerning [REDACTED] review and revise memorandum of law; email from L. Kim concerning classification; review Deloittes [REDACTED] and email to Deloittes concerning [REDACTED] instructions to Chad concerning Memorandum of Law; revise same;
April 4, 2013	EG	2.00	Revisions to memorandum of law; review endorsements from prior orders;
April 4, 2013	CK	1.10	Revisions to memorandum of law; emails from and to counsel for KCU concerning settlement; telephone call with same concerning settlement; emails to and from Deloittes concerning [REDACTED] telephone call with Deloittes concerning [REDACTED]
April 5, 2013	EG	3.60	Finalize memorandum of law; draft brief of authorities;
April 5, 2013	EG	3.60	Review Hui claim for Mary Chon; telephones call with D. Weisz concerning [REDACTED] letters to all claimants concerning next steps; emails to and from Deloittes concerning [REDACTED] telephone call with KRMC concerning memorandum of law; vm for and emails to and from Deloittes concerning [REDACTED] telephone call with Cliff Prophet concerning [REDACTED] email to distribution list with Memorandum of Law and Endorsements; communications with Commercial Court concerning hearing date and scheduling;
April 8, 2013	EG	0.50	Arrange for filing of Rep Counsel material; email from KCU lawyer concerning settlement; email to clients concerning same;

Date  
April 30, 2013

000078

Invoice No.  
502209

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 8, 2013	CK	0.50	Finalize brief of authorities and prepare material for filing;
April 9, 2013	EG	3.40	Telephone call from B. Mosley concerning his position; emails to KCU lawyer concerning settlement; draft orders and KCU release; emails from and to Deloitte concerning [REDACTED] emails from and to KCU concerning same;
April 10, 2013	EG	6.80	Revisions to Orders; emails from and to KRMC and Prophet concerning [REDACTED] prepare schedule A to Rep Counsel Order concerning Arm's Length Claimants; telephone call with from Richard Conway concerning his clients and tenants for Unit 1005, emails from and to Deloitte concerning [REDACTED] settlement emails from and to KCU; prepare for motion
April 11, 2013	EG	4.50	Prepare for and attend Rep Counsel motion; arrange to have Orders entered; emails from and to KRMC concerning tenants;
April 11, 2013	CK	0.40	Review and revise draft representation order;
April 12, 2013	EG	3.00	Letters to claimants enclosing Order and timetable; emails to and from Deloitte concerning [REDACTED] emails to distribution list regarding Orders and Timetable;
April 15, 2013	EG	0.10	Email from and to Charles Chang regarding order;
April 17, 2013	EG	0.10	Email from H. Bricks enclosing [REDACTED]
April 19, 2013	EG	0.10	Email from and to Charles Chang concerning Olivia Yoon classification;
April 22, 2013	EG	1.00	Emails from and to C. Chang concerning director categories; telephone call with H.

Date  
April 30, 2013

000079

Invoice No.  
502209

File No.  
104079-0001

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Bricks concerning [REDACTED] begin cross-referencing documents to determine final list of all occupants and claimants;
April 24, 2013	EG	0.10	Telephone call from H. Bricks concerning [REDACTED]
April 25, 2013	EG	0.80	Continue to determine missing claimants;

OUR FEE HEREIN:	\$15,915.00
FEE HST:	\$2,068.95

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	31.70	\$450.00	\$14,265.00
Chad Kopach	Partner	4.40	\$375.00	\$1,650.00

<u>Disbursements</u>	<u>Amount</u>
Agent's Fees & Disbursements	\$180.00
Courier	\$1,357.61
Reproduction Charges	\$3,315.20

Date  
April 30, 2013

**000080**


Invoice No.  
502209

File No.  
104079-0001

-5-

TOTAL DISBURSEMENTS:	\$4,852.81
*HST is not charged	
DISBURSEMENT HST:	<u>\$630.87</u>
TOTAL FEES AND DISBURSEMENTS:	\$20,767.81
TOTAL HST:	<u>\$2,699.82</u>
TOTAL AMOUNT DUE:	<u>\$23,467.63</u>

**BLANEY McMURTRY LLP**

  
Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB F

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
May 31, 2013

Invoice No.  
504257

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

THIS IS EXHIBIT " F " TO THE AFFIDAVIT  
OF CHAD KOPACK SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
[Signature]  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended May 31, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 1, 2013	EG	0.30	Email from and to Deloittes concerning [REDACTED]
May 13, 2013	EG	1.80	Emails from H. Bricks concerning [REDACTED] email from same concerning [REDACTED] [REDACTED] telephone call with H. Bricks concerning [REDACTED] email to HB concerning [REDACTED]
May 14, 2013	EG	0.10	Telephone call with H. Bricks concerning [REDACTED]
May 15, 2013	EG	2.20	Letter from KCU enclosing funds; letter to Deloittes [REDACTED] email to KCU lawyer concerning receipt; email to H. Bricks concerning [REDACTED] [REDACTED] email from H. Bricks concerning



Date  
May 31, 2013

000082

Invoice No.  
504257

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			[REDACTED] continue to review documents to determine who is missing from service;
May 16, 2013	EG	0.10	Email to Bob Mosey concerning mailing address for Mal Hwa Kim and Ellen Kim;
May 17, 2013	EG	0.50	Inquiries to locate missing Arm's Length Claimants; email to and from H. Bricks and P. Cho concerning [REDACTED]
May 21, 2013	EG	0.20	Emails from and to H. Bricks concerning [REDACTED]
May 28, 2013	EG	0.10	Vm form and telephone call with C. Chang concerning inquiries about purchase of Rose;
May 29, 2013	EG	1.70	Review of file to determine if any Remaining claimants still to be located; review Peoples motion record; ;
May 30, 2013	EG	0.10	Email from lawyer of tenants at Unit 1005 advising they have moved; email to H. Bricks concerning [REDACTED]

OUR FEE HEREIN:  
FEE HST:

\$3,195.00  
\$415.35

Lawyer  
Eric Golden

Title  
Partner

Hours Rate  
7.10 \$450.00

Amount  
\$3,195.00

Disbursements  
Courier

Amount  
\$69.83

Date  
May 31, 2013

**000083**


Invoice No.  
504257

File No.  
104079-0001

-3-

TOTAL DISBURSEMENTS:	\$69.83
*HST is not charged	
DISBURSEMENT HST:	<u>\$9.08</u>
TOTAL FEES AND DISBURSEMENTS:	\$3,264.83
TOTAL HST:	<u>\$424.43</u>
TOTAL AMOUNT DUE:	<u>\$3,689.26</u>

**BLANEY McMURTRY LLP**

  
~~Eric Golden~~  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB G

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
June 30, 2013

Invoice No.  
506034

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

THIS IS EXHIBIT "G" TO THE AFFIDAVIT  
OF CHAD KOPACH SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
[Signature]  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended June 30, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
June 3, 2013	EG	2.60	Review Arms Length Claimants motion material;
June 4, 2013	EG	0.10	Telephone call with H. Bricks concerning [REDACTED]
June 11, 2013	EG	0.20	Letter and email and vm from Bruce MacEachern concerning Notice of Appearance and material; email to same concerning same;
June 14, 2013	EG	0.40	Telephone call with Chang Yan An concerning delivery of material; emails from Mancini and McLean concerning extension for their material; email to and from Cliff concerning same; emails to distribution list concerning same;

Date  
June 30, 2013

000085

Invoice No.  
506034

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
June 18, 2013	EG	1.00	Email from Mancini requesting documents; email to H. Bricks concerning [REDACTED] emails to distribution list enclosing affidavits of Olivia Yoon and Chang Yohn An; emails to and from C. Chang concerning same; email from Bruce Maceahcern concerning his clients' material; email from Chaitons enclosing York Region material;
June 19, 2013	EG	1.30	Continue determining if any claimants still require notice;
June 20, 2013	EG	3.50	Emails from Mark Mancini concerning request for documents; emails from Baichoo requesting extension; emails to and from concerning same; complete review of Notice to Claimants and email to H. Bricks concerning [REDACTED]
June 21, 2013	EG	2.00	Email from Mancini concerning material from his clients; review material of York, Berg/Assured health, Yoon and Ahn,
June 27, 2013	EG	0.10	Emails from and to Haddon Murray at Gowlings concerning updated distribution list; emails from same concerning his client's material;
June 28, 2013	EG	0.10	Email from and to Haddon Murray concerning Macheacern position;

OUR FEE HEREIN:  
FEE HST:

\$5,085.00  
\$661.05

Lawyer  
Eric Golden

Title  
Partner

Hours   Rate  
11.30   \$450.00

Amount  
\$5,085.00

Disbursements

Reproduction Charges  
Binding and Tab Charges

Amount  
\$29.40  
\$36.32

Date  
June 30, 2013

**000086**

Invoice No.  
506034

File No.  
104079-0001

-3-

TOTAL DISBURSEMENTS:	\$65.72
*HST is not charged	
DISBURSEMENT HST:	<u>\$8.54</u>
TOTAL FEES AND DISBURSEMENTS:	\$5,150.72
TOTAL HST:	<u>\$669.59</u>
TOTAL AMOUNT DUE:	<u>\$5,820.31</u>

**BLANEY McMURTRY LLP**

  
~~Eric Golden~~  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB H

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL

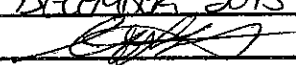
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
August 31, 2013

Invoice No.  
510043

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

THIS IS EXHIBIT " H " TO THE AFFIDAVIT  
OF CHAD KODRACH SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER 2013  
  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended August 31, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 1, 2013	EG	0.30	Letter from counsel for Quality Allied elevator concerning lien matter; email to same and Gowlings concerning same; email from Baichoo's assistant concerning his client's material;
July 8, 2013	EG	0.10	Letter from Gowlings to counsel for Quality Allied concerning its recent claim;
July 9, 2013	EG	0.10	Telephone call with C. Prophet concerning reply material;
July 11, 2013	EG	0.40	Email from counsel for CMHC and Peoples concerning opt-outs; email to same concerning same; email from Deloitte concerning [REDACTED] email from Gowlings enclosing reply material; briefly review same;



Date  
August 31, 2013

000088

Invoice No.  
510043

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 31, 2013	EG	0.10	Email from and to H. Bricks concerning [REDACTED]
August 6, 2013	EG	0.10	Exchange of emails with H. Murray concerning delivery of Gowlings factum and examinations conducted to date;
August 7, 2013	EG	0.10	Telephone call from Commercial Court concerning hearing dates;
August 9, 2013	EG	0.10	Email from Gowlings concerning facta; email to same concerning hearing dates and crosses;
August 9, 2013	EG	0.30	Email and letter from KCU enclosing second cheque; letter to H. Bricks enclosing [REDACTED]
August 12, 2013	EG	0.20	Telephone call with Com Court concerning hearing; emails from and to Gowlings concerning examinations;
August 16, 2013	EG	2.50	Review Peoples factum; review ALU's motion material;
August 22, 2013	EG	0.20	Telephone call with H. Bricks concerning [REDACTED]
August 27, 2013	EG	0.50	Review emails/endorsement regarding timetable and steps; email to C. Prophet inquiring as to status; [REDACTED] to H. Bricks
August 28, 2013	EG	0.20	Emails from and to Gowlings concerning status and transcripts;
August 29, 2013	EG	0.40	Vm from Merv regarding settlement; email from same to Cliff regarding settlement; telephone call with Merv concerning status;
August 30, 2013	EG	5.50	Review Deloitte's motion record, and reports to date; prepare to-do list for motion and

Date  
August 31, 2013

000089

Invoice No.  
510043

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
August 31, 2013	EG	5.20	any actions going forwards; Email to Gowlings concerning Peoples factum; [REDACTED] to H. Bricks; review York Health Care material and receiver file docs sent to its counsel; review ACC-Berg Material, review Unimac material; review Gowlings material; review affidavits of Olivia Yoon and Chang Yong Ahn; review relevant law;

OUR FEE HEREIN:  
FEE HST:

\$7,335.00  
\$953.55

Lawyer  
Eric Golden

Title  
Partner

Hours Rate  
16.30 \$450.00

Amount  
\$7,335.00

Disbursements

Courier  
Fax Charges

Amount  
\$4.00  
\$10.00

Date  
August 31, 2013

**000090**

Invoice No.  
510043

File No.  
104079-0001

-4-

TOTAL DISBURSEMENTS:	\$14.00
*HST is not charged	
DISBURSEMENT HST:	<u>\$1.82</u>
TOTAL FEES AND DISBURSEMENTS:	\$7,349.00
TOTAL HST:	<u>\$955.37</u>
TOTAL AMOUNT DUE:	<u>\$8,304.37</u>

**BLANEY McMURTRY LLP**

Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

# TAB I

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

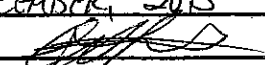
Date  
September 30, 2013

Invoice No.  
511918

File No.  
104079-0001

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

**FILE COPY**

THIS IS EXHIBIT " I " TO THE AFFIDAVIT  
OF CHAD KOPPEL SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
  
Commissioner, etc.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended September 30, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 3, 2013	EG	0.70	Conference call with Gowlings and H. Bricks concerning [REDACTED]
September 4, 2013	EG	1.90	Email from and to Haddon Murray concerning court scheduling; telephone call from Mancini (John Yoon lawyer) concerning timetable; telephone call with Cliff Prophet concerning outstanding issues; email from Haddon enclosing notice of motion and order for settlement approval order; review same; email to Gowlings concerning same;
September 6, 2013	EG	0.50	Email from Haddon enclosing Peoples compendium; email to Joe D. at Commercial Court concerning Appendix F for Justice Mesbur; letter to same enclosing same;

Date  
September 30, 2013

000092

Invoice No.  
511918

File No.  
104079-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			telephone call with same concerning same and hearing time required;
September 9, 2013	EG	3.20	Emails from and to Cliff concerning adjournment and Baichoo position; review Amended Notice of Motion and revised Order; review emails between counsel concerning schedule to Order; review Peoples supplementary factum; review Unimac factum; prepare for motion;
September 10, 2013	EG	3.80	Complete preparations for motion; conference call with Gowlings and Deloitte; attend on motion;
September 18, 2013	EG	1.00	Conference call with Gowlings and Deloitte concerning [REDACTED] emails between Deloitte and Gowlings concerning [REDACTED] review same;
September 19, 2013	EG	1.40	Telephone call with H. Bricks concerning [REDACTED] revise email to Gowlings concerning same;
September 20, 2013	EG	0.40	Review emails from H. Bricks to Cliff Prophet concerning outstanding issues and potential claims; email from Bill Campbell to H. Bricks and vice versa concerning Campbell issues; email to H. Bricks concerning [REDACTED]
September 24, 2013	EG	0.30	Email from H. Bricks to Cliff regarding Yoon claims; instructions to John Polyzogopoulos concerning same; emails to both concerning Baichoo material; telephone call with H. Bricks concerning reports;
September 24, 2013	JP	1.60	Review and begin revising draft Statement of Claim against Yoon and SDM prepared

Date  
September 30, 2013

000093

Invoice No.  
511918

File No.  
104079-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 25, 2013	JP	0.60	by Gowlings; memoranda from and to E. Golden regarding same; Further conference with and memoranda from and to E. Golden regarding draft Statement of Claim;
September 26, 2013	EG	2.00	Emails from and to Gowlings and H. Bricks concerning claim against Yoon; review and revise same; instructions to Chad Kopach concerning same;
September 26, 2013	JP	0.20	Review of revised draft Statement of Claim prepared by Gowlings; memoranda from and to E. Golden regarding same;
September 27, 2013	CK	2.50	Review and revise draft claim; correspondence with client regarding same; arrange for attendance at Commercial Court regarding issuance of claim on CL; correspondence to client regarding [REDACTED] [REDACTED]

OUR FEE HEREIN:  
FEE HST:

\$8,797.50  
\$1,143.68

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	15.20	\$450.00	\$6,840.00
John Polyzogopoulos	Partner	2.40	\$425.00	\$1,020.00
Chad Kopach	Partner	2.50	\$375.00	\$937.50

Disbursements

	<u>Amount</u>
Filing Fees* - Non-Taxable	\$181.00
Agent's Fees & Disbursements	\$50.00
Courier	\$12.00

Date  
September 30, 2013

**000094**

Invoice No.  
511918

File No.  
104079-0001

-4-

TOTAL DISBURSEMENTS:	\$243.00
*HST is not charged	
DISBURSEMENT HST:	<u>\$8.06</u>
TOTAL FEES AND DISBURSEMENTS:	\$9,040.50
TOTAL HST:	<u>\$1,151.74</u>
TOTAL AMOUNT DUE:	<u>\$10,192.24</u>

**BLANEY McMURTRY LLP**

Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.



# TAB J

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1

Date  
October 31, 2013

Invoice No.  
514128

File No.  
104079-0001

**FILE COPY**

Attention: Hartley Bricks  
VP, Financial Advisory Serv.

RE: **Rose of Sharon (Ontario) Retirement  
Community**

THIS IS EXHIBIT " J " TO THE AFFIDAVIT  
OF CHAD KOPACH SWORN  
BEFORE ME THIS 10<sup>TH</sup> DAY OF  
DECEMBER, 2013  
[Signature]  
Commissioner, etc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended October 31, 2013 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
October 17, 2013	EG	0.10	Telephone call with P. Cho concerning tenants;
October 22, 2013	EG	2.50	Review file concerning to-do list for Nov 14 motion;
October 23, 2013	EG	0.40	Conference call with Deloitte and Gowlings regarding [REDACTED] notes regarding same;

OUR FEE HEREIN: \$1,350.00  
FEE HST: \$175.50

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	3.00	\$450.00	\$1,350.00

Date  
October 31, 2013

**000096**

Invoice No.  
514128

File No.  
104079-0001

-2-

TOTAL FEES AND DISBURSEMENTS:	\$1,350.00
TOTAL HST:	<u>\$175.50</u>
TOTAL AMOUNT DUE:	<u>\$1,525.50</u>

**BLANEY McMURTRY LLP**

Eric Golden  
E. & O.E

Fees may include charges for services provided by Lawco Limited.  
Details are available upon request.

## TAB 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**AFFIDAVIT OF CHRISTOPHER STANEK  
(sworn December 9, 2013)**


I, **Christopher Stanek**, of the City of Toronto, in the Municipality of Metropolitan Toronto, **MAKE OATH AND SAY:**

1. I am a partner at the law firm of Gowling Lafleur Henderson LLP (“Gowlings”), counsel to Deloitte & Touche Inc. in its capacity as court-appointed receiver and manager (the “Receiver”) of Rose of Sharon (Ontario) Retirement Community (“Rose of Sharon”) and as such have personal knowledge of the matters herein deposed.

2. Attached and marked as Exhibit “A” is a summary of the hours charged by Gowlings’ professionals on invoices sent from March 14, 2013 to November 27, 2013. Gowlings incurred a total of 278 hours at an average hourly rate of \$472.20.

3. Attached hereto as Exhibit "B" are true copies of redacted Gowlings' accounts rendered to the Receiver for services rendered on invoices sent from March 14, 2013 to November 27, 2013.

4. The attached accounts reflect the time spent by Gowlings and Gowlings rates are typical for Toronto firms of Gowlings' size.

SWORN before me at the City of Toronto, )  
in the Province of Ontario, )  
this 9 day of December, 2013 )  
 )  
A Commissioner for Taking Affidavits, etc. )

  
Christopher Stanek

Marissa Teresa Kirsh, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law.  
Expires May 8, 2015.

**THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF  
CHRISTOPHER STANEK, SWORN BEFORE ME ON  
December 9, 2013**



---

**A COMMISSIONER FOR TAKING OATHS**

**Marissa Teresa Kirsh, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law.  
Expires May 8, 2015.**

## Exhibit "A"

## LEGAL COSTS SUMMARY

Receivership of Rose of Sharon (Ontario) Retirement Community

LAWYER	YEAR OF CALL	HOURLY RATE	HOURS
Clifton P. Prophet	1993	\$775.00	27.2
David C. K. Tang	1990	\$725.00	39.4
Steven R. Willard	1999	\$665.00	0.4
Christopher Stanek	2002	\$615.00	51.9
Brian T. Parker	Urban Planner	\$525.00	2.3
Frank Lamie	2007	\$495.00	0.1
Anna H. Abbott	2010	\$390.00	13.1
Tanya Rocca	2010	\$390.00	4.6
Cara B. Sklar	2011	\$360.00	20.9
Cameron F. Paulikot	2005	\$350.00	20.1
Sandra Ripley	Law Clerk	\$305.00	0.4
Cindy Cecy	Law Clerk	\$265.00	83.1
Pam Carter	Law Clerk	\$255.00	0.5
Kelby A. Carter	Student-at-Law	\$235.00	1
Delna Contractor	Summer Law Student	\$235.00	8.3
Hilary Chancey	Corporate Services Searcher	\$230.00	1.5
Chris Nichols	Court Filing Clerk	\$75.00	3.2
<b>Total Hours</b>			<b>278</b>



<b>SUMMARY OF ACCOUNTS</b>					
<b>No.</b>	<b>Date of Account</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Total</b>
1.	November 27, 2013	\$16,605.50	\$811.42	\$2,264.20	\$19,681.12
2.	October 31, 2013	\$16,084.00	\$1,728.74	\$2,315.66	\$20,128.40
3.	September 30, 2013	\$16,927.72	\$204.25	\$2,227.15	\$19,359.12
4.	August 20, 2013	\$3,612.00	\$491.11	\$533.40	\$4,636.51
5.	July 24, 2013	\$9,948.50	\$649.85	\$1,361.28	\$11,959.63
6.	June 25, 2013	\$4,068.00	\$1,017.39	\$661.10	\$5,746.49
7.	May 28, 2013	\$2,435.50	\$265.84	\$351.18	\$3,052.52
8.	April 30, 2013	\$7,874.00	\$108.50	\$1,037.73	\$9,020.23
9.	March 31, 2013	\$20,970.50	\$72.16	\$2,735.55	\$23,778.21
10.	March 14, 2013	\$32,744.50	\$557.21	\$4,315.71	\$37,617.42
<b>TOTAL</b>		<b>\$131,270.20</b>	<b>\$5,906.47</b>	<b>\$17,802.96</b>	<b>\$154,979.65</b>
<b>Average Hourly Rate – Before GST</b>		<b>Total Fees before HST \$131,270 ÷</b> <b>Total hours of 278 =</b> <b>\$472.20</b>			
<b>TOTAL</b>		<b>\$154,979.65</b>			

**THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF  
CHRISTOPHER STANEK, SWORN BEFORE ME ON  
December 9, 2013**

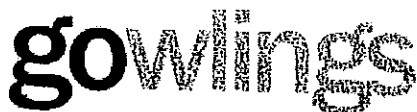


---

**A COMMISSIONER FOR TAKING OATHS**

TOR\_LAW\ 8314318\1

**Marissa Teresa Kirsh, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law.  
Expires May 8, 2015.**



montreal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • beijing • moscow • london

Deloitte Restructuring Inc.  
ATTN: Hartley Bricks  
Vice President, Financial Advisory Services  
181 Bay Street, Brookfield Place  
Suite 1400  
Toronto ON M5J 2V1

November 27, 2013  
INVOICE: 17855098

Our Matter: T988324 / 204696  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$16,605.50
HST on Fees	2,158.72
<b>Total Fees and Taxes</b>	<b>18,764.22</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	811.42
HST on Disbursements	105.48
<b>Total Disbursements and Taxes</b>	<b>916.90</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	19,681.12
[ Total HST: \$2,264.20 ]	
Please remit total invoice balance due:	<b>In Canadian Dollars</b> <u><u>\$19,681.12</u></u>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT

November 27, 2013  
 INVOICE: 17855098

**Deloitte Restructuring Inc.**  
**Our Matter: T988324**  
**Receivership of Rose of Sharon (Ontario) Retirement**  
**Community**  
 15 & 17 Maplewood Avenue, Toronto

**PROFESSIONAL SERVICES**

Date	Hours	Timekeeper	Description
28/10/2013	2.10	Cindy Cecy	Discussion with C. Stanek re: the privilege issue; finalize email to H. Bricks at Deloitte forwarding proposed changes to Schedule A; review H. Bricks' response; schedule further meeting with H. Bricks; update Schedule A; coordinate Schedule A documents; report to C. Stanek;
28/10/2013	0.20	Christopher Stanek	Discussion with C. Cecy regarding changes to draft affidavit; received and reviewed correspondence from H. Bricks;
29/10/2013	1.50	Cindy Cecy	Continue to coordinate Schedule A documents; update draft Affidavit of Documents;
29/10/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. MacLellan regarding [REDACTED] examination;
30/10/2013	3.00	Cindy Cecy	Prepare for and meeting with H. Bricks; consult with C. Stanek re: proposed changes to draft Affidavit of Documents; report to C. Stanek on outcome of meeting and discussion re: delivery of our Schedule A productions to the defendants;
30/10/2013	0.20	Christopher Stanek	Discussion with C. Cecy regarding changes to Affidavit of Documents; executed Affidavit of Documents;
31/10/2013	0.30	Christopher Stanek	Correspondence to counsel re discoveries; review of draft materials to refer [REDACTED] action to the Master;
04/11/2013	0.40	Cindy Cecy	Discussion with C. Stanek; email sworn Affidavit of Documents of the Plaintiff to H. Bricks;
04/11/2013	0.20	Christopher Stanek	Correspondence to counsel regarding affidavit of documents; discussions with C. Cecy regarding affidavit of documents;
06/11/2013	0.20	Anna H. Abbott	Review of email and attachments from R. Berg;
06/11/2013	0.30	Christopher Stanek	Review of draft materials to set [REDACTED] action down for trial; discussions with P. Carter;
07/11/2013	0.20	Christopher Stanek	Correspondence to counsel re call-in details; review of motion materials for Judgment of Reference;
08/11/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Baichoo re conference call;
11/11/2013	0.60	Christopher Stanek	Correspondence to counsel regarding conference call; received and reviewed correspondence from J. MacLellan; telephone conversation with M. Galati regarding conference call [REDACTED] telephone conversation with Brunner & Lundy regarding conference call; received and reviewed correspondence from M. Galati;

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

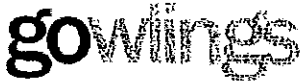
errors and omissions excluded

November 27, 2013  
 INVOICE: 17855098

Date	Hours	Timekeeper	Description
12/11/2013	0.30	Anna H. Abbott	Email exchange with R. Berg [REDACTED]
12/11/2013	0.50	Pam Carter	Preparation of requisition to note Royal Windsor in default; memo to court clerk enclosing same for filing;
12/11/2013	1.10	Christopher Stanek	Telephone conference regarding discoveries;
13/11/2013	1.10	Anna H. Abbott	Research re [REDACTED] [REDACTED] email to R. Berg, C. Prophet and B. Hartley re same;
13/11/2013	0.80	Chris Nichols	Attend court to note default re royal windsor mechanical;
13/11/2013	3.90	Cameron F. Paulikot	Calls to planner for city; meeting with surveyor, architect and engineer; draft revisions to disclosure and declarations; draft list of questions to client
13/11/2013	0.40	Christopher Stanek	Received and reviewed correspondence from McCague regarding Affidavit of Documents;
13/11/2013	3.60	David Tang	Meet with L Sedun and C. Paulikot to go over outstanding requirements; go over drafts with C. Paulikot and compile issues to discuss; call with C. Stanek to discuss potential settlement [REDACTED], call N. Lee and R. Avis/G. Lo to set up meeting;
14/11/2013	2.40	Christopher Stanek	Attended at construction lien court; obtained order setting a trial date for construction lien action;
15/11/2013	0.80	Chris Nichols	Attend court to issue and enter order;
15/11/2013	1.30	Christopher Stanek	Meeting with C. Prophet and D. Tang concerning [REDACTED]; received and reviewed correspondence from D. Tang re instructions from H. Bricks;
15/11/2013	2.30	David Tang	Meet with C. Prophet and C. Stanek to discuss strategy and call H. Bricks; email from H. Bricks [REDACTED] instructions to B. Parker [REDACTED]
18/11/2013	2.30	Cindy Cecy	Revise binder of privileged documents; coordinate client documents;
18/11/2013	1.40	Brian T Parker	Review [REDACTED] for property; [REDACTED] provide [REDACTED] to D. Tang;
18/11/2013	0.70	David Tang	Review of zoning provisions with B. Parker and instruct B. Parker to check on exceptions;
19/11/2013	0.70	Brian T Parker	Re-review [REDACTED] and meet with D. Tang; forward concluding memo respecting [REDACTED]
19/11/2013	0.30	Christopher Stanek	Discussion with P. Carter regarding service of Notice of Trial; correspondence to J. MacLellan regarding [REDACTED] examination;
19/11/2013	0.70	David Tang	Review of further materials [REDACTED]; email H. Bricks on [REDACTED] [REDACTED] instructions to B. Parker to check [REDACTED] [REDACTED]

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



November 27, 2013  
INVOICE: 17855098

Date	Hours	Timekeeper	Description
20/11/2013	0.40	Sandra Ripley	Attendance to conduct subsearch [REDACTED]
20/11/2013	0.20	Christopher Stanek	Telephone conversation with M. Handler regarding [REDACTED]
20/11/2013	0.50	David Tang	Have [REDACTED] discuss with C. Prophet; review search and email H. Bricks; call R. Crane;
21/11/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. MacLellan;
22/11/2013	0.20	Brian T Parker	Review background documents

**Total Fees for Professional Services** \$16,605.50

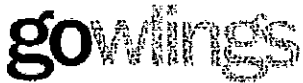
#### DISBURSEMENTS

##### Taxable Costs

Copying	\$277.25
Scanning Service	\$102.75
Fax Charges	\$27.50
Long Distance Telephone	\$0.42
Binding	\$403.50
<b>Total Taxable Disbursements</b>	<u>\$811.42</u>

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



November 27, 2013  
INVOICE: 17855098

## Remittance Copy

Client: 204696 Deloitte Restructuring Inc.  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$19,681.12

### PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

### PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

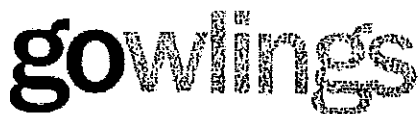
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



montreal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · beijing · moscow · london

Deloitte Restructuring Inc.  
ATTN: Hartley Bricks  
Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

October 31, 2013  
INVOICE: 17839741

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$16,084.00
HST on Fees	2,090.92
<b>Total Fees and Taxes</b>	<b>18,174.92</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	1,728.74
HST on Disbursements	224.74
<b>Total Disbursements and Taxes</b>	<b>1,953.48</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	20,128.40
[ Total HST: \$2,315.66 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b>\$20,128.40</b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT



October 31, 2013  
 INVOICE: 17839741

Deloitte & Touche LLP  
 Our Matter: T988324  
 Receivership of Rose of Sharon (Ontario) Retirement  
 Community  
 15 & 17 Maplewood Avenue, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
25/09/2013	0.10	David Tang	Email from N. Lee on [REDACTED] email N. Lee to have [REDACTED];
26/09/2013	0.30	Anna H. Abbott	Telephone attendance with C. Prophet and H. Murray re [REDACTED]
26/09/2013	0.30	Cindy Cecy	Email from H. Bricks re: changes to draft Affidavit of Documents; consult with C. Stanek re: next steps; responding email to H. Bricks;
26/09/2013	0.70	Cliff Prophet	Calls re [REDACTED]
26/09/2013	0.20	Christopher Stanek	Received and reviewed correspondence from H. Bricks re Affidavit of Documents; received and reviewed correspondence from C. Cecy; response to C. Cecy;
28/09/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks and C. Prophet regarding [REDACTED]
30/09/2013	2.70	Cindy Cecy	Revisions to draft Schedule A; discussion with C. Stanek and receive additional documents for disclosure; review additional documents;
30/09/2013	0.50	Christopher Stanek	Received and reviewed correspondence from J. Baichoo; correspondence to J. Baichoo; e-mail to M. Mallich;
30/09/2013	0.30	David Tang	Review emails from H. Bricks and compose [REDACTED] and provide to C. Stanek for inclusion in his report; email H. Bricks;
01/10/2013	2.00	Anna H. Abbott	Research re [REDACTED] research re [REDACTED]; drafting memo to file re same;
01/10/2013	2.10	Cindy Cecy	Review additional documents and prepare them for scanning; consult with C. Stanek; instructions to L. Clemence re: scanning and coding of documents;
01/10/2013	0.20	Christopher Stanek	Received and reviewed correspondence from J. Baichoo regarding [REDACTED] examination; correspondence to J. MacLellan;
02/10/2013	0.30	Anna H. Abbott	Preparation for call with client;
02/10/2013	0.20	Cindy Cecy	Telephone conversation with L. Clemence to discuss database and provide scanning instructions; emails from and to L. Clemence;
03/10/2013	1.50	Anna H. Abbott	Telephone attendance with client re [REDACTED] drafting reporting letter to C. Prophet re same;

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

October 31, 2013  
 INVOICE: 17839741

Date	Hours	Timekeeper	Description
03/10/2013	2.00	Cindy Cecy	Review additional documents in database [REDACTED] [REDACTED] email to C. Stanek [REDACTED]
03/10/2013	0.10	Christopher Stanek	Received and reviewed correspondence from C. Cecy regarding Affidavit of Documents;
04/10/2013	3.30	Cindy Cecy	Receive instructions from C. Stanek [REDACTED] [REDACTED], work on Schedule A; email updated affidavit of documents to H. Bricks and to schedule meeting;
04/10/2013	0.20	Christopher Stanek	Discussion with C. Prophet; e-mail to J. MacLellan; received and reviewed correspondence from C. Cecy re Affidavit of Documents;
07/10/2013	1.10	Cindy Cecy	Email from H. Bricks advising of Deloitte's name change; consider this issue and the requirement for a court order; draft response to H. Bricks and consult with C. Stanek; further email exchanges with H. Bricks and C. Stanek [REDACTED] revise affidavit of documents pursuant to client's instructions;
07/10/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks; received and reviewed correspondence from C. Cecy regarding description of Deloitte in Affidavit of Documents;
09/10/2013	0.20	Christopher Stanek	E-mail to J. MacLellan regarding [REDACTED] cross-examination; received and reviewed correspondence from J. Baichoo re [REDACTED] examination; received and reviewed correspondence from J. MacLellan re [REDACTED] examination;
10/10/2013	1.20	Christopher Stanek	Research re [REDACTED]
11/10/2013	0.80	Christopher Stanek	Meeting with C. Prophet re strategy [REDACTED]; received and reviewed correspondence from M. Handler;
15/10/2013	0.60	Anna H. Abbott	Review of draft letter from client; email to B. Hartley re same; revisions to letter re same;
16/10/2013	2.60	Anna H. Abbott	Revisions to letter re G. Kim; email to C. Prophet re same;
17/10/2013	0.50	Anna H. Abbott	Telephone attendance with C. Prophet re [REDACTED] revisions to letter re same; email to client re same;
17/10/2013	0.20	Cindy Cecy	Email to and subsequent discussion with C. Stanek to prepare for upcoming meeting with H. Bricks;
17/10/2013	0.10	Christopher Stanek	Discussion with C. Cecy regarding affidavit of documents;
18/10/2013	0.90	Cindy Cecy	Generate Schedule "A" documents for H. Bricks' review;
18/10/2013	0.10	Christopher Stanek	Received and reviewed correspondence [REDACTED] [REDACTED]
22/10/2013	0.30	Anna H. Abbott	Telephone attendance with R. Berg re [REDACTED]
22/10/2013	3.10	Cindy Cecy	Work on document database; coordinate Schedule "A" documents in preparation for upcoming meeting with H. Bricks; emails to and from H. Bricks to arrange meeting; apprise C. Stanek;
22/10/2013	0.20	Christopher Stanek	Received and reviewed correspondence from C. Cecy to H. Bricks regarding Affidavit of Documents;

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

October 31, 2013  
 INVOICE: 17839741

Date	Hours	Timekeeper	Description
23/10/2013	0.30	Anna H. Abbott	Left voicemail fro R. Berg; email exchange with R. Berg re revisions
23/10/2013	0.10	Cindy Cecy	Telephone discussion with L. Clemence to
23/10/2013	0.60	Christopher Stanek	Received and reviewed correspondence from J. MacLellan re examination; discussion with P. Carter re
24/10/2013	6.70	Cindy Cecy	Prepare for and meeting with H. Bricks to review Schedule "A" documents and to commission his Affidavit; discussion with C. Stanek; re-review Schedule "A" documents to extract certain documents; work on database;
24/10/2013	0.60	Christopher Stanek	Received and reviewed correspondence from McCague discussion with C. Cecy Affidavit of documents; discussions with P. Carter reviewed draft motion materials;
25/10/2013	0.60	Anna H. Abbott	Telephone attendance with R. Berg drafting email response re additional issues;
25/10/2013	4.70	Cindy Cecy	Discussion with C. Stanek; re-review Schedule A documents to amend database; documents and consult with C. Stanek;
25/10/2013	0.50	Christopher Stanek	Discussions with C. Cecy re privileged documents; received and reviewed correspondence from C. Cecy to H. Bricks; e-mail to J. MacLellan re examination;
27/10/2013	0.30	Anna H. Abbott	Email exchange with R. Berg
28/10/2013	0.60	Anna H. Abbott	Telephone attendance with R. Berg re telephone attendance with C. Prophet re same; drafting letter
29/10/2013	1.60	Anna H. Abbott	Drafting letter to G. Kim; telephone attendance with R. Berg re same;

**Total Fees for Professional Services** \$16,084.00

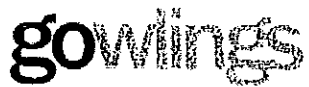
**DISBURSEMENTS**

**Taxable Costs**

Copying	\$1,191.25
Scanning Service	\$6.50
Fax Charges	\$2.75
Quick Law: Research	\$23.00
26/09/2013 Process Servers	\$439.74
VENDOR: Reliable Process Servers Inc.; INVOICE#: 58566;	

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



000112

October 31, 2013  
INVOICE: 17839741

15/10/2013

DATE: 09/26/2013 - T988324; Serving Amended Statement of Claim; C. Stanek

Agent Fees - Taxable

\$65.50

VENDOR: Victory Verbatim Reporting Services Inc.; INVOICE#: 443201; DATE: 10/15/2013 - T988324; Certificate of Non-Attendance; C. Stanek

**Total Taxable Disbursements**

**\$1,728.74**

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this Invoice

errors and omissions excluded

October 31, 2013  
INVOICE: 17839741

**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$20,128.40

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

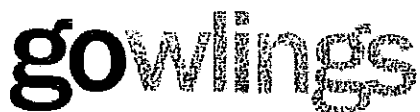
Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT  
BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5  
TRANSIT NUMBER: 0010-00006  
BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3  
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal · ottawa · toronto · hamilton · waterloo · regina · calgary · vancouver · beijing · moscow · london

Deloitte & Touche  
ATTN: Hartley Bricks  
Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

September 30, 2013  
INVOICE: 17815490

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$16,927.72
HST on Fees	2,200.60
<b>Total Fees and Taxes</b>	<b>19,128.32</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	204.25
HST on Disbursements	26.55
<b>Total Disbursements and Taxes</b>	<b>230.80</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	19,359.12
[ Total HST: \$2,227.15 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b><u>\$19,359.12</u></b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT

September 30, 2013  
 INVOICE: 17815490

**Deloitte & Touche LLP**  
**Our Matter: T988324**  
**Receivership of Rose of Sharon (Ontario) Retirement**  
**Community**  
**15 & 17 Maplewood Avenue, Toronto**

**PROFESSIONAL SERVICES**

<b>Date</b>	<b>Hours</b>	<b>Timekeeper</b>	<b>Description</b>
14/08/2013	0.20	Christopher Stanek	Received and reviewed correspondence from J. Brunner; forwarded same to client; discussion with C. Prophet regarding issues [REDACTED]
14/08/2013	0.10	David Tang	Review letter from J. Brunner refusing further enquiries pending discovery;
21/08/2013	0.20	Cindy Cecy	Instructions to L. Clemence re: loading of files and images into our document database;
22/08/2013	1.60	Cindy Cecy	Work on document database;
26/08/2013	0.40	Cindy Cecy	Review document database; consult with C. Stanek [REDACTED]
26/08/2013	0.10	Christopher Stanek	Received and reviewed correspondence from C. Prophet re settlement with unitholders;
26/08/2013	0.30	David Tang	Call with C. Prophet and S. Willard; confirm [REDACTED]
26/08/2013	0.40	Steven R Willard	Telephone conversation with D. Tang; reviewing [REDACTED]
27/08/2013	4.80	Cindy Cecy	Review client documents [REDACTED]
27/08/2013	1.10	Christopher Stanek	Meeting with C. Prophet and D. Tang re [REDACTED]
27/08/2013	1.40	David Tang	Call C. Paulikot; meet with C Prophet and C. Stanek to discuss C. Prophet's proposal, set backs and concerns and strategy [REDACTED]
28/08/2013	5.30	Cindy Cecy	Continue to review client documents [REDACTED] emails to and from C. Stanek;
28/08/2013	0.10	Christopher Stanek	Received and reviewed correspondence from C. Cecy re Affidavit of Documents;
29/08/2013	5.50	Cindy Cecy	Prepare plaintiff's Affidavit of Documents;
03/09/2013	2.20	Cindy Cecy	Continue to prepare plaintiff's Affidavit of Documents; email to and subsequent discussion with C. Stanek [REDACTED]
06/09/2013	2.80	Cindy Cecy	Discussion with C. Stanek re: [REDACTED] review documents [REDACTED] amend plaintiff's draft affidavit

terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

September 30, 2013  
 INVOICE: 17815490

Date	Hours	Timekeeper	Description
06/09/2013	0.00	Support Services Litigation	of documents; Laura Clemence/Lou Frapporti – Ref #1926 – Internal litigation support services are represented as a flat fee for all services. An internal invoice detailing the services rendered can be provided upon request – Received 2 boxes of hard copy documents July 23, 2013. Containing 2152 pages (956 records), scanned, delivered to Deloitte re Rose of Sharon v. Unimac T988324 Sunnata Database and coded. Beginning begdoc# ROS000001.
06/09/2013	1.10	Christopher Stanek	Review of draft affidavit of documents and brief of privileged documents; discussion with C. Prophet ██████████ factum and affidavit; review of draft response to J. MacLellan; review of ██████████ Factum; received and reviewed correspondence from C. Prophet; e-mail to J. MacLellan;
09/09/2013	4.10	Cindy Cecy	Continue to work on plaintiff's draft affidavit of documents;
10/09/2013	1.30	Cindy Cecy	Complete draft affidavit of documents; email same to C. Stanek for his review and comments;
10/09/2013	0.10	Christopher Stanek	Received and reviewed correspondence from C. Cecy regarding Affidavit of Documents;
11/09/2013	1.20	Cindy Cecy	Discuss relevance issues with C. Stanek; revise draft Schedule "A"; obtain copies of certain productions and send to H. Bricks with draft Affidavit of Documents for his review and instructions;
11/09/2013	1.30	Christopher Stanek	Review of draft Schedule "A" of Affidavit of Documents; discussion with C. Cecy; received and reviewed correspondence from J. MacLellan re motion; telephone conversation with J. Baichoo re motion; response to J. MacLellan re motion;
12/09/2013	0.20	Cindy Cecy	Correspondence to H. Bricks;
13/09/2013	0.40	Cindy Cecy	Emails from and to H. Bricks; letter to H. Bricks;
13/09/2013	0.60	Tanya Rocca	Reviewing motion record and test to amend pleadings;
13/09/2013	0.50	Christopher Stanek	Received and reviewed correspondence from J. MacLellan re ██████████ examination; telephone conversation with D. Tang; telephone conversation with H. Murray; received and reviewed correspondence from C. Cecy re affidavit of documents; e-mail to J. MacLellan;
13/09/2013	1.10	David Tang	Meet with C. Paulikot to discuss progress and next steps; calls with C. Prophet and C Stanek on court proceedings; review order and endorsement; instructions to C. Paulikot; discussion with C. Stanek on getting request and questions ██████████
16/09/2013	4.00	Tanya Rocca	Drafting order; reviewing case pertaining to amending pleadings; attendance at motion before Master Glustein to obtain order allowing statement of claim to be amended; seeing to issuing and entering of order and issuance of claim;
16/09/2013	0.10	Christopher Stanek	Received and reviewed correspondence from T. Rocca regarding

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



September 30, 2013  
 INVOICE: 17815490

Date	Hours	Timekeeper	Description
17/09/2013	0.80	Chris Nichols	motion to add Royal Windsor Mechanical; Attend court to amend statement of claim;
23/09/2013	0.10	Christopher Stanek	Received and reviewed correspondence from process server re service of Amended Statement of Claim;
24/09/2013	0.30	Christopher Stanek	Received and reviewed correspondence from H. Bricks; response to H. Bricks; correspondence to J. MacLellan re Cross- examination [REDACTED]

**Total Fees for Professional Services** \$16,927.72

**DISBURSEMENTS**

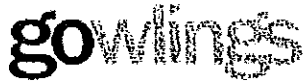
**Taxable Costs**

Copying	\$192.75
Scanning Service	\$10.25
Fax Charges	\$1.25

**Total Taxable Disbursements** \$204.25

Terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice.

errors and omissions excluded



September 30, 2013  
INVOICE: 17815490

## Remittance Copy

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$19,359.12

### PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

### PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

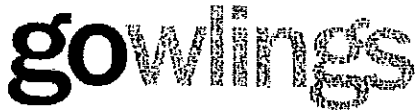
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)

Terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



montreal - stouville - toronto - hamilton - waterloo region - calgary - vancouver - beijing - moscow - london

Deloitte & Touche  
ATTN: Hartley Bricks  
Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

August 20, 2013  
INVOICE: 17788479

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$3,612.00
HST on Fees	469.56
<b>Total Fees and Taxes</b>	<b>4,081.56</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	491.11
HST on Disbursements	63.84
<b>Total Disbursements and Taxes</b>	<b>554.95</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	4,636.51
[ Total HST: \$533.40 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b>\$4,636.51</b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT

August 20, 2013  
 INVOICE: 17788479

Deloitte & Touche LLP  
 Our Matter: T988324  
 Receivership of Rose of Sharon (Ontario) Retirement  
 Community  
 15 & 17 Maplewood Avenue, Toronto

**PROFESSIONAL SERVICES**

Date	Hours	Timekeeper	Description
21/07/2013	2.40	Cindy Cecy	Continue to prepare plaintiff's documents for imaging;
22/07/2013	4.00	Cindy Cecy	Continue to prepare plaintiff's documents for imaging; instruct L. Clemence re: scanning and coding of documents in this matter; report to C. Stanek;
24/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Brunner regarding documents;
25/07/2013	0.10	David Tang	Email from J. Brunner and set up time to review additional documents with N. Lee;
29/07/2013	0.20	Christopher Stanek	Received and reviewed correspondence from J. MacLellan regarding Receivership motion; received and reviewed correspondence from L. Clemence regarding documents;
30/07/2013	0.20	Christopher Stanek	Received and reviewed correspondence from R. Kerkman re examinations for discovery; discussion with H. Murray [REDACTED]
31/07/2013	0.10	Christopher Stanek	Left voice mail message for D. Tang [REDACTED]
01/08/2013	0.10	Christopher Stanek	Received and reviewed voice mail from D. Tang; left voice mail message for D. Tang;
06/08/2013	0.10	Christopher Stanek	Left voice mail message for J. MacLellan; received and reviewed correspondence from J. MacLellan;
06/08/2013	1.50	David Tang	Attend at J. Brunner's office to review documents produced by V. Heinrichs with H. Bricks and N. Lee; request copies; draft letter to J. Brunner requesting additional documents; review of H. Bricks' emails and additional documentation; forward Change Orders to L. Sedun and N. Lee;
07/08/2013	0.30	Cindy Cecy	Work on document database;
07/08/2013	0.20	Christopher Stanek	Received and reviewed correspondence from D. tang; revisions to draft letter; e-mail to H. Bricks;
08/08/2013	0.10	Christopher Stanek	Received and reviewed correspondence from client; signed correspondence to J. Brunner;

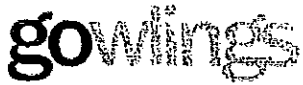
**Total Fees for Professional Services** \$3,612.00

**DISBURSEMENTS**

Taxable Costs

Terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



000121

August 20, 2013  
INVOICE: 17788479

Fax Charges		\$0.75
Binding		\$55.85
Courier		\$8.03
29/07/2013	Process Servers	\$426.48
	VENDOR: Reliable Process Servers Inc.; INVOICE#: 57729;	
	DATE: 07/29/2013 - T988324; Serving and filing motion	
	materials; C. Stanek	
	<b>Total Taxable Disbursements</b>	<b><u>\$491.11</u></b>

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

August 20, 2013  
INVOICE: 17788479**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$4,636.51

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

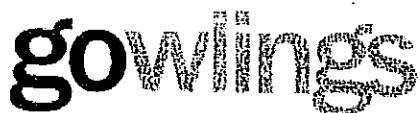
TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • beijing • moscow • london

Deloitte & Touche  
 ATTN: Dan Weisz  
 Senior Vice President  
 Brookfield Place  
 181 Bay Street  
 Suite 1400  
 Toronto ON M5J 2V1

July 24, 2013  
 INVOICE: 17774154

Our Matter: T988324 / 90669  
 RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
 15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$9,948.50
HST on Fees	1,293.31
<b>Total Fees and Taxes</b>	<b>11,241.81</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	522.85
Disbursements (Non-Taxable)	127.00
HST on Disbursements	67.97
<b>Total Disbursements and Taxes</b>	<b>717.82</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	11,959.63
[ Total HST: \$1,361.28 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b>\$11,959.63</b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
 Cliff Prophet

terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
 GST/HST: 11936 4511 RT

July 24, 2013  
 INVOICE: 17774154

Deloitte & Touche LLP  
 Our Matter: T988324  
 Receivership of Rose of Sharon (Ontario) Retirement  
 Community  
 15 & 17 Maplewood Avenue, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
16/06/2013	0.40	Delna Contractor	Drafted notice of motion and affidavit for C. Stanek;
17/06/2013	1.60	Delna Contractor	Drafting notice of motion [REDACTED] and corresponding affidavit for C. Stanek;
17/06/2013	0.20	Christopher Stanek	Received and reviewed correspondence from H. Bricks [REDACTED];
17/06/2013	0.10	David Tang	Review emails regarding access to drawings and setting up inspection;
18/06/2013	1.10	Delna Contractor	Drafted notice of motion and affidavit for C. Stanek;
18/06/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Brunner; e-mail to H. Bricks;
18/06/2013	0.10	David Tang	Emails to set up review [REDACTED];
19/06/2013	0.70	Delna Contractor	Drafted notice of motion and affidavit for C. Stanek
19/06/2013	0.10	Christopher Stanek	Received and reviewed correspondence from D. Contractor;
20/06/2013	0.30	Christopher Stanek	Review of motion record prepared by D. Contractor; received and reviewed correspondence from A. Casemore regarding Affidavit of Documents; correspondence to counsel [REDACTED];
21/06/2013	0.10	Delna Contractor	Scheduling motion hearing for C. Stanek;
21/06/2013	0.10	Frank D. Lamic	Attendance to meeting with C. Prophet;
21/06/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks [REDACTED];
24/06/2013	0.10	Delna Contractor	Responded to emails re scheduling notice of motion for C. Stanek;
24/06/2013	0.20	Christopher Stanek	Received and reviewed correspondence from D. Tang regarding visit to J. Brunner's office; correspondence to J. Brunner; correspondence to Superior Court regarding date for motion to amend Statement of Claim;
24/06/2013	2.80	David Tang	Call and email N. Lee to confirm meeting at J. Brunner's office; attend at J. Brunner's office [REDACTED] discussion with J. Brunner regarding missing documentation and other desirable documentation [REDACTED]; report by email to Deloitte and ask C. Stanek to seek further confirmation of drawing dates and completeness;

terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



July 24, 2013  
 INVOICE: 17774154

Date	Hours	Timekeeper	Description
25/06/2013	0.20	Christopher Stanek	Received and reviewed correspondence from J. Brunner; forwarded same to H. Bricks; received and reviewed correspondence from R. Lilly regarding discovery dates;
25/06/2013	0.30	David Tang	Review correspondence from J. Brunner and C. Stanek and provide copies to team with commentary;
26/06/2013	1.60	Cindy Cecy	Review claim; commence review of client documents and inter-office discussions re: scanning and coding of documents in document database in anticipation of preparing plaintiff's affidavit of documents;
26/06/2013	0.10	Delna Contractor	Drafted notice of motion and affidavit for C. Stanke;
26/06/2013	0.10	Christopher Stanek	Response to R. Lilly re mediation;
26/06/2013	0.20	David Tang	Email from L. Sedun and email team [REDACTED]; review responses and respond;
27/06/2013	0.30	Cindy Cecy	Discussion with C. Stanek and receive instructions; continue review of client documents;
27/06/2013	1.60	Delna Contractor	Drafted notice of motion and affidavit;
27/06/2013	0.80	Christopher Stanek	Received and reviewed correspondence from D. Tang; response to D. Tang; review of draft motion record [REDACTED] discussion with D. Contractor; executed affidavit for [REDACTED] motion;
28/06/2013	1.00	Delna Contractor	Drafted notice of motion and affidavit for C. Stanek
01/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from R. Kerkman re discoveries;
02/07/2013	0.30	Delna Contractor	Prepared Notice of motion and affidavit for C. Stanek;
02/07/2013	0.20	Christopher Stanek	Received and reviewed correspondence from Elevator Contractor; response to client;
08/07/2013	3.80	Cindy Cecy	Commence review of client documents and prepare them for scanning into our document database;
08/07/2013	0.20	Delna Contractor	Prepped Notice of Motion and affidavit for C. Stanek;
08/07/2013	0.90	Christopher Stanek	Drafted [REDACTED] response, sent same to client;
09/07/2013	2.50	Cindy Cecy	Continue to review documents and prepare them for scanning in anticipation of preparing client's affidavit of documents;
09/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from client regarding approval of [REDACTED] letter; sent letter;
10/07/2013	1.20	Cindy Cecy	Continue to review documents and prepare them for scanning;
11/07/2013	0.20	Christopher Stanek	Correspondence to counsel regarding dates; received and reviewed correspondence from A. Casemore; response to A. Casemore;
12/07/2013	0.50	Delna Contractor	Prepared notice of motion and affidavit for C. Stanek;
12/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from A. Casemore re mediation; received and reviewed correspondence from J. MacLellan re discovery dates;

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

July 24, 2013  
 INVOICE: 17774154

Date	Hours	Timekeeper	Description
15/07/2013	0.10	Christopher Stanek	Correspondence regarding examinations for discovery;
16/07/2013	0.50	Delna Contractor	Completed Notice of motion and affidavit for C. Stanek;
16/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from R. Lilly regarding discoveries;
17/07/2013	0.60	Christopher Stanek	Discussion with C. Prophet regarding strategy; review of motion record [REDACTED] received and reviewed correspondence from R. Lilly; e-mail to court to obtain additional motion date;
18/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from court re motions date;
19/07/2013	0.20	Cindy Cecy	Continue to review documents and prepare them for imaging;
19/07/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Baichoo re discovery dates; received and reviewed correspondence from A Casemore re dates;

**Total Fees for Professional Services** \$9,948.50

**DISBURSEMENTS**

**Non-Taxable Costs**

18/07/2013	Minister of Finance - Agency VENDOR: Minister of Finance; INVOICE#: T988324-07172013; DATE: 07/18/2013 - T988324 - Motion amending statement of claim	\$127.00
------------	---	----------

**Total Non-Taxable Disbursements** \$127.00

**Taxable Costs**

Copying	\$435.00
Scanning Service	\$0.75
Fax Charges	\$34.00
Binding	\$53.10

**Total Taxable Disbursements** \$522.85

terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

July 24, 2013  
INVOICE: 17774154

**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$11,959.63

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

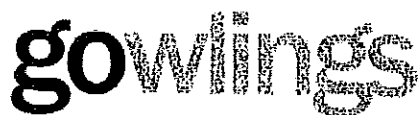
TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · beijing · moscow · london

Deloitte & Touche  
ATTN: Hartley Bricks  
Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

June 25, 2013  
INVOICE: 17755735

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$4,068.00
HST on Fees	528.84
<b>Total Fees and Taxes</b>	<b>4,596.84</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	1,017.39
HST on Disbursements	132.26
<b>Total Disbursements and Taxes</b>	<b>1,149.65</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	5,746.49
[ Total HST: \$661.10 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b>\$5,746.49</b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT

June 25, 2013  
 INVOICE: 17755735

**Deloitte & Touche LLP**  
**Our Matter: T988324**  
**Receivership of Rose of Sharon (Ontario) Retirement**  
**Community**  
**15 & 17 Maplewood Avenue, Toronto**

**PROFESSIONAL SERVICES**

Date	Hours	Timekeeper	Description
14/05/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks; response to H. Bricks;
15/05/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks regarding documents;
16/05/2013	0.10	Christopher Stanek	Received and reviewed correspondence from A. Casemore re amended claim; response to A. Casemore;
16/05/2013	2.50	David Tang	Meet with N. Lee and L. Sedun to discuss division of work and to clarify options [REDACTED] and update on progress; call H. Bricks; dictate memorandum;
17/05/2013	0.10	Christopher Stanek	Left voice mail message for A. Casemore;
20/05/2013	0.40	David Tang	Revise memorandum [REDACTED]
24/05/2013	0.10	Christopher Stanek	Discussion with A. DiDomenico re document management;
25/05/2013	0.30	David Tang	Finalize memorandum to Receiver, Architect & Engineer;
27/05/2013	0.10	Christopher Stanek	Received and reviewed correspondence from H. Bricks [REDACTED]
27/05/2013	0.40	David Tang	Finalize memorandum to H. Bricks, N. Lee and L. Sedun; call with H. Bricks; draft specifics of request of architect [REDACTED]
30/05/2013	0.10	Christopher Stanek	Received and reviewed correspondence from
31/05/2013	0.30	Christopher Stanek	Received and reviewed correspondence from D. Tang re Brunner letter; e-mail to D. Tang; telephone conversation with D. Tang; correspondence to J. Brunner;
31/05/2013	0.40	David Tang	Review materials from C. Stanek, and call C. Stanek on response to architect's lawyer; review C. Stanek letter
03/06/2013	0.10	David Tang	Review revisions to C. Stanek letter by H. Bricks;
05/06/2013	0.20	Christopher Stanek	Received and reviewed correspondence from H. Bricks [REDACTED]; received and reviewed correspondence from C. Prophet [REDACTED];
06/06/2013	0.10	Christopher Stanek	Received and reviewed correspondence from C. Prophet re response to M. Mallich;
07/06/2013	0.20	Christopher Stanek	Revisions to draft letter to J. Brunner; sent same to J. Brunner;
11/06/2013	0.10	Delna Contractor	Met with C. Stanek re drafting motion and affidavit

terms: due upon receipt  
 Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

June 25, 2013  
INVOICE: 17755735

Date	Hours	Timekeeper	Description
11/06/2013	0.10	Christopher Stanek	Discussion with D. Contractor regarding motion [REDACTED]
12/06/2013	0.10	Cindy Cecy	Discussion with C. Stanek and receive instructions;
12/06/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Brunner; e-mail to H. Bricks;

**Total Fees for Professional Services** \$4,068.00

**DISBURSEMENTS**

**Taxable Costs**

Copying	\$977.25
Fax Charges	\$4.75
Courier	\$35.39
<b>Total Taxable Disbursements</b>	<u>\$1,017.39</u>

Terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

June 25, 2013  
INVOICE: 17755735**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$5,746.49

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

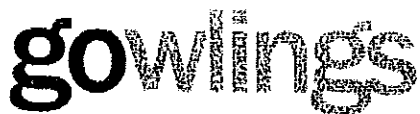
TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • beijing • moscow • london

Deloitte & Touche LLP  
 ATTN: Dan Weisz  
 Senior Vice President  
 Brookfield Place  
 181 Bay Street  
 Suite 1400  
 Toronto ON M5J 2V1

May 28, 2013  
 INVOICE: 17732355

Our Matter: T988324 / 90669  
 RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
 15 & 17 Maplewood Avenue, Toronto

---

**TO OUR FEE:**

Fees for Professional Services	\$2,435.50
HST on Fees	316.62
<b>Total Fees and Taxes</b>	<u>2,752.12</u>

**DISBURSEMENTS:**

Disbursements (Taxable)	265.84
HST on Disbursements	34.56
<b>Total Disbursements and Taxes</b>	<u>300.40</u>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	3,052.52
[ Total HST: \$351.18 ]	
<b>Please remit total invoice balance due:</b>	<u><u>3,052.52</u></u>

**In Canadian Dollars**

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
 Cliff Prophet

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
 GST/HST: 11936 4511 RT

Gowling Lafleur Henderson LLP • Lawyers • Patent and Trade-mark Agents

page 1 of 3

1 First Canadian Place • 100 King Street West • Suite 1600 • Toronto • Ontario • M5X 1G5 • Canada • T 416-862-7525 • F 416-862-7661 • [gowlings.com](http://gowlings.com)



May 28, 2013  
 INVOICE: 17732355

**Deloitte & Touche LLP**  
**Our Matter: T988324**  
**Receivership of Rose of Sharon (Ontario) Retirement**  
**Community**  
**15 & 17 Maplewood Avenue, Toronto**

**PROFESSIONAL SERVICES**

<b>Date</b>	<b>Hours</b>	<b>Timekeeper</b>	<b>Description</b>
02/04/2013	0.80	Cameron F. Paulikot	Call and message to D. Tang; call with engineering firm [REDACTED] and review of schedule
23/04/2013	0.20	Christopher Stanek	Received and reviewed correspondence from C. Prophet regarding update in Receivership proceeding; telephone conversation with A. Casemore regarding scheduling;
25/04/2013	0.10	Christopher Stanek	Received and reviewed correspondence from R. Kerkmann re Discovery Plan;
28/04/2013	0.10	Christopher Stanek	Received confirmation of scheduling of discovery motion;
30/04/2013	0.50	Hilary Chancey	Royal Windsor Mechanical Inc. - attendance to corporate search;
30/04/2013	1.80	Christopher Stanek	Drafting Amended Statement of Claim re Royal Windsor Mechanical; sent draft to client; received and reviewed correspondence from G. Low re examinations for discovery; received and reviewed correspondence from client;
01/05/2013	0.10	Christopher Stanek	Response to D. Weisz regarding draft Amended Statement of Claim;
02/05/2013	0.70	Christopher Stanek	Drafting consent to amended claim; correspondence to J. Sestito;
06/05/2013	0.20	Christopher Stanek	Received and reviewed correspondence from Bianchi Presta; prepared consent for Royal Windsor Mechanical; correspondence to Royal Windsor Mechanical;
09/05/2013	0.10	David Tang	Call from L. Sedun on estimating cost; set up meeting with L. Sedun and N. Lee;

**Total Fees for Professional Services** \$2,435.50

**DISBURSEMENTS**

**Taxable Costs**

Fax Charges	\$176.00
Corporate Searches - Taxable	\$23.00
Courier	\$44.52
Conference Call Expenses	\$22.32
<b>Total Taxable Disbursements</b>	<u>\$265.84</u>

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

May 28, 2013  
INVOICE: 17732355

**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$3,052.52

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5

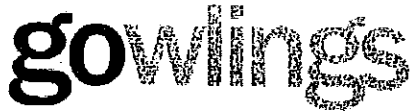
TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal - ottawa - toronto - hamilton - waterloo region - calgary - vancouver - beijing - moscow - london

000135

Deloitte & Touche LLP  
ATTN: Dan Weisz  
Senior Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

April 30, 2013  
INVOICE: 17714189

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$7,874.00
HST on Fees	1,023.62
<b>Total Fees and Taxes</b>	<b>8,897.62</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	108.50
HST on Disbursements	14.11
<b>Total Disbursements and Taxes</b>	<b>122.61</b>

**TOTAL INVOICE BALANCE:**

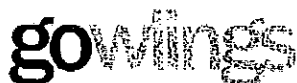
Total for this Invoice	9,020.23
[ Total HST: \$1,037.73 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b>\$9,020.23</b>

**GOWLING LAFLEUR HENDERSON LLP**

PER Cliff Prophet

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT



April 30, 2013  
INVOICE: 17714189

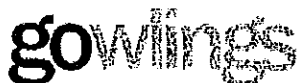
Deloitte & Touche LLP  
Our Matter: T988324  
Receivership of Rose of Sharon (Ontario) Retirement  
Community  
15 & 17 Maplewood Avenue, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
04/02/2013	0.60	Cameron F. Paulikot	Discussion with D. Tang [REDACTED] [REDACTED] for interpretation; call to architects firm;
07/02/2013	1.20	Cameron F. Paulikot	Discussion [REDACTED] with D. Tang; call to C. Prophet and left a message summarizing walk through; call with D. Tang dates to satisfy conditions;
15/02/2013	2.70	Cameron F. Paulikot	Review [REDACTED] relating to statements to be made by the engineer; call to Trow and Associates; call to D. Tang; Declaration; meeting with C. Prophet and client to review status;
19/02/2013	3.20	Cameron F. Paulikot	Review of engineer's report; call with D. Tang; preparation for meeting with client [REDACTED] review outstanding issues; Meeting at Gowlings Toronto Office with client and C. Prophet and independent counsel;
22/02/2013	0.90	Cameron F. Paulikot	Conference call with Trow Architects to review retainer letter; call to D. Tang to update status;
29/03/2013	0.10	Christopher Stanek	Received and reviewed correspondence from A. Casemore;
01/04/2013	1.40	Cliff Prophet	Review of correspondence from stakeholders (L. Hui; B. Kim) and suggest responses;
02/04/2013	0.10	Christopher Stanek	Received and reviewed correspondence from A. Casemore regarding Discovery Plan;
03/04/2013	0.50	Hilary Chancey	Attendance to PPSA verbal search re: Rose of Sharon (Ontario) Retirement Community;
09/04/2013	0.40	David Tang	Draft letter to City [REDACTED]
10/04/2013	0.80	Christopher Stanek	Received and reviewed correspondence from J. MacLellan regarding Discovery Plan; review of pleadings; e-mail to client with recommendation regarding Discovery Plan;
10/04/2013	0.20	David Tang	Call with H. Bricks and D. Weisz [REDACTED]
11/04/2013	1.40	Christopher Stanek	Review of affidavit of M. Mallich and Third Report of Receiver;
11/04/2013	0.50	David Tang	Finalize draft of letter to City; forward to C. Prophet, Deloitte and review revisions and implement; e-mail D. Weisz;

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



April 30, 2013  
INVOICE: 17714189

Date	Hours	Timekeeper	Description
12/04/2013	0.10	Christopher Stanek	Received and reviewed correspondence from J. Baichoo;
12/04/2013	0.10	David Tang	Deliver letter; respond to D. Weisz email about deadline for extension;
18/04/2013	0.80	David Tang	Call from and to N. Lee; email N. Lee and L. Sedun; emails from H. Bricks and respond; meet with D. Weisz and H. Bricks with C. Prophet [REDACTED] email L. Sedun and call his office with copies to N. Lee setting out instructions [REDACTED]
19/04/2013	1.10	Christopher Stanek	Review of pleadings [REDACTED]; revisions to draft Discovery Plan; correspondence to counsel; revised correspondence to counsel; sent same to client for approval;

**Total Fees for Professional Services**

**\$7,874.00**

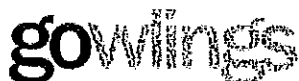
**DISBURSEMENTS**

**Taxable Costs**

Copying	\$4.75
Scanning Service	\$4.25
Fax Charges	\$55.00
Binding	\$13.50
Corporate Searches - Taxable	\$23.00
PPSA Online Search - Taxable	\$8.00
<b>Total Taxable Disbursements</b>	<b><u>\$108.50</u></b>

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



April 30, 2013  
INVOICE: 17714189

## Remittance Copy

Client: 90669 Deloitte & Touche LLP  
 Matter: T988324  
 RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
 15 & 17 Maplewood Avenue, Toronto  
 Amount Due: \$9,020.23

---

### PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
 PO Box 466, STN D  
 Ottawa, ON K1P 1C3  
 Canada

### PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:  
 SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
 119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
 160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

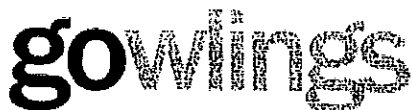
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
 USD Account: 02-21015

**International payments intermediary banking information:**  
 USD WELLS FARGO BANK, N.A. PNBPU3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



montreal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · beijing · moscow · london

Deloitte & Touche LLP  
 ATTN: Dan Weisz  
 Senior Vice President  
 Brookfield Place  
 181 Bay Street  
 Suite 1400  
 Toronto ON M5J 2V1

March 31, 2013  
 INVOICE: 17699289

Our Matter: T988324 / 90669  
 RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
 15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$20,970.50
HST on Fees	2,726.17
<b>Total Fees and Taxes</b>	<b>23,696.67</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	72.16
HST on Disbursements	9.38
<b>Total Disbursements and Taxes</b>	<b>81.54</b>

**TOTAL INVOICE BALANCE:**

Total for this Invoice	23,778.21
[ Total HST: \$2,735.55 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b><u>\$23,778.21</u></b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
 Cliff Prophet

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
 GST/HST: 11936 4611 RT

March 31, 2013  
 INVOICE: 17699289

**Deloitte & Touche LLP**  
**Our Matter: T988324**  
**Receivership of Rose of Sharon (Ontario) Retirement**  
**Community**  
**15 & 17 Maplewood Avenue, Toronto**

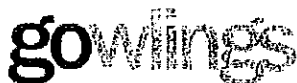
**PROFESSIONAL SERVICES**

Date	Hours	Timekeeper	Description
05/03/2013	1.80	David Tang	Meeting with D. Weisz, H. Bricks and N. Lee to go over options [REDACTED]
06/03/2013	1.10	Cliff Prophet	Call with receiver and independent counsel;
06/03/2013	0.30	David Tang	Emails with C. Prophet; follow up with email to B. Haley;
08/03/2013	1.20	Cliff Prophet	Review of Receiver's motion materials and call with receiver's independent counsel and proposed representative counsel;
11/03/2013	0.30	Cliff Prophet	Review order to appoint representative counsel;
12/03/2013	2.70	Cliff Prophet	Attend on motion; multiple e-mails to CMHC outside counsel in response to their requests;
12/03/2013	0.90	Christopher Stanek	Report to Deloitte re conference call re discovery plan; drafting discovery plan; received and reviewed correspondence from client re discussion;
12/03/2013	0.50	David Tang	Call with D. Weisz [REDACTED] and drafting [REDACTED]; draft report excerpt; review email to N. Lee;
13/03/2013	0.70	Cliff Prophet	Call from receiver [REDACTED]; call [REDACTED]
13/03/2013	1.60	Christopher Stanek	Telephone conversation with G. Low re discovery plan; telephone conversation with Receiver re discovery plan; telephone conversation with K. Movat; review of file re settlement with Royal Windsor;
14/03/2013	0.40	Cliff Prophet	Call with other counsel re scheduling of motion [REDACTED] [REDACTED]
14/03/2013	0.10	David Tang	Email B. Haley and respond to email from D. Weisz;
18/03/2013	0.10	Christopher Stanek	Telephone conversation with D. Weiss [REDACTED];
19/03/2013	0.50	Cliff Prophet	Call with D Weisz [REDACTED] [REDACTED] [REDACTED]
19/03/2013	2.50	Cara B. Sklar	Review of motion record dated February 28, 2013;
19/03/2013	0.20	David Tang	Review and revise memorandum on status and timing and forward to C. Prophet and C. Paulikot for revisions;
20/03/2013	0.90	Cameron F. Paulikot	Review of report from D. Van; review of engineers notes; review of conditions; call and left a message with D. Van; draft revised language
20/03/2013	0.20	Christopher Stanek	Received and reviewed correspondence from E. Czolij; response

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded





March 31, 2013  
INVOICE: 17699289

Date	Hours	Timekeeper	Description
			to E Czolij re update;
20/03/2013	0.20	David Tang	Review of C. Paulikot's amendments to summary and implement;
21/03/2013	0.80	Cameron F. Paulikot	Call and email from Trow and Associates; review of quote for work; e-mail from C. Prophet
21/03/2013	0.40	Cliff Prophet	Call with D. Weisz re inquiries for documents [REDACTED]
21/03/2013	0.20	David Tang	Review email with comments from C. Prophet; send summary of condominium progress and process to D. Weisz;
22/03/2013	1.10	Christopher Stanek	Drafting Discovery Plan;
24/03/2013	4.30	Cara B. Sklar	Review of motion record dated February 28, 2013; review of third and fourth reports of the receiver; drafted affidavit of M. Mallich re Peoples' mortgage priority;
25/03/2013	3.90	Cara B. Sklar	Drafted affidavit of M. Mallich [REDACTED] drafted notice of motion;
25/03/2013	0.10	Christopher Stanek	Received and reviewed correspondence from R. Lilly;
26/03/2013	0.80	Cliff Prophet	Review with D. Weisz current status; instructions to C. Sklar and C. Stanek;
26/03/2013	0.60	Cara B. Sklar	Attendance with C. Prophet re preparation of affidavit and notice of motion; telephone attendance with D. Weisz; attendance with C. Stanek and C. Prophet [REDACTED]
26/03/2013	0.90	Christopher Stanek	Correspondence to client re e-mail from R. Lilly; completed draft discovery Plan; sent same to client; discussion with C. Prophet [REDACTED]
27/03/2013	0.40	Cliff Prophet	Review and respond to counsel to receiver on variety of issues;
27/03/2013	2.30	Cliff Prophet	Letter to counsel to Heinrichs re consent to document disclosure; review and advise receiver on retention documents for tax appeals;
27/03/2013	0.30	Christopher Stanek	Finalized Discovery Plan; correspondence to counsel;
28/03/2013	0.50	Hilary Chancey	SDM Design Consulting Inc. - attendance to corporate search;
28/03/2013	4.60	Cara B. Sklar	Reviewed and revised of M. Mallich [REDACTED] reviewed and revised notice of motion; attendance with C. Prophet re review of materials;
31/03/2013	1.60	Cara B. Sklar	Amended notice of motion [REDACTED] amended affidavit of M. Mallich [REDACTED]

**Total Fees for Professional Services**

**\$20,970.50**

#### DISBURSEMENTS

Taxable Costs

terms: due upon receipt  
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

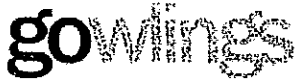
errors and omissions excluded

March 31, 2013  
 INVOICE: 17699289

Copying		\$6.50
Scanning Service		\$19.50
Fax Charges		\$0.75
14/03/2013	PR Travel Expenses: Taxis (Out-of-Town) Paulikot, Cameron F. - Taxi from Gowlings Toronto Office to 165 Vaughan Road, Toronto 02/06/2013	\$16.07
14/03/2013	PR Travel Expenses: Parking (Out-of-Town) Paulikot, Cameron F. - Parking (Toronto) - Meeting re: Deloitte & Touche and Rose of Sharon 02/04/2013	\$15.18
14/03/2013	PR Travel Expenses: Parking (Out-of-Town) Paulikot, Cameron F. - Parking (Toronto) - Meeting re: Deloitte & Touche and Rose of Sharon 02/15/2013	\$14.16
	<b>Total Taxable Disbursements</b>	<b><u>\$72.16</u></b>

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



March 31, 2013  
INVOICE: 17699289

**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$23,778.21

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

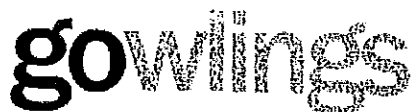
Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT  
BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5  
TRANSIT NUMBER: 0010-00006  
BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3  
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBPUS3NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)



montreal - ottawa - toronto - hamilton - waterloo region - calgary - vancouver - beijing - moscow - london

This Replaces Invoice Number 17673048 Dated February 2013

Deloitte & Touche LLP  
ATTN: Dan Weisz  
Senior Vice President  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1

March 14, 2013  
INVOICE: 17683912

Our Matter: T988324 / 90669  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto

**TO OUR FEE:**

Fees for Professional Services	\$32,744.50
HST on Fees	4,256.79
<b>Total Fees and Taxes</b>	<b>37,001.29</b>

**DISBURSEMENTS:**

Disbursements (Taxable)	453.21
Disbursements (Non-Taxable)	104.00
HST on Disbursements	58.92
<b>Total Disbursements and Taxes</b>	<b>616.13</b>

**TOTAL INVOICE BALANCE:**

Total for this invoice	37,617.42
[ Total HST: \$4,315.71 ]	
<b>Please remit total invoice balance due:</b>	<b>In Canadian Dollars</b>
	<b><u>\$37,617.42</u></b>

**GOWLING LAFLEUR HENDERSON LLP**

PER \_\_\_\_\_  
Cliff Prophet

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded  
GST/HST: 11936 4511 RT

Gowling Lafleur Henderson LLP - Lawyers - Patent and Trade-mark Agents

page 1 of 6

1 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5, Canada - T 416-862-7525 - F 416-862-7661 - gowling.com

March 14, 2013  
INVOICE: 17683912

**Deloitte & Touche LLP**  
Our Matter: T988324  
Receivership of Rose of Sharon (Ontario) Retirement  
Community  
15 & 17 Maplewood Avenue, Toronto

**PROFESSIONAL SERVICES**

Date	Hours	Timekeeper	Description
07/01/2013	0.30	Christopher Stanek	Drafting statement of defence;
08/01/2013	0.70	Cliff Prophet	E-mail to M. Mallich reporting on motion [REDACTED]
08/01/2013	3.70	Christopher Stanek	Drafting Statement of Defence to Lien Action; sent draft to client; correspondence to counsel regarding bond claim action;
09/01/2013	0.40	Cliff Prophet	Cal to M. Mallich; instructions to C. Stanek [REDACTED]
09/01/2013	0.20	Christopher Stanek	Discussion with C. Prophet re issues [REDACTED]
10/01/2013	0.60	Christopher Stanek	Received and reviewed correspondence from J. Baichoo; telephone conversation with D. Weisz re Statement of Defence;
11/01/2013	0.80	Christopher Stanek	Revisions to draft Statement of Defence; sent same to client;
14/01/2013	0.80	Christopher Stanek	Received and reviewed correspondence from Receiver; response to Receiver; telephone conference with D. Weisz and H. Bricks; final revisions to draft Statement of Defence;
16/01/2013	0.80	Chris Nichols	Attend court to file statement of defence.
16/01/2013	0.40	Christopher Stanek	Received and reviewed correspondence from J. MacLellan [REDACTED] forwarded same to client with comments;
17/01/2013	1.10	Cameron F. Paulikot	Review of PIN [REDACTED] call to C. Prophet;
17/01/2013	0.10	Christopher Stanek	Telephone conversation with D. Weisz [REDACTED]
18/01/2013	0.50	Cameron F. Paulikot	E-mail from D. Weisz; e-mail from C. Prophet and response; e-mail to D. Weisz re declaration
18/01/2013	0.30	Cliff Prophet	E-mail to D. Weisz [REDACTED]
21/01/2013	0.20	Christopher Stanek	Review of Defence and counterclaim of Trisura re requirement for Reply;
23/01/2013	0.20	Christopher Stanek	Received and reviewed correspondence from G. Low re statement of defence of Mikal-Calladan; e-mail to client;
24/01/2013	0.10	Christopher Stanek	Telephone conversation with D. Weisz re [REDACTED] Statement of Defence;
30/01/2013	0.20	Cliff Prophet	E-mail re condo issues; speak with D. Tang and C. Paulikot;
31/01/2013	0.90	Cliff Prophet	Review draft order re condo issues; call with C. Paulikot;
31/01/2013	0.40	David Tang	Discussion with C Paulikot; call Quadrangle to obtain quote; call

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

March 14, 2013  
 INVOICE: 17683912

Date	Hours	Timekeeper	Description
			and email C. Prophet for order [REDACTED]
05/02/2013	0.20	Christopher Stanek	Received and reviewed correspondence from Trisura regarding offer to settle; forwarded same to client;
05/02/2013	0.60	David Tang	Review email with draft wording for order and forward by email to City for without prejudice comments; discussion and emails with C. Prophet and C. Paulikot [REDACTED]
06/02/2013	3.50	Cameron F. Paulikot	Site Meeting [REDACTED] review of order
07/02/2013	0.10	David Tang	Various emails and set up meeting;
11/02/2013	0.10	David Tang	Follow-up with architects [REDACTED]
12/02/2013	0.50	Cliff Prophet	Call with H. Bricks;
12/02/2013	0.20	Christopher Stanek	Received and reviewed correspondence from Loudon & Sterling regarding Defence to Third Party Claim; reported to client;
12/02/2013	0.20	David Tang	Call architects;
12/02/2013	0.80	David Tang	Calls with C Paulikot to discuss Turner Fleischer's concerns [REDACTED]
13/02/2013	0.50	Cliff Prophet	Calls re condominium issues; call with receiver;
13/02/2013	0.30	Christopher Stanek	Received and reviewed correspondence from H. Bricks; response to H. Bricks regarding appointment; received and reviewed correspondence from J. Baichoo regarding Statement of Defence and Counterclaim [REDACTED]
13/02/2013	2.30	David Tang	Discussion of Turner & Fleischer response with C. Paulikot [REDACTED] call P. Turner; call to L. Sedun to explain situation [REDACTED] call to S. Blany of Construction Control; call H. Bricks to advise of potential problem [REDACTED] discuss next steps with C. Paulikot; have C. Paulikot follow up [REDACTED] consider implications of delay [REDACTED]
14/02/2013	2.50	Christopher Stanek	Review of pleadings and documents in file; meeting with H. Bricks re document production;
15/02/2013	1.30	Cliff Prophet	Meet with D. Tang, C. Paulikot and H. Bricks re condo issues;
15/02/2013	2.20	David Tang	Meeting with C. Paulikot; call with R. Avis Surveying; various emails; call H. Bricks to remind to bring drawings; meeting with H. Bricks, C. Paulikot and C. Prophet to discuss next steps; set up meeting/call with N. Lee;
19/02/2013	1.10	Cliff Prophet	Review of condo issues with receiver; e-mails to independent counsel;
19/02/2013	1.60	David Tang	Call with N. Lee, D. Weisz, H. Bricks and C. Paulikot to discuss

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

March 14, 2013  
 INVOICE: 17683912

Date	Hours	Timekeeper	Description
			[REDACTED] call with L. Sedun on work; organize call and meeting on site with L. Sedun and Deloitte & Touche;
20/02/2013	0.20	David Tang	Organize instructions and meeting with architect;
21/02/2013	1.40	Cliff Prophet	Calls with condo experts [REDACTED];
21/02/2013	0.60	David Tang	Call with H. Bricks, D. Weisz and L. Sedun; follow up on drawings for meeting;
22/02/2013	3.30	Cliff Prophet	Meet with independent counsel and receiver; review of court documents; discussion [REDACTED];
22/02/2013	0.30	Christopher Stanek	Discussion with C. Prophet re fee affidavit; executed fee affidavit;
25/02/2013	1.00	Kelby A. Carter	Copied and delivered documents for C. Prophet;
25/02/2013	0.70	Christopher Stanek	Reviewed draft Notice of Motion; telephone conversation with C. Prophet;
25/02/2013	3.10	David Tang	Attend at Rose of Sharon for meeting with architect and H. Bricks and to plan approach;
27/02/2013	0.10	Christopher Stanek	Received and reviewed correspondence from D. Weisz [REDACTED];
27/02/2013	0.40	David Tang	Email N. Lee with reminder [REDACTED] emails with L. Sedun and review letter; email L. Sedun and copy H. Bricks; email H. Bricks;
28/02/2013	3.70	Cliff Prophet	Prepare for and attend in Court re representative counsel motion;
28/02/2013	3.40	Cara B. Sklar	Attendance at commercial list with C. Prophet re Notice of Motion [REDACTED] attended to request of parties re setting of future dates in March and June; engaged in telephone attendance with C. Prophet and M. Mallich re results of court appearance;
28/02/2013	1.10	David Tang	Call N. Lee (x 3) and discuss needed work; emails with N. Lee and L. Sedun on getting dwg files to L. Sedun; call B. Haley; email client and N. Lee to set up meeting;
04/03/2013	0.40	Christopher Stanek	Review [REDACTED] Discovery Plan; correspondence to counsel regarding Discovery Plan and proposed telephone conference with respect to same;
06/03/2013	0.80	Christopher Stanek	Telephone conversation with A. Casemore; received and reviewed correspondence from S. Schwartz;
08/03/2013	0.80	Christopher Stanek	Telephone conference re discovery plan;

**Total Fees for Professional Services**

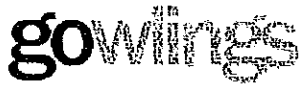
**\$32,744.50**

**DISBURSEMENTS**

**Non-Taxable Costs**

terms: due upon receipt  
 interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



000148

March 14, 2013  
INVOICE: 17683912

15/01/2013	Minister of Finance - Agency VENDOR: Minister of Finance; INVOICE#: T988324-01152013; DATE: 01/15/2013 - T988324 - Filing fee for statement of defence in Trisura Action - C. Stanek	\$104.00
	<b>Total Non-Taxable Disbursements</b>	<u>\$104.00</u>
<b>Taxable Costs</b>		
	Copying	\$136.50
	Scanning Service	\$22.75
	Fax Charges	\$24.75
	Binding	\$23.30
	Courier	\$5.08
	Quick Law: Research	\$66.33
	WestlaweCarswell	\$174.50
	<b>Total Taxable Disbursements</b>	<u>\$453.21</u>

terms: due upon receipt  
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



March 14, 2013  
INVOICE: 17683912

**Remittance Copy**

Client: 90669 Deloitte & Touche LLP  
Matter: T988324  
RE: Receivership of Rose of Sharon (Ontario) Retirement Community  
15 & 17 Maplewood Avenue, Toronto  
Amount Due: \$37,617.42

---

**PAYMENT BY CHEQUE:**

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP  
PO Box 466, STN D  
Ottawa, ON K1P 1C3  
Canada

**PAYMENT BY WIRE TRANSFER:**

Pay by Swift MT 103 Direct to:  
SWIFTCODE: CIBCCATT  
BENEFICIARY BANK: Canadian Imperial Bank of Commerce  
119 Sparks Street, Ottawa, ON K1P 5B5  
TRANSIT NUMBER: 0010-00006  
BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP  
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3  
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916  
USD Account: 02-21015

**International payments intermediary banking information:**  
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

\* if paying by wire or EFT please e-mail the remittance details to [payments@gowlings.com](mailto:payments@gowlings.com)

## **TAB 5**

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**FOURTH REPORT TO THE COURT OF THE RECEIVER  
(dated March 11, 2013)**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>3</b>
<b>TERMS OF REFERENCE .....</b>	<b>5</b>
<b>MEETING WITH THE ARM'S LENGTH CLAIMANTS.....</b>	<b>6</b>
<b>CLASSIFICATION OF UNIT-HOLDERS.....</b>	<b>8</b>
<b>PROTOCOL FOR SELECTION OF REPRESENTATIVE COUNSEL AND ORDER REQUESTED.....</b>	<b>10</b>

## APPENDICES

APPENDIX "A":	Amended and Restated Appointment Order dated September 27, 2011
APPENDIX "B":	Order and Endorsement of Justice Morawetz dated February 28, 2013
APPENDIX "C":	Letter dated March 1, 2013 from Blaney McMurtry LLP to Arm's Length Claimants
APPENDIX "D":	Letter dated March 1, 2013 from Blaney McMurtry LLP to Remaining Claimants
APPENDIX "E":	Attendance list of March 4, 2013 meeting at the Property
APPENDIX "F":	Schedule of Life Lease Units Amended as of March 8, 2013
APPENDIX "G":	Draft Representative Counsel Order including draft Opt-Out Letter and draft Receiver's Notice

## INTRODUCTION

1. Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**"). A copy of the Amended and Restated Appointment Order is attached hereto as **Appendix "A"**.
2. Rose's principal asset is a 12 storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**") which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the "**Nursing Home**") and 90 life-lease units located on floors 2, 3 and 7 through 12 ( the "**Life-Lease Residence**").
3. The Receiver's Third Report to the Court dated February 19, 2013 (the "**Third Report**") provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**").
4. In connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient for a particular segment of stakeholders (the Arm's Length Claimants as defined in the Third Report), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative counsel was appointed to act on behalf of the Arm's Length Claimants ("**Representative Counsel**"). Peoples had proposed that should Representative Counsel be appointed on terms acceptable to Peoples, it was

agreeable to the Receiver paying the reasonable fees of Representative Counsel from the receivership estate.

5. In its motion materials dated February 22, 2013, the Receiver proposed that Kronis, Rotzstain, Margles, Cappel LLP (“**KRMC**”) be appointed as Representative Counsel for the Arm’s Length Claimants.
6. In addition, the Receiver brought a motion for, among other things, an Order:
  - i) approving the Receiver’s Second Report to the Court dated December 14, 2012;
  - ii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period September 27, 2011 to December 31, 2012;
  - iii) increasing the maximum of the Receiver’s borrowing limit to \$1,500,000;
  - iv) approving the Receiver Fees, the fees of Gowling Lafleur Henderson LLP (“**Gowlings**”) and the fees of Blaney McMurtry LLP (“**Blaneys**”); and
  - v) approving the appointment of KRMC as Representative Counsel in respect of the Arm’s Length Claimants.
7. On February 28, 2013, Justice Morawetz granted an Order (the “**February 28 Order**”) approving the matters listed above except for the appointment of Representative Counsel, which motion was adjourned on consent to March 12, 2013. The adjournment was intended to provide the Arm’s Length Claimants with the opportunity to meet with KRMC concerning KRMC’s potential retainer as Representative Counsel and to address concerns raised with the Receiver concerning the categorization by the Receiver of certain Unit-holders as being, or not being, Arm’s Length Claimants as set out in Appendix “E” to the Third Report. A copy of the February 28 Order and Justice Morawetz’s Endorsement is attached hereto as **Appendix “B”**.

8. The purpose of this Fourth Report to the Court (the “**Fourth Report**”) is to update the Court on the Receiver’s activities since February 28, 2013 in respect of its motion to have Representative Counsel appointed.
9. Capitalized terms not defined in this Fourth Report are as defined in the Appointment Order, or the First Report through Third Reports. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

10. In preparing this Fourth Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by purchasers of Life-Lease Units (“**Unit-holders**”), or parties claiming to have a direct or indirect financial interest in Life-Lease Units.
11. In particular, the information reviewed by the Receiver in preparing this Fourth Report has included:
  - a) books and records of Rose, including information contained in Rose’s computer records;
  - b) documents provided directly to the Receiver by Unit-holders; and
  - c) documents/information provided by Mr. John Yoon, the former CEO of Rose.
12. The Receiver has compared certain information contained in Rose’s records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other verification of information that is contained in Rose’s records or that has been provided to the Receiver and expresses no opinion thereon.

13. The Receiver has sought the advice of Gowlings, counsel to the Applicant, for general legal matters that have arisen in respect of the receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Blaneys.

#### **MEETING WITH THE ARM'S LENGTH CLAIMANTS**

14. By letter dated March 1, 2013, Blaneys, independent counsel to the Receiver, wrote to the Arm's Length Claimants to advise them of i) the adjournment of the motion to appoint Representative Counsel until March 12, 2013, and ii) a meeting to be convened by the Receiver at the Property on March 4, 2013 (the "**March 4 Meeting**"). At the March 4 Meeting, the Arm's Length Claimants would be given the opportunity to i) ask any questions of the Receiver and its counsel concerning the appointment of KRMC as Representative Counsel for the Arm's Length Claimants and the pending Priority Issue between Peoples and the Arms' Length Claimants, and ii) meet with representatives of KRMC who would address any questions concerning their potential retainer as Representative Counsel. A copy of the March 1, 2013 letter to the Arm's Length Claimants (with enclosures) is attached hereto as **Appendix "C"**.
15. While the Remaining Claimants (those Unit-holders who were not classified as Arm's Length Claimants) were not directly invited to the March 4 Meeting, by letter also dated March 1, 2013, Blaneys provided the Remaining Claimants with a copy of Blaneys' March 1 letter inviting the Arm's Length Claimants to the March 4 Meeting, which letter also indicated that if there were Remaining Claimants who were taking the position that they had been miscategorized and should be included in the same category as the Arm's Length Claimants, they were welcome to attend. A copy of the March 1, 2013 letter to the Remaining Claimants (with enclosures) is attached hereto as **Appendix "D"**.
16. At the March 4 Meeting, persons representing 16 of the 28 Arm's Length Unit-holders were in attendance. In addition, individuals representing 14 of the 16 Director Units, the 2 Mugungwha Units and 10 of the 18 Non-Arm's Length Units were also in attendance. A



copy of the attendance sheet from the March 4 Meeting is attached hereto as **Appendix "E"**.

17. In addition, the March 4 Meeting was attended by the Receiver (including a representative from its office who translated much of the discussion into Korean for the benefit of those in attendance who required that service), its counsel (Blaneys), and two representatives from KRMC. The representatives of the Receiver and its counsel left the meeting part way through, in order to afford the opportunity to those in attendance to speak with KRMC without the Receiver being present.
18. During the course of the meeting, and in connection with the appointment of Representative Counsel for the Arm's Length Claimants, a number of attendees asked questions of the Receiver and set out their view that there should not be a distinction between Arm's Length Unit-holders and Director Units as this was seen as being divisive to the Korean community. Another attendee expressed his concern that certain of the Non-Arm's Length Unit-holders should also be included in any group to be represented by Representative Counsel and should not be excluded simply because they were not of Korean heritage. Others suggested that there were incorrect categorizations between the various groups of Unit-holders although no supporting details were provided.
19. The Receiver and its counsel explained the Receiver's reasoning behind the categorization of the Arm's Length Unit-holders and the Director Units as set out in Appendix "E" to the Third Report. In particular, the category of Director Units was intended to include those individuals (or their related family members) who had direct involvement in the Project, who were aware or should have been aware of Rose's financial circumstances and who had a duty to others regarding their actions and decisions as Rose board members. Furthermore, it was the Receiver's view that there could be an adversity of interest between the Arm's Length Claimants and those included in the category of Director's Units and that Arm's Length Claimants could potentially assert claims against those included in the category of Director's Units. As a result, it was not appropriate for the same counsel to represent both the Arm's Length Claimants and those included in the

category of Director's Units. In that regard, Blaneys suggested to those Unit-holders in attendance that the Remaining Claimants should seek their own counsel regarding the Priority Issue.

20. With respect to the concern raised regarding exclusion of the Non-Arm's Length Claimants, the Receiver suggested to the individual raising the concern that the individual provide its position in writing for the Receiver to respond. The Receiver has not yet received anything in writing in this regard.
21. After its presentation, the Receiver and its counsel left the room at which point the meeting continued between the Unit-holders and KRMC.

#### **CLASSIFICATION OF UNIT-HOLDERS**

22. On March 6, 2013, the Receiver was contacted by counsel for Young Ok Jeon, the purchaser of unit# 709 and #711, regarding the status of the receivership. The Receiver inquired of counsel if Mrs. Jeon was ever a Director of Rose since Rose's records indicated that she had provided one of the eight "Director Loans". It was Mrs. Jeon's counsel's understanding that Mrs. Jeon had never acted in that capacity at Rose and that counsel would confirm that understanding with Mrs. Jeon.
23. The Receiver's classification of Unit-holders as Directors was based on information provided by Mr. John Yoon at the commencement of the receivership at which time he indicated that certain loans were "Director Loans". The Receiver categorized the units owned by the individuals providing the "Director Loans" as part of the Director Units.
24. Given the concerns raised at the March 4 Meeting regarding Unit-holder classification and the information provided by Mrs. Jeon's counsel, the Receiver wrote to Mr. John Yoon on March 6, 2013 asking if he was aware if Mrs. Jeon had ever acted as a Director of Rose. Mr. Yoon responded that he was not aware that she had ever acted as a Director. The Receiver then again wrote to Mr. Yoon to inquire if in his opinion there are any other Unit-holders categorized as a Director who should be under the Arm's Length Claimants

category and if there are any Arm's Length Unit-holders who should be included under Director Units. On March 7, 2013, Mr. Yoon responded to the Receiver that he believed that Young Jeon, Hyun Sook Hwang, Han Hyung Lee/Hae Jeong Kang, Sun Hwa Lee, Woo Sam Park, and Olivia Yoon should be classified under Arm's Length Units. This information was not consistent with the previous information described above provided by Mr. Yoon.

25. The Receiver also reviewed Rose's records, minutes of board of director meetings in its possession and correspondence with a view to identifying those parties who at some point acted as Directors of Rose (the Receiver notes, however, that it cannot confirm that it is in possession of all of Rose's Board of Director minutes). The Receiver has determined that four Unit-holders (Young Jeon – unit #709 and unit #711, Hang Hyeong Lee/Hae Jeong Kang – unit #805, Sun Hwa Lee – unit #810 and #812, and Woo Sam Park – unit #906) do not appear to have ever acted in a Director capacity for Rose, and for that reason, the Receiver has reclassified those Unit-holders to Arm's Length Unit-holders. The Receiver also identified three previously designated Arm's Length Unit-holders (Jang Hoon Lee/Vivian Rhee – unit #703, Jane Kim – unit #802, and Sang-Hyun An/Chang Y An – unit #809 and unit #811) who had at some point acted as a Director of Rose, and for that reason, the Receiver has reclassified those Unit-holders to Director Units.
26. The Receiver also notes that there are three Unit-holders, Eunkyung Kim, Na Rae Choi and Hae Jeong Kang, who were appointed to an "interim Board" on June 2, 2011 prior to the dissolution of the "old Board". It would appear from the minutes of that meeting that the purpose of the interim Board was to "set up a plan until the project becomes condo". It also appears that, from the records reviewed by the Receiver, no new Life-Lease Unit sales were made during the term of the "interim Board". Given those set of circumstances, the Receiver is of the view that these three Unit-holders should remain categorized as Arm's Length Claimants for the purposes of the Representative Counsel matter.

27. The Receiver has amended its schedule to reflect the above information with the exception of two units. Mr. Yoon is of the belief that the unit purchased by Hyun Sook Hwang should be reclassified as an Arm's Length Unit. However, the Right to Occupy Agreement for that unit is in the name of Hyun Sook Hwang/Moon A. Yoon. Given that Moon A. Yoon is the spouse of John Yoon, it is the Receiver's view that this unit should remain in the Director Unit category. In addition, Rose's records indicate that Olivia Yoon was a Director and the Treasurer of Rose until her resignation sometime in October 2008. Accordingly, the Receiver does not propose to change its categorization of either Hyun Sook Hwang or Olivia Yoon.
28. Based on the above, the Receiver has amended its Schedule of Life Lease Units to reclassify those units as set out above. The amended schedule is attached hereto as **Appendix "F"**. However, notwithstanding this re-classification, in the event that the Receiver's classification of Unit-holders is incorrect, the proposed draft Representative Counsel order prevents any Unit-holder, or their related family members, who was a Director prior to June 2011 from having KRMC act for them as Representative Counsel without leave of the Court.
29. As discussed at the meeting on March 4, 2013, the only reason that the Receiver is making the distinction between the Arm's Length Units and the Director units at this time is for the sole purpose of determining which parties will have the benefit of Representative Counsel to be appointed by the Court.

**PROTOCOL FOR SELECTION OF REPRESENTATIVE COUNSEL AND ORDER REQUESTED**

30. Given the amendments to the list of Arm's Length Claimants for whom the Receiver has proposed Representative Counsel be appointed, and the comments made by certain attendees at the March 4 Meeting that they required more time in order to consider the appointment of KRMC as Representative Counsel, the Receiver is of the view that the motion to appoint Representative Counsel should be put over to another date.

31. That being said, the Receiver is of the view that it would be appropriate on March 12, 2013 for a protocol and timeline to be established by the Court for the appointment of Representative Counsel. Therefore, the Receiver is seeking an order that provides for the following protocol and timeline concerning the appointment of Representative Counsel:
- i) at the hearing on March 12, 2013, a date will be set during the week of April 1, 2013, subject to the Court's availability, for the hearing of the appointment of Representative Counsel;
  - ii) in the event that Representative Counsel is appointed by the Court (the "**Representative Counsel Order**"), Arm's Length Claimants will be provided with a reasonable period of time - approximately two weeks (the "**Opt-Out Period**") - to advise the Receiver and Representative Counsel in writing should they choose not to be represented by Representative Counsel;
  - iii) if by the end of the Opt-Out Period, greater than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel would be discharged, the role and mandate of Representative Counsel as set out in the Representative Counsel Order would cease, and Arm's Length Claimants would no longer have the benefit of Representative Counsel and instead would be left to engage their own counsel on their own account should they choose to do so; and
  - iv) if by the end of the Opt-Out Period less than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel will continue to act for the Arm's Length Claimants pursuant to the terms of the Representative Counsel Order.
32. The Receiver has attached hereto as Appendix "G" draft copies of the proposed Representative Counsel Order, Opt-Out Letter and Receiver's Notice.

All of which is respectfully submitted to this Honourable Court.

DATED this 11<sup>th</sup> day of March, 2013.

**Deloitte & Touche Inc.**

Receiver and Manager of the current and future  
assets, undertakings and properties of  
Rose of Sharon (Ontario) Retirement Community  
and not in its personal capacity

*Deloitte & Touche Inc.*

Daniel R. Weisz, CA•CIRP, CIRP  
Senior Vice President

Hartley Bricks, MBA, CA•CIRP  
Vice President

# TAB A

Court File No. CV-11-9399-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE

) TUESDAY, THE 27<sup>th</sup> DAY

JUSTICE C. CAMPBELL

)  
) OF SEPTEMBER, 2011

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43

APPOINTMENT ORDER

THIS APPLICATION made by Peoples Trust Company ("Peoples Trust" or the "Applicant") for an Order pursuant to section 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 & Touche Inc. ("Deloitte") as receiver and manager (in such capacities, the "Receiver") without security, of all of the



assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Michael Lombard sworn September 22, 2011, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Debtor no one appearing for any other party although duly served as appears from the Affidavits of Service of Alma Cano, sworn September 23 and September 26, 2011, and on reading the Consent of Deloitte to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein 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 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, wherever situate, including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of

locks and security codes, the relocating of 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) subject to section 110 of the *Long-Term Care Homes Act*, S.O. 2007, c. 8 (the "LTCHA") to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) subject to section 110 of the LTCHA, 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, and in this regard the Receiver is specifically authorized to retain counsel for the Applicant to advise and represent it save and except on matters upon which the Receiver in its judgment determines it requires independent advice, in which case the Receiver shall retain Blaney McMurtry LLP;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; *9265 located at 17 Maplewood Avenue, Toronto, Ontario*
- (g) Notwithstanding anything in this Order, the Debtor is the licensee (the "Licensee") of the long-term care home which forms a part of the Property (the "Home"). The Home is currently licensed pursuant to the LTCHA

*Chp*  
 together with the TC LHIN, the

and the regulations thereunder. Toronto Central Local Health Integration Network ("TC LHIN") will continue to pay the Licensee (and the Receiver will be entitled to receive such payments) pursuant to the Service Accountability Agreement in respect of the Home between the TC LHIN and the Debtor effective March 4, 2011 (the "SAA") and the Ministry of Health and Long-Term Care ("MOH") will continue to pay the Licensee (which payments shall be received by the Receiver in accordance with this Order) pursuant to the existing agreement. Any monies received by the Debtor or the Receiver from the MOH shall be used or applied by the

*RRB*  
 Receiver ~~firstly~~ for the operation of the Home in accordance with the SAA, any agreement with the MOH and the LTCHA, ~~and secondly by the Receiver for the purposes of carrying out its other duties under this Order.~~

*RRB*  
 Any payments by the TC LHIN shall be subject to TC LHIN review and reconciliation as provided for under the SAA and applicable law and written policy. Any payments by the MOH shall be subject to MOH review and reconciliation as provided for under any agreement with the Debtor or the Receiver and applicable law and written policy. *For clarity, any surplus monies arising from the operation of the Home may be applied by the Receiver in accordance with this Order.* to settle, extend or compromise any indebtedness owing to the Debtor;

- RRB*  
 (h)
- (i) 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 Debtor, for any purpose pursuant to this Order;
  - (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
  - (k) to apply for such permits, licenses, approvals or permissions as may be required by any governmental authority with respect to the Property, including, without limitation, licenses under the LTCHA
  - (l) 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 Debtor, 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;

- (m) 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;
- (n) 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 \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$200,000; 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*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (o) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) 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;

- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) 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 Debtor;
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation Mr. Charles Daley and IWOK Corporation (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver and any party the Receiver retains in accordance with sub-

paragraph 3(d) of this Order and section 110 of the LTCHA, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver or any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, ~~any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA~~ *and the Manager*, 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 Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. *For clarity, this paragraph 9 shall apply to the Manager solely in its capacity as agent*

#### **NO INTERFERENCE WITH THE RECEIVER**

*For the Receiver*

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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, <sup>or Manager</sup> and that the Receiver shall be entitled to the continued use of the Debtor's 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 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. Neither the Receiver nor <sup>the Manager</sup> ~~any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the ITCMA~~ shall be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.



**PIPEDA**

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

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **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**

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

**RECEIVER'S ACCOUNTS**

17. **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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **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 normal 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**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed

ROE- Subject to section 107 of  
the LTCHA,

\$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections, 81.4(4), and 81.6(2) of the BIA.

21. **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.

22. **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 any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **GENERAL**

24. **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.

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

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

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

27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **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

ORDERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

SEP 27 2011

*[Handwritten signature]*

PER/PAR: *[Handwritten signature]*

*[Handwritten initials]*

28A THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Receiver and the Manager shall comply with the LTCHA and the regulations thereunder as they apply to the management of the Home and the MOH shall not be subject to paragraphs 9 and 10 of this Order in relation to any non-compliance with the LTCHA and <sup>the</sup> regulations by the Receiver and/or the Manager with respect to the management of the Home <sup>thereunder</sup>

*[Handwritten initials]*

## SCHEDULE "A"

## RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver and manager (the "Receiver") of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Corporation of every nature and kind whatsoever, wherever situate (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 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 head office of the Lender.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

DELOITTE & TOUCHE INC. solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name: Daniel R. Weisz

Title: Senior Vice President

Court File No. CV-11-939900CL

**PEOPLES TRUST COMPANY**  
Applicant

v.

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Respondent

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**APPOINTMENT ORDER**

**GOWLING LAFLEUR HENDERSON LLP**

Barristers and solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
TORONTO, Ontario  
M5X 1G5

Clifton Prophet  
LSUC No.: 34845K

Telephone: (416) 862-3509/(416) 268-  
Facsimile: (416) 862-7661 9900

Lawyers for the Applicant,  
Peoples Trust Company

# TAB B



Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE	)	THURSDAY, THE 28 <sup>th</sup> DAY
	)	
JUSTICE MORAWETZ	)	OF FEBRUARY, 2013

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**O R D E R**

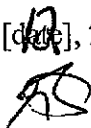
**THIS MOTION** made by **Deloitte & Touche Inc.**, in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the "**Receiver**") for an order abridging the time for service of the notice of motion and motion record herein and dispensing with further service thereof, approving the Second Report of the Receiver dated December 14, 2012 (the "**Second Report**") and the activities described therein, approving the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**") and the activities described therein, approving and accepting the Receiver's Interim Statements of Receipts and Disbursements for the period from September 27,

2011 to December 31, 2012, increasing to \$1,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (as defined in the Notice of Motion), approving the fees and disbursements for services rendered by the Receiver for the period from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaney, McMurtry LLP (“**Blaneys**”) for the period from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings LLP (“**Gowlings**”) for the period from November 1, 2011 to December 31, 2012, and appointing Kronis, Rotsztain, Margles, Cappel LLP as representative counsel for the Arm’s Length Claimants (as defined in the Notice of Motion) with respect to the Arm’s Length Claims (as defined in the Notice of Motion) and with respect to the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm’s Length Claims, was heard this day at Toronto.

**ON READING** the Receiver’s Motion Record dated February 22, 2013, the Second Report, the Third Report, the affidavit of Daniel Weisz sworn February 8, 2013, the affidavit of Chad Kopach sworn February 22, 2013, the affidavit of Christopher Stanek sworn February 22, 2013, and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant, and

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion returnable February 28, 2013 (the “**NOM**”), and related motion material filed in support of that NOM (the “**Motion Material**”) be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that the Second Report dated December 14, 2012, and the actions of the Receiver and its counsel described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from September 27, 2011 to December 31, 2012 as set out at Appendix "Y" of the Receiver's Third Report, be and is hereby accepted and approved.
4. **THIS COURT ORDERS** that the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order issued by Justice Campbell on September 27, 2011, be and is hereby increased to \$1,500,000.00.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaneys from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings from November 1, 2011 to December 31, 2012, be and are hereby approved.
6. **THIS COURT ORDERS** that the motion to appoint Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as representative counsel for the Arm's Length Claimants be and is hereby adjourned to March [date], 2013.



7. **THIS COURT ORDERS** that KRMC shall be paid its reasonable fees and disbursements from the respondent's estate for the period up to and including the hearing date of the motion to appoint KRMC as representative counsel for the Arm's Length Claimants (as defined in the Notice of Motion).

A handwritten signature in black ink, appearing to read "A. H. D. [unclear]", is written over a solid horizontal line. The signature is cursive and somewhat stylized.

PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

ORDER

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

Feb 28-13

E. Golden for Deloitte + Touche <sup>Feb 29 2013</sup>  
he

C. Prophet for Peoples Trust Company  
M. Mascioni for Rose of Sharon  
Relevant bys leave Randels  
Keweenaw Heritage Council.

With respect to the Tote returned  
today:  
Item 3 is deposited to a  
date to be set.  
It 4 will be scheduled  
for a hearing by ~~the~~  
at a future date.  
Sue Schaberg for

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

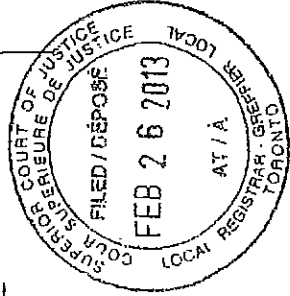
Proceeding Commenced at TORONTO

NOTICE OF MOTION  
(Returnable February 28, 2013)

BLANEY McMURTRY LLP  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

Eric Golden (LSUC #38239M)  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community



be set by the Judge hearing this matter  
on March 12, 2013

Issue #5 - to be addressed on  
March 12, 2013.

Issue #6 + 7 + 8 - Same as Issue #4  
Issue #10 to be determined on  
March 12, 2013

With respect to the Second Report,  
it is noted that Mrs. Truswa  
wishes to reserve its rights  
to raise issues at a later in  
the law. The issues of course  
were not clearly set out. Certain  
findings are made and  
a Review which are being provided -  
and in this case accepted by  
the Court. I am not certain  
how rights can be reserved in  
these circumstances. I decline to  
comment further.

I am satisfied that it is ~~best~~ appropriate to approve the Second Report <sup>and</sup> of the actions of the Receiver described therein.

I am satisfied, having reviewed the record, that it is appropriate and necessary to increase the borrowing power of the Receiver as requested.

I am also satisfied that the fee requests of the Receiver and its counsel are reasonable in the circumstances and they are approved.

The Receiver's Interim Statement of Receipts and Disbursements for the period Sept 27, 2011 to Dec 31, 2012 are also approved.

Reasonable Fees of KRMC for period up to <sup>their</sup> termination of appointment as representative Counsel to be



to be paid.

An order has been signed to  
give effect to the foregoing.  
I am not seized of this matter.

[subject to  
edit  
if typed]

[Signature]

**TAB C**



EXPECT THE BEST

March 1, 2013

**DELIVERED**

Arm's Length Claimants (as defined below)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

Further to my letter to you of February 22, 2013, I enclose a copy of the Order of Justice Morawetz which, in part, adjourned to March 12, 2013 the hearing on the issue of appointing Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as Representative Counsel for the Arm's Length Claimants.

Yesterday, I met with several of the Arm's Length Claimants at the Court prior to and following the hearing before Justice Morawetz, including Paul Lee (the President of the Rose of Sharon Life Lease Residents Korean Heritage Counsel).

I understand that Mr. Lee has already met with many of you, and he provided Justice Morawetz with the enclosed letter on behalf of several of the Arm's Length Claimants and others, which included the enclosed typed schedule titled "List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent the retirement community". He also provided me with the enclosed handwritten schedule, which I understand to be the attendees of a meeting with John Yoon on February 24, 2013.

The Receiver has scheduled a meeting for 7:00 pm on Monday March 4, 2013 at Rose of Sharon with the Arm's Length Claimants. Daniel Weisz and Hartley Bricks of Deloitte & Touche Inc. (the "Receiver") will be in attendance. I will attend as independent counsel to the Receiver. The Receiver will also have someone from its office attend who will translate into Korean on the Receiver's behalf. Mervyn Abramowitz and Phillip Cho of KRMC will be in attendance as well.

The purpose of the meeting is for the Receiver and I to answer any questions you may have concerning appointing KRMC as Representative Counsel for the Arm's Length Claimants, and the pending Priority Issue between Peoples Trust Company ("Peoples Trust") and the claims of the Arm's Length Claimants (and the Remaining Claimants), as well as for each of you to meet Mr. Abramowitz and Mr. Cho and for them to answer any questions you may have about their potential retainer and them acting on behalf of the Arm's Length Claimants.

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com

Finally, I would like to take this opportunity to clarify a few questions that were raised by some of you yesterday when we met.

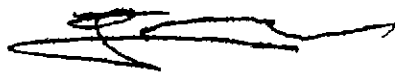
- The Receiver has categorized as Arm's Length Claimants those Unit-holders of Korean heritage who have no relationship to the Rose of Sharon corporate entity, and their tenants (which is why Unit-holders who are Rose of Sharon directors or former directors are **not** included in this category). It is being proposed that KRMC be appointed as Representative Counsel only for the Arm's Length Claimants;
- The Remaining Claimants are those persons and entities that are not Arm's Length Claimants or their tenants;
- Neither KRMC nor Mr. Abramowitz nor Mr. Cho act for Peoples Trust (nor have those two lawyers ever acted for Peoples Trust); and
- I am not acting for Peoples Trust (nor have I ever done so). I am independent counsel for the Receiver and my principal duty is to the Court. In fact, the Receiver's motion is, in part, to have Peoples Trust pay KRMC's reasonable legal costs in acting as Representative Counsel for the Arm's Length Claimants.

Peoples Trust will not be a part of the meeting at Rose of Sharon on Monday March 4, 2013 at 7:00 p.m. Please note that we also are not inviting any of the Remaining Claimants to the meeting, including the directors of Rose or former directors of Rose. That being said, if there are Remaining Claimants who are taking the position that they have been mis-categorized and should be included in the same category as the Arm's Length Claimants, they are welcome to attend.

I hope that you are able to attend the meeting on Monday, or can arrange for someone to attend on your behalf. In the interim, if you have any questions, please contact me.

Yours very truly,

**Blaney McMurtry LLP**



Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

15 Maplewood Ave. Rose of Sharon Retirement Life Lease Residents for Korean Community

Feb 27 2013

To whom it may concern:

I would like to inform you that all the unit holders should be treated as one group. There may be special exceptions, for example, with the construction company UNIMAC and VACE INVESTMENTS GROUP .

Many of the purchasers are not in position to understand the documents without the help of lawyer.

We request the delay in proceedings of the motion. We are in the process of seeking a lawyer to represent the unit holders as a group. We understand that time given to us is not enough to consult with a lawyer.

We had two meetings with the unit owners of Rose of Sharon Retirement Life Lease Residents Korean Heritage. The significant number of unit holders signed to agree that we should be represented as single group.

Regards.



Kyung Yurl Lee(Paul)

President

Rose of Sharon Retirement Life Lease Residents Korean Heritage council

List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent our retirement community

NEW Unit #	OLD unit #	Surname	First Name	Telephone
205			Mugungwha Homes	647-285-2777 <del>647-225-2777</del>
207			Mugungwha Honme	647-285-2777 (occupied by Unimac unfairly)
304	UM5	Chon	Mary	416-699-8070 contacted by phone "yes"
306	UM6	Chon	Mary	416-699-8070
308	UM8	Cha	Youngsook	905-510-8989, -764-2280
703	502	Lee	Jang Hoon	905-886-4653
706	507	Yoon	Sung-Sun/ Milkyung	905-337-2262
707	506	Lee	Soon-Sup	416-653-0117
708	508	Lee/Lee	Kyung Yuri/Jung Ja	647-298-2939
710	509	Hwang	Hyun Sook/ M. YOON	416-445-6930
709	512	Jeon	Young Ok	647-283-6939, 416-963-5627
711	511	Jeon	Young Ok	647-283-6939, 416-963-5627
712	510	Yoon	Daniel /Moon	416-445-6930
801	601	Yu	Steve	416-536-5530 647-210-5530 contacted by phone "yes"
802		Kim	Jane	416-226-1265
803	602	Shin	Bog Shim	416-553-2165
804	604	Kim	Klara	416-277-7999/416-222-2207
805	605	Kang	Hae J/ Han H.	905-771-7025 contacted by phone "yes"
806	607	Yim	Eunkyung	416-721-5492
807	606	Kim	Jong Ran	519-941-0075/519-362-2882 contacted by phone "yes"
810	609	Lee	Sun Hwa	416-755-0091
812	610	Lee	Sun Hwa	416-755-0091
811	611	Ahn	Chang Yong	416-993-3639, 416-638-8800
809	612	Ahn	Chang Yong	416-993-3639, 416-638-8800
906	707	Park	Woo Sam	905-771-0604, 905-887-0448
907	706	Kim/Sung	Myung H. /Jun D.	905-338-7783, 416-951-8407
908	708	Kang	Hae J/ Han H.	416-467-9565
909	712	Chun	Mansoo	519-884-8328, 519-897-7959
911	711	Hong	Hyang O.	416-888-7712, 416-739-0330
912	710	Kim	Chang Joon	506-547-9197, 226-0427 will decide soon
1001	801	Yoon	Albert	416-322-9081, 647-780-4502
1003	802	Yoon	Albert	416-322-9081, 647-780-4502
1002	803	Ha	Chun Ja	416-227-2411 On a trip
1005	804	Sohn	Young	416-576-7820
1007	806	Kim	Lawrence	416-277-7999/ 416-242-3655
1010	808	Kim	Joon Kle	416-651-6194
1011	809	Yoon	John	416-998-2777
1107	LP6	Yoon	Olivia	647-346-6365
1108	LP5	Byun	Jae Won	416-293-7888
1109	LP10	Kim	Lawrence	416-277-7999/416-242-3655
1110	LP7	Kim	Mal Hwa	416-535-4511, 647-998-7047 will decide later
1111	LP9	Ahn	Chang Yong	416-993-3639, 416-638-8800
1112	LP8	Park/ Choi	Hee J. / Na R.	647-209-7706, 416-909-7706
PH6	UP5	Shin	Chang Hun	905-894-1507, 289-686-6868 contacted by phone "yes"

Morgiana Lee, suite 1009 and Robert Berg (ACC), Suite 203 want to join in as well.

이름 Name	전화번호 phone number	E mail Email address	FEB. 24 (SUN)/2013 T:30PM UNIT#	서명 Signature
<del>BOG SHIM SHIN</del>	416-553-2165			
1. Yu Jun Jung	<del>647-999-6830</del> 416-444		#803	
2. Soon Sup Lee	416 652-0117	ejung@comcast.com	#707	Soon Sup Lee
3. Manson Jean	<del>647-351-6863</del> 7-519-797-2996		909 1010	Jean
4. Joonkie, Gyesoon Kim	(416) 651-6194	Kay1057@hotmail.com		
5. ALBERT YOON	albertyoon@gmail.com	647-780-4502	1008 1008 #911	
6. John D. Bai	Hyung Uk Hong 416) 739-0330		05) bai@gmail.com	
7. Jeon Young OK	416-963-5677	647-283-6939	APT. 709 711	
8. Hee Jun Park	647-209-7706	hjpark15@hotmail.com	#1112	
9. OLIVIA YOON	647-346-6365		#1107	
10. SUNNY YOON	905-337-2262	Gmail.com GHANADARA@	#706	
11. Sean AN	416-993-3639	ahnsean@hotmail.com	#1111	
12. Dong U AN			#809	
13. CHANG-YONG AHN	416-937-6889	chang.72@hotmail.com	#811	
14. Sunhwa Lee	416 759-5311	Sunhwa2@gmail.com	#810 #812	
15. <del>Changyoon Kim</del>	<del>647 985 9767</del>		#912	
16. YOUNG SOHN	416-576-7820	ysohn@hotmail.com	#1005	
17. <del>MATTHEW LEE</del> MATTHEW J. LEE	905-761-0516	MATTHEW.J.LEE@GMAIL.COM	#708	
18. John Yoon	416-998-2777	John.yoon@sympatico.ca	#708, #712, #1011	
19. <del>Richard Yoon</del>	<del>416 804 3658</del>	yooneyg@gmail.com	#1001, #1005	
20. Eunkyung Yim	416- <del>654</del> -8999	ekyim@hotmail.com	(806)	
21. KYUNG YUK LEE	647-338-2939	kypaul.lee@gmail.com	#708	
22. Magsungwan Horras	416-998-2777	masyon@sympatico.ca	#205 #207	
23. <del>Kim Lawrence</del> Lawrence	416- <del>277-2999</del> 277-2999	Lawrence@Korea.net	#1109	
24. Kim Klara	416-222-2207	times.net	#804	
25. Jae Wom Byun	416-293-7880	JaeWomByun@sympatico.ca	#1108	
26. Jane Kim	416 226 1265	JYK1265@hotmail.com	#802	
27. Woo Seon Park	905-771-0604	wsamp@Korea.net	#906	

# TAB D



**Blaney  
McMurtry**  
BARRISTERS & SOLICITORS LLP



EXPECT THE BEST

March 1, 2013

**DELIVERED**

Remaining Claimants (as defined in the attached letter)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

I enclose a copy of the issued and entered Order of Justice Morawetz made February 28, 2013, and a copy of my letter to the Arm's Length Claimants dated March 1, 2013.

Yours very truly,

**Blaney McMurtry LLP**

Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com



EXPECT THE BEST

March 1, 2013

**DELIVERED**

Arm's Length Claimants (as defined below)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

Further to my letter to you of February 22, 2013, I enclose a copy of the Order of Justice Morawetz which, in part, adjourned to March 12, 2013 the hearing on the issue of appointing Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as Representative Counsel for the Arm's Length Claimants.

Yesterday, I met with several of the Arm's Length Claimants at the Court prior to and following the hearing before Justice Morawetz, including Paul Lee (the President of the Rose of Sharon Life Lease Residents Korean Heritage Counsel).

I understand that Mr. Lee has already met with many of you, and he provided Justice Morawetz with the enclosed letter on behalf of several of the Arm's Length Claimants and others, which included the enclosed typed schedule titled "List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent the retirement community". He also provided me with the enclosed handwritten schedule, which I understand to be the attendees of a meeting with John Yoon on February 24, 2013.

The Receiver has scheduled a meeting for 7:00 pm on Monday March 4, 2013 at Rose of Sharon with the Arm's Length Claimants. Daniel Weisz and Hartley Bricks of Deloitte & Touche Inc. (the "Receiver") will be in attendance. I will attend as independent counsel to the Receiver. The Receiver will also have someone from its office attend who will translate into Korean on the Receiver's behalf. Mervyn Abramowitz and Phillip Cho of KRMC will be in attendance as well.

The purpose of the meeting is for the Receiver and I to answer any questions you may have concerning appointing KRMC as Representative Counsel for the Arm's Length Claimants, and the pending Priority Issue between Peoples Trust Company ("Peoples Trust") and the claims of the Arm's Length Claimants (and the Remaining Claimants), as well as for each of you to meet Mr. Abramowitz and Mr. Cho and for them to answer any questions you may have about their potential retainer and them acting on behalf of the Arm's Length Claimants.

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com

Finally, I would like to take this opportunity to clarify a few questions that were raised by some of you yesterday when we met.

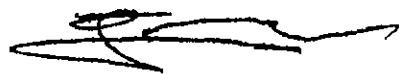
- The Receiver has categorized as Arm's Length Claimants those Unit-holders of Korean heritage who have no relationship to the Rose of Sharon corporate entity, and their tenants (which is why Unit-holders who are Rose of Sharon directors or former directors are **not** included in this category). It is being proposed that KRMC be appointed as Representative Counsel only for the Arm's Length Claimants;
- The Remaining Claimants are those persons and entities that are not Arm's Length Claimants or their tenants;
- Neither KRMC nor Mr. Abramowitz nor Mr. Cho act for Peoples Trust (nor have those two lawyers ever acted for Peoples Trust); and
- I am not acting for Peoples Trust (nor have I ever done so). I am independent counsel for the Receiver and my principal duty is to the Court. In fact, the Receiver's motion is, in part, to have Peoples Trust pay KRMC's reasonable legal costs in acting as Representative Counsel for the Arm's Length Claimants.

Peoples Trust will not be a part of the meeting at Rose of Sharon on Monday March 4, 2013 at 7:00 p.m. Please note that we also are not inviting any of the Remaining Claimants to the meeting, including the directors of Rose or former directors of Rose. That being said, if there are Remaining Claimants who are taking the position that they have been mis-categorized and should be included in the same category as the Arm's Length Claimants, they are welcome to attend.

I hope that you are able to attend the meeting on Monday, or can arrange for someone to attend on your behalf. In the interim, if you have any questions, please contact me.

Yours very truly,

**Blaney McMurtry LLP**



Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

15 Maplewood Ave. Rose of Sharon Retirement Life Lease Residents for Korean Community

Feb 27 2013

To whom it may concern:

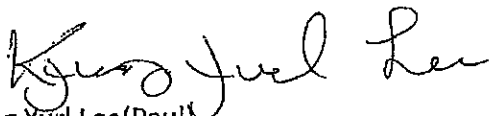
I would like to inform you that all the unit holders should be treated as one group. There may be special exceptions, for example, with the construction company UNIMAC and VACE INVESTMENTS GROUP .

Many of the purchasers are not in position to understand the documents without the help of lawyer.

We request the delay in proceedings of the motion. We are in the process of seeking a lawyer to represent the unit holders as a group. We understand that time given to us is not enough to consult with a lawyer.

We had two meetings with the unit owners of Rose of Sharon Retirement Life Lease Residents Korean Heritage. The significant number of unit holders signed to agree that we should be represented as single group.

Regards.



Kyung Yurl Lee(Paul)

President

Rose of Sharon Retirement Life Lease Residents Korean Heritage council

List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent our retirement community

NEW Unit #	OLD unit #	Surname	First Name	Telephone
205			Mugungwha Homes	647-285-2777 <del>647-225-2777</del>
207			Mugungwha Honme	647-285-2777 (occupied by Unimac unfairly)
304	UM5	Chon	Mary	416-699-8070 contacted by phone "yes"
306	UM6	Chon	Mary	416-699-8070
308	UM8	Cha	Youngsook	905-510-8989, -764-2280
703	502	Lee	Jang Hoon	905-886-4653
706	507	Yoon	Sung-Sun/ Mikyung	905-337-2262
707	506	Lee	Soon-Sup	416-653-0117
708	508	Lee/Lee	Kyung Yuri/Jung Ja	647-298-2939
710	509	Hwang	Hyun Sook/ M. YOON	416-445-6930
709	512	Jeon	Young Ok	647-283-6939, 416-963-5627
711	511	Jeon	Young Ok	647-283-6939, 416-963-5627
712	510	Yoon	Daniel /Moon	416-445-6930
801	801	Yu	Steve	416-536-5530 647-210-5530 contacted by phone "yes"
802		Kim	Jane	416-226-1265
803	602	Shin	Bog Shim	416-553-2165
804	604	Kim	Klara	416-277-7999/416-222-2207
805	605	Kang	Hae J/ Han H.	905-771-7025 contacted by phone "yes"
806	607	Yim	Eunkyung	416-721-5492
807	606	Kim	Jong Ran	519-941-0075/519-362-2882 contacted by phone "yes"
810	609	Lee	Sun Hwa	416-755-0091
812	610	Lee	Sun Hwa	416-755-0091
811	611	Ahn	Chang Yong	416-993-3639, 416-638-8800
809	612	Ahn	Chang Yong	416-993-3639, 416-638-8800
906	707	Park	Woo Sam	905-771-0604, 905-887-0448
907	706	Kim/Sung	Myung H. /Jun D.	905-338-7783, 416-951-8407
908	708	Kang	Hae J/ Han H.	416-467-9565
909	712	Chun	Mansoo	519-884-8328, 519-897-7959
911	711	Hong	Hyang O.	416-888-7712, 416-739-0330
912	710	Kim	Chang Joon	506-547-9197, 226-0427 will decide soon
1001	801	Yoon	Albert	416-322-9081, 647-780-4502
1003	802	Yoon	Albert	416-322-9081, 647-780-4502
1002	803	Ha	Chun Ja	416-227-2411 On a trip
1005	804	Sohn	Young	416-576-7820
1007	806	Kim	Lawrence	416-277-7999/ 416-242-3655
1010	808	Kim	Joon Kie	416-651-6194
1011	809	Yoon	John	416-998-2777
1107	LP6	Yoon	Olivia	647-346-6365
1108	LP5	Byun	Jae Won	416-293-7888
1109	LP10	Kim	Lawrence	416-277-7999/416-242-3655
1110	LP7	Kim	Mal Hwa	416-535-4511, 647-998-7047 will decide later
1111	LP9	Ahn	Chang Yong	416-993-3639, 416-638-8800
1112	LP8	Park/ Choi	Hee J. / Na R.	647-209-7706, 416-909-7706
PH6	UP5	Shin	Chang Hun	905-894-1507, 289-686-6868 contacted by phone "yes"

Morgiana Lee, suite1009 and Robert Berg (ACC), Suite 203 want to join in as well.

이름 Name	전화번호 phone number	E mail Email address	FEB. 24 (SUN)/2013 T:30PM UNIT#	Signature
<del>BOG SHIM, SHIN</del>	416-553-2165			
1. Yu Jun Jung	<del>647-999-6830</del> 416-444		#803	
2. Soon Sup Lee	416 652-0117	esung@comodo.com	#707	Soon Sup Lee
3. MARCO JEON	<del>647-351-6863</del> 416-519-797-2996		909 1010	
4. Joonkie, Gye So on Kim	(416) 651-6194	Kay1057@hotmail.com		
5. ALBERT YOON	albertyoon@gmail.com	647-780-4502	1.000 #211	
6. John D. Bae	Hyung Uk Hong 416) 739-0330		05) bae@gmail.com	
7. Jeon Young OK	416-963-5677	647-283-6939	APT. 709 711	
8. Hee Jun Park	647-209-7706	hjpark15@hotmail.com	#1112	
9. OLIVIA YOON	647-346-6365		#1107	
10. SUNNY YOON	905-337-2262	Gmail.com GHANADARA@	#706	
11. Sean AN	416-993-3639	ahnsean@hotmail.com	#1111	
12. Dong U AN			#809	
13. CHANG-YONG AHN	416-937-6889	chang.72@hotmail.com	#811	
14. Sunhwa Lee	416 759-5311	Sunhwa2@gmail.com	#812	
15. <del>Chang Jun Kim</del>	<del>647 985 9767</del>		#912	
16. YOUNG SOHN	416-576-7820	ysohn@hotmail.com	#1005	
17. <del>MATTHEW LEE</del> JUNG JA LEE	905-761-0516	MATTHEW.JJ.LEE@GMAIL.COM	#708	
18. John Yoon	416-998-2777	John.yoon@sympatico.ca	#70, #12, 100	
19. <del>Richard Yoon</del>	<del>416 804 3558</del>	yooneng@gmail.com	#0013, 1005	
20. Eunkyung Yim	416- <del>654</del> -8999	ekyim@hotmail.com	(806)	
21. KYUNG YUK LEE	647-338-2939	kyupaul.lee@gmail.com	#708	
22. Mugungwha Haases	416-998-2777	masyoon@sympatico.ca	#205 #207	
23. <del>Lawrence</del> KIM	416- <del>277-2999</del> <del>277-2658</del>	Lawrence@Korea.net	#1109	
24. Kims Klara	416-222-2207	Times.net	#804	
25. Jae Won Byun	416-293-7880	JaeWonByun@yehoo.com	#1108	
26. Jane Kim	416 226 1265	JYK1265@hotmail.com	#802	
27. Woo Seon Park	905-771-0604	wsppark@HANMAIL.NET	#906	

# **TAB E**









# TAB F

Rose of Sharon (Ontario) Retirement Community  
Schedule of Life Lease Units  
Amended as at March 8, 2013

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loans to Rose/ Promissory Notes(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Arms Length Units</b>															
304	UM6	1	studio			Mary Chon	R	24-Aug-05	\$ 137,695	\$ (41,305)	\$ (13,769)	\$ 82,611	\$ (82,612)	\$ -	\$ (1)
305	UM6	1	1			Mary Chon	T	10-May-05	188,510	(93,261)	(18,961)	77,288	(77,368)	-	-
306	UM6	1	1			Youngsook Cha	T	19-Aug-05	182,240	(54,672)	-	127,568	-	-	127,568
705	507	1	1	X		Sung-Sun Yoon/Mi-Kyung Yoon	T	22-Sep-03	111,195	(31,770)	-	79,425	(74,951)	-	4,474
707	506	1	1	X		Soon Sup Lee / Hyung Good Lee	O	8-Aug-08	177,645	(56,403)	-	121,242	(73,935)	-	6,307
708	508	1	1	X		Kyung Yul Lee/Jung Ja Lee	O	6-Nov-08	196,000	(76,300)	-	119,700	(119,700)	-	-
709	512	2	1	X		Young Jeon	O	28-Oct-05	132,407	(69,804)	-	62,603	(62,603)	-	-
711	511	1	1	X		Young Jeon	R	26-Oct-06	114,439	(69,804)	-	44,635	(92,347)	(25,000)	(32,712)
803	602	1	1	X	X	Bea Shim Shin	T	30-Dec-09	143,000	(84,000)	-	49,000	(25,000)	-	49,000
805	605	2	2	X	X	Han Hyeobng Lee/Hae Jeong Kang	T	31-Dec-08	195,000	(155,000)	(9,142)	118,845	(25,000)	-	118,845
806	607	1	1	X		Bunhyung Yim	O	13-May-05	182,938	(54,951)	-	(19,466)	-	-	-
807	608	1	1	X		Jong Ran Kim	T	10-Dec-07	214,500	(233,958)	-	18,465	-	-	-
810	609	1	1	X	X	Sun Hwa Lee	T	5-Sep-03	100,000	(23,266)	-	76,734	(105,354)	(25,000)	(28,620)
812	610	1	1	X	X	Sun Hwa Lee	R	5-Sep-03	187,000	(45,834)	-	151,166	(207,546)	-	(56,380)
905	707	1	1			Woo Sam Park	T	8-Apr-08	163,000	(49,300)	(15,902)	97,690	(25,000)	-	72,690
907	706	1	1			Myung Hee Kim/Jun Do Sung	V	27-Nov-04	221,000	(66,300)	(22,100)	132,600	-	-	132,600
908	708	1	1			Han Hyeobng Lee/Hae Jeong Kang	R	22-Sep-03	107,600	(107,600)	-	-	-	-	-
909	712	1	studio			Manisoo Chiu	R	21-Jul-08	150,000	(24,400)	-	125,600	-	-	125,600
912	710	1	1	X	X	Hyang Ok Hong/John Bai	R	23-Dec-02	182,500	(44,260)	-	138,240	(40,000)	-	98,240
1002	803	2	2	X	X	Chang Jeon Kim/Soon Ja Kim/Sang Hyon Kim	O	9-Nov-10	217,980	(128,280)	-	94,700	(90,600)	-	4,100
1005	804	2	2	X	X	Brenda (Chun Ja) Ha	T	31-Oct-06	159,319	(103,552)	-	55,767	-	-	55,767
1008	807	1	1			Young Seom	V	30-May-07	320,900	(96,270)	-	224,630	-	-	224,630
1009	810	1	studio			Mal Hwa Kim/Ellen Kim	R	30-May-07	150,000	(25,000)	-	125,000	-	-	125,000
1010	808	1	1	X	X	Morgiana Lee	R	14-Jun-11	155,000	(65,000)	-	90,000	-	-	90,000
1108	LP8	2	2			Gye-Soon Kim/Joan Kie Kim	R	12-Mar-10	227,000	(148,200)	-	78,800	(50,000)	-	28,800
1112	LP8	1	1	X	X	Jae Won Byun	T	27-Sep-04	328,810	(98,946)	(32,981)	187,883	(186,555)	-	11,328
PH6	LP6	2	2	X	X	Hee Jun Park/Na Rae Choi	T	29-Mar-00	209,600	(62,980)	-	146,720	-	-	146,720
						Jong Rye Lee/Chang Hun Shin	T	29-May-07	441,000	(44,100)	-	396,900	(44,000)	-	352,900
									\$ 5,308,368	\$ (2,237,924)	\$ (113,253)	\$ 2,957,191	\$ (1,267,201)	\$ (100,000)	\$ 1,589,990

<b>Director Units</b>															
703	502	1	1	X		Jang Hoon Lee/Vivian Rhees (Lee)	V	26-Jan-07	200,000	(15,000)	-	185,000	(30,000)	-	155,000
710	509	1	1	X	X	Hyun Sook Hwang/Moon A. Yoon	T	1-Aug-00	74,550	(68,087)	-	8,463	-	-	8,463
712	510	1	1	X	X	Daniel Yoon/Moon Yoon	R	7-Jan-01	148,000	(69,167)	-	48,833	(80,000)	-	16,833
801	601	1	1	X		Steven Yu	T	26-Apr-05	201,825	(60,547)	(20,183)	121,095	(150,000)	(25,000)	(83,905)
802	603	1	studio			Jane Kim	T	30-Mar-09	145,000	(47,388)	(7,897)	102,685	(100,000)	-	45,000
804	604	1	1	X	X	Klara Kim	T	28-Apr-05	157,960	(47,388)	-	110,572	(400,000)	-	(297,335)
809	612	1	1	X	X	Sang-Hyun An/Chang Y An	R	31-Dec-03	171,100	(35,180)	-	81,970	(6,466)	-	75,472
811	611	1	1	X	X	Sang-Hyun An/Chang Y An	R	14-May-05	159,200	(45,960)	-	107,240	(8,502)	-	98,738
902	703	1	studio			Soon Ki Chang	V	14-May-05	127,160	-	-	127,160	-	-	127,160
1001	801	1	1	X	X	Albert Yoon	T	1-Nov-00	89,877	(33,512)	-	60,365	(45,161)	-	15,183
1003	802	1	1	X	X	Albert Yoon	O	1-Nov-00	93,123	(30,244)	-	59,879	(44,819)	(30,000)	(14,939)
1007	806	1	1	X	X	Lawrence (Myung Kyou) Kim	T	31-Oct-06	106,202	(76,643)	-	31,559	(81,569)	-	(40)
1011	809	1	1	X	X	John Yoon	T	1-Nov-00	99,000	(29,253)	(9,900)	59,837	(85,000)	(25,000)	(20,163)
1107	LP8	1	1	X	X	Olivia Yoon	O	4-Nov-00	108,688	(75,936)	-	27,757	(30,000)	-	(2,243)
1109	LP10	1	studio			Lawrence (Myung Kyou) Kim	V	14-Jul-08	170,000	(17,000)	-	153,000	(74,276)	(25,000)	53,724
1111	LP9	1	1	X	X	Sang-Hyun An/Chang Y An	T	12-Oct-06	114,590	(97,393)	-	17,187	-	-	17,187
									\$ 2,105,280	\$ (782,270)	\$ (37,960)	\$ 1,335,010	\$ (1,005,875)	\$ (105,000)	\$ 224,135
<b>Mugungwha Units (2)</b>															
205	UM4	1	studio		X	Mugungwha Homes	V	12-Dec-10	\$ 210,450	\$ (155,000)	\$ -	\$ 55,450	\$ -	\$ -	\$ 55,450
207	UM4	1	1	X		Mugungwha Homes	T	1-Oct-10	\$ 224,912	\$ -	\$ -	\$ 224,912	\$ (124,912)	\$ -	\$ 100,000
									\$ 435,362	\$ (155,000)	\$ -	\$ 280,362	\$ (124,912)	\$ -	\$ 155,450

Rose of Sharon (Ontario) Retirement Community  
 Schedule of Life Lease Units  
 Amended as at March 8, 2013

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Non-Arm's Length Units (4)</b>															
201	LM2	1	1			Anne Marie Heimfichs (Vace)	V	8-Apr-04	\$ 181,570	\$ (54,471)	\$ -	\$ 127,099	\$ -	\$ -	\$ 127,099
203	LM3	1	1	x	x	Robert Berg (ACC)	O	8-Nov-03	169,000	30,043	(142,493)	(4,935)	-	-	(4,935)
204	LM5	1	2	x		Mike Ridley (Vace)	V	8-Apr-04	137,585	(41,308)	-	96,373	-	-	96,373
206	LM6	1	1			Aaron & Helen Klassen (Vace)	V	8-Apr-04	192,610	(65,693)	-	128,927	-	-	128,927
208	LM7	1	1			Tim Schaner (Vace)	V	8-Apr-04	184,250	(55,275)	-	128,975	-	-	128,975
209	LM8	1	1			Mike Ridley (Vace)	V	8-Apr-04	182,240	(54,672)	-	127,568	-	-	127,568
210	LM9	1	2			Mike Ridley (Vace)	V	8-Apr-04	308,570	(65,774)	-	243,096	-	-	243,096
211	LM10	1	studio			Mike Ridley (Vace)	V	8-Apr-04	195,795	(31,960)	-	127,835	-	-	127,835
212	LM12	1	studio			Hans Goetz (Vace)	V	8-Apr-04	174,200	(52,280)	-	121,940	-	-	121,940
213	LM13	1	studio			Hans Goetz (Vace)	V	8-Apr-04	157,115	(31,424)	-	125,691	-	-	125,691
214	LM14	1	1			Tim Schaner (Vace)	V	8-Apr-04	187,955	(37,587)	-	150,348	-	-	150,348
311	UM12	1	studio			John Chon (Vace)	V	14-Jun-05	174,200	(56,615)	-	117,585	-	-	117,585
701	501	1	1			Choc-Kook Chang (Vace)	V	21-Apr-05	203,906	(80,603)	-	123,303	-	-	123,303
901	701	1	1			Yun Ok Lee (Vace)	V	12-May-05	203,320	(66,075)	-	137,241	-	-	137,241
903	702	1	1	x		Assured Care Consulting Inc.	O	8-Nov-03	207,358	(190,518)	-	16,742	-	-	16,742
910	708	1	1			Anne Marie Heimfichs (Vace)	V	8-Apr-04	145,562	(33,165)	-	112,393	-	-	112,393
1103	LP2	1	1	x		Anne Marie Heimfichs (Vace)	V	1-Nov-10	244,250	(81,170)	-	163,080	-	-	163,080
1105	LP12	2	2		x	Leon Hill	T	24-Feb-07	320,000	(56,000)	-	224,000	-	-	224,000
									\$ 3,532,866	\$ (1,122,706)	\$ (142,493)	\$ 2,267,657	\$ -	\$ -	\$ 2,267,657

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Released &amp; Vacant Units</b>															
202	LM1	1	studio			Chang-Yong An (Vace)	V	16-Jun-05	127,300	(41,373)	-	85,927	-	-	85,927
302	UM1	1	studio			Meerai Cho (Vace)	V	28-May-05	148,405	(46,232)	-	102,173	-	-	102,173
307	UM7	1	1			Kim Hong Yang (Vace)	V	4-Jun-05	184,250	(59,891)	-	124,359	-	-	124,359
310	UM10	1	studio			Myunghee Yu (Vace)	V	14-Jun-05	158,795	(51,933)	-	107,862	-	-	107,862
312	UM13	1	studio			Tae-Young Kim (Vace)	V	4-Jun-05	157,115	(51,064)	-	106,051	-	-	106,051
313	UM11	1	studio		x	Esther Yoon	V	30-Sep-04	196,378	-	-	196,378	-	-	196,378
314	UM14	1	1			Richard Yoon (Vace)	V	28-May-05	210,935	(62,054)	-	148,881	-	-	148,881
702	503	1	studio	x		Sang-Hoon Lee (Vace)	V	3-Jun-05	195,005	(48,877)	-	106,201	-	-	106,201
704	504	1	studio	x		Sang-Hoon Lee (Vace)	V	3-Jun-05	157,395	(51,134)	-	106,201	-	-	106,201
705	505	2	2		x	Sang-Hoon Lee (Vace)	V	30-Sep-04	306,005	(100,982)	-	205,023	-	-	205,023
904	704	1	1			Eun Y. Lee/Hee K. Lee (Vace)	V	12-May-05	159,120	(51,714)	-	107,406	-	-	107,406
905	705	2	2		x	Kyung Hwan Lee (Vace)	V	27-Nov-04	301,860	(95,614)	-	202,246	-	-	202,246
1006	805	1	1			Jung Hoon Lee (Vace)	V	24-Jun-05	234,773	(76,301)	-	158,472	-	-	158,472
1008	807	1	1		x	Jin Sook Park (Vace)	V	4-Oct-04	255,298	(84,248)	-	171,050	-	-	171,050
1101	LP1	1	1		x	Mi Kyung Lee (Vace)	V	17-Jun-05	206,310	(81,527)	-	124,783	-	-	124,783
1102	LP3	2	1			Byung Cho (Vace)	V	4-Oct-04	327,740	(120,543)	-	207,197	-	-	207,197
									\$ 3,267,524	\$ (1,024,477)	\$ -	\$ 2,243,147	\$ -	\$ -	\$ 2,243,147

Rose of Sharon (Ontario) Retirement Community  
Schedule of Life Lease Units  
Amended as at March 8, 2013

Unit #	Old Unit #	Bathrooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owling After Loan(s)/Note(s) (5)
--------	------------	-----------	----------------	---------	---------	--------------------------------	----------------------	--	-----------------------------------	---------------	---	--------------	---	-------------	--

**Unimac Units (3)**

207	UM11	1	1		X	Unimac Group Ltd.	T	1-Nov-08	\$ 281,140	\$ -	\$ -	\$ 281,140	\$ -	\$ -	\$ 281,140
301	UM2	1	2			Unimac Group Ltd.	T	1-Nov-09	289,900	-	-	289,900	-	-	289,900
303	UM3	1	1	X		Unimac Group Ltd.	T	1-Nov-08	249,740	-	-	249,740	-	-	249,740
309	UM9	1	2			Unimac Group Ltd.	T	2-Sep-09	351,000	-	-	351,000	-	-	351,000
PH1	UP3	2	1			Unimac Group Ltd.	T	2-Sep-09	457,930	-	-	457,930	-	-	457,930
PH8	UP7	2	2		X	Unimac Group Ltd.	T	2-Sep-09	881,000	-	-	881,000	-	-	881,000
Units = 6									\$ 2,300,710	\$ -	\$ -	\$ 2,300,710	\$ -	\$ -	\$ 2,300,710

**Turpro RTOA Units**

305	UM4	1	2		X	William Campbell	V	8-Apr-05	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
PH5	UP6	1	1		X	Turpro Investments	V	15-Dec-05	332,000	-	(49,800)	282,200	-	-	282,200
PH7	UP8	2	2			Turpro Investments	V	15-Dec-05	529,280	-	(79,392)	449,888	-	-	449,888
Units = 3									\$ 1,111,280	\$ -	\$ (129,192)	\$ 982,088	\$ -	\$ -	\$ 982,088

**Turpro Option Units**

310	UM10	1	studio			Turpro Investments	V		\$ 159,975	\$ -	\$ -	\$ 159,975	\$ -	\$ -	\$ 159,975
302	603	1	studio			Turpro Investments	T		147,900	-	-	147,900	-	-	147,900
PH3	UP4	2	1	X		Turpro Investments	V		590,000	-	-	590,000	-	-	590,000
PH8	UP7	2	2			Turpro Investments	T		589,228	-	(117,845)	471,381	-	-	471,381
Units = 4									\$ 1,427,101	\$ -	\$ (117,845)	\$ 1,309,256	\$ -	\$ -	\$ 1,309,256

**Unsold & Vacant Units**

808	608	1	1				V		\$ 236,000	\$ -	\$ -	\$ 236,000	\$ -	\$ -	\$ 236,000
Units = 1									\$ 236,000	\$ -	\$ -	\$ 236,000	\$ -	\$ -	\$ 236,000
									\$ 18,546,310	\$ (5,272,377)	\$ (422,918)	\$ 12,851,015	\$ (2,397,988)	\$ 10,248,027	

Notes:

- Occupancy Status is as follows (the effect of units listed twice on this schedule per Note 2 has been removed):  
O = Owner Occupied (9 units)  
R = Relative (11 units)  
T = Tenant (28 units)  
V = Vacant (42 units)
- The following units are subject to the interests of more than one party and are shaded in the schedule:  
i) Unit 207 is being claimed by Muquingwa Homes and Unimac  
ii) Unit 802 is being claimed by Jane Kim and Turpro (through a pledge of security and option to purchase)  
iii) Unit PH8 is being claimed by Unimac and Turpro (through a pledge of security and option to purchase)  
iv) Unit 310 is a released unit and is claimed by Turpro (through a pledge of security and option to purchase)

For purposes of this schedule, and in order to remove the effect of the apparent duplicate interest in units on this schedule, the totals do not reflect the amounts relating to the following units:

- Unit 207 (Unimac Unit)
  - Unit 802 (Turpro Option Unit)
  - Unit PH8 (Turpro Option Unit)
  - Unit 310 (Turpro Option Unit)
3. Unimac has taken possession of six units as it has claimed that Rose of Sharon defaulted on certain agreements to pay amounts owing to Unimac under the Construction Contract. Rose of Sharon is disputing Unimac's rights to the units.
4. There are 11 Non-Arm's Length Units (the First Vaca Purchasers) with an RTOA dated April 8, 2005. However, Rose of Sharon's records include an amending letter which amends the year of the RTOA to 2004. While Rose of Sharon's records do not include an amending letter for unit 910, given that this purchaser is a First Vaca Purchaser, for the purposes of this schedule, it is assumed that an amending letter exists for this unit.
5. This schedule does not reflect the purchase of any unit options, "extras" or appliances by the Unit-holders or amounts paid by Unit-holders for such unit options, "extras" or appliances.

**TAB G**

Court File No. CV-11-9399-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]

THE HONOURABLE ) DAY, THE DAY  
JUSTICE ) OF , 2013

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**ORDER**

**THIS MOTION** made by Deloitte & Touche Inc. in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent Rose of Sharon (Ontario) Retirement Community (in that capacity, the "**Receiver**") for an Order appointing Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") as representative counsel in this proceeding for the Arm's Length Claimants (as defined in the Notice of Motion), was heard this day at 330 University Avenue, Toronto, Ontario



**ON READING** the Receiver's Motion Record dated February 22, 2013, the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**"), the Fourth Report of the Receiver dated March , 2013, the Receiver's Factum dated March , 2013, and upon hearing submissions of counsel for the Receiver, counsel for Peoples Trust Company ("**Peoples**") and KRMC,

1. **THIS COURT ORDERS** that the timing and method of service of the Receiver's Notice of Motion returnable February 28, 2013 (the "**Notice of Motion**"), and related motion material filed in support of that Notice of Motion (the "**Motion Material**") be and is hereby abridged, that service of the Notice of Motion and Motion Material is hereby validated such that service effected on the parties served with the Notice of Motion and Motion Material shall be good and sufficient notice thereof, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that subject to paragraphs 4, 5 and 6 below, KRMC is hereby appointed in this proceeding as representative counsel ("**Representative Counsel**") for the Arm's Length Claimants (as set out in **Schedule "A"** attached hereto) with respect to the Arm's Length Claims (as defined in the Notice of Motion), the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm's Length Claims, and Peoples' motion seeking an Order that (i) the Right to Occupy Agreements relating to the Arm's Length Units (as defined in the Notice of Motion) of the Arm's Length Unit-holders (as defined in the Notice of Motion) are terminated; and (ii) that the Arm's Length Claimants deliver up vacant possession of their Life-Lease Units upon written demand from the Receiver (collectively the "**Mandate**").

3. **THIS COURT ORDERS** that no individuals who were directors of Rose prior to June, 2011, and/or related family members of those individuals, be included in the Arm's Length Claimants to be represented by KRMC, without leave of the Court.
4. **THIS COURT ORDERS** that the role of Representative Counsel for the Arm's Length Claimants shall be limited to the Mandate.
5. **THIS COURT ORDERS** that any individual Arm's Length Claimant who does not wish to be represented by KRMC and be bound by this Order and all other orders which may subsequently be made in these proceedings related to the appointment of Representative Counsel, shall by April , 2013 (the "**Opt-Out Date**") notify KRMC and the Receiver by facsimile, email or delivery, in the form attached hereto as **Schedule "B"** (the "**Opt-Out Letter**"), and shall thereafter not be represented by KRMC and shall represent themselves as an independent individual party (with or without counsel) at his or her own expense to the extent they wish to appear in any or all matters relating to this proceeding.
6. **THIS COURT ORDERS** that if more than one-third of the Arm's Length Claimants opt-out of this Order by the Opt-Out Date, KRMC shall be automatically and immediately discharged from its role and duties as Representative Counsel, and forthwith upon the Receiver notifying the Arm's Length Claimants by mail or email at their address(es) set out in Schedule "A" hereto of KRMC's discharge as Representative Counsel the Arm's Length Claimants shall represent themselves as an independent individual party (with or without counsel) at their own expense to the extent they wish to appear in any or all matters relating to this proceeding.

7. **THIS COURT ORDERS** that Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice. At such passing of accounts, Representative Counsel shall be allowed its reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court, for work done as Representative Counsel, up to a maximum amount of \$150,000.00 plus disbursements actually incurred and applicable taxes, subject to further Order of this Court obtained on notice to Peoples and the Receiver.

8. **THIS COURT ORDERS** that subject to paragraph 7 above, the reasonable fees and disbursements incurred by Representative Counsel shall be paid by the Receiver out of the Rose estate in a timely manner to allow Representative Counsel to fulfill its mandate in accordance with this Order, after the rendering of accounts to the Receiver, and that in the event of any disagreement regarding such fees and disbursements such matters will be dealt with on the passing of accounts.

9. **THIS COURT ORDERS** that Representative Counsel shall have the benefit for its fees and disbursements of the Receiver's Charge, established pursuant to the Amended and Restated Appointment Order of Justice Campbell dated September 27, 2011 in this proceeding.

10. **THIS COURT ORDERS** that, subject to further order of the Court, and without limitation to any other right or protection in favour of Representative Counsel, KRMC shall not be required to take any step or action if it reasonably believes that there will not be sufficient funds available to it to complete such step or action, and KRMC may apply to be discharged from its role as Representative Counsel at any time in its sole discretion, including, without limitation, on the basis that it reasonably believes that there are insufficient funds available to it to carry out the terms of this Order or otherwise fulfill its role as Representative Counsel.

11. **THIS COURT ORDERS** that the Receiver shall provide notice of this Order to the Arm's Length Claimants set out in Schedule "A" hereto by (a): emailing or mailing a copy of the Receiver's Notice attached as **Schedule "C"** hereto, together with a copy of this Order, after the granting of this Order, to the Arm's Length Claimants at their address(es) set out in Schedule "A" hereto; and by (b) posting a copy of the Receiver's Notice on the Receiver's website as soon as practicable after the granting of this Order.

12. **THIS COURT ORDERS** that Representative Counsel shall have no liability for any act or omission as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, save and except for any gross negligence or unlawful and willful misconduct on its part, and that no action or other proceedings shall be commenced against Representative Counsel relating to its acting as such, except with prior leave of this Court to be obtained on at least (7) seven days' notice to Representative Counsel and upon further order in respect of security for costs on a substantial indemnity basis of Representative Counsel in connection with any such action or proceeding.

13. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Honourable Court for advice and directions in the discharge and variations of its powers and duties, including but not limited to whether or not any individual Arm's Length Claimant should be represented by Representative Counsel because of a potential conflict of interest or otherwise.

14. **THIS COURT ORDERS** that in the event this Order is later amended by further Order of the Court, the Receiver may post such further Order on the Receiver's website and such posting will constitute adequate notice to the Arm's Length Claimants of such amended Order.

---

## SCHEDULE "A"

## Arm's Length Claimants

Unit #	Unit Occupant/Tenant	Address	Life Lease Unit Purchaser	Address/Contact Information
304	Occupant (relative)	15 Maplewood Ave., Unit# 304, Toronto, ON, M6C 4B4	Mary Chon	430 McLevin Ave. #1503, Scarborough, ON M4E 1Y8
306	Occupant (tenant)	15 Maplewood Ave., Unit# 306, Toronto, ON, M6C 4B4	Mary Chon	430 McLevin Ave. #1503, Scarborough, ON M4E 1Y8
308	Occupant (tenant)	15 Maplewood Ave., Unit# 308, Toronto, ON, M6C 4B4	Youngsook Cha	162 Pinewood Dr., Vaughan, ON L4J 5P5
706	Occupant (tenant)	15 Maplewood Ave., Unit# 706, Toronto, ON, M6C 4B4	Sung-Sun Yoon / Mi-Kyung Yoon	86 Ironwood Cres., Hamilton, ON L8W 3B8
707	Soon Sup Lee / Hyung Gook Lee	15 Maplewood Ave., Unit# 707, Toronto, ON, M6C 4B4	Soon Sup Lee / Hyung Gook Lee	
708	Kyung Yurl Lee / Jung Ja Lee	15 Maplewood Ave., Unit# 708, Toronto, ON, M6C 4B4	Kyung Yurl Lee / Jung Ja Lee	
709	Young Jeon	15 Maplewood Ave., Unit# 709, Toronto, ON, M6C 4B4	Young Jeon	
711	Occupant (relative)	15 Maplewood Ave., Unit# 711, Toronto, ON, M6C 4B4	Young Jeon	15 Maplewood Ave., Unit# 709, Toronto, ON M6C 4B4
803	Yu Jin Jung	15 Maplewood Ave., Unit# 803, Toronto, ON, M6C 4B4	Bog Shim Shin	416-553-2165
805	Occupant (tenant)	15 Maplewood Ave., Unit# 805, Toronto, ON, M6C 4B4	Han Hyeong Lee / Hae Jeong Kang	16 Eleanor Circle, Richmond Hill, ON L4C 6K7
806	EunKyung Yim	15 Maplewood Ave., Unit# 806, Toronto, ON, M6C 4B4	EunKyung Yim	
807	Irina Abrahams	15 Maplewood Ave., Unit# 807, Toronto, ON, M6C 4B4	Jong Ran Kim	21 Passmore Ave, Orangeville, ON L9W 4E1
810	Occupant (tenant)	15 Maplewood Ave., Unit# 810, Toronto, ON, M6C 4B4	Sun Hwa Lee	8 Eastgate Cres., Scarborough, ON M1L 1W9
812	Occupant (relative)	15 Maplewood Ave., Unit# 812, Toronto, ON, M6C 4B4	Sun Hwa Lee	8 Eastgate Cres., Scarborough, ON M1L 1W9

Unit #	Unit Occupant/Tenant	Address	Life Lease Unit Purchaser	Address
906	Occupant (tenant)	15 Maplewood Ave., Unit# 906, Toronto, ON, M6C 4B4	Woo Sam Park	#1705-88 Promenade Circle, Thornhill, ON L4J 9A4
907	Vacant		Myung Hee Kim / Jun Do Sung	No current address available
908	Occupant (relative)	15 Maplewood Ave., Unit# 908, Toronto, ON, M6C 4B4	Han Hyeong Lee / Hae Jeong Kang	No current address available
909	Occupant (relative)	15 Maplewood Ave., Unit# 909, Toronto, ON, M6C 4B4	Mansoo Chun	161 High St, Southampton, ON N0H 2L0
911	Occupant (relative)	15 Maplewood Ave., Unit# 911, Toronto, ON, M6C 4B4	Hyang Ok Hong / John Bai	6 Kinnie Court, Toronto, ON M3H 2S9
912	Chang Joon Kim / Soon Ja Kim / Sang Hyon Kim	15 Maplewood Ave., Unit# 912, Toronto, ON, M6C 4B4	Chang Joon Kim / Soon Ja Kim / Sang Hyon Kim	
1002	Occupant (tenant)	15 Maplewood Ave., Unit# 1002, Toronto, ON, M6C 4B4	Brenda (Chun Ja) Ha	27 William Pooleway, Toronto, ON M2N 7A6
1005	Vacant		Young Sohn	905-28 William Carson Cres., North York, ON M2P 2H1
1008	Occupant (relative)	15 Maplewood Ave., Unit# 1008, Toronto, ON, M6C 4B4	Mal Hwa Kim / Ellen Kim	bobmosey@yahoo.ca
1009	Occupant (tenant)	15 Maplewood Ave., Unit# 1009, Toronto, ON, M6C 4B4	Morgiana Lee	1709-30 Charles St. West, Toronto, ON M4Y 1R5
1010	Occupant (relative)	15 Maplewood Ave., Unit# 1010, Toronto, ON, M6C 4B4	Gye-Soon Kim / Joon Kie Kim	42 Angus Dr. Toronto, ON M2J 2X1
1108	Occupant (tenant)	15 Maplewood Ave., Unit# 1108, Toronto, ON, M6C 4B4	Jae Won Byun	6 Colinayre Cres., Scarborough, ON MIT 3A8
1111	Occupant (tenant)	15 Maplewood Ave., Unit# 1111, Toronto, ON, M6C 4B4	Sang-Hyun An / Chang Y An	341 Apple Blossom Dr., Vaughan, ON L4J 8W5
1112	Occupant (tenant)	15 Maplewood Ave., Unit# 1112, Toronto, ON, M6C 4B4	Hee Jun Park / Na Rae Choi	15 Holmes Ave., Unit #2, Toronto, ON M2N 4L8
PH6	Occupant (tenant)	15 Maplewood Ave., Unit# PH6, Toronto, ON, M6C 4B4	Jong Rye Lee / Chang Hun Shin	74 Queen's Circle, Crystal Beach, ON L0S 1B0

SCHEDULE "B"

Court File No. CV-11-9399-00CL

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

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**OPT-OUT LETTER**

**DELOITTE & TOUCHE INC.**

Brookfield Place  
Suite 1400  
181 Bay Street  
Toronto ON M5J 2V1

**Attention: Daniel R. Weisz/Hartley Bricks**

(416) 775-4724 / (416) 775-7326 (Tel)

(416) 601-6690 (Fax)

Email: [dweisz@deloitte.ca](mailto:dweisz@deloitte.ca) /

[hbricks@deloitte.ca](mailto:hbricks@deloitte.ca)

**KRONIS, ROTSZTAIN, MARGLES,  
CAPPEL LLP**

Barristers and Solicitors  
8 King Street East  
Suite 1000  
Toronto, ON M5C 1B5

**Attention: Mervyn Abramowitz/Philip Cho**

(416) 218-5620 / (416) 218-5494 (Tel)

(416) 306-9874 (Fax)

Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com) /

[pcho@krmc-law.com](mailto:pcho@krmc-law.com)



I, \_\_\_\_\_, am an Arm's Length Claimant as defined in the Order of Justice dated April \_\_\_\_\_, 2013 (the "**Representative Counsel Order**"). My Arm's Length Claim relates to Unit \_\_\_\_\_ at the Rose of Sharon Life Lease Residence.

Under paragraph 5 of the Representative Counsel Order, Arm's Length Claimants who do not wish Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") to act as their Representative Counsel may opt out.

I hereby notify KRMC and the Receiver that I do not wish to be bound by the Representative Counsel Order, and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Telephone Number:

\_\_\_\_\_  
Email Address:

\_\_\_\_\_  
Contact Address:

## SCHEDULE "C"

## RECEIVER'S NOTICE

Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**").

Pursuant to an order of the Court dated April 12, 2013 (the "**Representative Counsel Order**"), Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") was appointed as representative counsel ("**Representative Counsel**") of all Arm's Length Claimants (as set out in Schedule "A" to the Representative Counsel Order) in all matters relating to the Mandate (as defined in the Representative Counsel Order). Schedule "A" to the Representative Counsel Order does not include Unit-holders who were Directors of Rose prior to June, 2011, and the related family members of such Unit-holders (collectively, the "**Directors**"), as the Receiver is of the view that the interest of those parties may be different from the interests of the Arm's Length Claimants. Any Director seeking to be categorized as an Arm's Length Claimant must first obtain leave of the Court before KRMC can act for them as Representative Counsel.

The reasonable fees of and disbursements incurred by the Representative Counsel shall be paid by the Receiver on a periodic basis up to a limit of \$150,000.00 plus disbursements and applicable taxes. Accordingly, **you are not required to contribute to the costs of the Representative Counsel, subject to further Order of the Court.**

**If you do not wish to be bound by this order**, you must notify Deloitte and KRMC in writing, by mail, e-mail or delivery on or before **April 12, 2013**. If more than one-third of the Arm's Length Claimants opt-out by April 12, 2013, KRMC will be automatically and immediately discharged as Representative Counsel for the Arm's Length Claimants, including those who do not opt out, and all Arm's Length Claimants will have to represent themselves as an independent individual party (with or without counsel) at their own expense. Your notice that you do not wish to be bound by the Representative Counsel Order must be in the form of a fully completed and enclosed "Opt-Out Letter" attached as Schedule "B" to the Representative Counsel Order and also available on the Receiver's website at:

<http://tinyurl.com/bex6rxy>

[http://www.deloitte.com/view/en\\_CA/ca/specialsections/insolvencyandstructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm](http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandstructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm)

Additional information concerning the Rose receivership, including previous Orders granted in the receivership, can be also found on the Receiver's website at the same links. Arm's Length Claimants may contact KRMC in confidence directly at:

**Mervyn D. Abramowitz**  
 (416) 218-5620 (Tel)  
 (416) 306-9874 (Fax)  
 Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com)

**Philip Cho**  
 (416) 218-5494 (Tel)  
 (416) 306-9874 (Fax)  
 Email: [pcho@krmc-law.com](mailto:pcho@krmc-law.com)

## **TAB 6**

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

BETWEEN:

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**FIFTH REPORT TO THE COURT OF THE RECEIVER  
(dated December 10, 2013)**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>4</b>
<b>TERMS OF REFERENCE .....</b>	<b>10</b>
<b>ALU SETTLEMENT.....</b>	<b>11</b>
<b>STATUS OF THE OTHER LIFE-LEASE UNIT HOLDERS .....</b>	<b>14</b>
<b>REPRESENTATIVE COUNSEL.....</b>	<b>15</b>
<b>STATUS OF THE CONVERSION TO CONDOMINIUMS.....</b>	<b>17</b>
<b>STATEMENT OF CLAIM AND CONSTRUCTION LIEN LITIGATION .....</b>	<b>18</b>
<b>NURSING HOME UPDATE .....</b>	<b>18</b>
<b>FUNDS AT THE KOREAN (CANADA) CREDIT UNION .....</b>	<b>19</b>
<b>CLAIMS AGAINST JOHN YOON .....</b>	<b>20</b>
<b>INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS .....</b>	<b>21</b>
<b>STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL .....</b>	<b>22</b>
<b>RECEIVER'S REQUEST TO THE COURT .....</b>	<b>23</b>

## APPENDICES

APPENDIX "A":	Amended and Restated Appointment Order dated September 27, 2011
APPENDIX "B":	Certificate of Amendment dated July 1, 2013 changing the name of Deloitte & Touche Inc. to Deloitte Restructuring Inc.
APPENDIX "C":	Order and Endorsement of Justice Morawetz dated February 28, 2013
APPENDIX "D":	Fourth Report to Court of the Receiver dated March 11, 2013
APPENDIX "E":	Endorsement of Justice Morawetz dated March 12, 2013
APPENDIX "F":	Memorandum of Law prepared by Blaney McMurtry LLP dated April 5, 2013
APPENDIX "G":	Representative Counsel Order and Endorsement of Justice Mesbur dated April 11, 2013
APPENDIX "H":	Order of Justice Mesbur dated April 11, 2013 re funds held by Korean (Toronto) Credit Union Limited
APPENDIX "I":	Endorsement and ALUs Settlement Approval Order of Justice Mesbur dated September 10, 2013

- APPENDIX "J": Order of Justice Mesbur dated November 14, 2013
- APPENDIX "K": Endorsements and Order (Discharge of Representative Counsel and ILA Appointment) dated November 22, 2013
- APPENDIX "L": Operating statement for the Nursing Home for the period January 1, 2013 to September 30, 2013
- APPENDIX "M": Receiver's Interim Statement of Receipts and Disbursements for the period September 27, 2011 to September 30, 2013

## INTRODUCTION

1. Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**"). A copy of the Amended and Restated Appointment Order is attached hereto as **Appendix "A"**.
2. Effective July 1, 2013, Deloitte & Touche Inc. changed its name to Deloitte Restructuring Inc. A copy of the Certificate of Amendment is attached hereto as **Appendix "B"**.
3. Capitalized terms not defined in this report are as defined in the Appointment Order, or the Receiver's First through Fourth Reports. All references to dollars are in Canadian currency unless otherwise noted.
4. Rose's principal asset is a 12 storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**") which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the "**Nursing Home**") and 90 life-lease units located on floors 2, 3 and 7 through 12 ( the "**Life-Lease Residence**").
5. The Receiver's Third Report to the Court dated February 19, 2013 (the "**Third Report**") provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**").

6. In connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient and to the general benefit of the Rose estate for a particular segment of stakeholders (the Arm's Length Claimants as defined in the Third Report) (the "ALUs"), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative counsel was appointed to act on behalf of the Arm's Length Claimants ("**Representative Counsel**"). Peoples had proposed that should Representative Counsel be appointed on terms acceptable to Peoples, it was agreeable to the Receiver paying the reasonable fees of Representative Counsel from the receivership estate.
7. In its motion materials dated February 22, 2013, the Receiver proposed that Kronis, Rotzstain, Margles, Cappel LLP ("**KRMC**") be appointed as Representative Counsel for the Arm's Length Claimants.
8. In addition, the Receiver brought a motion for, among other things, an Order:
  - i) approving the Receiver's Second Report to the Court dated December 14, 2012;
  - ii) approving the Receiver's Interim Statement of Receipts and Disbursements for the period September 27, 2011 to December 31, 2012;
  - iii) increasing the maximum of the Receiver's borrowing limit to \$1,500,000;
  - iv) approving the Receiver Fees, the fees of Gowling Lafleur Henderson LLP ("**Gowlings**"), as counsel to the Receiver, and the fees of Blaney McMurtry LLP ("**Blaneys**"), as independent counsel to the Receiver; and
  - v) approving the appointment of KRMC as Representative Counsel in respect of the Arm's Length Claimants.
9. On February 28, 2013, Justice Morawetz granted an Order (the "**February 28 Order**") approving the matters listed above except for the appointment of Representative Counsel, which motion was adjourned on consent to March 12, 2013. The adjournment was intended to provide the Arm's Length Claimants with the opportunity to meet with



KRMC concerning KRMC's potential retainer as Representative Counsel, and to address concerns raised with the Receiver concerning the categorization by the Receiver of certain Unit-holders as being, or not being, Arm's Length Claimants as set out in Appendix "E" to the Third Report. A copy of the February 28 Order and Justice Morawetz's Endorsement is attached hereto as **Appendix "C"**.

10. The Receiver's Fourth Report to the Court (the "**Fourth Report**") dated March 11, 2013 provided the Court with an update on the Receiver's activities in respect of its motion for the appointment of Representative Counsel including the re-categorization of certain Unit-holders, requested that the motion to appoint Representative Counsel be put over to a later date and requested an order establishing a protocol and timeline for such an appointment. A copy of the Fourth Report without appendices is attached hereto as **Appendix "D"**.
11. On March 12, 2013, Justice Morawetz made an Endorsement adjourning the motion to appoint Representative Counsel to April 11, 2013. A copy of Justice Morawetz's Endorsement is attached hereto as **Appendix "E"**.
12. On April 5, 2013, Blaneys, the Receiver's independent counsel, served a Memorandum of Law in support of the motion to appoint Representative Counsel. A copy of the Memorandum of Law is attached hereto as **Appendix "F"**.
13. On April 8, 2013, Peoples served its motion materials (the "**Priority Motion**") seeking priority over all of the mortgages registered against the Property and over the Life Lease Claimants (as defined in the Priority Motion).
14. On April 11, 2013, the motion for the appointment of Representative Counsel was heard by Justice Mesbur who issued an Order approving the appointment of KRMC as Representative Counsel (the "**Representative Counsel Order**") in respect of the Priority Motion, including setting \$150,000.00 (plus disbursements actually incurred and applicable taxes) as the maximum amount of fees for work done as Representative Counsel payable out of the Rose estate, but subject to increase on further Order of this Court. Her Honour also established the timeframe for the delivery of materials in respect

of the hearing of the Priority Motion, which was scheduled to be heard on September 10, 11 and 12, 2013. A copy of the Representative Counsel Order and Justice Mesbur's Endorsement is attached hereto as **Appendix "G"**.

15. Also on April 11, 2013, Justice Mesbur issued an Order (the "**KCU Order**") in respect of Rose's funds held in bank accounts at Korean (Toronto) Credit Union Limited ("**KCU**"). A copy of the KCU Order is attached hereto as **Appendix "H"**.
16. On September 10, 2013, the date scheduled for the hearing of the Priority Motion, Gowlings advised the Court that Peoples had entered into a settlement agreement with the ALUs in respect of the Priority Motion (the "**ALU Settlement**") and sought the Court's approval of the ALU Settlement. Justice Mesbur approved the ALU Settlement and issued an Order (the "**ALUs Settlement Approval Order**") effecting same. There was no opposition to the ALU Settlement. The remaining issues concerning the Priority Motion were adjourned to November 14 and 15, 2013. A copy of Justice Mesbur's endorsement approving the ALU Settlement, which endorsement includes the timetable for delivery of materials in respect of the adjourned Priority Motion issues, and the ALUs Settlement Approval Order is attached hereto as **Appendix "I"**.
17. On November 14, 2013, Justice Mesbur issued an Order (the "**Priority Claims Order**") ordering and declaring that Peoples was entitled to priority over the claims of all persons claiming an interest in 25 of the units in the Property, except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List). These 25 units consisted of the following units (the groupings as defined in the Third Report):
  - i) sixteen (16) Released and Vacant Units;
  - ii) three (3) Turfpro RTOA Units;
  - iii) two (2) Turfpro Option Units identified as units 310 and PH3;

- iv) one (1) Unsold and Vacant Unit; and
  - v) three (3) units in which John Yoon or Moon Yoon claim an interest.
18. Also on November 14, 2013, Justice Mesbur set November 22, 2013 as the date for:
- i) the hearing of a Receiver's motion to terminate Representative Counsel's current mandate and provide KRMC with a new mandate to provide independent legal advice ("ILA") to certain individual unrepresented unit holders who have or will enter into settlements with Peoples regarding their units ("**ILA Unit-holders**");
  - ii) the scheduling of issues respecting priority in relation to any non-settling director unit holders, non-settling investor unit holders, Unimac and the Mugungwha Units; and
  - iii) the hearing of the issue on the admissibility of the affidavit of Leon Hui sworn November 11, 2013.

A copy of the Justice Mesbur's endorsement in relation thereto and the Priority Claims Order is attached hereto as **Appendix "J"**.

19. On November 22, 2013, Justice Mesbur issued an Order (Discharge of Representative Counsel and ILA Appointment) (the "**ILA Order**") which, among other things:
- i) amended Representative Counsel's Mandate to remove from the group represented by Representative Counsel those referenced in the preamble to the Representative Counsel Order as "the tenants of other units of the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence";
  - ii) increased the maximum amount for legal fees to which Representative Counsel shall be allowed to \$275,000.00, plus disbursements actually incurred and applicable taxes;
  - iii) discharged KRMC as Representative Counsel;

- iv) appointed KRMC to provide independent legal advice to ILA Unit-holders with respect to the nature, meaning and effect of any documents to be executed in connection with certain proposed settlements, and the obligations and liabilities of such ILA Unit-holders thereunder (the “**ILA Mandate**”);
  - v) established a maximum amount for legal fees for work done by KRMC as part of the ILA Mandate at \$15,000.00 plus disbursements actually incurred and applicable taxes.
20. On November 22, 2013, Justice Mesbur also set December 13, 2013 as the date for the hearing to deal with:
- i) the Priority Issue with respect to Unimac and any non-settled units;
  - ii) approval of conditional settlements with settling unit-holders;
  - iii) allocation of compensation above \$150,000.00 for Representative Counsel and the fees associated with the ILA Mandate; and
  - iv) the passing of accounts;
21. Also on November 22, 2013, Justice Mesbur:
- i) established a timetable for the delivery of any additional *facta* on the issue of the allocation of compensation of the fees of Representative Counsel above \$150,000.00 and KRMC’s fees associated with the ILA Mandate; and
  - ii) ruled that the affidavit of Leon Hui sworn November 11, 2013, would not be admitted and may not be referred to on December 13, 2013, the return date of the priority motion.

A copy of the ILA Order and Justice Mesbur’s endorsements made on November 22, 2013 are attached hereto as **Appendix “K”**.

22. This Fifth Report to the Court (the "**Fifth Report**") is intended to:
- provide the Court with further details on the ALU Settlement;
  - provide the Court with further details on the status of settlements with non-ALU's;
  - provide the Court with an update on the status of the Property, including the operations of the Nursing Home, since the Receiver's last report;
  - provide the Court with the status of the conversion of the Nursing Home and Life Lease Units to condominiums;
  - seek the Court's approval to increase to \$2,500,000.00 the amount that the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order;
  - seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements for the period September 27, 2011 to September 30, 2013;
  - seek the court's approval of the Receiver's fees incurred for the period January 1 to October 31, 2013; and
  - seek the Court's approval of the fees of Gowlings, as counsel to the Receiver, and Blaneys, as independent counsel to the Receiver, as detailed more fully herein.

#### **TERMS OF REFERENCE**

23. In preparing this Fifth Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by purchasers of Life-Lease Units ("**Unit-holders**"), or parties claiming to have a direct or indirect financial interest in Life-Lease Units.

24. The Receiver has compared certain information contained in Rose's records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other verification of information that is contained in Rose's records or that has been provided to the Receiver and expresses no opinion thereon.
25. The Receiver has sought the advice of Gowlings, counsel to the Applicant, for general legal matters that have arisen in respect of the receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Blaneys.

#### **ALU SETTLEMENT**

26. The ALU Settlement, which was approved by the Court on September 10, 2013, permits those ALUs who wish to complete the purchase of their life-lease unit(s) to do so upon the payment of certain amounts to the Receiver. The amounts to be paid by the ALUs are discussed in greater detail below. The ALU Settlement is conditional upon the conversion of the Property to condominiums which will allow the ALUs to obtain legal title to their unit(s).
27. The ALU Settlement was negotiated between Gowlings, acting on behalf of Peoples, and KRMC, acting on behalf of the ALUs. While negotiations were ongoing between the parties, both Gowlings and KRMC consulted the Receiver on certain factual matters with respect to the Right to Occupy Agreements ("RTOAs") in respect of the ALUs and amounts owed by particular ALUs in respect of those Arm's Length Units. At Gowlings' request, the Receiver also reviewed for accuracy the calculations that the parties used in determining the amounts found in the Payment Chart attached to the ALUs Settlement Approval Order.
28. The principal terms of the ALU Settlement, which are enshrined in the ALUs Settlement Approval Order, are as follows:

- i) Upon registration of the Property as a condominium, each ALU shall be given notice by the Receiver (the "**Purchase Notice**") that they or their authorized assignee may acquire condominium title to their unit(s) upon payment of the following amounts (the "**Unit Purchase Price**"):
  - (a) an amount which is equal to the original purchase price of their unit less deposits paid (the sum of which is the "**Balance Owed**"), less any loans to Rose up to the amount of the Balance Owed, plus an amount which is 3% of the original purchase price times the number of years between the date the RTOA was executed and September 10, 2013 ("**3% Interest**") (for example, if an RTOA was dated August 24, 2005, the number of years for the purposes of determining the 3% Interest calculation is 8 years);
  - (b) the total amount of any unpaid sums for common area maintenance fees due and owing as of September 10, 2013; and
  - (c) the total amount of any unpaid interest required to be paid pursuant to RTOAs on any positive balances outstanding.
- ii) Each ALU shall have 60 days from the date of the delivery of the Purchase Notice to pay the Unit Purchase Price to the Receiver;
- iii) Upon payment by an ALU of the Unit Purchase Price, the Receiver shall sell the unit to the ALU on an "as-is, where-is" basis;
- iv) In the event of a default of payment by an ALU of the Unit Purchase Price within the 60 day period, the Receiver may sell the unit(s) of the defaulting ALU unit free and clear of any and all claims of the ALU (including claims to any deposits previously paid and any loans previously made to Rose), and anyone claiming through the ALU, including any tenant of the ALU, and the Receiver shall be entitled to obtain applicable vesting orders and writs of possession in respect of each defaulting ALU's unit;

- 13 -

- v) Neither the Receiver nor Peoples shall have any liability for reserve fund contributions, which contributions are the responsibility of the ALUs;
  - vi) All common area maintenance fees which arise after September 10, 2013 are to be paid as and when they become due; and
  - vii) In the event that the Property is not registered as a condominium by September 10, 2014, or by some later date subject to Peoples' written agreement (the "**Outside Date**"), all rights and obligations provided for under the ALU Settlement shall lapse and be of no further force and effect.
29. The Receiver understands that the annual 3% Interest amount that comprises a portion of the amount that an ALU is to pay upon closing his/her unit(s) is intended to account for the increased market value of the units since they were initially purchased.
30. Based on the Receiver's understanding of the parties various positions with respect to priority over the ALUs' units, and the relevant factual and legal issues at play regarding priority, the Receiver is of the view that the ALU Settlement is reasonable in the circumstances and to the general benefit of all stakeholders in the Rose estate. This position was made known to the Court at the hearing to approve the ALU Settlement. In addition, none of these stakeholders opposed the making of the Order approving the ALU Settlement.
31. To the extent that all of the ALUs elect to complete the purchase of their unit(s), the Receiver expects to receive approximately \$3.0 million from the sale of the 28 Arm's Length Units. The Receiver notes that the aggregate amount of the original purchase prices of the 28 Arm's Length Units was approximately \$5.2 million (net of rebates and price adjustments) and that ALUs have paid deposits totalling \$2.2 million and made loans to Rose of Sharon totalling \$1.3 million, all of which funds were used in the construction and financing of the Property.



**STATUS OF THE OTHER LIFE-LEASE UNIT HOLDERS**

32. As discussed above, on November 14, 2013, the Court issued the Priority Claims Order which ordered that Peoples was entitled to priority over 25 units in the Property comprised of the following
- i) sixteen (16) Released and Vacant Units;
  - ii) three (3) Turfpro RTOA Units;
  - iii) two (2) Turfpro Option Units identified as units 310 and PH3;
  - iv) one (1) Unsold and Vacant Unit; and
  - v) three (3) units in which John Yoon or Moon Yoon claim an interest.
33. Gowlings has advised the Receiver that, on behalf of Peoples, it has approached the holders of the remaining units at the Property which consists of the unit-holders of thirteen (13) Director Units (other than the units in which John Yoon or Moon Yoon claim an interest), the Mugungwha Units (2 units), the Non-Arm's Length Units (18 units), and the Unimac Units (6 Units) to determine if they would be willing to enter into priority settlements on terms substantially similar to the ALU Settlement (the "**Proposed Settlements**").
34. As of the date of this Fifth Report, Gowlings advises that:
- of the 13 Director Units, 11 unit-holders have agreed to the Proposed Settlements, one unit-holder has failed to respond to the offer and Gowlings has been unable as yet to contact the final unit-holder.
  - Mugungwha Homes has agreed to the Proposed Settlements with respect to the two Mugungwha Units;

- 15 -

- two of the Non-Arm's Length Units (Robert Berg and York Health Care Development) have agreed to the Proposed Settlements;
- to date, it has been unable to come to terms with those 15 Non-Arm's Length Units represented by Vace Investments; and
- Unimac and Leon Hui, the principal of Unimac and a Non-Arm's Length Unit unit-holder, have not agreed to the Proposed Settlements.

35. As previously discussed, the priority matter with respect to Unimac Units is scheduled to be heard by the Court on December 13, 2013.

#### **ILA MANDATE**

36. In connection with the Proposed Settlements, the Court approved the appointment of KRMC to provide ILA to those parties to the Proposed Settlements who are not otherwise represented by counsel (the "ILA Unit-holders"). The purpose of the appointment of KRMC was to ensure that the ILA Unit-holders fully understood the terms of the Proposed Settlements prior to seeking the Court's approval of the Proposed Settlements. KRMC was selected to provide ILA due to their familiarity with the terms of the Proposed Settlements and their ability to provide legal advice in the Korean language.
37. KRMC's fees for carrying out the ILA Mandate have been capped by the Court at \$15,000.00 plus disbursements and HST.

#### **REPRESENTATIVE COUNSEL**

38. As previously mentioned, on November 14, 2013 Justice Mesbur made the ILA Order which, among other things, increased the maximum amount for legal fees to which Representative Counsel shall be allowed to \$275,000.00 plus disbursements and HST. The previous maximum amount of legal fees allowed was \$150,000.00.

39. At the hearing of the application that resulted in the issuance of the ILA Order, counsel for Unimac and Trisura Guarantee Assurance Company (“**Trisura**”) advised the Court that they wished to challenge the allocation of the fees of Representative Counsel to the Rose estate arguing that they should be a direct expense of Peoples. Justice Mesbur advised the parties that the allocation of the original \$150,000.00 of fees could not be challenged as neither party had opposed the Representative Counsel Order establishing the original fee cap of \$150,000.00 (plus disbursements and HST). However, the parties could make submissions in respect of the allocation of Representative Counsel fees in excess of \$150,000.00 at the December 13, 2013 hearing date when the issue of the allocation of KRMC’s fees amongst the parties (including the Rose estate) relating to the Representative Counsel Mandate (and the ILA Mandate) is currently scheduled to be heard by the Court pursuant to the timetable set by Justice Mesbur on November 22, 2013. However, as a result of discussions between the Receiver, Peoples and Trisura, subject to Her Honour’s consent, these parties propose to adjourn the allocation issue to a later date to be fixed by the Court.
40. The Receiver has received invoices from Representative Counsel for fees totalling \$258,242.00, excluding disbursements and HST, for work incurred up to October 31, 2013 in respect of the Representative Counsel Mandate. KRMC has advised the Receiver that it will be making an application to the Court to pass its accounts on December 13, 2013. The Receiver has reviewed KRMC’s invoices relating to the Representative Counsel Mandate and finds the work performed and the charges incurred to be appropriate and reasonable. The Receiver’s position is that for the same reasons that the Receiver moved for appointment of Representative Counsel with an initial maximum amount of \$150,000.00 for fees (plus disbursements and applicable taxes), approved of the ALU Settlement, and approved of the fee cap increase to \$275,000.00, Representative Counsel fees in excess of \$150,000.00 (plus disbursements and applicable taxes) should be allocated to the Rose estate.

**STATUS OF THE CONVERSION TO CONDOMINIUMS**

41. In paragraphs 187 through 193 of the Third Report, the Receiver reported on the status of the conversion of the building to condominiums. As the deadline for submission of materials to the City of Toronto (the "City") in respect of approval of the Draft Plan of Condominium was May 26, 2013, Gowlings, on the Receiver's behalf, contacted the City to seek an extension of the deadline. By letter dated April 19, 2013, the City agreed to extend the deadline to April 19, 2014.
42. The Receiver has engaged Sedun + Kanerva Architects Inc. ("Sedun") to finalize the Draft Plan of Condominium and certify that the easements and reciprocal rights of ways have been correctly identified in the Declaration. The Receiver has also engaged Norman Lee & Associates Inc. ("NLA") to provide the certification required by the City that the Property has been completed in accordance with the *Condominium Act*. The Receiver had previously engaged NLA to prepare a Building Audit Report ("BAR"), the results of which were reported in the Third Report, and to manage the commissioning of the building's mechanical and HVAC systems.
43. NLA has advised the Receiver that in order to provide the certification required by the City (that the Property has been completed in accordance with the *Condominium Act*), substantially all of the deficiencies identified in the BAR need to be rectified. NLA has previously estimated the costs of rectifying the deficiencies at \$3.0 million. The Receiver has directed NLA to commence preparing the tender packages for the major areas of repair (waterproofing of the underground garage, replacement of windows and modifications to balcony railings), which information will be provided to contractors in order for them to submit bids for the repair work.
44. To the extent that the repair work to the Property is not completed in time for Sedun and NLA to complete their certification of the property by the deadline for submission to the City of the Draft Plan of Condominium, the Receiver will seek a further extension of the deadline.

**STATEMENT OF CLAIM AND CONSTRUCTION LIEN LITIGATION**

45. With respect to the Statement of Claim issued and served by the Receiver against Trisura *et al*, pleadings in the action against the bonding company have closed. The Statement of Claim was amended to add Royal Windsor Mechanical as a party defendant. Royal Windsor Mechanical failed to defend and has been noted in default. The remaining parties agreed to a timetable that requires affidavits of documents to be delivered before December 31, 2013 with discoveries to be held in June, 2014. The plaintiff delivered its affidavit of documents on November 4, 2013. Only one other party, N.C.K. Engineering Ltd., has delivered its affidavit of documents.
46. With respect to the Construction Lien action brought by Unimac, the action has been set down for trial and the first pre-trial is scheduled for February 3, 2014 before Master Wiebe. An examination under s. 40 of the *Construction Lien Act* has been scheduled for January 27, 2014 to obtain the evidence required to post a lesser amount of security to bond off the lien. Discovery in the Construction Lien action is expected to be timetabled by Master Wiebe at the February 3, 2014 pre-trial.

**NURSING HOME UPDATE**

47. The Nursing Home continues to be fully occupied and has a wait list exceeding one hundred applicants.
48. The Ministry of Health and Long-Term Care (“MOHLTC”) has not as yet conducted its annual Resident Quality Inspection (“RQI”) for 2013. The last RQI was completed in May 2012 when the MOHLTC issued eighteen written notices of non-compliance with certain provisions of the *Long-Term Care Homes Act, 2007*. Assured Care Consulting (“ACC”), the Manager engaged by the Receiver to manage the Nursing Home on its behalf, advised the Receiver that the number of notices issued was low compared to other nursing homes which it managed. Each written notice requested that a written plan of correction for achieving compliance be prepared. ACC advised the Receiver that all written plans were prepared and submitted to the MOHLTC.

49. On November 4, 2013, the Receiver received a report dated November 1, 2013 (the “**November 1 Report**”) from the MOHLTC concerning an inspection arising from a complaint the MOHLTC had received regarding the Nursing Home. The nature of the complaint, as is the case in all complaints made to the MOHLTC, was not disclosed to the Nursing Home or the Receiver. The November 1 Report indicates that the MOHLTC conducted an inspection of the Nursing Home on ten separate dates in August and September 2013. As a result of its review, the MOHLTC issued eight written notices of which five required that the Nursing Home prepare a voluntary plan of corrective action. ACC has advised that all voluntary plans of corrective action have been completed and implemented.
50. Attached hereto as **Appendix “L”** is an operating statement for the period January 1, 2013 to September 30, 2013 for the Nursing Home. As set out in the operating statement, the Nursing Home has generated positive net operating income of \$236,564 for the eight month period, which is \$47,061 or 25% greater than budgeted operating income. The positive operating income variance is essentially due to lower wages and benefits costs, repairs and maintenance costs and realty tax costs than originally budgeted.

#### **FUNDS AT THE KOREAN (CANADA) CREDIT UNION**

51. As reported in the First Report and the Third Report, Rose maintained three bank accounts at KCU which at the Appointment Dated contained \$205,148.61 (the “**KCU Funds**”). Initially, KCU advised the Receiver that KCU intended to set off against the KCU Funds \$150,000.00 representing loans that KCU had made to certain current and former members of Rose’s Board of Directors which loans had been guaranteed by Rose.
52. The Receiver later learned that on October 25, 2011, KCU set off \$150,000.00 against the KCU Funds leaving a total of \$37,437.13 in the KCU accounts. Accordingly, the Receiver brought a motion seeking an order to have KCU return the KCU Funds in their entirety, which motion was scheduled to be heard on April 11, 2013.

53. On or about April 5, 2013, the Receiver and KCU reached an agreement for the payment of the KCU Funds to the Receiver. The agreement provided for KCU to pay the KCU Funds to the Receiver in two instalments, \$189,406.11 to be paid on or before May 15, 2013 and \$15,053.10 to be paid on or before August 15, 2013. On April 11, 2013, Justice Morawetz issued the KCU Order approving the terms of agreement for KCU to return the KCU Funds to the Receiver.
54. The Receiver received the two instalment payments within the time frames stipulated in the KCU Order.

#### CLAIMS AGAINST JOHN YOON

55. In the Third Report, the Receiver reported that it had identified certain payments to John Yoon, the President of Rose, and his wife Moon Yoon which required further investigation.
56. After further investigation, the Receiver was of the view that Mr. Yoon breached his fiduciary duty to Rose on account of having failed to disclose a conflict of interest and a failure to exercise his powers and discharge his duties to the standard of care required by s. 134 of the *Ontario Business Corporations Act, R.S.O. 1990, c. C-16*, as amended (the "OBCA") in relation to the purchase on November 1, 2000 and subsequent sale on June 14, 2011 of Unit #1009, or, alternatively, that Mr. Yoon was unjustly enriched through the purchase and sale of unit #1009.
57. In addition, by entering into certain transactions either directly or through his company SDM Design Consulting Inc. ("SDM"), Mr. Yoon breached his fiduciary duty to Rose as a result of the receipt of secret commissions, failure to disclose a conflict of interest as required by s. 132 of the OBCA and a failure to exercise powers and discharge duties to the standard of care required by s. 134 of the OBCA in relation to certain "finder's fees" and "Development Consulting fees" paid by Rose to SDM (the "**Unauthorized Payments**"). In the alternative, the Receiver asserts that Mr. Yoon and SDM were unjustly enriched through the Unauthorized Payments.

58. Accordingly, on September 27, 2013, the Receiver on behalf of Rose, issued a Statement of Claim against Mr. Yoon and SDM to recover the amounts Rose paid to Mr. Yoon (\$204,675.00, plus interest) and SDM (\$166,459.00, plus interest). The Statement of Claim was served on Mr. Yoon and SDM on or about November 2, 2013. On November 18, 2013, counsel for Mr. Yoon wrote to Receiver's counsel advising that they had been retained by Mr. Yoon to defend the Statement of Claim and requested a twenty day extension to deliver a Statement of Defence. The request for an extension was granted. To date, no Statement of Defence has been received on behalf of Mr. Yoon.

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

59. Attached hereto as **Appendix "M"** is the Receiver's Interim Statement of Receipts and Disbursements for the period September 28, 2011 to September 30, 2013 (the "**R&D**"). The R&D indicates that as of September 30, 2013, the balance in the Receiver's bank account, including the account maintained by Sterling Karamar Property Management, the firm engaged by the Receiver to manage the Life-Lease Residence, in respect of the Life Lease Residence but excluding the bank account maintained by ACC for the Nursing Home, is \$360,923.00.
60. The R&D includes receipts and disbursements from the Life-Lease Residence and receipts from the MOHLTC on account of monthly funding of the Nursing Home. In accordance with the Appointment Order, this funding is transferred to the bank account established for Nursing Home operations. Any excess funds not required for operation of the Nursing Home are transferred back to and held in the Receiver's bank account.
61. The Receiver is seeking the Court's approval of the R&D.

#### **RECEIVER'S BORROWINGS**

62. Since the commencement of the receivership, the Receiver has borrowed \$1,500,000.00 from Peoples by way of Receiver's Certificates in order to fund the receivership, substantially due to the cost of rectification efforts to date and to fund Receiver and legal



and other professional fees in connection with the Priority Issue and the various Statements of Claim the Receiver has issued. The Receiver's borrowings are the maximum allowed under the Amended and Restated Appointment Order.

63. As indicated above, as at September 30, 2013, the balance of funds in the Receiver's possession is \$360,923.00. As discussed above, the Receiver is in the process of soliciting quotes to rectify various deficiencies in the building, which work will commence early in 2014. In order to fund these rectification efforts, the Receiver will require further funding from Peoples. Accordingly, the Receiver is seeking an Order increasing the Receiver's borrowing limit to \$2,500,000.00.

#### **STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL**

64. The Receiver's fees for services rendered for the period January 1, 2013 to October 31, 2013 in respect of its activities as Receiver are particularized in the Affidavit of Hartley Bricks sworn December 5, 2013 and the invoices attached as exhibits thereto. The total amount of the invoices for this period is \$369,452.39, inclusive of HST ("**Receiver Fees**").
65. The fees and disbursements of Gowlings, counsel for Peoples, in respect of work performed for the Receiver, for the period January 1, 2013 to November 27, 2013 will be particularized in an affidavit to be sworn. The total amount of the invoices for this period is \$154,979.65, inclusive of HST ("**Gowling Fees**").
66. The fees and disbursements of Blaneys, independent counsel to the Receiver, in respect of work performed for the period January 1, 2013 to October 31, 2013 will be particularized in an affidavit to be sworn. The total amount of the invoices for this period is \$145,984.21, inclusive of HST ("**Blaneys Fees**").
67. The Receiver has reviewed the invoices of Gowlings and Blaneys and finds the work performed and charges to be appropriate and reasonable.

68. The Receiver sought and received the approval of Peoples to the Receiver taking interim draws against the fees of the Receiver and Gowlings.
69. The Receiver is seeking this Honourable Court's approval of its activities to October 31, 2013 and the Receiver Fees, Gowlings Fees and Blaneys Fees.

#### **RECEIVER'S REQUEST TO THE COURT**

70. The Receiver is respectively seeking an order:
- i) approving the Third Report, the Fourth Report and this Fifth Report and the actions and activities of the Receiver and its counsel as described therein;
  - ii) approving the R&D;
  - iii) increasing the maximum of the Receiver's borrowing limit to \$2,500,000.00; and
  - iv) approving the Receiver Fees, Gowlings Fees and Blaneys Fees.

All of which is respectfully submitted to this Honourable Court.

DATED this 10<sup>th</sup> day of December, 2013.

#### **Deloitte Restructuring Inc.**

Receiver and Manager of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community and not in its personal capacity

*Deloitte Restructuring Inc.*

Adam Bryk, CPA, CA, CIRP  
Senior Vice President

Hartley Bricks, MBA, CPA, CA, CIRP  
Vice President

# TAB A

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 27<sup>th</sup> DAY  
 )  
JUSTICE C. CAMPBELL ) OF SEPTEMBER, 2011

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43

**AMENDED AND RESTATED APPOINTMENT ORDER**

THIS APPLICATION made by Peoples Trust Company ("Peoples Trust" or the "Applicant") for an Order pursuant to section 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 & Touche Inc. ("Deloitte") as receiver and manager (in such capacities, the "Receiver") without security, of all of the

- 2 -

assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

~~ON READING~~ the Affidavit of Michael Lombard sworn September 22, 2011, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Debtor no one appearing for any other party although duly served as appears from the Affidavits of Service of Alma Cano, sworn September 23 and September 26, 2011, and on reading the Consent of Deloitte to act as the Receiver,

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein 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 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, wherever situate, including all proceeds thereof (the "Property").

#### **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of

- 3 -

locks and security codes, the relocating of 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) subject to section 110 of the *Long-Term Care Homes Act*, S.O. 2007, c. 8 (the "LTCHA") to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) subject to section 110 of the LTCHA, 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, and in this regard the Receiver is specifically authorized to retain counsel for the Applicant to advise and represent it save and except on matters upon which the Receiver in its judgment determines it requires independent advice, in which case the Receiver shall retain Blaney McMurtry LLP;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) Notwithstanding anything in this Order, the Debtor is the licensee (the "Licensee") of the long-term care home located at 17 Maplewood Avenue, Toronto, Ontario which forms a part of the Property (the "Home"). The

- 4 -

Home is currently licensed pursuant to the LTCHA and the regulations thereunder. Toronto Central Local Health Integration Network ("TC LHIN") will continue to pay the Licensee (and the Receiver will be entitled to receive such payments) pursuant to the Service Accountability Agreement in respect of the Home between the TC LHIN and the Debtor effective March 4, 2011 (the "SAA") and the Ministry of Health and Long-Term Care (~~together with the TC LHIN,~~ the "MOH") will continue to pay the Licensee (which payments shall be received by the Receiver in accordance with this Order) pursuant to ~~the existing agreement-~~ agreements. Any monies received by the Debtor or the Receiver from the MOH or the TC LHIN shall be used or applied by the Receiver for the operation of the Home in accordance with the SAA, any agreement with the MOH and the LTCHA. Any payments by the TC LHIN shall be subject to TC LHIN review and reconciliation as provided for under the SAA and applicable law and written policy. Any payments by the MOH shall be subject to MOH review and reconciliation as provided for under any agreement with the Debtor or the Receiver and applicable law and written policy. For clarity, subject to the foregoing reconciliations, any surplus monies arising from the operation of the Home may be applied by the Receiver in accordance with this Order.

- (h) to settle, extend or compromise any indebtedness owing to the Debtor;
- (i) 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 Debtor, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

- 5 -

- (k) to apply for such permits, licenses, approvals or permissions as may be required by any governmental authority with respect to the Property, including, without limitation, licenses under the LTCHA
- (l) 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 Debtor, 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;
- (m) 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;
- (n) 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 \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$200,000; 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*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.



- 6 -

- (o) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) 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;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) 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 Debtor;
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation Mr. Charles Daley and IWOK Corporation (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver and any party the Receiver retains in accordance with subparagraph 3(d) of this Order and section 110 of the LTCHA, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the

- 8 -

information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver or any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA (the "**Manager**") except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver and the Manager, 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 Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a

- 9 -

security interest, or (iv) prevent the registration of a claim for lien. For clarity, this paragraph 9 shall apply to the Manager solely in its capacity as agent for the Receiver.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 or Manager, and that the Receiver shall be entitled to the continued use of the Debtor's 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 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, 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, at least one of which will describe the account holder as "Deloitte & Touche Inc. as Rec. & Mgr. of Rose of Sharon (Ontario) Retirement Community" (the "Post

**Receivership Accounts")** and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. Neither the Receiver nor the Manager shall be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

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

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **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**

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

17. **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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **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 normal 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**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. Subject to section 107 of the LTCHA, 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, 81.4(4), and 81.6(2) of the BIA.

21. **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.

22. **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 any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **GENERAL**

24. **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.

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

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or,



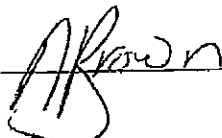
- 14 -

if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

~~29-28A~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the Receiver and Manager shall comply with the SAA, the LTCHA and the regulations thereunder as they apply to the managementoperation of the Home and ~~neither TC LHN nor MOH shall not~~ be subject to paragraphs 9 and 10 of this Order in relation to any non-compliance with the SAA, the LTCHA and the regulations thereunder by the Receiver and/or the Manager with respect to the managementoperation of the Home.

29. 30. \_\_\_\_\_


**THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

  
\_\_\_\_\_

Natasha Brown  
Registrar

RECORDED AT THE OFFICE OF THE  
CLERK OF THE COURT  
LE 23 DANS LE PASSE RE NO.:

DEC 23 2011

RECEIVED: 

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver and manager (the "Receiver") of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Corporation of every nature and kind whatsoever, wherever situate (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 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 head office of the Lender.
  
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

- 2 -

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

DELOITTE & TOUCHE INC. solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name: Daniel R. Weisz

Title: Senior Vice President

Court File No. CV-11-9399-00CL

**PEOPLES TRUST COMPANY**  
Applicant

v. **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Respondent

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

**AMENDED AND RESTATED**  
**APPOINTMENT ORDER**

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers and solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
TORONTO, Ontario  
M5X 1G5

**Clifton Prophet**  
**LSUC No.: 34845K**  
  
Telephone: (416) 862-3509 / (416) 268-9900  
Facsimile: (416) 862-7661  
Lawyers for the Applicant,  
Peoples Trust Company

# TAB B

**Certificate of Amendment***Canada Business Corporations Act***Certificat de modification***Loi canadienne sur les sociétés par actions*

DELOITTE RESTRUCTURING INC.  
RESTRUCTURATION DELOITTE INC.

Corporate name / Dénomination sociale

091019-8

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2013-07-01

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



Industry Industrie  
Canada Canada

**Form 4**  
**Articles of Amendment**

*Canada Business Corporations Act  
(CBCA) (s. 27 or 177)*

**Formulaire 4**  
**Clauses modificatrices**

*Loi canadienne sur les sociétés par  
actions (LCSA) (art. 27 ou 177)*

1 Corporate name  
Dénomination sociale  
DELOITTE & TOUCHE INC.

2 Corporation number  
Numéro de la société  
091019-8

3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

The corporation changes its name to:  
La dénomination sociale est modifiée pour :  
DELOITTE RESTRUCTURING INC.  
RESTRUCTURATION DELOITTE INC.

4 Declaration: I certify that I am a director or an officer of the corporation.  
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par  
Paul Casey

Paul Casey  
416-775-7172

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

**Canada**



# TAB C

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE )  
JUSTICE MORAWETZ )

THURSDAY, THE 28<sup>th</sup> DAY  
OF FEBRUARY, 2013

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**ORDER**

**THIS MOTION** made by **Deloitte & Touche Inc.**, in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the "**Receiver**") for an order abridging the time for service of the notice of motion and motion record herein and dispensing with further service thereof, approving the Second Report of the Receiver dated December 14, 2012 (the "**Second Report**") and the activities described therein, approving the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**") and the activities described therein, approving and accepting the Receiver's Interim Statements of Receipts and Disbursements for the period from September 27,

- 2 -

2011 to December 31, 2012, increasing to \$1,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (as defined in the Notice of Motion), approving the fees and disbursements for services rendered by the Receiver for the period from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaney, McMurtry LLP ("**Blaneys**") for the period from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings LLP ("**Gowlings**") for the period from November 1, 2011 to December 31, 2012, and appointing Kronis, Rotsztain, Margles, Cappel LLP as representative counsel for the Arm's Length Claimants (as defined in the Notice of Motion) with respect to the Arm's Length Claims (as defined in the Notice of Motion) and with respect to the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm's Length Claims, was heard this day at Toronto.

**ON READING** the Receiver's Motion Record dated February 22, 2013, the Second Report, the Third Report, the affidavit of Daniel Weisz sworn February 8, 2013, the affidavit of Chad Kopach sworn February 22, 2013, the affidavit of Christopher Stanek sworn February 22, 2013, and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant, and

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion returnable February 28, 2013 (the "**NOM**"), and related motion material filed in support of that NOM (the "**Motion Material**") be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

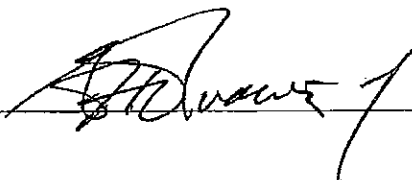
- 3 -

2. **THIS COURT ORDERS** that the Second Report dated December 14, 2012, and the actions of the Receiver and its counsel described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from September 27, 2011 to December 31, 2012 as set out at Appendix "Y" of the Receiver's Third Report, be and is hereby accepted and approved.
4. **THIS COURT ORDERS** that the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order issued by Justice Campbell on September 27, 2011, be and is hereby increased to \$1,500,000.00.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaneys from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings from November 1, 2011 to December 31, 2012, be and are hereby approved.
6. **THIS COURT ORDERS** that the motion to appoint Kronis, Rotsztain, Margles, Cappel LLP ("KRMCLP") as representative counsel for the Arm's Length Claimants be and is hereby adjourned to March [date], 2013.

AS

- 4 -

7. **THIS COURT ORDERS** that KRMC shall be paid its reasonable fees and disbursements from the respondent's estate for the period up to and including the hearing date of the motion to appoint KRMC as representative counsel for the Arm's Length Claimants (as defined in the Notice of Motion).



---

PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

**ORDER**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

Feb 28-13

E Golden for Deloitte + Touche  
Feb 29 2013.  
we

C. Prophet for Peoples Trust Company

M. Mancini for Rose of Sharon  
Request to file leave Request  
Kwena Heritage Council.

Will request to the Tote returnable  
today:  
Item 3 is deposited to a  
date to be set.

Item 4 will be scheduled  
for a hearing by  
at a future date.  
Sent separately to.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

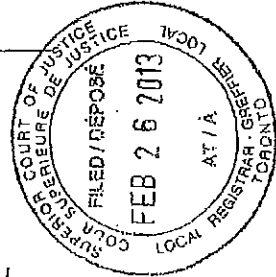
Proceeding Commenced at TORONTO

NOTICE OF MOTION  
(Returnable February 28, 2013)

BLANEY McMURTRY LLP  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

Eric Golden (LSUC #38239M)  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
• appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community



be set by the judge hearing this matter  
on March 12, 2013

Issue #5 - to be addressed on  
March 12, 2013.

Issue #6 + 7 + 8 - Same as Issue #4  
Issue #10 to be determined on  
March 12, 2013.

With respect to the Second Report,  
it is noted that *Pross Truswa*  
wishes to reserve its rights  
to raise issues at a later in  
the trial. The issues of concern  
were not clearly set out. Certain  
findings are ~~not~~ made ~~or~~  
a Review which are being provided -  
and in this case accepted by  
the Court. I am not certain  
how rights can be reserved in  
these circumstances. I decline to  
comment further.



I am satisfied that it is ~~the~~ appropriate to approve the Second Report <sup>and</sup> of the actions of the Receiver described therein.

I am satisfied, having reviewed the record, that it is appropriate and necessary to increase the borrowing power of the Receiver as requested.

I am also satisfied that the fee requests of the Receiver and its counsel are reasonable in the circumstances and they are approved.

The Receiver's Interim Statement of Receipts and Disbursements for the period Sept 27, 2011 to Dec 31, 2012 are also approved.

Reasonable Fees of KRMK for period up to <sup>their</sup> resignation of appointment as representative Counsel to are

to be paid.

An order has been signed to  
give effect to the foregoing.  
I am not seized of the matter.

[subject to  
edit  
if typed]

[A. Brown]

# TAB D

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**FOURTH REPORT TO THE COURT OF THE RECEIVER  
(dated March 11, 2013)**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>3</b>
<b>TERMS OF REFERENCE .....</b>	<b>5</b>
<b>MEETING WITH THE ARM'S LENGTH CLAIMANTS.....</b>	<b>6</b>
<b>CLASSIFICATION OF UNIT-HOLDERS.....</b>	<b>8</b>
<b>PROTOCOL FOR SELECTION OF REPRESENTATIVE COUNSEL AND ORDER REQUESTED .....</b>	<b>10</b>

## APPENDICES

APPENDIX "A":	Amended and Restated Appointment Order dated September 27, 2011
APPENDIX "B":	Order and Endorsement of Justice Morawetz dated February 28, 2013
APPENDIX "C":	Letter dated March 1, 2013 from Blaney McMurtry LLP to Arm's Length Claimants
APPENDIX "D":	Letter dated March 1, 2013 from Blaney McMurtry LLP to Remaining Claimants
APPENDIX "E":	Attendance list of March 4, 2013 meeting at the Property
APPENDIX "F":	Schedule of Life Lease Units Amended as of March 8, 2013
APPENDIX "G":	Draft Representative Counsel Order including draft Opt-Out Letter and draft Receiver's Notice

## INTRODUCTION

1. Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**"). A copy of the Amended and Restated Appointment Order is attached hereto as **Appendix "A"**.
2. Rose's principal asset is a 12 storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**") which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the "**Nursing Home**") and 90 life-lease units located on floors 2, 3 and 7 through 12 ( the "**Life-Lease Residence**").
3. The Receiver's Third Report to the Court dated February 19, 2013 (the "**Third Report**") provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**").
4. In connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient for a particular segment of stakeholders (the Arm's Length Claimants as defined in the Third Report), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative counsel was appointed to act on behalf of the Arm's Length Claimants ("**Representative Counsel**"). Peoples had proposed that should Representative Counsel be appointed on terms acceptable to Peoples, it was

- 4 -

agreeable to the Receiver paying the reasonable fees of Representative Counsel from the receivership estate.

5. In its motion materials dated February 22, 2013, the Receiver proposed that Kronis, Rotzstain, Margles, Cappel LLP (“**KRMC**”) be appointed as Representative Counsel for the Arm’s Length Claimants.
6. In addition, the Receiver brought a motion for, among other things, an Order:
  - i) approving the Receiver’s Second Report to the Court dated December 14, 2012;
  - ii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period September 27, 2011 to December 31, 2012;
  - iii) increasing the maximum of the Receiver’s borrowing limit to \$1,500,000;
  - iv) approving the Receiver Fees, the fees of Gowling Lafleur Henderson LLP (“**Gowlings**”) and the fees of Blaney McMurtry LLP (“**Blaneys**”); and
  - v) approving the appointment of KRMC as Representative Counsel in respect of the Arm’s Length Claimants.
7. On February 28, 2013, Justice Morawetz granted an Order (the “**February 28 Order**”) approving the matters listed above except for the appointment of Representative Counsel, which motion was adjourned on consent to March 12, 2013. The adjournment was intended to provide the Arm’s Length Claimants with the opportunity to meet with KRMC concerning KRMC’s potential retainer as Representative Counsel and to address concerns raised with the Receiver concerning the categorization by the Receiver of certain Unit-holders as being, or not being, Arm’s Length Claimants as set out in Appendix “E” to the Third Report. A copy of the February 28 Order and Justice Morawetz’s Endorsement is attached hereto as **Appendix “B”**.

8. The purpose of this Fourth Report to the Court (the "**Fourth Report**") is to update the Court on the Receiver's activities since February 28, 2013 in respect of its motion to have Representative Counsel appointed.
9. Capitalized terms not defined in this Fourth Report are as defined in the Appointment Order, or the First Report through Third Reports. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

10. In preparing this Fourth Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by purchasers of Life-Lease Units ("**Unit-holders**"), or parties claiming to have a direct or indirect financial interest in Life-Lease Units.
11. In particular, the information reviewed by the Receiver in preparing this Fourth Report has included:
  - a) books and records of Rose, including information contained in Rose's computer records;
  - b) documents provided directly to the Receiver by Unit-holders; and
  - c) documents/information provided by Mr. John Yoon, the former CEO of Rose.
12. The Receiver has compared certain information contained in Rose's records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other verification of information that is contained in Rose's records or that has been provided to the Receiver and expresses no opinion thereon.



- 6 -

13. The Receiver has sought the advice of Gowlings, counsel to the Applicant, for general legal matters that have arisen in respect of the receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Blaneys.

#### **MEETING WITH THE ARM'S LENGTH CLAIMANTS**

14. By letter dated March 1, 2013, Blaneys, independent counsel to the Receiver, wrote to the Arm's Length Claimants to advise them of i) the adjournment of the motion to appoint Representative Counsel until March 12, 2013, and ii) a meeting to be convened by the Receiver at the Property on March 4, 2013 (the "**March 4 Meeting**"). At the March 4 Meeting, the Arm's Length Claimants would be given the opportunity to i) ask any questions of the Receiver and its counsel concerning the appointment of KRMC as Representative Counsel for the Arm's Length Claimants and the pending Priority Issue between Peoples and the Arms' Length Claimants, and ii) meet with representatives of KRMC who would address any questions concerning their potential retainer as Representative Counsel. A copy of the March 1, 2013 letter to the Arm's Length Claimants (with enclosures) is attached hereto as **Appendix "C"**.
15. While the Remaining Claimants (those Unit-holders who were not classified as Arm's Length Claimants) were not directly invited to the March 4 Meeting, by letter also dated March 1, 2013, Blaneys provided the Remaining Claimants with a copy of Blaneys' March 1 letter inviting the Arm's Length Claimants to the March 4 Meeting, which letter also indicated that if there were Remaining Claimants who were taking the position that they had been miscategorized and should be included in the same category as the Arm's Length Claimants, they were welcome to attend. A copy of the March 1, 2013 letter to the Remaining Claimants (with enclosures) is attached hereto as **Appendix "D"**.
16. At the March 4 Meeting, persons representing 16 of the 28 Arm's Length Unit-holders were in attendance. In addition, individuals representing 14 of the 16 Director Units, the 2 Mugungwha Units and 10 of the 18 Non-Arm's Length Units were also in attendance. A

- 7 -

copy of the attendance sheet from the March 4 Meeting is attached hereto as **Appendix "E"**.

17. In addition, the March 4 Meeting was attended by the Receiver (including a representative from its office who translated much of the discussion into Korean for the benefit of those in attendance who required that service), its counsel (Blaneys), and two representatives from KRMC. The representatives of the Receiver and its counsel left the meeting part way through, in order to afford the opportunity to those in attendance to speak with KRMC without the Receiver being present.
18. During the course of the meeting, and in connection with the appointment of Representative Counsel for the Arm's Length Claimants, a number of attendees asked questions of the Receiver and set out their view that there should not be a distinction between Arm's Length Unit-holders and Director Units as this was seen as being divisive to the Korean community. Another attendee expressed his concern that certain of the Non-Arm's Length Unit-holders should also be included in any group to be represented by Representative Counsel and should not be excluded simply because they were not of Korean heritage. Others suggested that there were incorrect categorizations between the various groups of Unit-holders although no supporting details were provided.
19. The Receiver and its counsel explained the Receiver's reasoning behind the categorization of the Arm's Length Unit-holders and the Director Units as set out in Appendix "E" to the Third Report. In particular, the category of Director Units was intended to include those individuals (or their related family members) who had direct involvement in the Project, who were aware or should have been aware of Rose's financial circumstances and who had a duty to others regarding their actions and decisions as Rose board members. Furthermore, it was the Receiver's view that there could be an adversity of interest between the Arm's Length Claimants and those included in the category of Director's Units and that Arm's Length Claimants could potentially assert claims against those included in the category of Director's Units. As a result, it was not appropriate for the same counsel to represent both the Arm's Length Claimants and those included in the

category of Director's Units. In that regard, Blaneys suggested to those Unit-holders in attendance that the Remaining Claimants should seek their own counsel regarding the Priority Issue.

20. With respect to the concern raised regarding exclusion of the Non-Arm's Length Claimants, the Receiver suggested to the individual raising the concern that the individual provide its position in writing for the Receiver to respond. The Receiver has not yet received anything in writing in this regard.
21. After its presentation, the Receiver and its counsel left the room at which point the meeting continued between the Unit-holders and KRMC.

#### **CLASSIFICATION OF UNIT-HOLDERS**

22. On March 6, 2013, the Receiver was contacted by counsel for Young Ok Jeon, the purchaser of unit# 709 and #711, regarding the status of the receivership. The Receiver inquired of counsel if Mrs. Jeon was ever a Director of Rose since Rose's records indicated that she had provided one of the eight "Director Loans". It was Mrs. Jeon's counsel's understanding that Mrs. Jeon had never acted in that capacity at Rose and that counsel would confirm that understanding with Mrs. Jeon.
23. The Receiver's classification of Unit-holders as Directors was based on information provided by Mr. John Yoon at the commencement of the receivership at which time he indicated that certain loans were "Director Loans". The Receiver categorized the units owned by the individuals providing the "Director Loans" as part of the Director Units.
24. Given the concerns raised at the March 4 Meeting regarding Unit-holder classification and the information provided by Mrs. Jeon's counsel, the Receiver wrote to Mr. John Yoon on March 6, 2013 asking if he was aware if Mrs. Jeon had ever acted as a Director of Rose. Mr. Yoon responded that he was not aware that she had ever acted as a Director. The Receiver then again wrote to Mr. Yoon to inquire if in his opinion there are any other Unit-holders categorized as a Director who should be under the Arm's Length Claimants

category and if there are any Arm's Length Unit-holders who should be included under Director Units. On March 7, 2013, Mr. Yoon responded to the Receiver that he believed that Young Jeon, Hyun Sook Hwang, Han Hyung Lee/Hae Jeong Kang, Sun Hwa Lee, Woo Sam Park, and Olivia Yoon should be classified under Arm's Length Units. This information was not consistent with the previous information described above provided by Mr. Yoon.

25. The Receiver also reviewed Rose's records, minutes of board of director meetings in its possession and correspondence with a view to identifying those parties who at some point acted as Directors of Rose (the Receiver notes, however, that it cannot confirm that it is in possession of all of Rose's Board of Director minutes). The Receiver has determined that four Unit-holders (Young Jeon – unit #709 and unit #711, Hang Hyeong Lee/Hae Jeong Kang – unit #805, Sun Hwa Lee – unit #810 and #812, and Woo Sam Park – unit #906) do not appear to have ever acted in a Director capacity for Rose, and for that reason, the Receiver has reclassified those Unit-holders to Arm's Length Unit-holders. The Receiver also identified three previously designated Arm's Length Unit-holders (Jang Hoon Lee/Vivian Rhee – unit #703, Jane Kim – unit #802, and Sang-Hyun An/Chang Y An – unit #809 and unit #811) who had at some point acted as a Director of Rose, and for that reason, the Receiver has reclassified those Unit-holders to Director Units.
26. The Receiver also notes that there are three Unit-holders, Eunkyung Kim, Na Rae Choi and Hae Jeong Kang, who were appointed to an "interim Board" on June 2, 2011 prior to the dissolution of the "old Board". It would appear from the minutes of that meeting that the purpose of the interim Board was to "set up a plan until the project becomes condo". It also appears that, from the records reviewed by the Receiver, no new Life-Lease Unit sales were made during the term of the "interim Board". Given those set of circumstances, the Receiver is of the view that these three Unit-holders should remain categorized as Arm's Length Claimants for the purposes of the Representative Counsel matter.

- 10 -

27. The Receiver has amended its schedule to reflect the above information with the exception of two units. Mr. Yoon is of the belief that the unit purchased by Hyun Sook Hwang should be reclassified as an Arm's Length Unit. However, the Right to Occupy Agreement for that unit is in the name of Hyun Sook Hwang/Moon A. Yoon. Given that Moon A. Yoon is the spouse of John Yoon, it is the Receiver's view that this unit should remain in the Director Unit category. In addition, Rose's records indicate that Olivia Yoon was a Director and the Treasurer of Rose until her resignation sometime in October 2008. Accordingly, the Receiver does not propose to change its categorization of either Hyun Sook Hwang or Olivia Yoon.
28. Based on the above, the Receiver has amended its Schedule of Life Lease Units to reclassify those units as set out above. The amended schedule is attached hereto as **Appendix "F"**. However, notwithstanding this re-classification, in the event that the Receiver's classification of Unit-holders is incorrect, the proposed draft Representative Counsel order prevents any Unit-holder, or their related family members, who was a Director prior to June 2011 from having KRMC act for them as Representative Counsel without leave of the Court.
29. As discussed at the meeting on March 4, 2013, the only reason that the Receiver is making the distinction between the Arm's Length Units and the Director units at this time is for the sole purpose of determining which parties will have the benefit of Representative Counsel to be appointed by the Court.

**PROTOCOL FOR SELECTION OF REPRESENTATIVE COUNSEL AND ORDER  
REQUESTED**

30. Given the amendments to the list of Arm's Length Claimants for whom the Receiver has proposed Representative Counsel be appointed, and the comments made by certain attendees at the March 4 Meeting that they required more time in order to consider the appointment of KRMC as Representative Counsel, the Receiver is of the view that the motion to appoint Representative Counsel should be put over to another date.

31. That being said, the Receiver is of the view that it would be appropriate on March 12, 2013 for a protocol and timeline to be established by the Court for the appointment of Representative Counsel. Therefore, the Receiver is seeking an order that provides for the following protocol and timeline concerning the appointment of Representative Counsel:
- i) at the hearing on March 12, 2013, a date will be set during the week of April 1, 2013, subject to the Court's availability, for the hearing of the appointment of Representative Counsel;
  - ii) in the event that Representative Counsel is appointed by the Court (the "**Representative Counsel Order**"), Arm's Length Claimants will be provided with a reasonable period of time - approximately two weeks (the "**Opt-Out Period**") - to advise the Receiver and Representative Counsel in writing should they choose not to be represented by Representative Counsel;
  - iii) if by the end of the Opt-Out Period, greater than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel would be discharged, the role and mandate of Representative Counsel as set out in the Representative Counsel Order would cease, and Arm's Length Claimants would no longer have the benefit of Representative Counsel and instead would be left to engage their own counsel on their own account should they choose to do so; and
  - iv) if by the end of the Opt-Out Period less than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel will continue to act for the Arm's Length Claimants pursuant to the terms of the Representative Counsel Order.
32. The Receiver has attached hereto as Appendix "G" draft copies of the proposed Representative Counsel Order, Opt-Out Letter and Receiver's Notice.

- 12 -

All of which is respectfully submitted to this Honourable Court.

DATED this 11<sup>th</sup> day of March, 2013.

**Deloitte & Touche Inc.**

Receiver and Manager of the current and future  
assets, undertakings and properties of  
Rose of Sharon (Ontario) Retirement Community  
and not in its personal capacity

*Deloitte & Touche Inc.*

Daniel R. Weisz, CA•CIRP, CIRP  
Senior Vice President

Hartley Bricks, MBA, CA•CIRP  
Vice President

# TAB E



CITATION: Peoples Trust Company v. Rose of Sharon (Ontario) Retirement Community, 2013  
ONSC 1541

COURT FILE NO.: CV-11-9399-00CL

DATE: 20130312

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

**RE: PEOPLES TRUST COMPANY, Applicant**

**AND:**

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY,  
Respondent**

**BEFORE: MORAWETZ J.**

**COUNSEL: COUNSEL: E. Golden, for the Receiver**

**C. Prophet, for the Peoples Trust Company**

**M. D. Abramowitz and P. Cho, Proposed Representative Counsel**

**HEARD &**

**ENDORSED: MARCH 12, 2013**

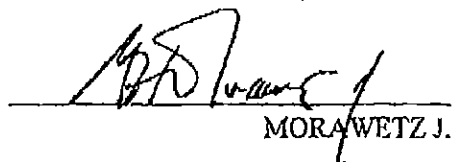
**ENDORSEMENT**

[1] Counsel to the Receiver advises that progress has been made on the "selection of Representative Counsel" issue but the matter is not yet ready to proceed. See email of March 8, 2013 attached.

[2] Adjourned to April 11, 2013. Three hours – time has been booked.

[3] All parties should proceed on the basis that the "selection of Representative Counsel" issue will be heard on April 11, 2013.

[4] This endorsement is to be sent to the Unitholders.

  
MORAWETZ J.

**Date: March 12, 2013**

# TAB F

Court File No. CV-11-9399-00CL

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

**BETWEEN:****PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**MEMORANDUM OF LAW  
(Representative Counsel Motion Returnable April 11, 2013)**

April 5, 2013

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

**Eric Golden (LSUC # 38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its  
capacity as court appointed receiver and  
manager of Rose of Sharon (Ontario)  
Retirement Community

Court File No. CV-11-9399-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43

MEMORANDUM OF LAW  
APPOINTMENT OF REPRESENTATIVE COUNSEL

1. Deloitte & Touche Inc. ("**Deloitte**") in its capacity as receiver and manager (the "**Receiver**") of Rose of Sharon (Ontario) Retirement Community ("**Rose**") seeks the direction of the Court with respect to determining the quantum and priority of claims and interests of Unit-holders and any tenants of Unit-holders at the Rose Life-Lease Residence, and whether their claims and interests are subordinate in priority to the Construction Mortgage of Peoples Trust Company (the "**Priority Issue**"). The Receiver has been advised that Peoples Trust Company ("**Peoples**") will be bringing a motion seeking an Order for priority of its Construction Mortgage over these claims and interests, terminating the Right to Occupy Agreements of Unit-holders, and seeking vacant possession of these Life-Lease Units upon written demand from the Receiver.

2. The Receiver has categorized the 90 Life-Lease Units in the Rose Life-Lease Residence (individually, each a "Unit"). As of March 11, 2013, the Receiver estimated that 28 Units can be categorized as "Arm's Length Units", being Units subject to Right To Occupy Agreements that were executed by individuals of Korean heritage. The Arm's Length Units are distinguishable from the category of Director Units (16 Units), which are also Units subject to Right To Occupy Agreements that were executed by individuals of Korean heritage. The category of Director Units was intended to include those individuals (or their related family members) who had direct involvement in the Rose Project (the Life-Lease Residence and Nursing Home), who were aware or should have been aware of Rose's financial circumstances and, as a result, who may have had a duty to Arm's Length Unit-holders regarding their actions and decisions as Rose board members.

3. The Receiver has also established categories for Units characterized as "Non Arm's Length Units" (18 Units), released and vacant Units (16 Units), Units in which creditors of Rose are claiming an interest (13 Units), unsold and vacant units (1 Unit) and 2 Units purchased by Mugungwha Homes (a charitable organization that appears to be related to John Yoon, the CEO of Rose).<sup>1</sup>

---

<sup>1</sup> While there are only 90 Units, there are 4 Units that are subject to the interests of more than one party, which brings the number of Units in the Receiver's classification to 94.

- 3 -

4. The Receiver recognizes that the holders of the Arm's Length Units (the "Arm's Length Unit-holders"), and any tenants of those units and all other units of the Rose Life-Lease Residence (collectively, the "Arm's Length Claimants") may wish to make submissions to the Court on the issue of priority and their claims and interests in those Life-Lease Units. The Receiver has therefore brought a motion seeking an Order that Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") be appointed as representative counsel for the Arm's Length Claimants with respect to the issue of priority between the Construction Mortgage and the claims and interests of the Arm's Length Claimants (the "Arm's Length Claims"), and that KRMC's fees and costs in that role be funded from the receivership.

5. However, the Receiver is not seeking that representative counsel be appointed for the holders of Units in any other categories (*i.e.* other than the Arm's Length Unit-holders). There is the potential for a conflict of interest between the Arm's Length Unit-holders and the Rose Directors. Further, the factors and reasons discussed below for appointing representative counsel for the Arm's Length Claimants are not as applicable, or applicable at all, when it comes to the other categories of Unit-holders.

6. That being said, the Receiver's view is that the tenants of all Units (not just the tenants of the Arm's Length Units) can be represented by KRMC as well, as their interests should be identical to the interests of the tenants of the Arm's Length Units.

7. In *Nortel Networks Corp. (Re)* ("*Nortel*"), The Honourable Mr. Justice Morawetz appointed representative counsel to act for various groups of Nortel's then current and former employees. In making a representative counsel Order in *Nortel*, Justice Morawetz noted that the employees were a vulnerable group of creditors with little means to pursue their claims. His Honour further recognized the social benefit involved with assisting former employees, and that the appointment of representative counsel would provide a reliable resource for the group for information about the process. Finally, Justice Morawetz noted that appointing representative counsel would have the benefit of streamlining and introducing efficiency to the process.

*Nortel Networks Corp. (Re)* [2009] O.J. No. 2166, at para 13 and 14.

#### **The *Canwest Publishing* Factors**

8. In *Canwest Publishing Inc. (Re)* ("*Canwest Publishing*"), The Honourable Madam Justice Pepall listed eight factors to be considered when determining whether to make a representation order:

- (1) the vulnerability and resources of the group sought to be represented;
- (2) any benefit to the companies under CCAA protection;
- (3) any social benefit to be derived from representation of the group;
- (4) the facilitation of the administration of the proceedings and efficiency;
- (5) the avoidance of a multiplicity of legal retainers;
- (6) the balance of convenience and whether it is fair and just including to the creditors of the Estate;
- (7) whether representative counsel has already been appointed for those who have similar interest to the group seeking representation and who is also prepared to act for the group seeking the order; and
- (8) the position of other stakeholders and the Monitor.

*Canwest Publishing Inc. (Re)*, [2010] O.J. No. 943, at para 21.

9. Although *Nortel* and *Canwest Publishing* (both proceedings before this Court) were decided in the context of CCAA proceedings, orders appointing representative counsel have also been made in bankruptcy proceedings and in receivership applications.

*MF Global Canada (Re)*, 2011 ONSC 7100.

*Ontario Securities Commission v. Portus Alternative Asset Management Inc.*, Court File No. 05-CL-5792  
Order of The Honourable Mr. Justice C.L. Campbell dated March 9, 2004 [sic] (unreported).

*Ontario Securities Commission v. Norshield Asset Management (Canada) Ltd.*, Court File No. 05-CL-5695  
Order of The Honourable Mr. Justice C.L. Campbell dated February 7, 2006 (unreported).

*WestLB AG v Rosseau Resort Developments Inc.*, Court File No. CV-09-8201-00CL  
Order of The Honourable Madam Justice Pepall dated August 20, 2009 (unreported).

10. The Receiver submits that an analysis of *Nortel* and the *Canwest Publishing* factors supports representative counsel being appointed for the Arm's Length Claimants. The majority of Arm's Length Claimants appear to be of Korean heritage, and many are elderly. Most of the Arm's Length Claimants will have difficulty communicating with the Court in the English language unless they have legal representation or are otherwise represented. It is anticipated that either individually or as a group, the Arm's Length Claimants would find it onerous to pay for separate legal representation. KRMC's reasonable fees and disbursements relating to the mandate will be paid out of the receivership. One of the two lawyers at KRMC who will have main carriage of the proposed retainer is of Korean heritage and speaks Korean.

11. Since appointing representative counsel for the Arm's Length Claimants will afford them an opportunity to have their position on the Priority Issue put before the court, the Arm's Length Claimants will derive a concomitant social benefit from this access to justice.

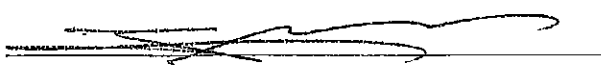


- 6 -

12. As set out above, the Receiver has categorized the 90 Units into groups. The Arm's Length Claimants are by far the largest group (as they consist of the Arm's Length Unit-holders, and tenants of all Unit-holders). Appointing one firm to represent the Arm's Length Claimants will facilitate the efficient administration of the receivership (vis-à-vis the Priority Issue), and by definition will avoid multiple legal retainers by the Arm's Length Claimants, all of whom will (it is expected) advance substantially similar positions. Having one representative counsel that the Receiver can communicate with on behalf of all Arm's Length Claimants will save on administration costs for the receivership, which is a benefit to the Respondent and to the creditors of Rose.

13. Although KRMC has not yet been retained by any of the individual Arm's Length Claimants, it has confirmed that it is prepared to act as representative counsel.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED**



---

Eric Golden, lawyer for the Receiver

PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

MEMORANDUM OF LAW

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

**TAB G**

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE  
JUSTICE MESBUR

)  
)  
)

THURSDAY, THE 11<sup>TH</sup> DAY  
OF APRIL, 2013

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

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**REPRESENTATIVE COUNSEL ORDER**

**THIS MOTION** made by Deloitte & Touche Inc. in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent Rose of Sharon (Ontario) Retirement Community (in that capacity, the "Receiver") for an Order appointing Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as representative counsel in this proceeding for the holders of the Arm's Length Units (as defined in the Notice of Motion), the tenants and occupants of those Arm's Length Units, and the tenants of other units of the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence (collectively, the "Arm's Length Claimants"), was heard this day at 330 University Avenue, Toronto, Ontario.

- 2 -

ON READING the Receiver's Motion Record dated February 22, 2013, the Third Report of the Receiver dated February 19, 2013 (the "Third Report"), the Fourth Report of the Receiver dated March 11, 2013 (the "Fourth Report"), the Receiver's Memorandum of Law dated April 5, 2013, the Motion Record of Peoples Trust Company ("Peoples") dated April 8, 2013, and upon hearing submissions of counsel for the Receiver, counsel for Peoples and upon being advised that KRMC is prepared to act on the terms hereof,

1. **THIS COURT ORDERS** that the timing and method of service of the Receiver's Notice of Motion returnable February 28, 2013 (the "Notice of Motion"), and related motion material filed in support of that Notice of Motion (the "Motion Material") be and is hereby abridged, that service of the Notice of Motion and Motion Material is hereby validated such that service effected on the parties served with the Notice of Motion and Motion Material shall be good and sufficient notice thereof, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that subject to paragraphs 4 and 6 below, KRMC is hereby appointed in this proceeding as representative counsel ("Representative Counsel") for the Arm's Length Claimants (as set out in Schedule "A" attached hereto) with respect to any possessory, financial, equitable and/or contingent claims and/or interests the Arm's Length Claimants may have in their Life-Lease Unit(s) at the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence (the "Arm's Length Claims"), and specifically (i) the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm's Length Claims, and (ii) Peoples' motion seeking an Order that the 90 Life-Lease Units in the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence may be sold free and

*AW  
counsel for  
The  
Director  
Group, Mr  
Berg,*

*+  
Unimad  
1 wk*

clear of all claims and interests, including the Arm's Length Claims (collectively the "Mandate").

3. **THIS COURT ORDERS** that no individuals who were directors of Rose of Sharon (Ontario) Retirement Community ("Rose") prior to June, 2011, and/or related family members of those individuals, be included in the Arm's Length Claimants to be represented by Representative Counsel, without leave of the Court.

4. **THIS COURT ORDERS** that the role of Representative Counsel for the Arm's Length Claimants shall be limited to the Mandate.

5. **THIS COURT ORDERS** that any individual Arm's Length Claimants who do not wish to be represented by Representative Counsel and be bound by this Order and all other orders which may subsequently be made in this proceeding related to the appointment of Representative Counsel, shall by April 26, 2013 (the "Opt-Out Date") notify Representative Counsel and the Receiver by facsimile, email or delivery, in the form attached hereto as **Schedule "B"** (the "**Opt-Out Letter**"), and shall thereafter not be represented by Representative Counsel and shall represent themselves as an independent individual party (with or without counsel) at their own expense to the extent they wish to appear in any or all matters relating to this proceeding.

- 4 -

6. **THIS COURT ORDERS** that if more than one-third of the Arm's Length Claimants opt-out of this Order by the Opt-Out Date, KRMC shall be automatically and immediately discharged from its role and duties as Representative Counsel and, forthwith upon the Receiver notifying the Arm's Length Claimants by mail or email at their address(es) set out in Schedule "A" hereto of KRMC's discharge as Representative Counsel, the Arm's Length Claimants shall represent themselves as an independent individual party (with or without counsel) at their own expense to the extent they wish to appear in any or all matters relating to this proceeding.

7. **THIS COURT ORDERS** that, in fulfilling its duties hereunder, Representative Counsel:

- (a) may consult with the Arm's Length Claimants, but shall not be obligated to follow the instructions of, nor provide opinions to, any individuals; and
- (b) shall act in the best interests of the Arm's Length Claimants as a whole, and take such necessary and appropriate actions and steps as Representative Counsel deems advisable from time to time.

8. **THIS COURT ORDERS** that Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice. At such passing of accounts, Representative Counsel shall be allowed its reasonable fees and disbursements, in each case at its standard rates and charges unless otherwise ordered by the Court, for work done as Representative Counsel, up to a maximum amount of \$150,000.00 plus disbursements actually incurred and applicable taxes, subject to further Order of this Court obtained on notice to Peoples and the Receiver.

9. **THIS COURT ORDERS** that subject to paragraph 8 above, after the rendering of accounts by Representative Counsel to the Receiver, any expenditure or liability which is properly made or incurred by Representative Counsel, including the reasonable fees and disbursements of Representative Counsel, shall be paid by the Receiver out of the Rose estate in a timely manner and prior to the passing of accounts to allow Representative Counsel to fulfill its mandate in accordance with this Order, but in the event of any disagreement regarding such fees and disbursements such matters will be dealt with on the passing of accounts and payment shall be deferred until that time.

10. **THIS COURT ORDERS** that Representative Counsel shall have the benefit for its fees and disbursements of the Receiver's Charge, established pursuant to the Amended and Restated Appointment Order of Justice Campbell dated September 27, 2011 in this proceeding.

11. **THIS COURT ORDERS** that, subject to further order of the Court, and without limitation to any other right or protection in favour of Representative Counsel, KRMC shall not be required to take any step or action if it reasonably believes that there will not be sufficient funds available to it to complete such step or action, and KRMC may apply to be discharged from its role as Representative Counsel at any time in its sole discretion, including, without limitation, on the basis that it reasonably believes that there are insufficient funds available to it to carry out the terms of this Order or otherwise fulfill its role as Representative Counsel.

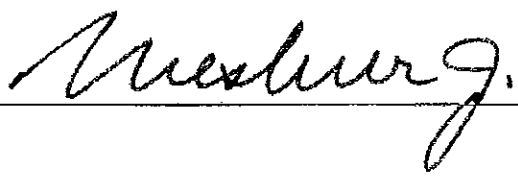


12. **THIS COURT ORDERS** that the Receiver shall provide notice of this Order to the Arm's Length Claimants set out in Schedule "A" hereto by (a): emailing or mailing a copy of the Receiver's Notice attached as **Schedule "C"** hereto, together with a copy of this Order, after the issuance of this Order, to the Arm's Length Claimants at their address(es) set out in Schedule "A" hereto; and by (b) posting a copy of the Receiver's Notice on the Receiver's website as soon as practicable after the issuance of this Order.

13. **THIS COURT ORDERS** that Representative Counsel shall have no liability for any act or omission as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part, and that no action or other proceedings shall be commenced against Representative Counsel relating to its acting as such, except with prior leave of this Court to be obtained on at least (7) seven days' notice to Representative Counsel and upon further order in respect of security for costs on a substantial indemnity basis of Representative Counsel in connection with any such action or proceeding.

14. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court for advice and directions in the discharge and variation of its powers and duties, including but not limited to whether or not any individual should be represented by Representative Counsel because of a potential conflict of interest or otherwise.

15. **THIS COURT ORDERS** that in the event this Order is later amended by further Order of the Court, the Receiver may post such further Order on the Receiver's website and such posting will constitute adequate notice to the Arm's Length Claimants of such amended Order.

  
\_\_\_\_\_

ENTERED AT PROCTOR'S OFFICE  
ON / ENREGISTRÉ  
LE / DANS LE REGISTRE NO.



APR 11 2013

**SCHEDULE "A"**  
**ARM'S LENGTH CLAIMANTS**  
**Rose of Sharon (Ontario) Retirement Community**

**Arm's Length Unit-holders - Arm's Length Units**

Mary Chon

Youngsook Cha

Sung-Sun Yoon

Mi-Kyung Yoon

Soon Sup Lee

Hyoung Good Lee

Kyung Yurl Lee

Jung Ja Lee

Young Jeon

Bog Shim Shin

Han Hyeong Lee

Hae Jeong Kang

Eunkyung Yim

Jong Ran Kim

Sun Hwa Lee

Woo Sam Park

Myung Hee Kim

Jun Do Sung

Mansoo Chun

Hyang Ok Hong

- 2 -

John Bai

Chang Joon Kim

Soon Ja Kim

Sang Hyon Kim

Brenda (Chun Ja) Ha

Young Sohn

Mal Hwa Kim

Ellen Kim

Morgiana Lee

Gye-Soon Kim

Joon Kie Kim

Jae Won Byun

Hee Jun Park

Na Rae Choi

Jong Rye Lee

Chang Hun Shin

**Occupants and Tenants - Arm's Length Units**

Suites 304, 306, 308, 706, 707, 708, 709, 711, 803, 805, 806, 807, 810, 812, 906, 907, 908, 909, 911, 912, 1002, 1005, 1008, 1009, 1010, 1108, 1112, PH6

**Tenants - Director Units**

Suites 703, 710, 712, 801, 802, 804, 809, 811, 902, 1001, 1003, 1007, 1011, 1107, 1109 and 1111

**Tenants - Mugungwha Units**

Suites 205 and 207

**Tenants - Non-Arm's Length Units**

Suites 201, 203, 204, 206, 208, 209, 210, 211, 212, 213, 214, 311, 701, 901, 903, 910, 1103 and 1105

**Tenants - Released & Vacant Units**

Suites 202, 302, 307, 310, 312, 313, 314, 702, 704, 705, 904, 905, 1006, 1008, 1101 and 1102

**Tenants - Unimac Units**

Suites 207, 301, 303, 309, PH1 and PH8

**Tenants - Turfpro RTOA Units**

Suites 305, PH5 and PH7

**Tenants - Turfpro Option Units**

Suites 310, 802, PH3 and PH8

**Tenants - Unsold & Vacant Units**

Suite 808

## SCHEDULE "B"

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)****BETWEEN:****PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**OPT-OUT LETTER****DELOITTE & TOUCHE INC.**

Brookfield Place  
Suite 1400  
181 Bay Street  
Toronto ON M5J 2V1

**Attention: Daniel R. Weisz/Hartley Bricks**

(416) 775-4724 / (416) 775-7326 (Tel)

(416) 601-6690 (Fax)

Email: [dweisz@deloitte.ca](mailto:dweisz@deloitte.ca) /[hbricks@deloitte.ca](mailto:hbricks@deloitte.ca)**KRONIS, ROTSZTAIN, MARGLES,**

**CAPPEL LLP**  
Barristers and Solicitors  
8 King Street East  
Suite 1000  
Toronto, ON M5C 1B5

**Attention: Mervyn Abramowitz/Philip Cho**

(416) 218-5620/(416) 218-5494 (Tel)

(416) 306-9874 (Fax)

Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com) /[pcho@krmc-law.com](mailto:pcho@krmc-law.com)

- 2 -

I, \_\_\_\_\_, am an Arm's Length Claimant as defined in the Order of Justice Mesbur dated April 11, 2013 (the "**Representative Counsel Order**"). My Arm's Length Claim relates to Unit \_\_\_\_\_ at the Rose of Sharon Life Lease Residence.

Under paragraph 4 of the Representative Counsel Order, Arm's Length Claimants who do not wish Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") to act as their Representative Counsel may opt out.

I hereby notify KRMC and Deloitte & Touche Inc. that I do not wish to be bound by the Representative Counsel Order, and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

---

Date

---

Signature

Name:

Telephone Number:

Email Address:

Contact Address:

**SCHEDULE "C"****RECEIVER'S NOTICE**

Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**").

Pursuant to an order of Justice Mesbur dated April 11, 2013 (the "**Representative Counsel Order**"), Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") was appointed as representative counsel ("**Representative Counsel**") of all Arm's Length Claimants (as set out in Schedule "A" to the Representative Counsel Order) in respect of the Mandate (as defined in the Representative Counsel Order). As set out in the Representative Counsel Order, no individuals who were directors of Rose prior to June, 2011, and/or related family members of those individuals, can be included in the Arm's Length Claimants to be represented by Representative Counsel, without leave of the Court.

The reasonable fees and disbursements incurred by the Representative Counsel shall be paid by the Receiver on a periodic basis up to a limit of \$150,000.00 plus disbursements and applicable taxes. Accordingly, **you are not required to contribute to the costs of the Representative Counsel, subject to further Order of the Court.**

**If you do not wish to be bound by the Representative Counsel Order, you must notify Deloitte and KRMC in writing, by mail, e-mail or delivery on or before April 26, 2013.** If more than one-third of the Arm's Length Claimants opt-out by April 26, 2013, KRMC will be discharged as Representative Counsel for the remaining Arm's Length Claimants who do not opt out, and each of the Arm's Length Claimants will have to represent themselves as an independent individual party (with or without counsel) at their own expense. Your notice that you do not wish to be bound by the Representative Counsel Order must be in the form of a fully completed and enclosed "Opt-Out Letter" attached as Schedule "B" to the Representative Counsel Order and also available on the Receiver's website at:

<http://tinyurl.com/bex6rxy>

[http://www.deloitte.com/view/en\\_CA/ca/specialsections/insolvencyandrestructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm](http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandrestructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm)

Additional information concerning the Rose receivership, including previous Orders granted in the receivership, can be also found on the Receiver's website at the same links. Arm's Length Claimants may contact KRMC in confidence directly at:

**Mervyn Abramowitz/Philip Cho**

(416) 218-5620/(416) 218-5494 (Tel)

(416) 306-9874 (Fax)

Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com) / [pcho@krmc-law.com](mailto:pcho@krmc-law.com)



PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

ONTARIO  
\*SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

ORDER

BLANEY McMURTRY LLP  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

Eric Golden (LSUC #38239M)  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

April 11/13.

Mr. Golden for Receiver

Mr. Prophet for Peoples

Ms. McLean for Mr. Bug

Mr. Baichro for Unimac/1WOK

Mr. Chang for the former  
director/directors group.

---

This is the return of  
the Receiver's motion to  
appoint Kronis Rotsztein  
Margles Cappel LLP (KRMC)  
as representative counsel  
for the boards of the  
Arms Length Units & the  
tenants of all units.  
No one opposes the  
motion. Mr. Chang, however,  
has filed an affidavit

-2-

from Oliver Lyon that  
essentially suggests some  
or all of the Director  
Group should also be  
represented by KPMC as  
representative counsel,  
at the estate's expense.

There is no motion  
before me for that or  
any other relief. Accordingly  
I need not comment  
on the Lyon affidavit,  
which of course has not  
~~been~~ been tested by  
cross-examination.

I am satisfied  
on the basis of Receiver's  
factum that the factors

set out in Notice &  
Lowest Publishing have  
been met here, & that  
this is an appropriate  
case for representative  
counsel to be appointed.  
(see paras. 7-12 of Receiver's  
factors).

As to Mr. Chang's clients'  
position, they are well  
under paragraph 3 of  
the proposed order to  
seek leave to be  
represented by representative  
counsel.

KRMC consents  
to take on the role

- 4 -

of Representative Council.  
 Proper, so no writ  
~~Alpaca~~

effectively find Representative  
 Council supports the  
 motion, including the  
 level of fees set out  
 in the draft order for  
 Representative Council

Representative Council  
 order to issue in terms  
 of draft order, as  
 amended, I have signed.

On consent,  
 order to go regarding  
 Korea Credit Union Funds  
 in terms of draft order  
 I have signed.  
 Malcolm J

**TAB H**

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE  
JUSTICE MESBUR

)  
)  
)

THURSDAY, THE 11<sup>th</sup> DAY  
OF APRIL, 2013

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**ORDER**

**THIS MOTION** made by Deloitte & Touche Inc., in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the “Receiver”) for an order directing the Korean (Toronto) Credit Union Limited (“KCU”) to pay to the Receiver, without set-off, contra or other deduction, all amounts that were standing to the credit of Rose of Sharon (Ontario) Retirement Community (“Rose”) as at the date of the appointment of the Receiver (September 27, 2011) in bank accounts held by Rose with KCU, plus any deposits made to the credit of Rose on or by September 29, 2011, net of any banking charges levied against those funds that are approved by the Receiver, being a total of \$204,459.21 as of October 31, 2011 (the “Rose KCU Funds”).

- 2 -

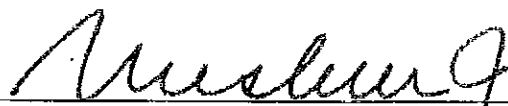
**ON READING** the Receiver's Motion Record dated February 22, 2013 and the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**"), on hearing submissions from the lawyer for the Receiver and on reading the consent of the lawyer for KCU, filed,

1. **THIS COURT DECLARES** that KCU has no right or interest in, or entitlement to, the Rose KCU Funds, and any right or interest in, or entitlement to, the Rose KCU Funds that KCU may have ever had, be and is hereby extinguished.
2. **THIS COURT ORDERS** that on or before May 15, 2013, KCU deliver to counsel for the Receiver certified funds or a bank draft in the amount of \$189,406.11 payable to Deloitte & Touche Inc. (the "**First Payment**").
3. **THIS COURT ORDERS** that on or before August 15, 2013, KCU deliver to counsel for the Receiver certified funds or a bank draft in the amount of \$15,053.10 payable to Deloitte & Touche Inc. (the "**Second Payment**").
4. **THIS COURT ORDERS** that if the First Payment is not made by May 15, 2013, the Rose KCU Funds in their entirety shall be immediately due and payable by KCU to the Receiver.
5. **THIS COURT ORDERS** that there be no costs of this motion if the First Payment and the Second Payment are made by May 15, 2013 and August 15, 2013, respectively.

ENTREPRENEUR REGISTRY TORONTO  
ON / REGISTRE  
LE / DANS LE REGISTRE NO.



APR 11 2013





**PEOPLES TRUST COMPANY**

and

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Applicant

Respondent

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

Proceeding Commenced at **TORONTO**

**O R D E R**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

# TAB I

Sept 10/13.

Mr. Prophet & Mr. Murray for  
Peoples

Mr. Abramowitz & Mr. Cho for  
the ALLs

Mr. Gorden for the Receiver

Mr. Baichoo for Unimac/WORK.

Today's motion is to deal  
with the approval of a  
settlement with the ALLs.

The remaining issues are  
adjourned to November  
14 & 15, 2013 for 1 1/2 days **BEFORE**  
ME.

The issues to be argued  
in November are ~~the~~  
determining the priorities  
among Peoples and the unitholders,  
namely: (a) the Director Unitholders  
(b) The Mungungwa Homes  
Units  
(c) the 18 Investor Units

Sept 10/13 - cont'd. (2)

- (d) The 16 vacant units
- (e) The 6 Unimac units
- (f) The 7 Juffro units
- (g) the 1 unshd vacant unit

And among Peoples & the other mortgages.

The construction lien in relation to <sup>UNIMAC</sup> ~~M~~ & its assignee & it being dealt with in a construction lien action, # CV-11-9399-occl. Once the quantum of the lien is determined, the issue of priority will be decided in this overall receivership application on a date to be fixed.

Sept 10/13 (cont'd)

Schedule for delivery  
of any further material  
for the November date is  
limited to the following:

(a) Unimac may deliver  
a supplementary  
affidavit if it wishes  
to, provided it does  
so by Sept 20/13.

(b) Peoples to deliver  
a reply, if any  
Sept 27, 2013.

(c) Unimac to deliver  
a supplementary factum  
if it wishes to, by  
October 11, 2013.

(d) Peoples' reply factum  
if any, to be delivered  
by October 25, 2013.

(e) The Receiver is at

Sept 10/13 - cont'd. pg 4.

liberty to deliver a  
further report, if it  
wishes to, by Sept 27/13.

(f) No further material  
may be filed by  
any other stakeholder,  
since they were already  
given an opportunity  
to do so in the timetable  
set on April 11/13.

Mr. Prophet will produce  
a new compilation  
for the hearing in November,  
containing only the  
material necessary for  
the November hearing.

Sept 10/13 (cont'd) pg 5.

This leaves the issue of the motion to approve the settlement with the ALLs.

Both counsel filed voluminous material & cross-examined extensively. Settlement negotiations then took place over a period of weeks with experienced counsel. The ALLs have specifically & unanimously supported the proposed settlement in both form & substance.

All of these factors assure me it is a settlement reached by adversarial parties dealing

Sept 10/13 pg 6

at arm's length with  
prompt counsel.

I am therefore  
satisfied all the fundamental  
principles have been  
met, & the proposed  
settlement is fair &  
commercially reasonable  
in all the circumstances.  
Since one of representative  
counsel speaks Korean,  
I am also satisfied  
the ALLs have been able  
to communicate with  
representative counsel  
in their own language.  
This gives me comfort  
that they support the



Sept 10/13. Pgt

Settlement with full  
knowledge & understanding  
of what the settlement  
entails.

Order to go approving  
the settlement in form  
of draft order I have  
signed.

Muslung

Court File No. CV-11-9399-00CL

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

<b>THE HONOURABLE</b>	)	<b>TUESDAY, THE 10<sup>th</sup> DAY</b>
	)	
<b>JUSTICE MESBUR</b>	)	<b>OF SEPTEMBER, 2013</b>

**B E T W E E N:****PEOPLES TRUST COMPANY****Applicant**

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY****Respondent**

**ORDER**  
*(ALUS SETTLEMENT APPROVAL)*

**THIS MOTION** made by Peoples Trust Company (“Peoples”) for an Order giving effect to a settlement (the “Settlement”) between Peoples and the arms length purchasers of units in the Property (the “ALUs”) represented by Kronis, Rotsztain, Margles, Cappel LLP as representative counsel (the “Representative Counsel”) pursuant to the Order of Justice Mesbur dated April 11<sup>th</sup>, 2013 was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Peoples’ Compendium and the documents contained therein, Peoples’ Factum and Supplementary Factum and on hearing the submissions of counsel for Peoples, Representative Counsel and counsel for Deloitte Restructuring Inc. in its capacity as

receiver and manager (the “**Receiver**”) in relation to the property, assets and undertaking (the “**Property**”) of Rose of Sharon (Ontario) Retirement Community (“**Rose of Sharon**”) and those other counsel appearing on the counsel slips provided to this Court, no one appearing for any other party although duly served as appears from the Affidavits of Service of Haddon Murray, sworn September 4, 2013, September 5, 2013 and September 6, 2013.

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.
2. THIS COURT ORDERS that the Settlement reached between the ALU’s (as defined below) and Peoples, as comprehensively set out in the further terms of this Order, is hereby approved and Representative Counsel and the Receiver are hereby authorized and directed to take all steps necessary to implement the Settlement.
3. THIS COURT ORDERS that the Receiver is hereby authorized to take commercially reasonable steps to register the residential and long term care facility that comprises the Property as a condominium pursuant to *Condominium Act* and related regulations.
4. THIS COURT ORDERS that upon and conditional upon registration of the Property as a condominium, each arms length purchaser of units in the Property (the “ALUs”) represented by Kronis, Rotsztain, Margles, Cappel LLP as representative counsel (the “**Representative Counsel**”) pursuant to the Order of Justice Mesbur dated April 11<sup>th</sup>, 2013 shall be given a notice (the “**Purchase Notice**”) by the Receiver providing that they or their authorized assignee may acquire title to the condominium unit(s) identified in their respective Right to Occupy Agreements, as amended (“**RTOAs**”) upon payment of the sum of the following amounts (the “**Unit Purchase Price**”), in immediately available funds:
  - (a) the total amount set out in the attached chart (the “**Payment Chart**”) in the column entitled “Settlement Amount Owing” subject to such adjustments as the Receiver may determine are appropriate to reconcile payments of principal

- 3 -

amounts due under RTOA's actually received by the Receiver from ALUs after the appointment of the Receiver;

- (b) the total amount of any unpaid sums for common area maintenance fees due and owing on the date this settlement is approved by the Court (the "**Settlement Date**"); and
  - (c) the total amount of any unpaid interest required to be paid pursuant to RTOAs on the positive balances set out in the Payment Chart in the column entitled "Balance Owing After Notes".
5. THIS COURT ORDERS that each ALU shall have sixty (60) days from the date of delivery of the Purchase Notices to pay the Unit Purchase Price to the Receiver.
  6. THIS COURT ORDERS that in default of payment of the Unit Purchase Price for a unit within the period prescribed in paragraph 4 above, the Receiver may sell the unit free and clear of any and all claims of the ALU and anyone claiming through them, including any tenant of the ALU, and the Receiver shall be entitled to obtain applicable vesting orders and writs of possession in respect of each such unit.
  7. THIS COURT ORDERS that upon payment of the Unit Purchase Price, the Receiver shall sell and each of the ALUs shall purchase their units on an "as-is, where-is" basis and the Receiver and Peoples shall have no liability in respect of the units and shall be released and discharged from all claims arising from or related to the unit, the RTOAs or any dealings of the ALUs with the Receiver, Rose of Sharon or the Property.
  8. THIS COURT ORDERS that any amounts required to be contributed to the condominium reserve fund for the Property, either before or after registration of the condominium and whether forming part of common area maintenance charges applicable to a unit or otherwise, shall be for the account of the ALUs and neither the Receiver nor Peoples shall have any liability in respect of these contributions.
  9. THIS COURT ORDERS that ALUs shall pay all common area maintenance fees required in relation to their units which arise after the Settlement Date, as and when they become

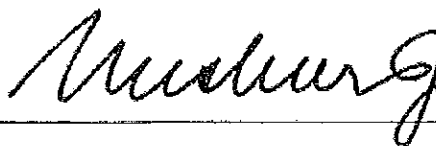
due and that, provided these payments are made, each ALU may continue to occupy their units until the earlier of:

- (a) the date which is sixty (60) days after the date of delivery of the Purchase Notices; or
  - (b) the date which is 12 months after the Settlement Date, subject to Peoples' subsequent written agreement (which agreement shall be in Peoples' sole discretion) to extend to a later date (the "Outside Date").
10. THIS COURT ORDERS that in the event that the Property is not registered as a condominium by the Outside Date, all rights and obligations provided for under paragraphs 2, 3, 4, 5, 6 and 7 of this Order shall lapse and be of no further force and effect.
11. THIS COURT ORDERS AND DECLARES that the Receiver shall not be obliged to deliver the disclosure statement contemplated by s. 72(1) of the *Condominium Act* in respect of the ALUs' units unless and until the Purchase Notices have been delivered by the Receiver.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO.  
LE / DANS LE REGISTRE NO.



SEP 11 2013



---



Court File No. CV-11-9399-00CL

**PEOPLES TRUST COMPANY**  
Applicant

v. **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Respondent

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ORDER**

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers and solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
TORONTO, Ontario  
M5X 1G5

**Clifton Prophet / C. Haddon Murray**  
LSUC No.: 34845K / 61640P  
Telephone: (416) 862-3509 / (416) 369-3604  
Facsimile: (416) 862-7661  
Lawyers for the Applicant,  
Peoples Trust Company

**TAB J**



Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 14<sup>th</sup> DAY  
 )  
JUSTICE MESBUR ) OF NOVEMBER, 2013

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

**PEOPLES TRUST COMPANY**

**Applicant**

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

**Respondent**

**ORDER**

**THIS MOTION** made by Peoples Trust Company ("**Peoples**") for an Order declaring that Peoples is entitled to priority over the claims of certain persons, including without limitation the claims of certain life lessees against the Property (as defined below) or its proceeds, whether under Right to Occupy Agreements ("**RTOAs**") or otherwise, and any tenants of such life lessees (collectively, "**Life Lease Claimants**"), with respect to the property owned and operated by Rose of Sharon (Ontario) Retirement Community ("**Rose of Sharon**") known municipally as 15-17 Maplewood Avenue, Toronto, Ontario and/or units in the said building (the "**Property**"), save and except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List).

**ON READING** Peoples' Compendium and the documents contained therein, Peoples' Factum and Supplementary Factum and on hearing the submissions of counsel for Peoples, Representative Counsel, the Receiver, Unimac Group Ltd. and Trisura Guarantee Insurance Company, no one appearing for any other party although duly served as appears from the Affidavits of Service of Haddon Murray sworn September 4, 2013, September 6, 2013 and October 25, 2013.

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Amended Notice of Motion and the Compendium herein is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### **PRIORITY**

2. **THIS COURT ORDERS AND DECLARES** that Peoples is entitled to priority over the claims of all persons claiming an interest in the following units in the Property and the proceeds thereof, as such units are identified in Appendix "F" to the Fourth Report of the Receiver dated March 11, 2013:

- (a) The sixteen (16) Released and Vacant units;
- (b) The three (3) TurfPro RTOA units
- (c) The two (2) Turfpro Option Units identified as units 310 and PH3;
- (d) The one (1) Unsold and Vacant unit; and
- (e) The three (3) units in which John Yoon or Moon Yoon claim an interest,

except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List).

#### **GENERAL**

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

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

4. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Meslin J.

2013 NOV 22 10:11 AM  
CLERK OF COURT  
LEEDS, ONTARIO

NOV 22 2013

Court File No. CV-11-9399-00CL

**PEOPLES TRUST COMPANY** v. **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Applicant Respondent

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Respondent

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ORDER**

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers and solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
TORONTO, Ontario  
M5X 1G5

Clifton Prophet  
LSUC No.: 34845K

Telephone: (416) 862-3509  
Facsimile: (416) 862-7661

Lawyers for the Applicant,  
Peoples Trust Company

# TAB K

Nov 22/13.

Mr. Lederer for Receiver  
 Mr. Proffit + Mr. Murray for  
 Peoples

Mr. Abramowitz - Rep. Counsel

Mr. Boichov for Unimac

Mr. McEllan for Trusura

Mr. Harris for John Yoon.

Motion to deal with.

(a) Priority dispute with  
 Unimac & any non-  
 settled units;

(b) approval of conditional  
 settlements

(c) allocation of compensation  
 for Rep. Counsel + ICA  
 Counsel &

(d) passing of accounts

Scheduled for Dec 13/13

1 DAY - BEFORE ME. DATE BOOKED.

Nov 27/13 - pg 4.

Facts on the priorities issue have been delivered. Any additional facts re the allocation of compensation issue to be delivered as follows:

(a) Trisura & Unimac  
by Dec 5/13

(b) Receiver & Peoples.  
by Dec 9/13.

This leaves the issue of the admissibility of the Hui affidavit sworn Nov 11/13.

On April 11/13 I set a timetable, on consent of all parties, including Mr. Paichoo's client, Unimac/ Mr Hui.

Nov 22/13 pg 3

Univac was to deliver its responding material by June 14/13. It was a month late in doing so. It was also late in delivering its factum.

On September 10/13 I set a further timetable to deal with, among other things, the Univac units. My endorsement provided Univac with an opportunity to deliver a further affidavit, provided it did so by September 20/13. It did



Nov 27/13 - page 4

not. Further, late on Nov 11/13 it filed a new affidavit, Nov 11/13 for the motion scheduled for Nov 14/13.

The Review asked for some explanation of why the affidavit was not served in compliance with ~~the~~ my order. The response was an affidavit in which Mr. Hui says he is compelled to work out of the country in places like Hong Kong, Singapore, & The USA. He provides no explanation or suggestion of why he could not communicate with or instruct the

Nov 24/13 page 5

4 copies  
with the  
timetable

counsel from abroad  
His counsel did not  
seek an amendment  
to the timetable. He  
simply sought to  
file an affidavit  
which can only be  
seen as an end run  
around a court order  
in order to ambush  
the other parties & unreasonable  
spend his case.

Nothing in the  
affidavit is new.  
Everything in it has  
been known to Mr. Hui  
for years. His counsel  
has been representing  
him since January.

1 NOV 24 11:30 PM

There is nothing to suggest that with due diligence everything in the Nov 13 affidavit could not have been put in ~~the~~ Mr. Hui's earlier affidavit.

I approach this affidavit much in the way the court looks at whether to admit fresh evidence. This affidavit fails to meet that test. Court rules & timetables must have some meaning. I am not

10002912

persuaded there is  
 any reason to alter  
 the timetable I  
 set & permit the  
 filing of this affidavit  
 7 weeks after the deadline  
 for filing.

The affidavit of  
 Mr. Hui on behalf  
 of Unimac, sworn  
 Nov 11/13 will therefore  
 not be admitted &  
 may not be referred  
 to on the return  
 date of Dec 13/13.

Messing

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE

)

FRIDAY, THE 22<sup>ND</sup> DAY

JUSTICE MESBUR

)

OF NOVEMBER, 2013

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**ORDER****(Discharge of Representative Counsel and ILA Appointment)**

**THIS MOTION** made by Deloitte Restructuring Inc. in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent Rose of Sharon (Ontario) Retirement Community (in that capacity, the “Receiver”) for an Order granting the relief sought in the Notice of Motion, including (i) amending the Mandate of Representative Counsel (as defined in the Representative Counsel Order of Mesbur J. dated April 11, 2013), *nunc pro tunc*, (ii) discharging Kronis, Rotsztain, Margles, Cappel LLP (“KRMC”) as Representative Counsel, and (iii) appointing KRMC to provide independent legal advice in this

proceeding to individuals who are unit-holders in the Rose of Sharon (Ontario) Retirement Community ("Rose") life lease residence (the "Life-Lease Residence"), but are not Arm's Length Unit Holders and are not represented by counsel (the "ILA Unit-holders"), with respect to the nature and effect of any proposed settlements (the "Proposed Settlements") with Peoples Trust Company ("Peoples Trust") involving their unit(s) in the Rose Life-Lease Residence, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated November 20, 2013, the Third Report of the Receiver dated February 19, 2013 (the "Third Report"), the Fourth Report of the Receiver dated March 11, 2013 (the "Fourth Report"), the Amended Notice of Motion of People's Trust Company ("Peoples Trust") dated September 4, 2013, and the related affidavits of Martin Mallich sworn April 4, 2013, and Michael Lombard sworn July 9, 2013, and upon hearing submissions of counsel for the Receiver, counsel for Peoples Trust, and counsel for KRMC which also advises that it is prepared to act to provide independent legal advice, on the terms set out in the Notice of Motion, if so appointed,

1. **THIS COURT ORDERS** that the time for, and method of, service of the Receiver's Notice of Motion returnable November 22, 2013 (the "Notice of Motion"), and related motion material filed in support of that Notice of Motion (the "Motion Material") be and is hereby abridged, that service of the Notice of Motion and Motion Material is hereby validated such that service effected on the parties provided with the Notice of Motion and Motion Material shall be good and sufficient notice thereof, and that further service thereof is hereby dispensed with.

*le - counsel for Trisura, Unimac + John  
John  
le*

2. **THIS COURT ORDERS** that the Mandate is hereby amended, *nunc pro tunc*, by removing from the class of persons for which Representative Counsel was appointed those persons referenced in the preamble to the Representative Counsel Order as "the tenants of other units of the Rose of Sharon (Ontario) Retirement Community Life-Lease Residence".
3. **THIS COURT ORDERS AND DECLARES** that Representative Counsel has fulfilled the Mandate, as amended by this Order.
4. **THIS COURT ORDERS** that paragraph 8 of the Representative Counsel Order be amended by increasing the maximum amount for legal fees to which Representative Counsel shall be allowed to \$275,000.00, plus disbursements actually incurred and applicable taxes.
5. **THIS COURT ORDERS** that KRMC is hereby discharged as Representative Counsel.
6. **THIS COURT ORDERS** that KRMC be permitted to pass at a later date its accounts with respect to the Mandate, notwithstanding its discharge as Representative Counsel.
7. **THIS COURT ORDERS** that KRMC be appointed to provide independent legal advice in this proceeding (the "ILA Mandate") to the ILA Unit-holders with respect to the nature, meaning and effect of any documents to be executed in connection with the Proposed Settlements, and the obligations and liabilities of such ILA Unit-holders thereunder.
8. **THIS COURT ORDERS** that KRMC shall pass its accounts in the ILA Mandate from time to time, and for this purpose the accounts of KRMC are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice. At such passing of accounts, KRMC shall be allowed its reasonable fees and disbursements, in each case at its standard rates and

charges unless otherwise ordered by the Court, for work done as part of the ILA Mandate, up to a maximum amount of \$15,000.00 plus disbursements actually incurred and applicable taxes, subject to further Order of this Court obtained on notice to Peoples Trust and the Receiver.

9. **THIS COURT ORDERS** that subject to paragraph 8 above, after the rendering of accounts by KRMC to the Receiver in respect of the ILA Mandate, any expenditure or liability which is properly made or incurred by KRMC, including the reasonable fees and disbursements of KRMC, shall be paid by the Receiver out of the Rose estate in a timely manner and prior to the passing of accounts in respect of the ILA Mandate so as to allow KRMC to fulfill its ILA Mandate in accordance with this Order, but in the event of any disagreement regarding such fees and disbursements such matters will be dealt with on the passing of accounts in respect of the ILA Mandate and payment shall be deferred until that time.

10. **THIS COURT ORDERS** that KRMC shall have the benefit of the Receiver's Charge, established pursuant to the Amended and Restated Appointment Order of Justice Campbell dated September 27, 2011 in this proceeding, for its fees and disbursements relating to the ILA Mandate.

11. **THIS COURT ORDERS** that subject to further order of the Court, and without limitation to any other right or protection in favour of KRMC, KRMC shall not be required to take any step or action in respect of its ILA Mandate if it reasonably believes that there will not be sufficient funds available to it to complete such step or action, and KRMC may apply to this Court to be discharged from the ILA Mandate at any time in its sole discretion, including,



without limitation, on the basis that it reasonably believes that there are insufficient funds available to it to carry out the terms of this Order or otherwise fulfill the ILA Mandate.

12. **THIS COURT ORDERS** that the Receiver shall provide notice of this Order to the ILA Unit-holders by emailing, mailing or delivering a copy of this Order to them, and by posting a copy of this Order on the Receiver's website as soon as practicable after the issuance of this Order.

13. **THIS COURT ORDERS** that KRMC shall have no liability for any act or omission as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order including but not limited to the ILA Mandate, save and except for any gross negligence or willful misconduct on its part, and that no action or other proceedings shall be commenced against KRMC relating to the ILA Mandate, except with prior leave of this Court to be obtained on at least (7) seven days' notice to KRMC, and upon further order in respect of security for costs on a substantial indemnity basis in favour of KRMC in connection with any such action or proceeding.

14. **THIS COURT ORDERS** that KRMC shall be at liberty and is authorized at any time to apply to this Court for advice and directions in the discharge and variation of its powers and duties, including but not limited to whether or not any individual should be represented by KRMC as part of the ILA Mandate, because of a potential conflict of interest or otherwise.

15. **THIS COURT ORDERS** that in the event this Order is later amended by further Order of the Court, the Receiver may post such further Order on the Receiver's website and such posting will constitute adequate notice to the ILA Unit-holders of such amended Order.

*Meslin J.*

---

ENREGISTRÉ À TORONTO  
ON / BOOK NO.  
LE / DANS LE REGISTRE NO..

DEC - 3. 2013

NB

PEOPLES TRUST COMPANY

Applicant

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

**ORDER**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte Restructuring Inc., in its capacity as  
court appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

# TAB L

Date: Oct 16, 2013  
Time: 12:53:34 ET  
User: Susan Sirju

Rose of Sharon Korean Long Term Care  
Summary Statement of Income  
9/1/2013 to 9/30/2013

Include Adjustment Periods: NO

Include Closing Periods: NO

	CURRENT PERIOD						YEAR TO DATE					
	Actual\$	P.R.D.	Budget\$	P.R.D.	Var\$	P.R.D.	Actual\$	P.R.D.	Budget\$	P.R.D.	Var\$	P.R.D.
Resident Days	1,800		1,800		0		16,289		16,380		(91)	
Envelope Revenue	169,410	94.12	169,081	93.93	329	0.18	1,509,789	92.69	1,507,821	92.05	1,968	0.64
MOH - Nursing	16,430	9.13	15,774	8.76	656	0.36	143,407	8.81	141,528	8.64	1,969	0.17
MOH - Programming	14,454	8.03	14,381	7.99	73	0.04	128,769	7.91	128,553	7.85	216	0.08
	200,294	111.27	199,236	110.69	1,058	0.59	1,782,055	109.40	1,777,902	108.54	4,153	0.86
Envelope Expenses												
Nursing Envelope	169,409	94.12	168,515	93.62	0	(94.12)	1,499,008	92.03	1,504,406	91.84	0	91.51
Nurs Env Over(Under)	(894)			0.00	0		5,398	0.33				
Program Envelope	16,432	9.13	15,059	8.37	0	8.37	142,577	8.75	139,846	8.54	0	8.71
Prog Env Over(Under) Spent	(1,363)						(2,731)	(0.17)				
Raw Food Envelope	14,454	8.03	14,183	7.89	(310)	7.88	127,893	7.85	128,197	7.83	354	7.73
Food Env Over(Under) Spent	(339)						1,523	0.09				
	197,699	111.28	197,767	109.87	68	(1.40)	1,773,668	108.89	1,772,449	108.21	(1,210)	(0.68)
Envelope Net Income	2,595	1.44	1,469	0.82	1,126	0.63	8,387	0.51	5,453	0.33	2,934	0.18
Other Revenue												
MOH - Accommodation	95,285	53.49	95,157	53.42	128	0.07	860,106	52.80	859,719	52.49	387	0.32
MOH - Realty Tax Allowance	4,857	2.70	6,376	3.54	(1,519)	(0.84)	42,779	2.63	57,384	3.50	(14,605)	(0.88)
MOH - Pay Equity	1,510	0.84	1,510	0.84	0	0.00	13,590	0.83	13,590	0.83	0	0.00
Moh Structural Comp	4,582	2.53	4,582	2.53	0	0.00	41,058	2.52	41,058	2.51	0	0.01
Residents' Basic Revenue	90,198	50.11	90,763	50.42	(565)	(0.31)	773,937	47.51	810,767	49.50	(36,830)	(1.98)
MOH - Estimate Basic Rev	(88,419)	(49.12)	(88,985)	(49.44)	566	0.31	(785,589)	(48.23)	(800,865)	(48.89)	15,276	0.66
MOH - Basic Revenue Adjust	(352)	(0.20)	(1,778)	(0.99)	1,426	0.79	10,646	0.65	(9,802)	(0.60)	20,548	1.26
Preferred Revenue	17,416	9.68	18,088	10.04	(672)	(0.36)	162,839	9.98	153,303	9.36	9,336	0.63
Residents' Basic Revenue	1,820	1.01	1,200	0.67	620	0.34	13,231	0.81	10,800	0.66	2,431	0.15
TOTAL Other Revenue	127,877	71.04	127,873	71.04	4	0.00	1,132,397	69.52	1,135,854	69.34	(3,457)	0.18
Other Expense												
Wages and Benefits	52,794	29.33	54,142	30.08	1,348	0.75	474,757	29.15	484,939	29.61	10,182	0.48
Supplies	2,252	1.25	3,006	1.67	764	0.42	23,180	1.42	27,354	1.67	4,174	0.25
Repairs and Maintenance	3,237	1.80	4,000	2.22	763	0.42	25,560	1.57	36,000	2.20	10,440	0.63
Maintenance Contracts	1,864	1.04	2,155	1.20	291	0.16	12,746	0.78	19,395	1.10	6,649	0.40
Leased and Rented Equipment	8,329	4.63	8,379	4.66	50	0.03	74,959	4.60	75,411	4.60	452	0.00
Office and General	2,083	1.16	2,660	1.48	577	0.32	21,409	1.31	23,940	1.48	2,531	0.15
Utilities	10,119	5.62	9,180	5.10	(939)	(0.52)	88,734	5.45	83,544	5.10	(5,190)	(0.35)
Realty Tax	5,557	3.09	7,501	4.17	1,944	1.08	50,013	3.07	67,509	4.12	17,496	1.05
Insurance	942	0.52	933	0.52	(9)	(0.01)	9,312	0.57	8,387	0.51	(915)	(0.06)
Professional Fees	1,083	0.60	1,083	0.60	0	0.00	9,747	0.60	9,747	0.60	0	(0.00)
Management Fees	12,849	7.14	13,000	7.22	151	0.08	113,803	6.99	115,568	7.06	1,765	0.07
TOTAL Other Expense	101,109	56.17	106,039	58.91	4,930	2.74	904,220	55.51	951,804	58.11	47,584	2.60
Net Operating Income	29,363	16.31	23,303	12.95	6,060	3.37	236,564	14.52	189,503	11.57	47,061	2.95
MOH - Capital Funding	(3,148)	(1.75)	(3,148)	(1.75)	-	-	(28,332)	(1.74)	(28,332)	(1.74)	-	-
Prior Year Expense	-	0	0	0	-	0	21,554	1.32	0	0	(21,554)	(1.32)
Net Income	(3,148)	(1.75)	(3,148)	(1.75)	0	0.00	(6,778)	(0.42)	(28,332)	(1.73)	(21,554)	(1.31)
Net Cash Flow	32,512	18.06	26,051	14.47	6,461	-3.59	243,035	14.92	214,235	13.15	28,800	(1.77)

# TAB M

**IN THE MATTER OF THE RECEIVERSHIP OF  
ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

**Receiver's Interim Statement of Receipts and Disbursements  
for the period September 27, 2011 to September 30, 2013**

**Receipts**

1. Ministry of Health funding	\$ 5,776,734
2. Receipts from preferred accommodation re: nursing home residents	2,448,194
3. Receiver borrowings	1,500,000
4. Receipts from life lease tenants (Life lease payments and common area maintenance payments)	668,805
5. Cash in bank (note 1)	404,887
6. Property tax refund	139,700
7. Other	36,450
<b>8. Total receipts</b>	<b>\$ 10,974,769</b>

**Disbursements**

9. Funding of nursing home (note 2)	7,688,176
10. Receiver fees (note 3)	999,955
11. Repairs & maintenance	357,522
12. Legal fees (note 4)	657,682
13. Utilities	238,655
14. HST	229,132
15. Property management fees (note 5)	150,840
16. Buyout of kitchen equipment lease (note 6)	60,913
17. Property taxes (note 7)	57,894
18. Cable TV, internet & telephone	74,267
19. Building Condition Assessment	41,270
20. Insurance	22,755
21. Appraisal fees	17,505
22. PST	-
22. Consulting fees	5,600
23. Accounting services	5,262
24. Ministry of Health & Long-Term Care fees	3,750
26. Funding of the Sterling Managed Life Lease Account	-
25. Other (Bank charges, filing fees)	2,667
<b>26. Total disbursements</b>	<b>\$ 10,613,846</b>
<b>27. Excess of receipts over disbursements</b>	<b>\$ 360,923</b>

**PEOPLES TRUST COMPANY**  
Plaintiff

and  
Defendant

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at **TORONTO**

**MOTION RECORD**  
(returnable December 13, 2013)

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 - 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC # 38239M)**  
Tel: (416) 593-3927  
Fax: (416) 593-5437

Lawyers for the Deloitte & Touche Inc.