



**Eighth Report of
KSV Restructuring Inc.
as CCAA Monitor of Balboa Inc.,
DSPLN Inc., Happy Gilmore Inc.,
Interlude Inc., Multiville Inc.,
The Pink Flamingo Inc.,
Hometown Housing Inc.,
The Mulligan Inc.,
Horses In The Back Inc.,
Neat Nests Inc. and
Joint Captain Real Estate Inc.**

October 23, 2024

Contents		Page
1.0	Introduction	1
1.1	Investigation	5
1.2	Purposes of this Report	6
1.3	Restrictions.....	6
1.4	Currency.....	6
2.0	Background	7
3.0	Update on Proceedings	7
3.1	Monitor’s Activities.....	7
3.2	Restructuring Term Sheet.....	9
4.0	Cash Flow Forecast.....	9
5.0	Stay Extension	10
5.1	Additional Stay Parties.....	11
6.0	Conclusion and Recommendation	11

Appendices

Appendix	Tab
Second Amended and Restated Initial Order.....	A
Expanded Powers Order and Ancillary Order	B
Court Order dated October 7, 2024	C
Endorsement dated October 7, 2024.....	D
Notice to Lenders dated October 11, 2024	E
Cash Flow Forecast.....	F
Monitor’s Statutory Report on Cash Flow Forecast.....	G



COURT FILE NO.: CV-24-00713245-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY
GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS
INC. AND JOINT CAPTAIN REAL ESTATE INC.**

**EIGHTH REPORT OF KSV RESTRUCTURING INC. AS
MONITOR**

OCTOBER 23, 2024

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 23, 2024 (the "Initial Order"), Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants" and each an "Applicant") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and KSV Restructuring Inc. was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. The Applicants together with certain non-Applicant related entities, including SIDRWC Inc. o/a SID Developments ("SID Developments"), SID Management Inc. ("SID Management") and 2707793 Ontario Inc. o/a SID Renos ("SID Renos" and together with SID Developments and SID Management, the "SID Companies"), are part of a group of companies (collectively, the "Company") involved in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "Business").
3. In the Applicants' materials filed in support of the Initial Order, they provided that the principal purpose for commencing these CCAA proceedings was to create a stabilized environment to enable the Applicants to preserve and maximize value for their stakeholders and provide the stability and liquidity necessary to complete value accretive renovations to their portfolio of residential homes (the "Portfolio"), including by securing debtor-in-possession ("DIP") financing, in order to pursue a comprehensive refinancing or restructuring transaction and implement a consensual plan of compromise or arrangement while continuing operations in the ordinary course of business.

4. Pursuant to the Initial Order, the Court, among other things:
 - a) granted a stay of proceedings until February 2, 2024 (the “Stay Period”) in respect of the Applicants, the Monitor, the Business and the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Applicants’ Property”) and three of the Applicants’ directors and officers, being Aruba Butt, Dylan Suitor and Ryan Molony (the “Additional Stay Parties”);
 - b) appointed Chaitons LLP (“Chaitons”) as representative counsel (the “Secured Lender Representative Counsel”) to all of the Applicants’ secured creditors (the “Secured Lenders”) and unsecured promissory noteholders (the “Unsecured Lenders”) and approved a mechanism by which a committee of up to six parties would be formed to instruct Secured Lender Representative Counsel (the “Secured Lender Representatives”); and
 - c) granted a charge (the “Administration Charge”) in the amount of \$750,000 on the Applicants’ Property to secure the fees and disbursements of the Monitor and its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), the Applicants’ legal counsel, Bennett Jones LLP (“Bennett Jones”), and Secured Lender Representative Counsel.
5. On January 31, 2024, the Court granted an amended Initial Order which, among other things:
 - a) extended the Stay Period to February 16, 2024;
 - b) approved the Applicants’ ability to borrow under a DIP credit facility (the “DIP Facility”) pursuant to a DIP Agreement dated January 26, 2024 (the “DIP Agreement”) between the Applicants and Harbour Mortgage Corp. (the “DIP Lender”) and granted a charge in favour of the DIP Lender in the maximum amount of \$4 million (plus interest, fees and expenses) to secure the Applicants’ obligations under the DIP Agreement and DIP Facility (the “DIP Lender’s Charge”);
 - c) increased the maximum amount of the Administration Charge from \$750,000 to \$1 million; and
 - d) authorized the Applicants to pay certain amounts owing to suppliers for goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor.
6. Pursuant to an Amended and Restated Initial Order granted on February 15, 2024 (the “ARIO”), the Court, among other things:
 - a) extended the Stay Period to March 28, 2024;
 - b) increased the maximum amount of the Administration Charge to \$1.5 million;
 - c) increased the maximum amount of the DIP Facility and the DIP Lender’s Charge to \$12 million (plus interest, fees and costs);

- d) amended the scope of Secured Lender Representative Counsel's mandate by removing the Unsecured Lenders such that the group of creditors represented by Secured Lender Representative Counsel includes only the Secured Lenders; and
 - e) directed and empowered the Monitor to (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals (the "Principals") and affiliates, and such other matters as may be requested by the Secured Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Applicants' Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor (the "Investigation"), and (ii) report to the Secured Lender Representatives and the Court on the findings of such Investigation as the Monitor deems necessary and appropriate.
7. Pursuant to a Second Amended and Restated Initial Order granted on March 28, 2024 (the "Second ARIO"), a copy of which is attached as Appendix "A", the Court, among other things:
- a) extended the Stay Period to April 30, 2024; and
 - b) appointed Goldman Sloan Nash & Haber LLP as representative counsel (the "Unsecured Lender Representative Counsel") to the Applicants' unsecured lenders other than (i) The Lion's Share Group Inc.¹ ("Lion's Share") and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, Lion's Share or its principal, Claire Drage.
8. On April 12, 2024, the Court granted an order (the "SISP Approval Order"), which, among other things:
- a) extended the Stay Period to June 24, 2024;
 - b) approved a sale and investment solicitation process ("SISP"); and
 - c) approved the Applicants' engagement of Howards Capital Corp. ("HCC") and CBRE Limited ("CBRE" and jointly with HCC, the "SISP Advisors").
9. On June 25, 2024, the Court granted two orders (the "Expanded Powers Order" and the "the Ancillary Order"), which, among other things:
- a) expanded the Monitor's powers over the Applicants, including removing the Principals' decision-making authority over the Applicants, as more fully discussed in Section 1.1 below;

¹ On March 16, 2024, Lion's Share filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*. The Fuller Landau Group Inc. ("Fuller Landau") was appointed as proposal trustee. On April 3, 2024, Lion's Share was placed into receivership and bankruptcy proceedings. Fuller Landau is the receiver and licensed insolvency trustee administering Lion's Share's receivership and bankruptcy proceedings (in such capacities, the "Lion's Share Representative").

- b) provided a process for the Monitor to transition the Applicants' property and other management service providers from the SID Companies as determined necessary by the Monitor;
- c) extended the Stay Period to July 31, 2024;
- d) extended the stay of proceedings in respect of the Additional Stay Parties pursuant to paragraph 14 of the Second ARIO during the Transition Period (as defined in the Expanded Powers Order) to be automatically terminated upon the issuance of the Monitor's Transition Period Termination Certificate (as defined in the Expanded Powers Order);
- e) provided that, until the issuance of the Monitor's Transition Period Termination Certificate, no proceeding shall be commenced against or in respect of any of the SID Companies, or their respective employees, advisors or representatives, or affecting their respective business or property, except with the prior written consent of the Monitor and the SID Companies, or with leave of this Court;
- f) provided that none of the Applicants, the SID Companies and/or their respective principals and affiliates shall be required to take any further steps in connection with, or respond to any requests made pursuant to, paragraph 41(k) of the ARIO, but without derogating from any other obligations of any Person under the Second ARIO; and
- g) provided that, during the Transition Period, each of the Additional Stay Parties shall provide the Monitor with notice of the earlier of (i) seven (7) business days prior to any closing date and (ii) the listing date, for the sale of any real property owned, directly or indirectly, by the applicable Additional Stay Party, subject to certain express exceptions.

Copies of the Expanded Powers Order and the Ancillary Order are attached as Appendix "B".

10. On July 31, 2024, the Court granted an order, which, among other things:
 - a) extended the Stay Period to August 31, 2024; and
 - b) approved a form of Property Management Agreement (the "PMA") with Richmond Advisory Services Inc. ("Richmond"), pursuant to which the property management services for the Portfolio would be transitioned from the SID Companies to Richmond. The PMA was finalized on August 8, 2024 and the transition process is in process, as discussed in Section 5.1 below.
11. On August 30, 2024, the Court granted an order, which, among other things:
 - a) extended the Stay Period to October 31, 2024;

- b) approved a form of the restructuring term sheet (the “Restructuring Term Sheet”), and authorized the Monitor to carry out its obligations under the Restructuring Term Sheet, including, without limitation, facilitating the negotiation and settlement of the transactions contemplated therein and finalizing all documentation reasonably necessary to carry out such transactions;
 - c) increased the maximum amount of the DIP Facility and the DIP Lender’s Charge to \$15 million (plus interest, fees and costs); and
 - d) approved the fees and disbursements of the Monitor and its counsel through July 31, 2024.
12. Pursuant to a Court Order dated October 7, 2024 (the “Suitor Interim Receivership Order”), TDB Restructuring Limited was appointed as interim receiver over Mr. Suitor’s property, assets and undertaking. Copies of the Suitor Interim Receivership Order and the Court’s Endorsement dated October 7, 2024 are attached as Appendices “C” and “D”, respectively. The Suitor Interim Receivership Order was sought by the Lion’s Share Representative in connection with its pending bankruptcy application against Mr. Suitor.

1.1 Investigation

1. On June 11, 2024, the Monitor served on the Service List a redacted version of its Fourth Report to Court (the “Fourth Report”), which summarized the results of the Investigation.
2. The Investigation identified, among other things:
 - a) questionable transfers from the Applicants to the Principals, affiliated entities and third parties without any apparent benefit to the Business;
 - b) questionable dividend payments or repayment of amounts identified as shareholder loans;
 - c) a pervasive lack of proper record keeping, particularly for a business with assets and liabilities with a book value in the hundreds of millions of dollars; and
 - d) a myriad of other deficient business practices.
3. On June 14, 2024, Secured Lender Representative Counsel brought a motion, supported by the Monitor, the Unsecured Lender Representative Counsel and the Lion’s Share Representative, seeking the Expanded Powers Order in order to expand the Monitor’s powers in respect of the Applicants and removing the Principals’ decision-making authority. The Applicants initially objected to the motion, but subsequently consented to the Expanded Powers Order.

1.2 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) provide an update on the status of these CCAA proceedings since the issuance of the Monitor’s Seventh Report to Court dated August 23, 2024 (the “Seventh Report”), particularly as it relates to the 323 credit bids submitted by mortgagees on the deadlines established under the Restructuring Term Sheet and the intended next steps in these proceedings to complete those credit bid transactions and facilitate the management and orderly liquidation of the 84 properties that will remain in the Portfolio;
 - b) summarize the Applicants’ cash flow forecast (the “Cash Flow Forecast”) for the period November 1, 2024 to November 30, 2024 (the “Forecast Period”);
 - c) summarize the status of the transition of the property management function from the SID Companies to Richmond; and
 - d) recommend that the Court issue an order extending the Stay Period to November 30, 2024.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Applicants, the Applicants’ books and records and discussions with representatives of the Applicants.
2. KSV has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. The Applicants are Canadian privately-held corporations that are the principal owners of the Company's rental units and the residential properties on which they are situated.
2. The Applicants have disclosed ownership in 407 residential properties (collectively, the "Properties") comprising 631 rental units, of which 456 are tenanted, as well as a non-operating golf course. The Properties are located in tertiary markets in Ontario, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron. A summary² of the Properties disclosed by the Applicants is provided below.

Location	Number of Occupied Units	Number of Unoccupied Units	Total
Timmins	220	70	290
Sault Ste. Marie	135	65	200
Sudbury	66	12	78
Other	35	28	63
Total	456	175	631

3. The Applicants' principal stakeholders are their first and second mortgagees, which are owed approximately \$81.5 million and \$8.6 million, respectively, plus interest and costs which continue to accrue. The Applicants advised the Monitor that they believe the amount owing to the Unsecured Lenders is significantly less than the amount initially provided by Ms. Drage, being approximately \$54.2 million. The Applicants' creditor listings reflect obligations owing to Lion's Share totalling approximately \$39.2 million.
4. Court materials filed in these proceedings, including the Affidavits of Robert Clark and the Monitor's reports, set out detailed information with respect to the Applicants' Business, property and creditor composition. All Court materials are available on the Monitor's website at the following link: <https://www.ksvadvisory.com/experience/case/sid> (the "Case Website").

3.0 Update on Proceedings

3.1 Monitor's Activities

1. In addition to the activities discussed below, since the Seventh Report, the Monitor's activities have included:
 - a) engaging extensively on a daily basis with Richmond and the SID Companies regarding the property management transition process;
 - b) preparing the required analyses for the purpose of credit bid transactions, including ongoing updates to the draft allocation of the DIP Facility across the Portfolio;

² These figures have not been updated since the Sixth Report; however, the Monitor does not anticipate that they have changed materially since then.

- c) engaging with various stakeholders, including municipalities, regarding the status of the Portfolio;
- d) corresponding directly with cities and municipalities regarding outstanding court orders, water arrears and property taxes pertaining to the Properties;
- e) engaging with the Applicants' insurance broker regarding the transfer of insurance on certain Properties and to confirm insurance is in place on all Properties;
- f) dealing with tenant issues, including delinquent accounts;
- g) managing the Applicants' cash flow;
- h) corresponding with various trades regarding accounts payable;
- i) processing payments for day-to-day operations;
- j) corresponding with various utility service providers to ensure continuity of services and to confirm outstanding account balances;
- k) corresponding routinely and attending meetings with the Secured Lender Representative Counsel;
- l) corresponding with and responding to enquiries on a daily basis from numerous Secured and Unsecured Lenders;
- m) responding to numerous requests from Secured Lenders regarding leases, tenant payment history and the DIP allocation;
- n) corresponding with the DIP Lender in connection with funding and other information requests;
- o) corresponding with the DIP Lender and other prospective lenders in connection with exit financing required to implement the credit bid transactions and finance the remaining portfolio, subject to Court approval;
- p) engaging with Richmond and the SID Companies regarding property site visits requested by certain Secured Lenders prior to the deadline to submit credit bids under the Restructuring Term Sheet;
- q) corresponding with certain Secured Lenders in connection with the 16 properties identified as "Equity Amount Properties" in the Restructuring Term Sheet and arranging for appraisals of these properties;
- r) logging and tracking hundreds of credit bid submissions; and
- s) corresponding with certain Secured Lenders regarding credit bid submissions, including about the purchase price amounts, and reviewing supporting documentation in respect thereof.

3.2 Restructuring Term Sheet

1. The Restructuring Term Sheet established deadlines of September 20, 2024 for first mortgagees, and September 30, 2024 for second mortgagees, to submit credit bids for their respective properties. In total, the Monitor received 323 credit bids, each accompanied with the required deposit. Subject to Court approval to be sought at the next motion in these proceedings and completion of the credit bid transactions, 84 properties will remain in the Portfolio.
2. On October 11, 2024, the Monitor sent an update (the “October 11th Notice”) to all Lenders and posted the notice on its Case Website. A copy of the October 11th Notice is attached as Appendix “E”.
3. Given the number of credit bids received and the economics of the remaining Portfolio, the Monitor is working with stakeholders, including the DIP Lender and Court-appointed representative counsel, to finalize a path forward. As set out in the October 11th Notice, the Monitor is working to have the management and liquidation of the remaining portfolio remain as consistent as possible with the terms of the Restructuring Term Sheet. However, additional time is needed to finalize financing and other arrangements before the Monitor is in a position to seek Court approval of the credit bid transactions and related relief.

4.0 Cash Flow Forecast

1. As at the date of this Report, the Applicants have fully drawn on the \$15 million available under the DIP Facility. The following table provides a summary of the uses of the DIP funding through October 17, 2024.

(unaudited; C\$000s)	
Receipts	
DIP funding	15,000
Other Receipts	777
	<hr/>
	15,777
Disbursements	
Professional fees	(6,538)
Property taxes	(3,484)
DIP Facility Costs and Interest	(1,506)
Other	(1,466)
Advances to Applicants’ bank accounts	(1,399)
Insurance	(316)
Total Disbursements	<hr/>
	(14,709)
Balance in Monitor’s Trust Account	<hr/>
	1,068

2. Explanations of certain line items in the table above are as follows:
 - a) the purpose of the table is to reflect the Applicants' uses of the DIP funding over the course of these proceedings. As all DIP funding has been advanced to the Monitor's trust account, activity in the Applicants' bank accounts is not reflected in the table above; however, the Monitor has taken control over the Applicants' bank accounts in accordance with the Expanded Powers Order. As at the date of this Report, there is \$428,558 in the Applicants' bank accounts (in addition to approximately \$1.1 million in the Monitor's trust account, which excludes any deposits received from credit bidders);
 - b) professional fees include the fees of the Applicants' counsel, the Monitor and its counsel, the DIP Lender's counsel, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the SISP Advisors. These professional fees are paid through July, 2024; and
 - c) amounts reflected as advances to the Applicants' bank accounts have largely been used to fund renovations, utilities, repairs and maintenance and other operating expenses incurred over the course of these proceedings.
3. The Monitor has prepared the Cash Flow Forecast for the period November 1, 2024 to November 30, 2024. The Cash Flow Forecast is attached as Appendix "F".
4. Subject to the underlying assumptions, the Cash Flow Forecast reflects that there is sufficient funding available to the Applicants to continue to operate in these proceedings through to the proposed stay extension date of November 30, 2024. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "G". The Monitor has not sought the statutory report on the Cash Flow Forecast to be executed by the Applicants given the Expanded Powers Order.

5.0 Stay Extension

1. The Stay Period currently expires on October 31, 2024. The Monitor, on behalf of the Applicants, is seeking an extension of the Stay Period until November 30, 2024.
2. The Monitor recommends the extension for the following reasons:
 - a) the Honourable Justice Steele's endorsement issued in these proceedings dated July 31, 2024, included the following: "*In the context of a "super-Monitor" in CCAA proceedings, the monitor is held to the good faith standard.*" As "super" Monitor in these CCAA proceedings, the Monitor believes it is discharging its duties and obligations under the CCAA, the Expanded Powers Order and other orders made in these CCAA proceedings in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extension is granted;
 - c) based on the Cash Flow Forecast, there is projected to be funding available to fund operations and the costs of these proceedings during the extension period; and

- d) an extension of the Stay Period will provide the time necessary for the Monitor to finalize financing and other arrangements in order to seek the Credit Bid Vesting Order (as defined in the Restructuring Term Sheet) and related relief in respect of the go-forward management and liquidation of the remaining Portfolio.

5.1 Additional Stay Parties

1. Pursuant to the Expanded Powers Order, the stay of proceedings remains in place in favour of the Additional Stay Parties until the Monitor files the Monitor's Transition Period Termination Certificate. The Monitor will file this certificate upon completion of the transition of the property management function from the SID Companies to Richmond.
2. As at the date of this Report, the transition of the property management function is ongoing. All vacant properties have been successfully transitioned to Richmond, while the transition of the tenanted properties remains in process. It appears the transition is still a month or two from being entirely complete.
3. To date, Mr. Suitor has not been involved in the transition process and/or the property management functions. As Mr. Suitor and his property are now subject to the Suitor Interim Receivership Order and a pending bankruptcy application, the Monitor does not believe there is any basis or need for Mr. Suitor to receive the benefit of the stay of proceedings in these proceedings. Accordingly, at the next motion before the Court, the Monitor intends to seek an order, on notice to Mr. Suitor, removing Mr. Suitor as an Additional Stay Party in these proceedings.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant an extension of the Stay Period to November 30, 2024.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR
OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC.,
MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC.,
THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC.
AND JOINT CAPTAIN REAL ESTATE INC. AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) THURSDAY, THE 28TH
)
JUSTICE KIMMEL) DAY OF MARCH, 2024
)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
***ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY
GILMORE INC., INTERLUDE INC., MULTIVILLE INC.,
THE PINK FLAMINGO INC., HOMETOWN HOUSING
INC., THE MULLIGAN INC., HORSES IN THE BACK INC.,
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE
INC. (collectively the "Applicants", and each an "Applicant")

SECOND AMENDED AND RESTATED INITIAL ORDER
(Amending Initial Order Dated January 23, 2024, as Amended and Restated on February
15, 2024)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for a Second Amended and Restated Initial Order was heard this day by judicial videoconference via Zoom.

ON READING the affidavits of Robert Clark sworn January 23, 2024 and the Exhibits thereto, January 28, 2024 and the Exhibits thereto (the "**First Clark Affidavit**"), March 24, 2024 and the Exhibits thereto, and March 27, 2024 and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated January 23, 2024, the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated January 29, 2024, the Supplement to the First Report of the Monitor dated February 13, 2024, the Second Report of the Monitor dated March 26, 2024, the Amended Initial Order of this Court dated January 31, 2024, and the Amended and Restated Initial Order of this Court dated February 15, 2024, and on being advised that the secured creditors who are likely to

be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Secured Lender Representative Counsel (as defined below), the Unsecured Lender Representative Counsel (as defined below), counsel to the DIP Lender (as defined below), and such other counsel that were present, no else appearing although duly served as appears from the affidavits of service of Joshua Foster, filed, and on reading the consent of KSV to act as the Monitor,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meaning ascribed to them in the First Clark Affidavit.

3. **THIS COURT ORDERS** that, with the exception of paragraphs 30-38, references in this Order to the "date of this Order", the "date hereof" or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being January 23, 2024 (the "**Initial Order**").

APPLICATION

4. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with the Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature

and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement and the Definitive Documents (each as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives (as defined below):

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses;
- (b) amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address environmental or regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order; and

- (c) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement and the Definitive Documents, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, in each case, with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and in the DIP Agreement and the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

11. **THIS COURT ORDERS** that notwithstanding any other provision of this Order and for greater certainty, the Applicants shall not make any payments or incur any liabilities, including without limitation drawing on the credit facility provided under the DIP Agreement, without the prior written consent of the Monitor.

RESTRUCTURING

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement and the Definitive Documents, have the right to:

- (a) dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,500,000 in the aggregate, in each case, with the prior written consent of the Monitor; and
- (b) pursue all avenues of refinancing, restructuring, selling or reorganizing its Business or Property, in whole or part, with the oversight and involvement of the Monitor and subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

NO PROCEEDINGS AGAINST THE APPLICANTS, THE BUSINESS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including April 30, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

14. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), or against or in respect of any of the Additional Stay Parties' current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

15. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of the Additional Stay Parties or the Additional

Stay Parties' Property in respect of the Related Claims that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, accounting services, temporary labour and staffing services, warehouse and logistics services, security services, insurance, transportation services, maintenance services, construction services, utility or other services to the Business or

any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, 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 applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

NO PRE-FILING VERSUS POST-FILING SET-OFF

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that (i) are or may become due to any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from any of the Applicants in respect of obligations arising on or after the date of this Order, or (ii) are or may become due from any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to any of the Applicants in respect of obligations arising on or after the date of this Order, in each case without the prior written consent of the applicable Applicant and the Monitor or further Order of this Court.

APPOINTMENT OF SECURED LENDER REPRESENTATIVE COUNSEL

21. **THIS COURT ORDERS** that Chaitons LLP (the "**Secured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the secured lenders of the

Applicants (collectively, the "**Secured Lenders**"), including, without limitation, all of the Secured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") or in any other proceeding respecting the insolvency of the Applicants that may be brought before this Court (collectively, the "**Insolvency Proceedings**"), for any issues affecting the Secured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Secured Lenders.

22. **THIS COURT ORDERS** that the Secured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Secured Lenders to be nominated as Court-appointed representatives (collectively, the "**Secured Lender Representatives**") as soon as practicable following the date hereof. The Secured Lender Representatives, if and once appointed, shall represent the Secured Lenders other than any Secured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Secured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Secured Lenders in the Insolvency Proceedings. The Secured Lender Representative Counsel may rely upon the advice, information and instructions received from the Secured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Secured Lenders, except as may be recommended by the Secured Lender Representative Counsel or ordered by this Court.

23. **THIS COURT ORDERS** that, with the exception of any Secured Opt-Out Lender, (i) the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall represent all of the Secured Lenders in the Insolvency Proceedings, and (ii) the Secured Lenders shall be bound by the actions of the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings.

24. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and Lift Capital Incorporated shall provide the following information to the Secured Lender Representative Counsel (collectively, the "**Secured Lender Information**"), in each case, without charge: (i) the

names, last known address, last known email addresses (if any) and entitlements of all of the Secured Lenders (excluding any Secured Opt-Out Lender that has delivered a Secured Opt-Out Notice (as defined below) prior to the delivery of the Secured Lender Information), in each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated, to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Secured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Secured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated. In providing the Secured Lender Information, these parties are not required to obtain the express consent of any Secured Lender authorizing the disclosure of the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended (the "PIPEDA") each of these parties is authorized and permitted to disclose the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Secured Lenders.

25. **THIS COURT ORDERS** that notice of the appointment of Secured Lender Representative Counsel shall be provided by: (i) the Secured Lender Representative Counsel sending a letter to the Secured Lenders at the addresses provided pursuant to paragraph 24 of this Order, advising of such appointment as soon as practicable following the date hereof; (ii) the inclusion of the details of such appointment in the CCAA Notice (as defined below); and (iii) the posting of notice of such appointment on the Monitor's Website (as defined below).

26. **THIS COURT ORDERS** that any Secured Lender who does not wish to be represented by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Secured Lender Representative Counsel in writing that such Secured Lender is opting out of representation by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, by delivering to the Monitor and the Secured Lender Representative Counsel an opt-out notice in the form attached as Schedule "A" hereto (each, a "**Secured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, and shall represent itself

or themselves, as the case may be, or be represented by any counsel that such Secured Lender may retain at its or their, as the case may be, sole expense (each such Secured Lender that delivers a Secured Opt-Out Notice in compliance with the terms of this paragraph, a "**Secured Opt-Out Lender**"). The Monitor shall deliver copies of all Secured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

27. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Secured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Secured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

28. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Secured Lender Representative Counsel or the Secured Lender Representatives, as applicable, the Applicants and the Monitor.

29. **THIS COURT ORDERS** that the Secured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

APPOINTMENT OF UNSECURED LENDER REPRESENTATIVE COUNSEL

30. **THIS COURT ORDERS** that Goldman Sloan Nash & Harber LLP (the "**Unsecured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the unsecured lenders of the Applicants other than (i) The Lion's Share Group Inc. and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, The Lion's Share Group Inc. or its principal, Claire Drage (collectively, the

"Unsecured Lenders"), including, without limitation, all of the Unsecured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in the Insolvency Proceedings, for any issues affecting the Unsecured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Unsecured Lenders.

31. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Unsecured Lenders to be nominated as Court-appointed representatives (collectively, the "**Unsecured Lender Representatives**") as soon as practicable following the date hereof. The Unsecured Lender Representatives, if and once appointed, shall represent the Unsecured Lenders other than any Unsecured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Unsecured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Unsecured Lenders in the Insolvency Proceedings. The Unsecured Lender Representative Counsel may rely upon the advice, information and instructions received from the Unsecured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Unsecured Lenders, except as may be recommended by the Unsecured Lender Representative Counsel or ordered by this Court.

32. **THIS COURT ORDERS** that, with the exception of any Unsecured Opt-Out Lender, (i) the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall represent all of the Unsecured Lenders in the Insolvency Proceedings, and (ii) the Unsecured Lenders shall be bound by the actions of the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings.

33. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and The Lion's Share Group Inc. shall provide the following information to the Unsecured Lender Representative Counsel (collectively, the "**Unsecured Lender Information**"), in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Unsecured Lenders (excluding any Unsecured Opt-Out Lender that has delivered an Unsecured Opt-Out Notice (as defined below) prior to the delivery of the Unsecured Lender Information), in

each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc., to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Unsecured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Unsecured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc. In providing the Unsecured Lender Information, these parties are not required to obtain the express consent of any Unsecured Lender authorizing the disclosure of the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the PIPEDA, each of these parties is authorized and permitted to disclose the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Unsecured Lenders.

34. **THIS COURT ORDERS** that notice of the appointment of Unsecured Lender Representative Counsel shall be provided by: (i) the Unsecured Lender Representative Counsel sending a letter to the Unsecured Lenders at the addresses provided pursuant to paragraph 33 of this Order, advising of such appointment as soon as practicable following the date hereof; and (ii) the posting of notice of such appointment on the Monitor's Website.

35. **THIS COURT ORDERS** that any Unsecured Lender who does not wish to be represented by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Unsecured Lender Representative Counsel in writing that such Unsecured Lender is opting out of representation by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, by delivering to the Monitor and the Unsecured Lender Representative Counsel an opt-out notice in the form attached as Schedule "B" hereto (each, an "**Unsecured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, and shall represent itself or themselves, as the case may be, or be represented by any counsel that such Unsecured Lender may retain at its or their, as the case may be, sole expense (each such Unsecured Lender that delivers an Unsecured Opt-Out Notice in compliance with the terms of this paragraph, an "**Unsecured Opt-Out Lender**"). The Monitor

shall deliver copies of all Unsecured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

36. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Unsecured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Unsecured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

37. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, as applicable, the Applicants and the Monitor.

38. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

39. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

40. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

41. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court, the Secured Lender Representatives and/or the Unsecured Lender Representatives at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) liaise and consult with the Applicants, the Secured Lender Representatives and/or the Unsecured Lender Representatives, to the extent required, with respect to all matters relating to the Property, the Business, the Restructuring, and such other matters as may be relevant to these proceedings;
- (d) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis as agreed with the DIP Lender;
- (e) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed

with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed with the DIP Lender;

- (f) monitor all payments, obligations and transfers as between the Applicants and parties related thereto;
- (g) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (k) (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and such other matters as may be requested by the Secured Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor, and (ii) report to the Secured Lender Representatives, the Unsecured Lender Representatives and the Court on the findings of such investigation as the Monitor deems necessary and appropriate; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

42. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

43. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

44. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

45. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors and other representatives acting in such capacities shall incur any liability or obligation

as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

46. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Monitor, and counsel to the Applicants are hereby authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

48. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicants' counsel, the Secured Lender Representative Counsel and the Unsecured Lender Representative Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 55 and 57 hereof.

DIP FINANCING

49. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other

general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court.

50. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP agreement between the Applicants and the DIP Lender dated as of January 26, 2024 and attached to the First Clark Affidavit as Exhibit "F" (as may be amended and/or assigned from time to time, the "**DIP Agreement**").

51. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

52. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 55 and 57 hereof.

53. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement,

Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

54. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the DIP Agreement and the Definitive Documents.

VALIDITY AND PRIORITY OF THE CHARGES CREATED BY THIS ORDER

55. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,500,000); and

Second – DIP Lender's Charge (to the maximum amount of \$12,000,000, plus interest, fees and expenses).

56. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

57. **THIS COURT ORDERS** that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other

security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

58. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

59. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

60. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Applicant's interest in such real property lease.

SERVICE AND NOTICE

61. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (ii) within ten (10) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

62. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksv advisory.com/experience/case/sid> (the "**Monitor's Website**").

63. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor, and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown in the books and records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

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

65. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Eastern Time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

GENERAL

66. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than seven (7)

business days' notice to the Service List and any other party or parties likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 55 and 57 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

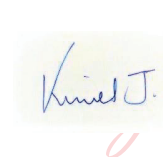
67. **THIS COURT ORDERS** that, notwithstanding paragraph 66 of this Order, each of the Applicants, the Monitor, the Secured Lender Representative Counsel or the Unsecured Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

68. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

69. **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 Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

70. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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 Monitor 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.

71. **THIS COURT ORDERS** that the Initial Order, as amended and restated on February 15, 2024, is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

 Digitally signed
by Jessica
Kimmel
Date: 2024.03.28
15:13:50 -04'00'

SCHEDULE "A"
FORM OF SECURED LENDER OPT-OUT NOTICE

To: Chaitons LLP, in its capacity as
Court-appointed Lender
Representative Counsel
5000 Yonge Street, 10th Floor
North York, ON M2N 7E9
Attention: George Benchetrit
Email: george@chaitons.com

KSV Restructuring Inc., in its capacity as
Court-appointed Monitor
220 Bay Street, 13th Floor
Toronto, ON M5J 2W4
Attention: Christian Vit
Email: cvit@ksvadvisory.com

with a copy to:

Bennett Jones LLP
Applicants' Counsel
3400 One First Canadian Place
Toronto, ON M5X 1A4
Attention: Joshua Foster
Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP
Monitor's Counsel
Suite 3200, Bay Adelaide Centre – North
Tower
40 Temperance Street
Toronto, ON M5H 0B4
Attention: Ryan Jacobs and Joseph Bellissimo
Email:
rjacobs@cassels.com/jbello@bellissimo.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Chaitons LLP, representative counsel (the "**Lender Representative Counsel**") for all of the secured lenders of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

Witness

Signature of Opt-Out Lender or its
authorized representative

Name of individual or authorized
representative of the Opt-Out Lender:

Name of Opt-Out Lender
(if not a natural person):

Address:

Telephone:

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE
ABOVE ADDRESS ON OR BEFORE FEBRUARY 22, 2024.**

SCHEDULE "B"
FORM OF UNSECURED LENDER OPT-OUT NOTICE

To: Goldman Sloan Nash & Harber LLP, KSV Restructuring Inc., in its capacity as
in its capacity as Court-appointed Court-appointed Monitor
Lender Representative Counsel 220 Bay Street, 13th Floor
480 University Ave, Suite 1600 Toronto, ON M5J 2W4
Toronto, ON M5G 1V6 Attention: Christian Vit
Attention: Mario Forte Email: cvit@ksvadvisory.com
Email: forte@gsnh.com

with a copy to:

Bennett Jones LLP
Applicants' Counsel
3400 One First Canadian Place
Toronto, ON M5X 1A4
Attention: Joshua Foster
Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP
Monitor's Counsel
Suite 3200, Bay Adelaide Centre – North
Tower
40 Temperance Street
Toronto, ON M5H 0B4
Attention: Ryan Jacobs and Joseph Bellissimo
Email:
rjacobs@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Goldman Sloan Nash & Harber LLP, representative counsel (the "**Lender Representative Counsel**") for certain of the unsecured lenders of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

Witness

Signature of Opt-Out Lender or its
authorized representative

Name of individual or authorized
representative of the Opt-Out Lender:

Name of Opt-Out Lender
(if not a natural person):

Address:

Telephone:

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE
ABOVE ADDRESS ON OR BEFORE APRIL 27, 2024.**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA
INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN
THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.**

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

Proceeding commenced at Toronto

**SECOND AMENDED AND RESTATED
INITIAL ORDER**

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
Tel: (416) 777-6254
Email: zweigs@bennettjones.com

Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

Thomas Gray (LSO# 82473H)
Tel: (416) 777-7924
Email: grayt@bennettjones.com

Lawyers for the Applicants

Appendix “B”

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

THE HONOURABLE) TUESDAY, THE 25TH
)
JUSTICE OSBORNE) DAY OF JUNE, 2024

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY
GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS
INC. AND JOINT CAPTAIN REAL ESTATE INC. (collectively the
“Applicants”, and each an “Applicant”)**

**ORDER
(Expansion of Monitor’s Powers)**

THIS MOTION, made by the secured lenders of the Applicants, by their representative counsel, Chaitons LLP (“**Secured Lender Representative Counsel**”), appointed pursuant to the Initial Order of this Court dated January 23, 2024, as subsequently amended and restated by Orders dated February 15, 2024 and March 28, 2024 (as amended and restated, the “**SARIO**”), for an order expanding the powers of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) and related relief, was heard this day by judicial videoconference via Zoom.

ON READING the Fourth Report of the Monitor dated June 11, 2024, the Fifth Report of the Monitor dated June 17, 2024, the Supplement to the Fifth Report of the Monitor dated June 23, 2024, the Affidavit of Robert Clark sworn June 20, 2024, the Affidavit of Sofia Pino sworn June 14, 2024, the Affidavit of Paul Searle sworn June 14, 2024, the Affidavit of Andrew Adams sworn June 14, 2024, the Ancillary Order of this Court dated June 25, 2024, and such other materials that

were filed, and on being advised that each of the affected parties consents to the granting of this Order, and on hearing the submissions of Secured Lender Representative Counsel, counsel to the Applicants, Unsecured Lender Representative Counsel, counsel to the Monitor, counsel to The Fuller Landau Group Inc. in its capacity as court-appointed receiver and trustee in bankruptcy of The Lion's Share Group Inc., counsel to the DIP Lender, and such other counsel that were present, no one else appearing although duly served as appears from the affidavits of service, filed,

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record 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 capitalized terms used in this Order and not defined herein shall have the meanings ascribed to them in the SARIO.

EXPANSION OF MONITOR'S POWERS

3. THIS COURT ORDERS that in addition to the powers and duties of the Monitor set out in the SARIO, any other Order of this Court granted in this CCAA Proceeding, the CCAA and applicable law, and without altering in any way the obligations of the Applicants in this CCAA Proceeding, the Monitor is hereby empowered and authorized, but not required, to exercise any powers which may be properly exercised by a board of directors or any officers of the Applicants to cause the Applicants, to, including without limitation:

- (a) exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of 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) manage, operate, and carry on the business of the Applicants, 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 Applicants, including, subject to paragraph 5 hereof, terminating any and all agreements between the Applicants and any of the SID Companies (as defined below) on twenty-one (21) days' written notice by the Monitor to the applicable SID Companies;
- (d) instruct consultants, appraisers, agents, experts, auditors, accountants, managers, property managers, counsel and any other advisors currently engaged or retained by the Applicants;
- (e) engage any other consultants, appraisers, agents, experts, auditors, accountants, managers, property 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 Monitor's powers and duties, including without limitation those conferred by this Order;
- (f) receive and collect all monies and accounts now owed or hereafter owing to the Applicants and to exercise all remedies of the Applicants in collecting such monies;
- (g) settle, extend or compromise any indebtedness owing to the Applicants, including determining whether a court-ordered claims process is required;
- (h) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, in the name and on behalf of the Applicants;
- (i) 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 Applicants and/or the Property, and to settle or compromise any such proceedings;
- (j) market any or all of the Property or pursue other alternative transactions in respect of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, negotiating such terms and conditions of sale or other

transactions as the Monitor in its discretion may deem appropriate, including, but not limited to transactions in connection with the Sale and Investment Solicitation Process approved pursuant to the SISP Approval Order issued in this proceeding on April 12, 2024, as deemed appropriate by the Monitor;

- (k) report to, meet with and discuss with such affected Persons as the Monitor deems appropriate on all matters relating to the Property and this proceeding, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (l) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof;
- (m) exercise any shareholder, partnership, joint venture or other rights which the Applicants may have; and
- (n) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so on behalf of the Applicants, to the exclusion of all other Persons, including the Applicants' directors, officers, employees and/or other representatives (including but not limited to Aruba Butt, Ryan Molony, Robert Clark and Dylan Suitor), and without interference from any other Person.

4. THIS COURT ORDERS that notwithstanding the SARIO, Bennett Jones LLP ("**Bennett Jones**") shall not be entitled to payment of any legal fees by the Applicants in connection with any services provided to, or for the benefit of, the Applicants or the principals of the Applicants (including any Additional Stay Parties) following the date of this Order, nor shall such fees be subject to the Administration Charge.

5. THIS COURT ORDERS that, without limiting the foregoing or the SARIO, each of SIDRWC Inc. o/a SID Developments, SID Management Inc. and 2707793 Ontario Inc. o/a SID Renos (collectively, the "**SID Companies**") shall, for a minimum period to be agreed upon

between the Monitor and the SID Companies, each acting reasonably, until the effective date of the termination by the Monitor of the applicable agreements between the Applicants and the SID Companies, or until further Order of this Court (the earlier of such periods being hereinafter the “**Transition Period**”):

- (a) continue to perform the services provided by them to the Applicants notwithstanding the transition of such services, in whole or in part to one or more alternative service providers, and continue to be remunerated, in accordance with their existing contracts, agreements and/or arrangements described in paragraphs 46-49 of the Affidavit of Robert Clark sworn January 23, 2024, with the Applicants, as may be required by the Monitor and in doing so shall exclusively report to and take direction from the Monitor on behalf of the Applicants, provided that the SID Companies shall not be required to pay for any costs or expenses whatsoever on the Applicants’ behalf without reimbursement;
- (b) forthwith remit any monies collected by them on behalf of the Applicants to the Monitor, including without limitation all rent collected on behalf of the Applicants, provided that the SID Companies shall not be required to pay for any costs or expenses whatsoever on the Applicants’ behalf without reimbursement;
- (c) subject to paragraph 7, as may be requested by the Monitor, cooperate with the Monitor in the provision of the transition services set out in Schedule “A” hereto and any other transition services as may be agreed to in writing by the Monitor and the SID Companies (collectively, the “**Transition Services**”) provided by the SID Companies to alternative service providers determined by the Monitor; and
- (d) refrain from incurring any obligations, or making any commitments, on behalf of any of the Applicants, including with respect to any ongoing or future renovations of the Applicants’ Property, without the prior written consent of the Monitor.

6. THIS COURT ORDERS that the Monitor shall serve on the Service List and the SID Companies, and post on the Monitor’s Website a certificate confirming the end of the Transition Period (the “**Monitor’s Transition Period Termination Certificate**”).

7. THIS COURT ORDERS that, during the Transition Period, the SID Companies shall be paid their reasonable fees and disbursements, in each case, at rates to be agreed to in writing by the Monitor and the SID Companies, each acting reasonably, in connection with the provision of the Transition Services. The Applicants are hereby authorized and directed to pay the accounts of the SID Companies in connection with the Transition Services on a monthly basis or pursuant to such other arrangements agreed to between the Monitor and the SID Companies.

8. THIS COURT ORDERS that the SID Companies, the Monitor and their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing the Transition Services requested by the Monitor, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the SID Companies or the Monitor, as applicable, as determined by this Court in a final order that is not subject to appeal or review.

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the SID Companies and each of their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons are hereby authorized and permitted to disclose and transfer personal information of identifiable individuals to the Monitor but only to the extent desirable or required to negotiate or attempt to complete the Transition Services.

10. THIS COURT ORDERS that the banks and/or financial institutions which maintain each of the Applicants' bank accounts are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for, or on behalf of and in the name of the Applicants, and shall be empowered and permitted to add and remove persons having signing authority with respect to the accounts of the Applicants. The financial institutions maintaining such accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the

Applicants, and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

11. THIS COURT ORDERS that, notwithstanding anything contained in this Order, the Monitor is not, and shall not be or be deemed to be, a director, officer or employee of any of the Applicants.

12. THIS COURT ORDERS that, without limiting the provisions of the SARIO, the Applicants shall remain in possession and control of their respective Property and the Monitor shall not take, or be deemed to have taken, possession or control of such Property, or any part thereof.

13. THIS COURT ORDERS that the Monitor shall not be liable for any employee-related liabilities of the Applicants, if any, other than amounts the Monitor may specifically agree in writing to pay. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities of the Applicants, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

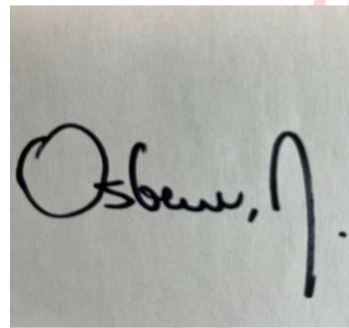
14. THIS COURT ORDERS that: (i) in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the SARIO and any other Order of this Court, and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order and exercising any powers granted to it hereunder; and (ii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

15. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicants within the meaning of any relevant

legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

16. THIS COURT ORDERS that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters and, in the event of a conflict between the terms of this Order and those of the SARIO or any other Order of this Court, the provisions of this Order shall govern.

17. THIS COURT ORDERS that nothing contained in this Order or in the Ancillary Order shall affect the claims for costs against any Person in respect of this Order and the Ancillary Order, including, without limitation the claims against the Principals described in the Factum of the Secured Lenders. Any such claims shall be determined via a schedule to be fixed at a case conference to be convened as soon as reasonably practicable among any such Persons and their respective counsel.



2024.06.
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SCHEDULE “A”

TRANSITION SERVICES

- (a) The keys to each of the units, labelled by unit, shall be provided to the Monitor.
- (b) Copies of all available existing lease agreements shall be provided to the Monitor.
- (c) The Applicants' tenants' names, email addresses, phone numbers, and identification, to the extent available, shall be provided to the Monitor.
- (d) A list of all of the Applicants' tenants' methods of payment, including all pre-authorized payment methods, shall be provided to the Monitor.
- (e) Information concerning and the details of all government assistance programs directly deposited on behalf of the Applicants' tenants shall be provided to the Monitor, which shall include, to the extent available, the name of each tenant, the name of each case worker, the name of the applicable assistance program, and the amount of monthly program assistance.
- (f) All current ledgers shall be provided to the Monitor, including 12-month historical tenant ledgers and tenant outstanding balances for both the Applicants' former and current tenants.
- (g) A list of all issued N1s and N2s, if applicable, shall be provided to the Monitor.
- (h) All current LTB Filing Numbers (tenant and landlord) shall be provided to the Monitor, including the contact information for each issuing law firm or paralegal, a list of all N4s and the applicable maturity dates, copies of all LTB notices of hearings and copies of all LTB judgements (including, eviction orders, payment plans, and section 78 orders).
- (i) The account numbers and bills per property owned by the Applicants for all utility providers shall be provided to the Monitor.
- (j) A list of all rented equipment per property owned by the Applicants shall be provided to the Monitor, including the unit address, item, term and applicable service provider.
- (k) All tax roll information per property owned by the Applicants shall be provided to the Monitor.
- (l) All outstanding minimum (or property) standards orders issued by local municipalities in respect of the Applicants' properties shall be provided to the Monitor.
- (m) Copies of all open contracts or work orders with vendors in respect of the Applicants' properties shall be provided to the Monitor.

- (n) Access to any key lockboxes on unit premises owned by the Applicants shall be provided to the Monitor.
- (o) All unit inspection reports in respect of the Applicants' properties shall be provided to the Monitor, including fire safety inspections, where applicable, for all units.
- (p) Copies of all active service agreements in respect of the Applicants' properties shall be provided to the Monitor.
- (q) All information pertaining to the Applicants' properties contained on property management software utilized by SID Management or SID Renos will be transferred to the Monitor.
- (r) All tenant application information in respect of the Applicants' properties shall be provided to the Monitor.
- (s) All former lease agreements for any of the Applicants' tenants in unresolved LTB hearings shall be provided to the Monitor, including all such former tenant names, email addresses, phone numbers, and copies of identification.
- (t) All of the Applicants' corporate and mailing addresses shall be changed to an address designated by the Monitor, including in respect of insurance and property taxes.
- (u) All of the Applicants' tenants that have been sent to collections (current and former) and the applicable collection agency shall be identified for the Monitor.
- (v) All marketing material for the Applicants' existing units shall be provided to the Monitor.
- (w) All existing outstanding workorders from the Applicants' tenants shall be provided to the Monitor.
- (x) Copies of all building permits and residential permits in respect of the Applicants and/or their properties shall be provided to the Monitor.
- (y) A list of all trades that performed work in the last year that remain under warranty shall be provided to the Monitor, including the name of the applicable vendors, the work performed, and a copy of the applicable warranties.
- (z) Any surveys in respect of the Applicants' properties shall be provided to the Monitor.
- (aa) All insurance certificates in respect of the Applicants' properties and an insurance loss run shall be provided to the Monitor.

Appendix “C”

THE HONOURABLE JUSTICE OSBORNE

OCTOBER 7, 2024

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

IN THE MATTER OF THE BANKRUPTCY
OF THOMAS DYLAN SUITOR, an individual
with a locality of Burlington, Ontario

ORDER

(Appointing Interim Receiver)

THIS MOTION made by the applicant, The Fuller Landau Group Inc., in its capacity as receiver of the property, assets and undertaking of The Lion’s Share Group Inc., (the “**Applicant**”) for an Order pursuant to section 46 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) appointing TDB Restructuring Limited (“**TDB**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, of all of the property, assets and undertaking of Thomas Dylan Sutor (the “**Debtor**”), was heard orally on October 3, 2024, in Toronto, Ontario.

ON READING the Notice of Motion of the Applicant dated August 31, 2024; the Fourth Report of the Applicant dated August 31, 2024; the Supplement to the Fourth Report of the Applicant dated September 30, 2024; the consent of TDB to act as Interim Receiver dated August 30, 2024; and the affidavit of verification of Gary Abrahamson sworn August 30, 2024;

AND UPON hearing the submissions of counsel for the Interim Receiver, counsel for the Applicant, counsel for the Debtor, and such other counsel who were present, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn September 19, 2024 and the affidavits of service of Lauren Archibald sworn September 19, 2024 and October 1, 2024.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this matter is properly heard today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 46 of the BIA, TDB is hereby appointed Interim Receiver, without security, of all of the property, assets and undertaking of the Debtor, including, without limitation, the real property described in Schedule "A" hereto (the "**Property**").

INTERIM RECEIVER'S POWERS

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

- (a) to monitor the Debtor's bank accounts and the accounts of Related Entities (as defined below) and approve all disbursements from the Debtor's bank accounts and the accounts of Related Entities;
- (b) to take any steps that the Interim Receiver may deem necessary or desirable to prevent any disbursement, withdrawal, transfer, sale, encumbrance of personal or real property of the Debtor or corporations or other entities associated with, related to or controlled by the Debtor (the "**Related Entities**"), including the Related Entities listed on Schedule "C" hereto;
- (c) to engage independent security personnel to preserve and protect the Property;
- (d) to take any steps the Interim Receiver may deem necessary or desirable to preserve and protect the personal property and real property legally or beneficially owned by the Debtor or the Related Entities pending further order of the Court including, but not limited to, changing locks, security codes and passwords and the taking of physical inventories, and the control of access to the Debtor's or the Related Entities' Records (as defined below) and premises;

- (e) 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 Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (g) to undertake any investigations deemed appropriate by the Interim Receiver with respect to the business and affairs of the Debtor;
- (h) to apply to this Court for such further relief, advice and directions as the Interim Receiver may determine as necessary or desirable;
- (i) to register a copy of this Order and any other Orders in respect of the Property against title to the Property or against title to the assets of the Related Entities;
- (j) to conduct examinations of any person, if deemed necessary in the Interim Receiver's discretion; and
- (k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtor or the Related Entities,

and in each case the Interim Receiver shall be exclusively authorized and empowered to do so, to the exclusion of the Debtor, and without interference from any other person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. **THIS COURT ORDERS** that: (i) the Debtor; (ii) all of his current and former employees, agents, accountants, legal counsel and all other persons acting on his instructions or behalf; (iii) all service providers, and all other persons acting on his instructions or behalf; (iv) all Related Entities and their respective current and former directors, officers, employees, agents, accountants, legal counsel, and equity holders; and (v) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being

“Persons” and each being a “Person”) shall forthwith advise the Interim Receiver of the existence of any Property in such Person’s possession or control, and shall grant immediate and continued access to the Property to the Interim Receiver.

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

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer, in the cloud 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 Interim Receiver for the purpose of allowing the Interim 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 Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer, cloud or other system and providing the Interim Receiver with any and all access codes, account names, account numbers, account creating credentials that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM 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 Interim Receiver except with the written consent of the Interim 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 any Related Entities or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor, the Related Entities 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 Related Entities, the Interim Receiver, or affecting the Property, including, without limitation, licences and permits, are hereby stayed and suspended except with the written consent of the Interim 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 Interim Receiver or the Debtor, to carry on any business which the Debtor, is not lawfully entitled to carry on; (ii) exempt the Interim 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.

NO INTERFERENCE WITH THE INTERIM 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 or a Related Entity, without written consent of the Interim 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 any of the Related Entities, or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, construction management services, project management services, permit and planning management services, accounting services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility or other services to the Debtor or the Related Entities, 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 Interim Receiver (including, where a notice of termination may have been given with an effective date after the date of this Order), and that the Interim Receiver shall be entitled to the continued use of the Debtor's or the Related Entities' 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 Interim 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 Interim Receiver, or as may be ordered by this Court.

EMPLOYEES

12. **THIS COURT ORDERS** that all employees of the Debtor or the Related Entities shall remain the employees of the Debtor or the Related Entities. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim 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* (the "**WEPPA**").

LIMITATION ON ENVIRONMENTAL LIABILITIES

13. **THIS COURT ORDERS** that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property or the Related Entities that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating

to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property or any property of the Related Entities within the meaning of any Environmental Legislation, unless it is actually in Possession.

LIMITATION ON THE INTERIM RECEIVER’S LIABILITY

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

INTERIM RECEIVER’S ACCOUNTS

15. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the “**Interim 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 Interim Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

17. **THIS COURT ORDERS** that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim 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 INTERIM RECEIVERSHIP

18. **THIS COURT ORDERS** that the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a credit facility, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount that is acceptable to the Applicant and as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Interim Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest, fees and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. **THIS COURT ORDERS** that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “**Interim Receiver’s Certificate**”), as modified to reflect the terms of the credit facility between the Interim Receiver and the Applicant referred to in paragraph 18, for any amount borrowed by it pursuant to this Order.

21. **THIS COURT ORDERS** that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim 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 Interim Receiver’s Certificates.

SERVICE AND NOTICE

22. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://tdbadvisory.ca/insolvency-case/d-suitor>.

23. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any creditors of the Debtor or other interested parties at their respective addresses as last shown on the records of the Debtor, and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

24. **THIS COURT ORDERS** that the Applicant, the Interim Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

GENERAL

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

26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Interim Receiver from acting as a receiver, trustee in bankruptcy or monitor of the Debtor.

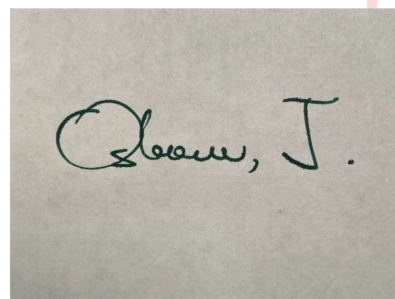
27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

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

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

30. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

31. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof without any need for entry and/or filing.

A rectangular box containing a handwritten signature in black ink that reads "Osborne, J.".

Digitally signed
by Osborne J.

Date:

2024.10.07

14:11:30 -04'00'

SCHEDULE "A"
DESCRIPTION OF REAL PROPERTY

No.	Municipal Address	PIN	Registered Owner
1.	775 King Road, Burlington, Ontario, L7T 3K6	PIN 07096-0052 (LT)	Thomas Dylan Sutor
2.	2298 Fassel Avenue, Burlington, Ontario, L7R 3P3	PIN 07077-0108 (LT)	Thomas Dylan Sutor

SCHEDULE “B”
INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that TDB Restructuring Limited, the interim receiver (the “**Interim Receiver**”) of the property, assets and undertaking of Thomas Dylan Suitor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the ___ day of August, 2024 (the “**Order**”) made in an action having Court file number BK-24-00208718-OT31, has received as such Interim Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ _____, being part of the total principal sum of \$ _____, which the Interim Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**][**monthly not in advance on the ___ day of each month**] after the date hereof at a notional rate per annum equal to the rate of percent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2024.

TDB RESTRUCTURING LIMITED, solely in its capacity as Interim Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

**SCHEDULE “C”
RELATED ENTITIES**

No.	Entity Name
1.	10 Norfolk St. Inc.
2.	1083 Main Street Inc.
3.	2657677 Ontario Inc.
4.	2710654 Ontario Inc.
5.	388 Downie St. Inc.
6.	642 Hamilton Road Inc.
7.	Commercial Urkel Inc.
8.	Conduit Asset Management Inc.
9.	Dylan Suitor Professional Real Estate Holding Corporation
10.	Elev8 Inc.
11.	Elevation Reality Network Inc.
12.	Happy Town Housing Inc.
13.	Old Thing Back Inc.
14.	Prospect Real Estate Inc.
15.	Upgrade Housing Inc.
16.	Up-town Funk Inc.

IN THE MATTER OF THE BANKRUPTCY OF THOMAS DYLAN SUITOR, AN INDIVIDUAL
WITH A LOCALITY OF BURLINGTON, ONTARIO

BK-24-00208718-OT31

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

PROCEEDING COMMENCED AT
TORONTO

INTERIM RECEIVER ORDER

NORTON ROSE FULBRIGHT CANADA LLP
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Toronto ON M5K 1E7

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Tel: 416.202.6707
jennifer.stam@nortonrosefulbright.com

Evan Cobb LSO#: 55787N
Tel: 416.216.1929
evan.cobb@nortonrosefulbright.com

Lawyers for the Receiver

Appendix “D”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP / ENDORSEMENT

COURT FILE
NO.:

BK-24-00208718-OT31

DATE: 7 October 2024

NO. ON LIST: 3,4

In the matter of the Bankruptcy of Thomas Dylan Suitor

BEFORE
JUSTICE: Osborne

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Jennifer Stam, Evan Cobb & Lauren Archibald	The Fuller Landau Group Inc, receiver of the property, assets and undertaking of The Lion's Share Group Inc.	Jennifer.stam@nortonrosefulbright.com Evan.cobb@nortonrosefulbright.com Lauren.archibald@nortonrosefulbright.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Tanya Pagliaroli & Vinayak Mishra	Thomas Dylan Suitor, Debtor	tanya@taplaw.ca vin@taplaw.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Shaun F. Parsons	The Noteholders of The Lion's Share Group Inc.	sparsons@airdberlis.com
Mario Forte	Unsecured Lenders of The Lion's Share Group Inc.	forte@gsnh.com

ENDORSEMENT OF JUSTICE OSBORNE:

The Motion

1. The Receiver of The Lions Share Group Inc. seeks an order appointing TDB Restructuring Limited as interim receiver over the property of Thomas Dylan Suito pursuant to section 46 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “*BIA*”) within this Bankruptcy Application, with the powers and responsibilities as set out in the draft order appended to the Motion Record.
2. The Receiver relies upon the Fourth Report dated August 31, 2024, the Supplement to the Fourth Report dated September 30, 2024 and the Affidavit of Verification of Gary Abrahamson sworn August 30, 2024, together with their respective Appendices and Exhibits.
3. The Receiver’s motion, which it brings in its capacity as Receiver and not for any self-interested purpose, is supported by:
 - a. Representative Counsel to the Secured Creditors appointed in the Balboa CCAA Proceedings (described below);
 - b. Representative Counsel appointed in the Balboa CCAA Proceedings on behalf of the holders of the non-Lion’s Share unsecured claims; and
 - c. Representative Counsel appointed in the Lion’s Share receivership proceedings on behalf of the LS Lenders (described below).
4. The Debtor opposes the appointment of an interim receiver and relies on his affidavit affirmed September 26, 2024 and his supplementary affidavit affirmed October 2, 2024, together with Exhibits thereto.
5. Defined terms in this Endorsement have the meaning given to them in the motion materials unless otherwise stated.
6. For the reasons set out below, the motion is granted.

The Test

7. There is no dispute about the applicable test. An interim receiver may be appointed pursuant to section 46(1) of the *BIA* if:
 - a. an Application for a Bankruptcy Order has been filed; and
 - b. the appointment of an interim receiver is necessary for the protection of the estate.
8. There is no issue here that an Application for Bankruptcy Order in respect of the Debtor was filed on August 30, 2024 in the judicial district of the Debtor’s locality, in this case, Burlington, Ontario.
9. Accordingly, the focus on this motion is on the second branch of the test. Courts have held that in determining whether an interim receiver is necessary for the protection of the estate, the moving party must establish that:
 - a. on a balance of probabilities, the creditor petitioning the debtor into bankruptcy is likely to succeed in obtaining a Bankruptcy Order; and
 - b. there is an immediate need for protection of the debtor’s estate due to the grave danger that assets will disappear, or the estate is otherwise in jeopardy.

See: *Konopy, Re*, 2009 CanLII 44412 (ONSC) (“*Konopy*”) at para. 21, quoting with approval from Houlden and Morawetz, *Bankruptcy and Insolvency Law of Canada*, 4th ed., (Toronto: Carswell, Looseleaf ed., 2009) at p. 2-115.

10. It is important to note at the outset of the analysis that I am not determining for the purposes of this interim receivership motion whether the Bankruptcy Application will succeed. That is for another day. The purpose of an interim receivership pursuant to section 46 of the *BIA* is to protect the interests of secured creditors during the brief period between the time when a secured creditor delivers the Notice and the determination of the Bankruptcy Application.
11. Moreover, the powers of an interim receiver are intended to advance this interim objective of conserving assets and are limited, both generally by section 46(2) which specifies those things that the court may direct an interim receiver to do, and specifically in this case by the terms of the draft order sought by the Receiver. Those terms are discussed further below.

Receiver Likely to Succeed in Obtaining a Bankruptcy Order

12. The Receiver submits on this motion that the Bankruptcy Application is likely to be successful since Suitor has engaged in several acts of bankruptcy, and that it is clear that a trustee in bankruptcy should be appointed over his affairs for the benefit of all stakeholders.
13. The Receiver further submits that its investigation is continuing, so the full extent and quantum of Mr. Suitor’s indebtedness and obligations to Lion’s Share under certain promissory notes and/or otherwise, continues to be investigated. For this reason, it was unable to quantify an exact quantum of that indebtedness (even subject to per diem interest and costs that continue to accrue).
14. The overarching context within which this motion is brought is relevant to this analysis.
15. The Receivership Order in the Lion’s Share Receivership Proceedings appointing the Receiver over the property of Lion’s Share was granted on April 3, 2024.
16. Lion’s Share carried on business of, among other things, issuing promissory notes to individuals and corporations (the “LS Lenders”) to generate funds to then be advanced as loans, usually by way of promissory notes issued to corporations and individuals (“LS Borrowers”). The assets of The Lion’s Share consist almost exclusively of these unsecured loans to borrowers documented through those promissory notes.
17. Claire Drage (“Drage”) is the owner of the Lion’s Share. Drage filed an assignment in bankruptcy on April 8, 2024, five days after the Receivership Order was made in the Lion’s Share Receivership Proceedings.
18. One of those significant LS Borrower groups is a group of borrowers consisting of a number of corporations collectively referred to as the “Balboa Borrowers”.¹ The Balboa Borrowers commenced CCAA proceedings which are continuing.
19. The Debtor, Dylan Suitor (“Suitor”), is one of the four principals of the Balboa Borrowers. By order made in the Balboa CCAA Proceedings on June 25, 2024, the powers of the Balboa CCAA Monitor were substantially enhanced, and the power and authority of the four principals to manage or govern the Balboa CCAA Borrowers was correspondingly displaced.
20. The Receiver submits that Suitor has significant liabilities and obligations to Lion’s Share as one of the Balboa Principals, and pursuant to other direct obligations and personal guarantees.

¹ The Balboa Borrowers are defined at paragraph four of the Fourth Report.

21. The Receiver submits on this motion that the Debtor is indebted to Lion's Share in the amount of \$23,169,435.25 plus chargeable enforcement costs incurred to date and interest and costs that continue to accrue.
22. The Receiver has identified at least 16 Related Entities through searches and public filings owned or controlled by the Debtor (the name of each Related Entity is set out in the motion materials).
23. For all of these reasons, the Receiver submits that interim relief to prevent creditors from getting an advantage over other creditors is appropriate. It further submits that the appointment of an interim receiver is not prejudicial to the Debtor since the powers will be restricted to requiring the Debtor to provide full disclosure with respect to all of his holdings and those of his companies, and powers necessary to preserve his assets.
24. The Receiver submits that numerous acts of bankruptcy under section 42 of the *BIA* have been committed here and that the Debtor has ceased paying his obligations generally as they become due.
25. The Debtor disputes that either of the two branches of the test has been met here. He takes the position that he is not personally indebted to Lion's Share, and while he concedes that it is his signature on the relevant promissory notes, he submits that he did not understand that he was giving any personal guarantees or that he had personal liabilities.
26. I begin with the Bankruptcy Application. It states at paragraph two that:
 - the said Debtor is justly and truly indebted to Lion's Share for, among other things, the following amounts:
 - a) \$1,267,948.83; and
 - b) \$1,403,393.17.
27. Those amounts represent indebtedness owing to Lion's Share pursuant to various promissory notes. A number of those notes are appended to the Fourth Report at Appendix "A".
28. The Affidavit of Verification sworn in support of the Bankruptcy Application is to the same effect, and states that the Debtor is indebted to Lion's Share [for the above amounts] and that the debt "arises from promissory notes signed and guaranteed by Thomas Dylan Sutor in favour of Lion's Share on behalf of a number of companies indebted to Lion's Share, including 10 Norfolk St. Inc. and 388 Downie St. Inc. [among others]" (the Sutor Lion's Share Notes").
29. Upon its appointment, the Receiver reached out to Sutor to discuss these Sutor Lion's Share Notes and a plan for repayment of same. Sutor did not provide any proposal for repayment.
30. The Receiver made formal Demands on the notes on June 18, 2024 and August 16, 2024, which Demand Letters are also attached to the Fourth Report as Appendices "B" and "C" respectively. Each of those two Demand letters sets out the amount owing in respect of the specific named Sutor Lion's Share Borrowers. For example, in the June 18, 2024 Demand Letter, the following amounts are demanded:
 - a. 10. Norfolk \$281,342.35;
 - b. 388 Downie \$130,980.21;
 - c. Commercial Urkel \$273,398.32;
 - d. Happy Town \$318,426.20; and
 - e. Up-town Funk \$263,801.75.

31. Those amounts in the aggregate equal the sum of \$1,267,948.83 referred to above in the Bankruptcy Application.
32. The June 18, 2024 Demand Letter was also delivered to Suitor as guarantor of the above obligations.
33. Subsequent to the June 18 2024 Demand Letter, additional Suitor Lion's Share Notes matured and were not repaid, with the result that the second Demand Letter, the August 16, 2024 Demand Letter, was delivered demanding repayment of the second amount referred to above in the Bankruptcy Application, \$1,403,393.17 pursuant to an additional promissory note dated February 16, 2023.
34. The Fourth Report (at paragraph 19) states that in addition to the above obligations, there is an additional Promissory Note owed by Suitor and in default with a principal balance of \$177,974.69 and interest continuing to accrue.
35. It is agreed by the parties that for the purposes of this motion, the language of each of the Suitor Lion's Share Notes is substantially the same in the relevant respects. For the purposes of this motion, I reference the language of the Note that appears first at Appendix "A" to the Fourth Report in respect of 10 Norfolk Street Inc. to which both parties referred in their materials and submissions, and which they both agreed was representative of all of the Notes at issue.
36. I pause to observe that this company is one of the 16 companies identified in the motion materials as being owned and controlled by Suitor. As noted above, Suitor does not dispute that he owns and controls these 16 companies and indeed admits such in his affidavit (see paragraph 20, and the reference to "my corporation 10 Norfolk St. Inc." and paragraph 21, and the reference to "my corporation 388 Downie Inc.").
37. In submissions this was confirmed, and his counsel further fairly conceded that there is no issue that the debts are due and owing by the corporate entities.
38. Those companies owned several properties (see Appendix "D" to the Fourth Report). As further described below, pursuant to the terms of the Suitor Lion's Share Notes, the Borrowers agreed to allow a charge to be registered against title to those properties. Pursuant to Orders granted by this Court on June 12 and June 26, 2024, respectively, the Receiver was authorized to register the orders on title to those properties, to protect the interests of the Lion's Share estate for the benefit of its creditors.
39. In addition to guaranteeing obligations of the Lion's Share Borrowers, the Receiver submits that Suitor also guaranteed certain obligations of the Balboa Borrowers (entities of which he is one of four principals). Suitor also owns, directly or indirectly through 2657677 Ontario Inc., at least four of these Balboa Borrowers: Interlude, Hometown, Horses, Neat Nests (collectively with Mulligan, the "Suitor Balboa Borrowers").
40. At the time of filing, Suitor was the sole director of these parties. According to corporate profile reports for these entities appended to the Fourth Report, Suitor was an officer, director and shareholder of the Suitor Balboa Borrowers but it appears that he has recently resigned as director and officer.
41. As set out in the Clark Affidavit (Appendix "F") and the Fourth Report (see paragraph 24), the Suitor Balboa Borrowers had outstanding mortgage debt as of December 31, 2023 in amounts exceeding \$25 million. According to the Receiver, certain of those loans were guaranteed by Suitor. Those same entities are obligated under a series of unsecured notes with principal amounts that were due on January 23, 2024 and in the specific amounts set out at paragraph 26 of the Fourth Report. In the aggregate, they total over \$35 million, of which approximately \$23 million is owed to the Lion's Share. That amount is in addition to the obligations owed by the Suitor Lion's Share Borrowers.
42. Suitor's position on this motion is that his personal guarantees of those corporate obligations are not valid. Indeed, this was his principal defence to the motion.

43. As stated above, Suitor does not contest that:
- a. the Suitor Lion's Share Notes were validly issued;
 - b. the Suitor Lion's Share Notes were properly and validly executed by Suitor himself on behalf of the relevant corporation named in each;
 - c. the terms of the Notes were agreed;
 - d. the principal amount of each Note is accurate, and the funds were advanced;
 - e. the funds remain owing by those respective Suitor Lion's Share Borrowers to Lion's Share, and the Notes have not been repaid.
44. Suitor maintains, however, that the obligations under these Notes are those of the respective corporations, and not him personally as a Borrower. Suitor further submits that to the extent that there was any intention that he be a Guarantor, the Notes lack sufficient particulars to give rise to an enforceable guarantee with the result that he is not personally liable thereunder.
45. For the limited purpose of this motion (i.e., whether an interim receiver should be appointed), and recognizing that the relief sought is temporary in nature and that the issue can and will be finally determined in the Bankruptcy Application itself, I am satisfied that the Receiver is likely to succeed on the Bankruptcy Application.
46. It is of assistance to look at the language of these Suitor Lion's Share Notes themselves.
47. The 10 Norfolk Street Inc., Promissory Note Loan Agreement states, in relevant part, the following:
- a. Recital: "Borrowers: 10 Norfolk Street Inc. (the "Borrowers") with personal guarantor(s) Dylan Suitor (the "Borrowers")";
 - b. Article 8: "This Note is secured by the Lender's right to register this Note on title on **all or any properties held by the Borrowers and Guarantors as security** (the "Security") if not paid in full by 6:00 PM on April 13, 2024." [emphasis in original]; and
 - c. Signatories: "Dylan Suitor 10 Norfolk St. Inc. (Borrowers)" and "Dylan Suitor (Borrowers/Guarantors)".
48. Suitor submits that these Notes are the basis for the Demand Letters delivered, that the Receiver did not advance the position before delivery of its factum on this motion that Suitor was a Borrower as well as a Guarantor, and that the guarantee language in the Notes set out above, without more, is insufficient to create an enforceable guarantee.
49. Suitor submits that the definition of "Borrowers" is at best ambiguous and at worst refers to the company only and not him in his personal capacity.
50. For the purposes of this motion only, in my view, it is far from clear that Suitor is not a Borrower as well as a Guarantor. The recital excerpted above states that 10 Norfolk Street is defined as "the Borrowers", as are both that company together "with personal guarantor(s) Dylan Suitor". While the reference or potential reference to the plural of "Borrower" in both instances reflects drafting that is arguably not as clear as it could be, there is a very real argument that Suitor is both a Borrower and a Guarantor.
51. I am reinforced in this conclusion, again for the limited purposes of this motion, by the two other Articles of the Note excerpted above. First, Article 8 refers to other properties held by both the Borrowers and Guarantors as security. Second, Suitor signs as a signatory twice. It is undisputed that he signs first on behalf of the corporate Borrower, 10 Norfolk.

52. However, he also signs a second time. Suitor argues on this motion both that he is not a Borrower, and also that he is not a Guarantor since he did not appreciate or understand that he was signing as such. This is, in contradistinction to the fact that he expressly signs (separate and apart from signing as a corporate representative) as “Borrower/Guarantor”.
53. If Suitor is correct that only the corporate entity was bound, and intended to be bound, by the terms of the Note, including the guarantee, that would have been acknowledged and agreed to by that corporate entity through Suitor’s first signature on its behalf. There must be an explanation as to the intention of the parties and the legal effect as to what Suitor’s second signature, as “Borrowers/Guarantors” means.
54. Again, in my view, there is a real argument on the Bankruptcy Application that Suitor is a Borrower as well as a Guarantor.
55. Leaving aside for a moment the issue of Suitor’s liability as a Borrower, Suitor also denies liability with respect to the guarantee His submission is that the three excerpted paragraphs set above comprise the only references to the guarantee obligation or the fact that Suitor signed in his capacity as personal Guarantor, and that, without more, those provisions are insufficient to give rise to an enforceable guarantee obligation.
56. Suitor submits that these Lion’s Share Promissory Notes were drafted by Drage and/or her group of affiliated companies, including Lion’s Share. He further submits that: Drage encouraged him not to get legal advice; while he “entered into the Lion’s Share Promissory Notes”, he did so without knowledge that he would be bound as a personal guarantor with unlimited liability (factum, para. 5(c)); he entered into the Notes on the basis that they were short-term instruments that his companies would be able to pay off at the end of the term with additional funds promised by Drage and her companies; Drage unilaterally altered terms of the Notes and increased interest payments contrary to his expectations and often without notice; and, finally, that the Notes contain insufficient certainty of terms.
57. With respect to all of those factual defences, Suitor relies on his affidavits. He disputes that he personally owes any money to Lion’s Share pursuant to the Lion’s Share Promissory notes *as a guarantor*, and repeats the statements advanced on his behalf in his factum as set out above (paragraph eight).
58. Suitor further denies owing any funds to Lion’s Share under the Lion’s Share Promissory Notes *personally* (paragraph nine), although notwithstanding this, he submits that he is “committed to try to get the most value out of the properties owned by my corporations to satisfy as many of the secured and unsecured creditors as possible on behalf of the corporations who are party to the agreements” (paragraph 19). I pause to observe that this reinforces my conclusion that an interim receivership is appropriate at this time. It is intended to achieve precisely the objective that Suitor states is also his own objective.
59. With respect to Suitor’s argument about the technical sufficiency of the language in the guarantees, he places considerable reliance on the *Konopy* decision referred to above.
60. In that case, the basis for the bankruptcy order was liability pursuant to a guarantee. A number of arguments were advanced on behalf of the debtor there as to why the applicant had failed to show that a bankruptcy order was “almost certain” to be made, including the fact that there was no original of the guarantee, no evidence at all concerning the circumstances in which the guarantee was executed, the guarantee was not signed by the petitioning creditor, and notwithstanding the alleged execution of the guarantee, the creditor repeatedly sought to obtain a personal guarantee - i.e., it did not consider the form relied upon to be a guarantee (see *Konopy*, at paragraph 18).
61. Strathy J. went on to observe, noting circumstances similar to the present case, that the guarantor in that case did not deny that he had signed the form or that his signature was forged, but rather that he had no recollection of signing the form. (paragraph 24).

62. Notwithstanding all of this, the Court in *Konopy* was satisfied that the applicant had made out a *prima facie* case that the guarantor had indeed signed the guarantee. Strathy J. further observed that: “the form of the guarantee is simple and clear. He guarantees payment of all money due by his company ... There may be defences, whether technical or substantial, but those defences will have to be proven and have not been identified to me. Richards has established a meritorious claim, on the balance of probabilities.”. (para. 25).
63. The approach of Strathy, J. is equally applicable here. Suitor challenges the certainty of terms of the guarantee document he admits he signed. For example, and with respect to 10 Norfolk (although, as noted above, the same argument applies to all of the Notes), and notwithstanding that the language of the Note sets out clearly the principal amount advanced, the applicable interest rate, the maturity and due date for the Note on which date the principal and interest was due and owing, the fact that the Lender could register security on any Property of the Borrowers or the Guarantors if the Note was not repaid on maturity, Suitor submits that there is no certainty as to what amount he guaranteed or when it was due.
64. Suitor further submits that this lack of clarity of language has been held in other cases to be fatal to the successful enforcement of guarantees. See, for example: *Waterloo-Oxford Co-Operative Inc. v. Hamm*, 2005 CanLII 2953; *Times Square v. Shimizu*, 2001 BCCA 448; and *Bank of Nova Scotia v. Williamson*, 2009, ONCA 754, among others.
65. As Strathy J. found in *Konopy*, there may be defences, whether technical or substantial, but those defences will have to be proven. All of that can occur at the hearing of the Bankruptcy Application.
66. I observe that, while Suitor submits as noted above, that Drage and/or her affiliated companies drafted the Notes including the guarantees, that Suitor did not understand he was incurring any liability, and Drage unilaterally amended terms from time to time such that there is no meeting of minds and there was the presence of undue influence, there is no evidence on this motion from Drage or anyone else other than Suitor with respect to the circumstances surrounding the negotiation and execution of these documents. All of that can be explored in the Bankruptcy Application.
67. Finally, Suitor challenges the motivation of the moving party on this motion, which has been held to be a relevant factor in considering the appointment of an interim receiver: *La Hogue Financial Management Services Ltd., v. One Shaftesbury Community Association*, 2005 CanLII 25954 at paras. 29-34.
68. In my view, the motivation of the petitioning creditor here militates in favour of the appointment of an interim receiver. The Receiver is not seeking any relief to advance its own beneficial interest. On the contrary, it is acting exclusively for the benefit of the creditors and the estate generally, in accordance with the terms of its appointment order. It is not a petitioning creditor with a vested interest in recovering funds for its own benefit. Moreover, it is not seeking any beneficial entitlement finding, but rather preservation of assets for an interim period of time.
69. For all of these reasons, I am satisfied that for the purposes of this motion, the Receiver is on a balance of probabilities likely to succeed on the Bankruptcy Application.

Immediate Need for protection of the Debtor’s Estate

70. The Receiver submitted that there was some urgency to the appointment of an interim receiver given its submission that the estate is in jeopardy. It further submits that the appointment of a receiver is just and convenient for the protection of the Debtor’s estate, given the steps the Receiver submits that Suitor has taken to deal with and dissipate assets surreptitiously despite extensive claims, the absence of any meaningful steps to resolve his debts, and the concerns of a high volume of competing creditors.
71. Among others, the Receiver submits two things.

72. First, it submits that in March and May, 2024, the Debtor appears to have granted mortgages to National Bank over two residential properties owned by him for \$3,200,000 and \$1,450,000, respectively, and that it is unclear what Suitor used the proceeds of these loans for.
73. Second, it submits that on May 21, 2024, the Debtor, through one of his holding companies, Elevation Realty Network Inc., purported to take charges in respect of properties owned by one of the LS Borrowers (Happy Town Housing Inc.). After initially suggesting that value had been given for these mortgages, Suitor failed to provide any response to the Receiver after it requested the evidence of such value.
74. All of this is of particular concern, submits the Receiver, given the facts set out in the Fourth Report of the Balboa CCAA Monitor dated June 11, 2024. That Report, appended to the Fourth Report of the Receiver as Appendix “K” and filed on this motion, included findings, among others, that the principals of the Balboa Borrowers had:
- a. engaged in questionable transfers without any apparent benefit to the business, including over \$4 million of payments to corporations affiliated with Suitor or to Suitor himself;
 - b. caused the Balboa Borrowers to make questionable dividend payments;
 - c. exhibited a pervasive lack of proper record keeping and other deficient business practices; and
 - d. in the case of Suitor specifically, swearing false statutory declarations.
75. It was these concerns, placed before the Court through the Fourth Report of the Balboa CCAA Monitor on the motion to expand the powers of that Monitor and restrict the powers of the principals of the Balboa Borrowers (of whom Suitor is one of four), that caused the Court to grant that relief.
76. In addition to the above, the Receiver submits that given the Related Entities that Suitor owns or controls, including those that have been identified by the Receiver to date (and those in turn include the 16 companies referred to above), and further given the sheer number of claims and potential claims to be asserted against Suitor and those Related Entities, interim relief is appropriate to prevent creditors from “jumping the queue” and attempting to gain an advantage over other creditors and/or prejudice the estate and creditors generally.
77. In this regard, and while there is currently in place a stay of proceedings against Suitor in respect of personal claims against him in connection with his obligations related to the Balboa Borrowers, that stay may soon expire upon the completion of transition of management of property in connection with the expansion of the powers of the Balboa CCAA Monitor, after which time the Receiver fully expects that there will be possibly hundreds of additional claims against Suitor absent the granting of the bankruptcy order and the interim receivership order sought here.
78. For his part, Suitor admits that he placed the mortgages and charges on the properties referred to above and highlighted by the Receiver. He maintains that he did so, however, in the ordinary course and not for any improper purpose.
79. I have reviewed all of that evidence. I accept that (as attached as exhibits to Suitor’s affidavit), he has now produced documents such as mortgages and wire confirmations related to the proceeds of the mortgages and loans and questions.
80. It may be that he ultimately succeeds on the Bankruptcy Application in satisfying the Court that he continues to meet his obligations as they come due. However, and notwithstanding his affidavit evidence, in my view, it is appropriate that the interim receiver be appointed in the circumstances where the Receiver has been seeking information from him for months, those inquiries remain outstanding, and there are a number of outstanding questions and issues relating to Suitor’s assets and those of his companies. The

interim receivership will sift through all of this information, and attempt to sort out all of that material, and the resulting entitlements.

81. Moreover, and even if Suitor ultimately establishes on the Bankruptcy Application that, for example, the two National Bank mortgages were placed in the ordinary course to refinance existing obligations, and even if he can further establish that the use of proceeds was not an attempt to dissipate or hide assets from the Receiver (see, for example, paragraphs 26 – 55 relating to the National Bank mortgages, and paragraphs 57- 74 with respect to the Elevation transaction), it is of significant concern that he would not have, at a minimum, disclosed these transactions to the Receiver and to the Balboa CCAA Monitor at the time, and moreover sought their consent.
82. It is not an answer in my view, to say (as he submits) that Suitor undertook some of the transactions at issue before the date of the Notice of Bankruptcy Application. Those transactions clearly took place during the currency of the Balboa CCAA Proceedings (during which Suitor enjoyed the protections that flow from the stay of proceedings - creditors were prohibited from commencing proceedings against him), and indeed he was of course well aware not only of those Proceedings, but also of the fact that the powers of the Monitor had been enhanced and his powers and those of his fellow co-principals restricted, for the very reasons that the Monitor had concerns about Suitor, his companies and the transactions they had undertaken.
83. Given that, aside from all else, these transactions were undertaken while the stay against imposed in the context of the Balboa CCAA Proceedings was pending, it is difficult to accept the submission that these transactions were undertaken as Suitor submits “in the ordinary course” at all. Respectfully, nothing is ordinary about the circumstances of the Balboa CCAA Proceeding, and the Lion’s Share Receivership Proceeding. Significant questions about the whereabouts of millions of dollars belonging to investors remain unanswered.
84. A number of these transactions were undertaken within three months of the insolvency, at least as of August, 2024. I pause to observe the obvious with respect to the Suitor Lion’s Share Promissory Notes: while Suitor has, according to his own affidavit, been working with and cooperating with other unrelated creditors with a view to paying (secured) debts apparently owing to them, the Notes have not been repaid, by Suitor or the companies he owns and controls, the Demand Letters have not been satisfied, and he has advanced no plan or proposal for the repayment of those Notes, even in the record filed in respect of this motion.
85. In addition, Suitor states in his affidavit that he has “been working with secured creditors to minimize costs and maximize returns” (paragraph 25). Suitor goes on to describe how he has been working to negotiate standstill agreements with banks, attempt to sell other properties and engage in other activities involving his assets and those of companies he controls.
86. For example, and with respect to one property (43 Centre), he describes in his affidavit how the Bank of Montréal wanted to proceed with the sale in its capacity as first ranking mortgagee, and that notwithstanding the refusal of the Receiver to consent, BMO intends to go ahead with the sale in any event and intends to proceed with a Notice of Intent to Enforce Security.
87. The Bank may, ultimately, establish that it is entitled to a first priority interest. However, this transaction is one about which the Receiver has concerns, and it is illustrative about the overarching challenge here arising from the interrelated web of Balboa and Lion’s Share principals, entities and transactions: the property at 43 Centre was sold to Suitor’s parents indirectly, through a numbered company they own, as has been admitted. (See electronic mail communication to counsel for the Receiver from Suitor’s counsel respecting this transaction dated August 19, 2024).
88. It was, therefore, a related party transaction. Whatever the ultimate entitlements may be, these assets should not be transferred and encumbered while all the issues described above are still being investigated

and resolved or determined. That is exactly the type of circumstance where an interim receivership to preserve assets is appropriate.

89. In addition, Suitor describes in detail in his affidavit, and in the context of his description of events regarding the two National Bank mortgages, the “Addison King Mortgage” (paragraphs 42 and on). He states that paragraph 50(b) and in the related chart in the affidavit that he paid \$353,965 to [the law firm with carriage of the mortgage transaction] “by selling investments in a Scotiabank investing account”, all of which was inconsistent with the outstanding and unsatisfied Demand from the Lion’s Share Receiver.
90. In my view, the chaos that will inevitably result in the circumstances of all of the above from an ad hoc series of efforts by individual creditors who understandably wish to maximize their own position, and the fact that all of this will have the further effect of increasing costs and risking prejudice to other creditors, can and should be avoided or at least minimized through the interim receivership.
91. Moreover, Suitor submits that the allegations against him in the Balboa CCAA Proceedings are “at its highest, allegations of questionable business practices on the part of Suitor in separate CCAA Proceedings that [the Receiver] has been aware of since June 2024 and which have no direct bearing on the issues to be decided on this motion.”
92. I cannot accept the submission as a basis to decline to appoint an interim receiver. In my view, and for the reasons set out above, I am satisfied that the activities of Suitor and companies that he owns or controls (or owned or controlled at the relevant time, and in respect of which he has recently resigned as a director) are inextricably intertwined with the very issues that underlie the Balboa CCAA proceedings.
93. As noted above, Suitor is one of the four principal Balboa Borrowers, the powers of whom were expressly restricted by the Court on motion in that proceeding as a result of concerns arising out of the very issues that underlie both the concerns in that proceeding and Suitor’s assets and entities that are the subject of the proposed interim receivership on this motion.
94. The notion that the issues in the Balboa CCAA Proceedings have no direct bearing on the issues to be decided on this motion is artificial. They are inescapably linked, and the full extent of the relationship between and among all of these entities is the very thing that it is proposed that the interim receiver will investigate if appointed, all in order that creditors and stakeholders are not prejudiced, and beneficial entitlement to those assets can be determined in a fair and transparent way.
95. To be clear, the Receiver does not take the position on this motion that Suitor has misappropriated assets in undertaking the transactions on which the Receiver relies and in respect of which Suitor maintains he undertook for no improper purpose. The point is that Suitor is in fact using and dealing with his assets and those of companies he owns or controls, all in the face of the unsatisfied Demands and the matters being undertaken in the course of both the Balboa CCAA Proceedings and the Lion’s Share Receivership Proceeding.
96. Finally, the powers of the proposed interim receiver will, as set out above, be limited. The fact that those powers are not unlimited is a factor to be considered in approving the interim receivership. An interim receiver is not appointed in a vacuum, and the terms of the proposed appointment are relevant to whether the appointment should be made.
97. The draft order would permit the interim receiver, if appointed, to:
 - a. monitor Suitor’s bank accounts in the accounts of Related Entities and approve all disbursements;
 - b. take any steps deemed necessary or desirable to prevent disbursements, transfers or encumbrances of property;
 - c. to undertake investigations deemed appropriate;

- d. to apply to this Court for further advice and directions; and
- e. undertake other related activities.

98. The object and intent of the proposed interim receivership is to identify and preserve assets in this interim period. It is the disclosure necessary to identify and preserve those assets that the Receiver maintains has been lacking today. I also observe that the powers sought for the interim receiver here are substantially similar to the powers already granted to the Balboa CCAA Monitor. Again, and to state the obvious, those powers do not include the ability to make any final determination as to entitlement to assets of Suitor or companies that he controls. They do, however, provide for the preservation of those assets pending such determinations.
99. Given Suitor's own expressed objective as described in his affidavit of assisting in working with creditors, I accept the submission of the Receiver that the prejudice to him by this interim receivership is limited.
100. Moreover, other than as to the transactions described in his affidavits, which he maintains represent ordinary course refinancings or working with existing creditors in any event, there is no evidence of other recent or pending transactions that would be impacted in any event.
101. Finally in this regard, Suitor submits that he has given an undertaking - confirmed in Court by his counsel - to the effect that while these proceedings are pending, he will not seek to sell, transfer, convey, encumber or otherwise deal with any of his property, including but not limited to real property and other assets, without the consent of the Receiver or further order of the Court.
102. That is consistent with the objects of the receivership, but achieving this asset preservation in the context of the receivership will maximize the fairness and transparency of the process while immensely complex transactions are investigated and explored in a fair and transparent manner. The undertaking, while acknowledged, does not provide the visibility into what is admittedly a complex web of transactions, as I am satisfied is required here.
103. For all of these reasons, I am satisfied that there is an immediate need for protection of the debtor's estate due to the grave danger that assets will disappear, or the estate is otherwise in jeopardy.

Result and Disposition

104. For all of the above reasons, the motion is granted. Order to go in the form signed by me and attached to this Endorsement which has immediate effect without the necessity of issuing and entering.

Appendix “E”



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October 11, 2024

Re: Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses in the Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the “Applicants”)

The purpose of this notice is to provide the Applicants’ secured and unsecured creditors with a brief status update following the credit bid deadlines under the restructuring term sheet approved pursuant to an order of the Ontario Superior Court of Justice (the “**Court**”) dated August 30, 2024 (the “**Restructuring Term Sheet**”).

Please be advised that 323 credit bids were submitted by the applicable deadlines for first and second mortgagees, being September 20 and 30, 2024, respectively. Accordingly, the Monitor is currently working with key stakeholders, including the Applicants’ DIP lender, to formulate the path forward for the completion of the credit bid transactions and the management of the remaining portfolio, including the financing required in respect thereof. The Monitor is working to have the management and liquidation of the remaining portfolio remain as consistent as possible with the terms of the Restructuring Term Sheet.

The Monitor intends to schedule a motion before the Court as soon as possible to seek approval of the credit bid transactions and related relief. All Court materials for that motion will be made available in the next few weeks on the Monitor’s website (<https://www.ksvadvisory.com/experience/case/SID>).

Yours truly,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC.,
THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES
IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “F”

Projected Statement of Cash Flows

For the Period Ending November 30, 2024

(Unaudited; \$CAD)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (the "Applicants") for the period November 1, 2024 to November 30, 2024 (the "Period") in respect of the proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical

2. Represents rents collected from tenants, net of property management fees.

Most Probable

3. Represents miscellaneous expenses, capital expenditures and tenant concessions for repairs.
4. Represents accrued amounts owing to contractors for renovation costs incurred for the Applicants' vacant units. The Monitor does not intend to approve any additional renovation costs.
5. Represents accrued and projected fees and disbursements of the Applicants' legal counsel, Secured and Unsecured Lender Representative Counsel, the Monitor and its legal counsel and the DIP Lender's legal counsel.

Appendix “G”

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE
INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN
REAL ESTATE INC.**

MONITOR'S REPORT ON CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants") as of the 23rd day October, 2024, consisting of a weekly projected cash flow statement for the period November 1, 2024 to November 30, 2024 ("Cash Flow") has been prepared by the Monitor for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 23rd day of October, 2024.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR
OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC.,
INTERLUDE INC., MULTIVILLE INC.,
THE PINK FLAMINGO INC., HOMETOWN HOUSING INC.,
THE MULLIGAN INC., HORSES IN THE BACK INC.,
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.
AND NOT IN ITS PERSONAL CAPACITY**