



**First Report of
KSV Restructuring Inc. as
Receiver and Manager
of 72 James Investments Inc.,
Forge & Foster Holdings Inc. and
Clifton Blake Partners LP**

February 28, 2024

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Restrictions	2
2.0 Sale Process	2

Appendices

Appendix	Tab
Colliers Reporting Letter.....	A



COURT FILE NO.: CV-24-00714866-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

FORGESTONE MORTGAGE FUND LP

Applicant

- and -

72 JAMES INVESTMENTS INC., FORGE & FOSTER HOLDINGS INC. and
CLIFTON BLAKE PARTNERS LP

Respondents

FIRST REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

FEBRUARY 28, 2024

1.0 Introduction

1. On February 26, 2024, the Ontario Superior Court of Justice (the “**Court**”) issued a receivership order (the “**Receivership Order**”) appointing KSV Restructuring Inc. (“**KSV**”) as the receiver and manager (the “**Receiver**”), without security, of:
 - a) all current and future assets, undertaking and property (collectively, the “**Property**”) of 72 James Investments Inc. (the “**Debtor**”), including but not limited to the properties municipally known as 72-76 James Street North, Hamilton, Ontario (the “**Real Property**”); and
 - b) the right, title and interest of the two beneficial owners (the “**Beneficial Owners**”), Clifton Blake Partners LP (“**Clifton LP**”) and Forge & Foster Holdings Inc. (“**Forge Holdings**”) in the Real Property.
2. The Real Property is a 32-unit multi-residential property, with 29 residential units and three commercial units. At the time of this report, six residential units and one commercial unit are vacant.
3. The principal focus of the receivership proceeding is to continue a sale process for the Real Property that was commenced by the Debtor prior to the date of the Receivership Order (the “**Sale Process**”). The Debtors retained Colliers Macaulay Nicolls Inc. (“**Colliers**”), a well-known national real estate brokerage, to list the Real Property for sale.

1.1 Purposes of this Report

1. The purpose of this report (the “**Report**”) is to summarize the Sale Process and provide interested parties the opportunity to advise the Receiver if they object to any aspect of the Sale Process. If a party with a material interest in these proceedings advises the Receiver that they object to a material aspect of the Sale Process, the Receiver intends to seek Court approval of the Sale Process.
2. This Report is being served on the service list. A copy of the Report can also be found on the Receiver’s case website at <https://www.ksvadvisory.com/experience/case/72-james> (the “**Website**”).

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon information (the “**Information**”) provided by Forgestone Mortgage Fund LP (the “**Lender**”) and Colliers. The Receiver has not performed an audit or other verification of the Information. The Receiver’s review of the Information is preliminary and subject to further review. The Receiver is not in possession of any of the Beneficial Owners’ financial information.
2. Background information concerning the events leading to these proceedings is provided in the Affidavit of Stefan Simonyi, the President of the Lender, sworn in support of the Lender’s application for the appointment of the Receiver. A copy of the Affidavit is available on the Website.

2.0 Sale Process

1. Colliers was retained by the Debtor on January 10, 2024, to list the Real Property for sale. Colliers listed the Real Property for sale shortly thereafter and has been marketing the Real Property since that time.
2. The Receiver is in the process of entering into a revised listing agreement with Colliers whose current listing agreement with Debtor will be terminated. As the Sale Process is well advanced, the Receiver believes that retaining Colliers to continue to market the Real Property is the most efficient and least disruptive manner to complete the Sale Process.
3. The Receiver consulted with the Lender regarding the continued retention of Colliers. The Lender advised the Receiver that it consents to the continued retention of Colliers.
4. KSV has requested that Colliers prepare and provide it with a reporting letter as to the status of the Sale Process and a summary of the proposed marketing process going forward. A copy of the reporting letter is attached as **Appendix “A”**.
5. In summary, Colliers has carried out a broad marketing campaign using different mass marketing techniques, populated a data room, held discussions with various interested parties, and facilitated due diligence by interested parties who signed a confidentiality agreement (the “**CA**”). Access to the data room has been granted only after the CA is signed.
6. Colliers has advised the Receiver that numerous parties are presently conducting due diligence.

7. Given the foregoing and in consultation with Colliers, the Receiver set a bid deadline of March 25, 2024 for the submission of offers, subject to such extensions as the Receiver believes may be necessary to maximize value.
8. The Receiver is in the process of drafting a template purchase and sale agreement (the "**Template APS**"), which will have provisions customary for a transaction of this nature. The Template APS will be uploaded to the data room. Colliers will recommend that bidders submit offers on the Template APS and that any changes to it be minimized.
9. The Receiver will consider offers based on their value, conditionality, ability to close, and such other factors as the Receiver may consider in its discretion.
10. Additional aspects of the Sale Process include:
 - a) the Real Property will be marketed on an "as is, where is" basis;
 - b) in order to facilitate due diligence or maximize participation by interested parties in the Sale Process, the Receiver will have the right, in its discretion, to extend any of the timelines in the Sale Process, provided the Lender does not unreasonably object to the extension of the timeline;
 - c) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s), acting reasonably;
 - d) if the highest and best offer received does not generate proceeds sufficient to repay the Lender in full, and the Lender does not consent to the proposed transaction, the Lender will be entitled to submit a credit bid to purchase the Real Property; and
 - e) acceptance of any offer and the approval of any transaction will be subject to Court approval.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS
RECEIVER AND MANAGER OF
72 JAMES INVESTMENTS INC., FORGE & FOSTER HOLDINGS INC.,
AND CLIFTON BLAKE PARTNERS LP AND NOT IN ITS PERSONAL
OR IN ANY OTHER CAPACITY**

Appendix “A”



Memorandum

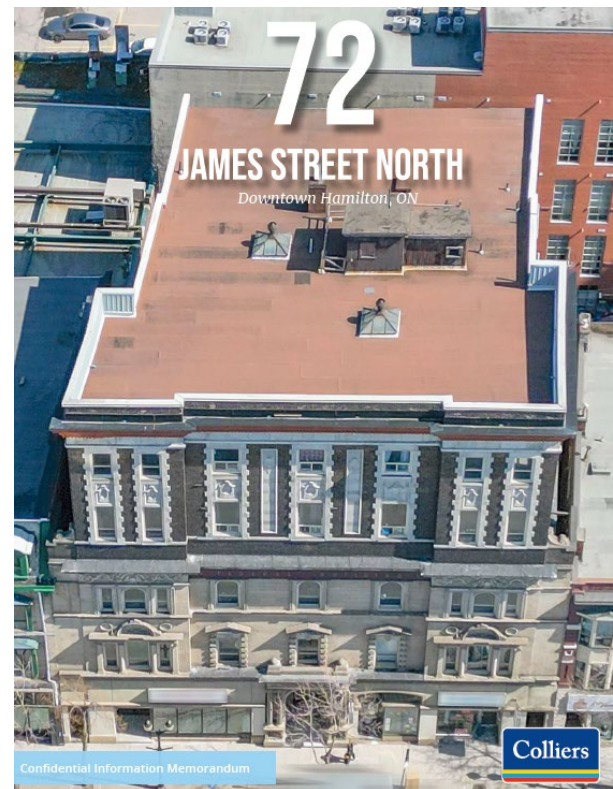
To: Bobby Kofman, President, KSV Restructuring Inc.

From: Jeremiah Shames, Executive Vice President, Private Capital Investment Group, Colliers
 Matthew Soper, Associate Vice President, Private Capital Investment Group, Colliers

Date: February 21, 2024

Subject: 72 James Street North, Hamilton, ON ("the Site") Sale & Marketing process and timeline

Municipal Address	72 James Street North, Hamilton, ON L8R 2K5	
Legal Description	PT LT 56 NATHANIEL HUGHSON SURVEY (UNREGISTERED) E/S OF JAMES ST BTN REBECCA ST & GORE ST AS IN CD394562; CITY OF HAMILTON	
Official Plan	Mixed-Use (Retail and Residential)	
Secondary Plan	Downtown Hamilton Secondary Plan	
Site Area	0.19 acres (8,102 SF)	
Building Size	30,488 SF	
Unit Mix	Studio	4
	Bachelor	9
	1-Bedroom	12
	2-Bedroom	3
	3-Bedroom	1
	Retail	3
Zoning	D2, Holding H17, H19, H20	
Frontage	81.19 FT (on James Street North)	
Depth	101.33 FT	



Confidential Information Memorandum



A: This memo represents the current timeline and context in which Colliers has marketed 72 James Street North for sale and the background of Colliers team on the file, as well as our recommendation moving forward.

1. Colliers was retained by 72 James Investments Inc. pursuant to a listing agreement dated January 10, 2024 signed by Joe Accardi & KC Daya on January 10, 2024 (“listing”). Colliers intends to enter into a new listing agreement with KSV, as receiver and manager of the Company immediately following KSV’s appointment.
2. Marketing process to date. Colliers:
 - has executed an email marketing campaign to a list of 2,258 multi-family investors buyers and private capital investors in Toronto and GTA;
 - executed a LinkedIn marketing on the property which generated 1,422 views; and
 - established a website for the property, which received 1,525 views with 80 flyer downloads.

To date, Colliers has received 61 signed confidentiality agreements have been signed by interested parties. Thereafter, these parties were granted access to a data room (see below).

February 16th, 2024

Marketing Report

72 James Street North, Hamilton



Engagement	Email	Marketing Initiatives
80 Flyer Downloads	2,258 Email Recipients	<input checked="" type="checkbox"/> Website <input checked="" type="checkbox"/> Signage
1,525 Website Views	1,071 Unique Opens	<input checked="" type="checkbox"/> Email Blast <input checked="" type="checkbox"/> Social Media
44% Click Through Rate	01/25/24 Last Send Date	Signed NDA 60

3. The data room includes the following information (further information will be uploaded to the data room as made available to Colliers and/or the Receiver):
 - a. CIM
 - b. Phase One ESA dated November 16, 2021
 - c. Supplemental Phase Two ESA dated April 26, 2022
 - d. Floor Plans inclusive of Floors 1-6, together with a Summary Floor Area of Chart and Basement Floor Plan
 - e. Signed Commercial Leases from Avenn Hair Salon, Red Sea Clothing and a Letter of Intent dated January 12, 2024 for vacant commercial unit 3



- f. Signed Residential Leases for Units 203, 207, 208, 301, 302, 303, 304, 305, 307, 308, 401, 402, 404, 406, 407, 550, 552, 553, 555 and 558
- g. Two folders containing various photos of Unit 550 and Unit 557
- h. Plan of Survey for the property
- i. Folder containing historical utilities data from Alectra, Bell, Cogeco, Enbridge and Laundry Facilities

B: Colliers recommendation moving forward:

Execution and Marketing

Our recommendation is to continue with existing marketing efforts, send notice of an 'offer date' on March 25th, and to have offers presented in the form of a standard agreement of purchase and sale provided by KSV and uploaded to the data room. We believe this will provide existing interested parties enough time to submit offers in the form of a template agreement of purchase and sale, with the objective of receiving unconditional or substantially unconditional offers.

1. Subsequent phases of our marketing process will involve the provision of offers and respective summaries of same and may include negotiations with selected short list parties until an offer deemed sufficient by KSV and is accepted and executed by all parties.
2. Buyer due diligence is to be facilitated by Colliers; however, due to the nature of this sale process, potential buyers will be hereby advised that the ability to conduct comprehensive and exhaustive due diligence may be restricted. Information and access to the property and respective documentation will be provided on an 'as is, where is' basis, with no representations or warranties regarding the completeness or accuracy of such information. Buyers will be encouraged to perform their own due diligence. Buyers will be encouraged to submit offers in the form of the APS with as few changes as possible.

Reporting:

1. Every Friday by 4:00pm (Toronto time), Colliers will provide KSV with a written comprehensive marketing update, including a summary of the parties most interested in the opportunity, the extent of their due diligence, any value guidance provided by interested parties, new parties who entered the process, parties who have advised that they are no longer interested in the opportunity and any other material information relevant to the sale process.

About Colliers:

This specific Colliers team, led by Jeremiah Shames, are experts in downtown Hamilton and have significant experience with investors in the Hamilton node, demonstrated by completing transactions having a value of \$79 million in the past 3 years. Colliers is Canada's largest commercial brokerage, and this specific Colliers team (led by Jeremiah) sold over \$356 million in calendar year 2023.