

Court File No. CV-24-00721560-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

EQUITABLE BANK

Applicant

and

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, C.43, AS AMENDED**

RESPONDING MOTION RECORD

October 15, 2024

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TO : **SERVICE LIST**

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TAB 1

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AFFIDAVIT

I, Sergiy Shchavyelyev, of the City of Richmond Hill, in the Regional Municipality of York, MAKE OATH AND SAY:

1. I am President and CEO of the Respondent, Equityline SPV Limited Partnership ("**Equityline SPV**"). I am also president and CEO of Equityline Mortgage Investment Corporation ("**Equityline MIC**") and Equityline Services Corporation. ("**Equityline Services**").

2. I make this affidavit in opposition to the Receiver's motion seeking to expand the Receivership over Equityline MIC and Equityline Services and to approve the First Report.

Background

3. As of June 6, 2024, the principal amount owing by Equityline SPV to Equitable was \$10,310,037.26.

4. Pursuant to the Receiver's report, the face value of the 25 Mortgages in the Equityline SPV portfolio is \$13,849,000, of which \$10,074,000 was funded by Equitable and the remaining funded by Equityline MIC into the structure of Equityline SPV. The entire portfolio with the face value of \$13,849,000 plus all accrued interest owed by the defaulting mortgagors is currently already subject to the Receivership Order.

5. Equitable did not receive any security against Equityline MIC and Equityline Services as part of its loan arrangements with Equityline SPV.

6. In the Receiver's report at page 5, the Receiver identifies 4 issues which it claims are critical and which issues it is relying on for the purposes of expanding the Receivership.

7. I will address each of those issues in my affidavit.

The alleged "serious questions" arising from mortgagor claims of fraud

8. Firstly, in paragraph 4(b) of its report, the Receiver suggests that 8 mortgagors have alleged fraud, which for it "*raised serious questions regarding the validity of the mortgages.*"

9. In its report, the only support for its "serious questions" is a single statement of defence and counterclaim.

10. The Receiver has not produced the remaining defences and counterclaims or an affidavit from any of the 8 mortgagors alleging any particulars of fraud against Equityline SPV.

11. The Receiver has not produced a legal opinion regarding any of the 8 mortgages where fraud has been alleged.

12. The Receiver has not produced any report or investigation from the title insurer in relation to the alleged fraud. It is unclear if the Receiver has even reported the allegations to the title insurer as it only seems to have reviewed the pleadings according to its report.

13. I reviewed the statement of defence and counterclaim attached as Appendix C of the Receiver's First Report (the "**Jank Claim**"). Even if the allegations are proven as stated, the said allegations are unrelated to Equityline SPV's participation in the mortgage loan.

14. In the Jank Claim, there are no allegations that Equityline SPV was connected to the alleged bad actors, being the two individuals who visited Ms. Jank, the lawyer, Danielle Harrison, and the mortgage broker, The Mortgage Maven.

15. Further, in paragraph 29 of the Jank Claim, the plaintiff admits she received \$273,039.83 in mortgage proceeds from Equityline SPV.

16. Equityline SPV would not be aware of Ms. Jank's or any other mortgagor's arrangements with their lawyers or mortgage brokers, and the use of the proceeds of the mortgage by the mortgagor is completely unknown to Equityline SPV and out of its control. As with all private mortgages, Equityline SPV and the mortgagor had independent legal representation.

17. The Jank Claim alleges that the fraudsters convinced Ms. Jank to apply for a loan to fund participation in a class action lawsuit, and when Ms. Jank received the proceeds of the Equityline SPV mortgage, the same actors defrauded her of the proceeds by forcing her to invest them in a fraudulent renovation project.

18. Equityline SPV would not know what debts or registered interests its mortgage advance is paying off. Its only concern is the loan to value ratio and confirming that its lawyer has provided an opinion that its security is both valid and title insured.

19. By mentioning these allegations of fraud in its report without pointing out that even if there was any fraud, that the loss is fully covered under title insurance, the Receiver is both undervaluing the existing security and insinuating that the fraud being alleged is related to Equityline.

20. The Jank Claim clearly does not raise any serious questions regarding the validity of the Equityline SPV mortgages.

21. That being said, it is not surprising to me that mortgagors would defend a mortgage action or make allegations of fraud to try to delay the enforcement proceedings. Mortgagors often engage in delay tactics. The frustrating thing is that Computershare/Equitable and now the Receiver, have failed or refused to put a stop to these tactics and collect on the defaulting mortgages.

22. For example, in the Receiver's supplementary report, it states that 1096 William Street in London "is in excellent condition and occupied by tenants. The tenants refused to accept a notice from Richmond Advisory Services." The reason the "tenants" refused is because they are actually the registered owners and guarantor who have already agreed to vacate the property following the execution of Minutes of Settlement. There is already a judgment and a writ of possession in place and the property was ready to be listed. The status of the enforcement proceedings had been reported to Computershare/Equitable and then the Receiver yet they have not acted to secure and sell the property. My enforcement counsel repeatedly offered to assist the Receiver with

this and other mortgage files that are ready for sale so that the previous collection efforts would not be wasted and the mortgage could be realized upon as soon as possible. Instead, the Receiver is incurring additional costs and is not moving enforcement along. Attached as **Exhibit "A"** is a copy of the Minutes of Settlement, Writ of Possession and Judgment in the matter related to 1096 William Street.

23. In reviewing the Receiver's activities set out in its Report, it appears that it has yet to take any steps to move the enforcement proceedings forward or even initiate investigations by the title insurer of the fraud allegations.

24. The actual critical issue is that the mortgages are in default. The sooner that enforcement commences, the sooner the security can be realized for the benefit of all stakeholders.

25. I believe that the Receiver simply wants access to the Equityline MIC portfolio to liquidate mortgages which it evaluates may be more quickly liquidated once it has control over Equityline MIC.

The alleged admission of transfers to Equityline MIC

26. In paragraph 4(c) of the Report, the Receiver states that a critical issue is that Equityline SPV has disclosed unauthorized diversion of \$1.6M in mortgage repayments from Equityline SPV to Equityline MIC.

27. This is not true.

28. On August 16, 2024, the Receiver sent a demand for payment of \$1,574,880 to Equityline MIC purportedly based on two statements it purports that I made allegedly admitting that \$1,574,880 of Equityline SPV security had been transferred to Equityline MIC. Attached as **Exhibit "B"** is a copy of the demand.

29. In its demand, the Receiver stated that it became aware on July 16, 2024 that \$725,280 had been paid from the proceeds of Equityline SPV mortgages to Equityline MIC based on the affidavit I filed in the Receivership.

30. However, Equitable did not register a PPSA within 30 days of July 16, 2024.

31. The Receiver then purports in the said demand that I stated in a meeting on August 14, 2024 that “the aggregate value of five mortgages that had been discharged was \$1,574,880, all of which had been paid to Equityline MIC.”

32. With respect to the second statement attributed to me on August 14, 2024, I did not state that \$1,574,880 was transferred to Equityline MIC. \$1,574,880 is the face value of the five mortgages that the Receiver and I have been discussing since April 2024. As indicated by the Receiver in its report, most of the five mortgages were sold under power of sale in 2023 which means that very likely we did not collect the full value of the mortgages.

33. Again, I did not say that Equityline MIC received those monies.

34. On August 27, 2024, Equitable registered a PPSA against Equityline MIC purportedly on the basis of the two statements from July 16, 2024 and August 14, 2024.

35. As of today, Equityline Services has paid the Receiver \$852,331.19 in relation to the five mortgages.

36. I believe that the Receiver is misattributing statements to me in August of 2024 to try to create a new 30 day window to register a PPSA registration against Equityline MIC and Equityline Services Inc. in relation to the same five mortgages we have been discussing with them since April 2024.

37. The Receiver then suggested that it was actually my lawyer who had made the admission that \$1,574,880 was transferred by Equityline SPV to Equityline MIC on August 22, 2024.

38. On September 6, 2024, Kyle Plunket for the Receiver wrote to me alleging that Equityline MIC had admitted to the transfer of funds to Equityline MIC. Specifically, Kyle's letter states as follows:

By letter dated August 22, 2024, your counsel Judy Hamilton of Friedmans LLP wrote to Rebecca Kennedy of Thornton Grout Finnigan LLP, counsel to the Receiver, **and acknowledged that the proceeds of the Unauthorized Discharges were received by EMIC** and ought to have been paid over to the SPV.

39. In fact, my lawyer had said nothing of the sort. Therefore, she provided a correction to Mr. Plunket as follows:

You have misstated my letter of August 22, 2024.

Specifically, my letter did not acknowledge that the proceeds of the discharges were received by EMIC. My letter corrected an earlier misstatement made by your firm that Equityline MIC was in receipt of the proceeds of the five mortgages.

My letter states as follows:

Equityline MIC is still in the process of tracing the proceeds of the five mortgages, **and it was neither holding or necessarily in receipt of all or part of the funds related to the said mortgages as your letter suggests.**

Both statements that you relied upon as a foundation to trace monies to EMIC were made by your firm in what appears to be an attempt to manufacture an evidentiary record.

As such there is no basis whatsoever for the registration of the security or your threatened proceeding. I suggest you withdraw the same immediately.

Attached as **Exhibit "C"** is a copy of my lawyer's responding email and original letter of August 22, 2024.

40. The five mortgages were well known to the parties well in advance of July 27, 2024. In fact, in April 2024, before the Receivership application was commenced, KSV Advisory was retained by Equitable to review the status of the mortgages in Equityline SPV portfolio and was made aware through that review that there were 3 - 5 mortgages that had been discharged without the funds being deposited into the Equityline Services Closed Account which is the account into which we generally deposited payments to Equitable when mortgages were discharged.

41. Equitable was well aware of these five transactions in or about April 2024, as the said mortgages were described in the affidavit of Brendan Smith of Equitable sworn May 31, 2024 filed in support of the Receivership, at paragraphs 28 – 32. In his affidavit, Brendan Smith confirmed that KSV Advisory, now the Receiver, was retained to perform a review of Equityline SPV's financials and confirmed that it had fully familiarized itself with the Equityline SPV's business and financial position.

42. In that same affidavit at paragraph 32, there was a chart which included a list of the five mortgages.

43. Equityline Services Corp. did not receive all of the proceeds of the five mortgages. Some of the funds went to Elle in relation to amounts owed to it under its loan arrangements with Equityline MIC. I am still waiting for a full reconciliation of the funds applied against the Elle loans. However, with respect to 2662 Meldrum Road, the property was transferred under power of sale on September 28, 2023 and net proceeds of \$375,489.70 were paid to Elle. Likewise when 9 Mowat Crescent was transferred under power of sale, Elle received \$100,000. Attached as **Exhibit "D"** are the copies of the trust ledgers related to those transfers.

44. With respect to the remaining three mortgages, Equityline Services Corp. received a total of \$1,058,766.25. Since the appointment of the Receiver, Equityline Services Corp. has repaid \$852,331.19 to the Receiver to the credit of those mortgages. I have made personal arrangements to assist Equityline Services Inc. in paying the remaining \$206,000, which I anticipate being paid before the hearing of this motion.

45. It has been difficult for us to convince the Receiver to accept the funds to repay the five mortgages. However, the Receiver finally agreed to accept the funds which are it's only receipts other than an interest payment on a single mortgage. Attached as **Exhibit "E"** is a copy of the exchange of correspondence demonstrating payment to the Receiver which has now been allocated to the five mortgages.

46. The remaining secured debt of \$10,000,000, can be recovered from the liquidation of the security in the Equityline SPV portfolio including the subordinate interests in the Elle mortgages. There is absolutely no need to reach beyond the Equityline SPV portfolio for Equitable to be made whole.

47. The final purportedly critical issue referred to by the Receiver in its report are the three additional mortgages totalling "approximately" \$1M which its states were postponed or transferred without Equitable's consent.

48. Specifically the three mortgages referred to by the Receiver which were allegedly improperly postponed and transferred are as follows.

- a. 69 Fenwood Heights. Parcel Identifier 06413-0226. Equityline SPV continues to hold a valid second and third mortgage on this property. The postponements were required because after the first mortgagee brought power of sale proceedings, Elle agreed to redeem the first mortgage so that

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Equityline SPV could preserve the security in its subordinate interests and thus a postponement was granted on August 8, 2023. Both mortgages are still registered to Equityline SPV.

- b. 135 Ben Sinclair Avenue Parcel Abstract 03419-1572. This is a mortgage for \$180,000 registered on March 14, 2022 to CCTC. On June 12, 2023 this charge was transferred from CCTC to Elle/CCTC and Equityline SPV still retains its secured interest.
- c. 22 Lord Roberts Drive. Parcel Identifier 06348-0288. This mortgage is still an Equityline SPV mortgage and could have easily been enforced by now. The mortgage was registered in the amount of \$940,000 on June 21, 2022 to the Custodian, CTCC. The mortgage was later transferred from CTCC to Equityline SPV on March 19, 2024 at CCTC's request and in anticipation of its resignation as custodian. The Receiver states in its report that this property was one of the titles which were transferred without the authorization or knowledge of the custodian CTCC. However, as previously stated in my affidavit of July 16, 2024, this mortgage was transferred to Equityline SPV at the instructions of CTCC. Attached as **Exhibit "F"** is a copy of the email between our counsel and General Counsel Irene Choe of CCTC confirming the transfer had been executed and subsequently provided to CCTC on March 19, 2024 for its records. Not only was the transfer authorized and in fact requested by CCTC, but there was also no impairment of the security and it remains registered to Equityline SPV. A statement of claim to enforce the mortgage was issued on December 14,

2022, and judgment in favour of CCTC was granted in the sum of \$1,036,700.86 with interest accruing at 7.49%. Despite the Judgment, CCTC, on the instructions of Equitable, insisted that the action be discontinued. Attached as **Exhibit "G"** are copies of the statement of claim, judgment and notice of discontinuance. This mortgage file is another example of a mortgage security that is ripe for collection that the Receiver has not pursued. Equityline SPV's enforcement counsel repeatedly requested that it be allowed to substitute Equityline SPV as the judgment creditor and pursue enforcement with full transparency. This request has been refused. In fact, it is exactly what we predicted when the Receiver was appointed in the first place that all of the efficiencies that were in place that allowed us to reduce the amount owing from \$25,000,000 to \$10,000,000 within several years will not be applied moving forward, to the detriment of the stakeholders of Equityline SPV, which are the Equityline MIC stakeholders.

49. Therefore the three additional mortgages which the Receiver implies are impaired security are actually valuable security which is currently property of the Receiver pursuant to the Receivership Order. It seems that the Receiver does not have the ability to monetize it.

50. I believe that there is sufficient security in Equityline SPV for the Receiver to realize on without expanding the Receivership to Equityline MIC and Equityline Services Inc. This includes Equityline SPV's remaining 20% interest in many mortgages that have already been repaid to Equitable, just prior to the Receivership.

51. On April 16, 2014, Elle Mortgages Inc. purchased an 80% priority interest in six defaulting Equityline SPV mortgages for the amount of \$4,508,782.50, which payment was transferred directly to Equitable in complete satisfaction of the amounts owed to its for their loans. These properties were:

- a. 89 Euclid Avenue : 832,000
- b. 26 Jackmuir Crescent: \$512,000
- c. 70 Allenby Avenue: \$288,000
- d. 91 Sequin Street \$805,120
- e. 507 Trudale Court; \$1,031,040
- f. 46 Devondale Avenue \$1,040,640.

For each of these mortgages, Equityline SPV retained the subordinate 20% interest of the first mortgage, while Equitable received payment of \$4,508,782.50 representing its entire participation in the six aforesaid mortgages. In order to facilitate this loan and assist Equityline SPV, I mortgaged my personal residence to Elle in the amount of \$465,000 to assist in the purchase of these mortgages so that the Equitable debt could be paid down.

52. The remaining 20% subordinate interest at a face value of \$1,127,195.62 in addition to significant accrued interest of approximately \$1,500,000 remain as security for Equitable's debt. I do not believe that Receiver has included the valuation of these subordinate interests in its value of the Equityline SPV mortgage portfolio.

53. In May 2024, Equityline SPV paid Equitable an additional \$3,543,600 related to the discharge of the following further mortgages:

- d. 87 Euclid Avenue, for \$944,000,
- e. 17 MacDuff Crescent for \$1,081,600,
- f. 15 Lower Jarvis Street Suite 1812 or \$501,000; and,
- g. 22 Havelock Gate for \$1,107,000

54. Again, Equitable was fully paid all interest and principal due for its 80% interest of the loans and consented to the discharges. The remaining 20% subordinate interest valued at \$885,900 in addition to accrued interest in relation to the above-noted properties remain as security for Equitable's debt and already forms part of the property currently held under Receivership. I do not believe that Receiver has included the valuation of these subordinate interests in its value of the mortgage portfolio.

55. Attached as **Exhibit "H"** are the results of the PPSA search of Equityline Mortgage Investment Corp as of October 9, 2024.

56. I note that the other PPSA Secured Parties were not provided with notice of the Receiver's motion to expand the Receivership. Equitable's registration is subordinate to the other interests already registered.

57. Elle registered a PPSA on July 28, 2021. I understand that Elle is not in favour of the Receivership over Equityline MIC.

58. Allowing the Receiver to expand the Receivership over Equityline MIC and Equityline Services is unnecessary and not practical. The Receiver will only further ramp up the costs of enforcement and cherry pick the securities it wants so that it can prefer Equitable's interests. There are many more stakeholders in Equityline MIC to balance, including investors, debenture holders and public shareholders. The Equityline MIC portfolio has a value of approximately \$17,000,000 including investments in first and second mortgages and an equity ownership interest in an office tower at 478-490 Kingston Road in Pickering.

59. I note that the Receiver has filed an inflammatory email from Eric Barapp in its supplemental report. This email contains false information and inflammatory allegations

that should not have been made into a public record by attaching it to a Receiver's report. The Receiver has been well aware of Eric Barapp since before the Receivership was granted over Equityline SPV, yet did not interview him or obtain an affidavit from him if it felt that his information would be valuable to the court.

60. Just as with respect to the Jank claim, I believe that the Receiver is engaging in character assassination by suspicion and innuendo as a means of gaining an unfair advantage.

61. I deny the allegations made in the Eric Barapp email in its entirety.

62. Eric Barapp is a personal injury lawyer who lent money to Equityline MIC through a debenture. He then referred a number of other investors to Equityline MIC and demanded that I pay him a referral fee for his services of 20%. Up until August 2024, Eric Barapp and his group of investors were being paid interest; however, when they demanded repayment of the principal of their debentures, there was insufficient capital in Equityline MIC to do so. When I advised him that he could not be a preferred creditor and that any agreement I made with him would have to be approved by the Board of Directors and the Ontario Securities' Commission, he commenced a campaign of harassment the extent of which I have never seen before.

63. While one of the debenture holders commenced an action for payment of the debenture, which is the appropriate remedy in the circumstances, Eric Barapp went on a campaign of threats and extortion against me in an effort to be repaid his debenture in advance of all of the other stakeholders. When my lawyer advised him that his emails were unbecoming a solicitor, I believe he also had other members of the group continue the campaign, including making repeated threats to show up at my office to intimidate my

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staff, my home to intimidate and harass my wife and children, threatening board members and their grandchildren, and threatening my life repeatedly by referring to the fate of Arash Missaghi and his wife (by describing it as the murder/suicide of Vadim Alan Kats).

64. Eric Barapp has engaged in a systematic assassination of my character and livelihood and the character and livelihood of those who I have worked with.

65. On June 13, 2024, Eric wrote to me and said, *"I am going to send the history of our emails to equitable and bmo bank. Have fun getting credit"...On a side note, Sergiy how's your moms leg? Overheard she may have cancer. My condolences. Is it terminal. I feel so bad. Practically crying here. Let me know if you need help with organizing a funeral- I am connected with a number of funeral directors. Always ready to lend a helping hand to a guy like you."*

66. On June 21, 2024, Eric contacted me with a veiled threat of sending people after me and my family, as follows:

Serge, I would like to comment how beautiful East Gwillmbury is beautiful parks and fields. What a beauty. My friends may visit it this weekend. Let me know where to sightsee. It's so quiet there – I am looking for inner peace -do you think i can find it there?

67. Also on June 21, 2024, Eric sent me an email where he said, *"Me and Vlad will be coming to the office on Monday actually with police." I am on the way to your office"*

68. On June 29, 2024, Eric Barapp wrote to me as follows:

*I have met Mr. Demitchev in the hallway on Thursday where he waved his hand at me saying "keep me the fuck out of it – its Serge's problem you dirty Jew."Is he choosing the Jews as the ones not to receive their money?....Some of the boys will be contacting Jewish Organization to show the continued anti semitic actions of Serge and his cousin. AIDA is important...Decision: **Have you made your decision to pay us ahead of Equitable Bank immediately?**"*

69. On June 29, 2024, Mr. Barapp wrote to my lawyer and said, among other things: *"I have a gut feeling that Serge will be busy next week, including the long weekend. Again, simply a gut feeling. If he has any health issues due to the stress he is experiencing I can recommend some of the finest cardiologists, oncologists, sleep clinics and psychiatrists.*

70. On July 12, 2024, Mr. Barapp wrote to me and said, *"We have requested that our debenture be paid out per our agreement on July 12th. Since we have not received it we will be showing up on Monday @ 10 a.m. with our family at Equityline's office to get our funds...Serge 12 July -where is our repayment per the agreement? I expect an answer today. But Serge the story just starts for you....It will be eventful I assure you.*

71. On July 12, 2024, Eric Barapp, wrote as follows, *"Should have played nice Serge, you Russian crook. Judy, your client has proved to be nothing more than a deceitful, lying, manipulative piece of human...btw have they finally cut off that leg of your moms? So sad....*

72. Also on July 12, 2024, *"How is your heart doing with all the junk crap in your office, We need the CEO to be healthy, but you didn't look too good during the meeting, well I can find more beauty in BC's drug row than with you."*

73. On July 13, 2024, Eric Barapp wrote among other things, *"Make things available before 8 p.m., you no good lazy ceo...you even have a slower thinking brain that I thought. The mentally ill special ed thinks faster then you. I guess due to your action people around you will have a fun Sunday. I assure you."*

74. Eric Barapp also threatened Equityline's board members and lawyers. His email of July 14, 2024, states, among other things, *"During the meeting we will be talking about*

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*the conduct of the solicitor of the company and 25 percent voting shareholder the guy that had his drivers license allegedly suspended due to alcohol use. I have seen him consume lots of alcohol during work hours. ...btw I saw Willie Handlers grandkids what a bunch of beautiful little munchkins. Family is very important serge. If we have too we'll go to Willie's grandkids school or camp to picket...The kids will come home and ask why grandpas face on a sign. **That's due to him not paying Eric Barapp his demands...** Picketers show up. Kid gets nervous starts having issues. Needs to see a child psychologist. The picketers did everything legal but then the classmates may poke fun at the kids, the kid may not want to attend, he may start having educational issues....As I said I can legally be a bad human...**I think the best place is to target where the kids or grandkids of the directors are for the full effect.***

75. Eric Barapp also threatened the CFO and the accountant and called them derogatory names.

76. On July 17, 2024 Eric Barapp wrote to my lawyer and asked if she was still representing Equityline because "if not Boris will be looking personally for serge at his residence, office, car club or any other place he deems fit...Boris has a brain injury just letting you know verified by neurologist. My team is wondering maybe serge was busy getting to his son's oncologist appointment that's why our offer hasn't been responded too? Please advise. Maybe he is still stuck on the dvp. Poor little munchkin. As an officer of the court you must clearly communicate. If you are failing to communicate then we will need to communicate with your client directly....**we will be coming to your office at 2 p.m. regardless.**

77. At this point my lawyer had to involve the managing partner of the firm due to the threats and unprofessionalism demonstrated by Mr. Barapp.

78. Attached as **Exhibit "I"** are copies of the emails from Mr. Barapp.

79. It appears that the Receiver did not even take the time to speak to Eric Barapp about the contents of his email or assess whether he was willing make his statements under oath. In attaching Mr. Barapp's email to the supplemental report, which is a public record, it only assists Eric Barapp on his campaign of character assassination and threats with his stated goal of being a preferred creditor of Equityline MIC.

80. It is not just and convenient to appoint a Receiver over Equityline MIC and Equityline Services Inc.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on October 15, 2024

DocuSigned by:
Judy Hamilton
9CBB5AEFBE4EF

Commissioner for Taking Affidavits
(or as may be)

JUDY HAMILTON

DocuSigned by:
Sergiy Shchavyelyev
398D1B86A5AE4ED...

SERGIY SHCHAVYELYEV

This is Exhibit "A" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

COURT FILE NO. CV-22-00001763-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Between:

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

Plaintiff

- and -

2627298 ONTARIO INC. and THOMAS LEFEBVRE

Defendants

MINUTES OF SETTLEMENT


The Plaintiff **COMPUTERSHARE TRUST COMPANY OF CANADA**, the Defendants **2627298 ONTARIO INC.** and **THOMAS LEFEBVRE**, and the Occupant of 1096 William St. London, **LOREDANA ONESAN**,

DO HEREBY AGREE TO SETTLE THIS ACTION ON THE FOLLOWIING TERMS:

1. Loredana Onesan agrees to guarantee of the debt owed to Computershare/Equityline on both the first and second mortgages on 1096 William St. London. She will sign a guarantee in the same/similar form as currently exists for Lefebvre. It shall be supported by ILA from a lawyer of her choice. This shall be provided to plaintiff's counsel by Friday of this week (the guarantee document to be provided later today/early tomorrow).
2. Judgment to issue on the motion, in this action, for \$1065974.18 as of August 1, 2023, post judgment interest at 6.99% per annum, possession of 1096 William St. and leave to issue a writ of possession. Costs of \$53000.
3. As this is on consent, there shall be and can be no appeal.

4. Onesan/262/Lefebvre to pay \$25,000 to **Equityline Services Corp.** to be applied on account of the first mortgage debt, by Friday of this week. The funds should be sent directly to it.
5. Onesan/262/Lefebvre to pay \$8500 per month to Equityline Services Corp. to be applied on account of the first mortgage debt on September 1, October 1, November 1, to be paid on their behalf by Refcio and Associates in trust, by cheques or wire transfers to Equityline Services Corp. There is a 48 hour forgiveness/forbearance for default on these, but Equityline must be notified prior to any default.
6. Writ of possession to issue. It may be filed with the London sheriff at any time, but Plaintiff/Equityline will not direct enforcement until there is default in any of the payments above, or non-delivery of the guarantee. In the event of default, writ of possession shall be exercised/enforced. No further indulgence is to be given.
7. The first and second mortgages remain open for redemption, and both must be redeemed/paid out. Statements will be provided at the time on request. These statements will include further legal fees including those of Terry Walman for the second mortgage, and for a Notice of Sale, etc. Also further legal fees as incurred in connection with this matter. Also the Equityline standard discharge fees for both mortgages will be payable.
8. If both mortgages are not paid out in full and discharged within 90 days of this date, the writ of possession shall be exercised. To be clear, the writ of possession will be exercised no later than November 15, 2023 (subject to the sheriff's schedule) if the mortgages are not paid out in full.

Executed on behalf of the Defendants and Loredana Onesan at London, Ontario
this 14th day of August, 2023 by their lawyers Refcio & Associates per:



Will Chapman/Rod Refcio

Executed on behalf of Computershare Trust Company of Canada and Equityline
MIC at Toronto, Ontario this 14th day of August , 2023 by their lawyers Glenn E.

Cohen PC per:



Glenn Cohen

Court File No. CV-22-00001763-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

COMPUTERSHARE TRUST COMPANY OF CANADA

Plaintiff



- and -

2627298 ONTARIO INC. and THOMAS LEFEBVRE

Defendants

WRIT OF POSSESSION

TO: THE SHERIFF OF THE COUNTY OF MIDDLESEX

UNDER A JUDGMENT of this Court made on August 14, 2023, in favour of the Plaintiff, Computershare Trust Company of Canada (“**Computershare**”), **YOU ARE DIRECTED** to enter and take possession of the following land and premises in your county or district:

Description: PART LOTS 26 & 27, PLAN 276 (E) City of London

PIN: 08232-0082 (LT)

Municipally Known as: 1096 William St., London, Ontario N5Y 2T5

AND YOU ARE DIRECTED to give possession of the above land and premises without delay to the Plaintiff, Computershare.

Date 29 August 2023

Issued by _____

Local Registrar

Address of court office: 80 Dundas Street
London, ON N6A 6A3

Renewed by order made on _____

Local Registrar

COMPUTERSHARE TRUST COMPANY OF CANADA -and- **2627298 ONTARIO INC. et al.**

Plaintiff

Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
LONDON

WRIT OF POSSESSION

GLENN E. COHEN PROFESSIONAL CORPORATION
141 Adelaide St. W. Suite 400
Toronto, Ontario
M5H 3L5

Glenn E. Cohen LSO # 19469R
glenn@glenncohenlaw.ca
Tel: 647 404 2791

Lawyers for the Plaintiff

Court File No. CV-22-00001763-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

The Honourable

(

Monday, the 14th day of August,
2023

(

Justice M.A Garson

(

(

B E T W E E N:

COMPUTERSHARE TRUST COMPANY OF CANADA

Plaintiff

- and -

2627298 ONTARIO INC. and THOMAS LEFEBVRE

Defendants



JUDGMENT

THIS MOTION, by the Plaintiff, for summary judgment, was heard this day at London, in the presence of counsel for the Plaintiff and counsel for the Defendants.

ON READING the Affidavits of Sergei Shchavyelyev affirmed May 10, 2023 and June 16, 2023, and the Affidavit of Loredana Onesan sworn June 9, 2023, and pursuant to Minutes of Settlement filed this date authorizing judgment to issue as follows:

1. **THIS COURT ORDERS AND ADJUDGES** that the Defendants do pay to the Plaintiff the sum of \$1,065,974.18 inclusive of interest to August 1, 2023.
2. **THIS COURT ORDERS AND ADJUDGES** that the Defendants do deliver up possession of the premises described below to the Plaintiff or to whom it may direct, and

that the Plaintiff is hereby at leave to issue a Writ of Possession against the premises described below, namely:

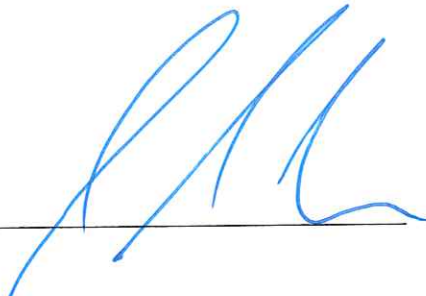
PIN NO. 08232-0082 (LT)
PART LOTS 26 & 27, PLAN 276 (E) City of London

Municipally 1096 William St., London Ontario N5Y 2T5

3. **THIS COURT ORDERS AND ADJUDGES** that the Defendants do pay to the Plaintiff its costs of this action including this motion hereby fixed at \$53,000.

This Judgment, bears interest at the rate of 6.99% per annum, on the amount in paragraph 1 commencing from August 1, 2023, and on the costs in paragraph 3 commencing from this day.

August 14, 2023



M. A. Garson J.

COMPUTERSHARE TRUST COMPANY OF CANADA -and- 2627298 ONTARIO INC. et al.

Plaintiff

Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
LONDON

JUDGMENT

GLENN E. COHEN PROFESSIONAL CORPORATION
141 Adelaide St. W. Suite 400
Toronto, Ontario
M5H 3L5

Glenn E. Cohen LSO # 19469R
glenn@glenncohenlaw.ca
Tel: 647 404 2791

Lawyers for the Plaintiff

Judgment to issue in
accordance with the
and brief filed
Aug 14/23

This is Exhibit "B" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

August 16, 2024

VIA EMAIL

Equityline Mortgage Investment Corporation
550 Highway 7 Avenue East, Suite 338
Richmond Hill, ON L4B 3Z4

Attention: Sergiy Shchavyegyev

Dear Sir:

Re: In the Matter of the Receivership of Equityline SPV Limited Partnership (“Equityline SPV”) - Court File No.: CV-24-00721560-00CL

As you may be aware, we are counsel to the court appointed receiver of Equityline SPV, KSV Restructuring Inc. (the “**Receiver**”) pursuant to the Receivership Order dated July 30, 2024 (the “**Receivership Order**”). Capitalized terms not herein defined shall have the meaning ascribed to such term in the Receivership Order.

On July 16, 2024, you swore an affidavit in the above noted proceedings (the “**Shchavyelyev Affidavit**”), wherein you stated:

- (a) in paragraph 24, three mortgages in the Equityline SPV were discharged without Equitable Bank having been paid their interest in that mortgage (the “**Discharged Mortgages**”). Further, the aggregate amount for the Discharged Mortgages was \$725,280; and
- (b) in paragraph 25, due to an accounting error, funds for the Discharged Mortgages were transferred to Equityline Mortgage Investment Corporation (“**Equityline MIC**”), and that such error has not been corrected and such funds have not been returned by Equityline MIC to Equityline SPV.

On August 14, 2024, you, in your capacity as director of Equityline SPV, and Eric Klein, in his capacity as director of Equityline MIC, met with the Receiver to answer the Receiver’s information requests with respect to the mortgage portfolio of Equityline SPV. During that meeting, you indicated that there were not three but five mortgages that were discharged by Equityline SPV without the corresponding payment of proceeds to Equitable Bank, increasing the number of Discharged Mortgages to five. You also indicate that the aggregate value of such Discharged Mortgages was \$1,574,880, all of which had been paid to Equityline MIC. The Receiver has since

asked for third party evidence of the transfers, including bank statements, but has not yet been provided with same.

There is no lawful reason for Equitable MIC to have been paid the proceeds for the Discharged Mortgages or to have the proceeds in their possession. Those funds remain the Property of Equityline SPV and are subject to the security interest of Equitable Bank.

Pursuant to the Receivership Order, a copy of which is enclosed with this letter, the Receiver is empowered and authorized to take possession and control over the Property of Equityline SPV. Further, any person having notice of the Receivership Order shall forthwith deliver the Property of Equityline SPV to the Receiver.

On behalf of the Receiver, we hereby demand that you return the proceeds for the Discharged Mortgages, being the aggregate amount of \$1,574,880 by noon on August 23, 2024, as such funds are Property subject to the Receivership Order. The funds may be returned to the Receiver via wire to the following account:

Bank of Montreal
1 First Canadian Place
100 King Street West
Toronto, ON M5X 1A3

Bank Transit (ABA)#:	00022
Bank Institution #:	001
Bank Account #:	1514-406
Bank Swift code:	BOFMCAM2
Name of account:	KSV Restructuring Inc. RECEIVER OF EQUITYLINE SPV LIMITED PARTNERSHIP

If you do not return such Property by August 23, 2024, the Receiver will take all steps necessary to recover such Property, including seeking relief against Equityline MIC and seeking to hold you personally in contempt of the Receivership Order.

Yours truly,
Thornton Grout Finnigan LLP



Rebecca L. Kennedy
RK/mm

Encls. Receivership Order dated July 30, 2024
cc: Robb English, Aird & Berlis LLP

submissions of counsel for the Applicant and the Respondent, no one else appearing although duly served as appears from the affidavits of service filed, and on reading the consent of KSV to act as the Receiver, the Honourable Justice Jana Steele issued an endorsement released July 30, 2024 providing that KSV be appointed as receiver (the “**Endorsement**”),

AND WHEREAS the Applicant and the Respondent have approved the form of Order, which is being signed by the Honourable Justice Kimmel to give effect to the Endorsement,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including but not limited to all mortgages held in the name of the Debtor or held in the name of Computershare Trust Company of Canada (“**Computershare**”), as custodian for the Debtor, together with all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$1,000,000, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000, all before applicable taxes; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

4. THIS COURT ORDERS that all right, title and interest in the Property held by Computershare pursuant to a custodial agreement dated August 5, 2021 between Computershare and the Debtor (the “**Custodial Agreement**”), and pursuant to a title custodian acknowledgment agreement with Equitable Bank, the Debtor and Computershare dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”) be and are hereby transferred and assigned to the Receiver and Computershare is hereby released from any obligations under the Custodial Agreement and Title Custodian Acknowledgement Agreement without prejudice to Computershare’s right and ability to continue to rely on those clauses of the Custodial Agreement and Title Custodian Acknowledgement Agreement that survive resignation or termination including without limitation, Section 8.11 of the Title Custodian Agreement.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. Without limiting the generality of the foregoing, such Records includes those in the hands of EquityLine Services Corp.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property, including without limitation any and all Proceedings brought in the name of Computershare in respect of the Property ("**Computershare Proceedings**") shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings, including without limitation the Computershare Proceedings and any counterclaims asserted in the Computershare Proceedings, currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The 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 Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$700,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Aird & Berlis LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists or may arise.

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

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

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

33. 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 Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

35. THIS COURT ORDERS that this Order and all of its provisions are effective as of the date of this order without any need for entry and filing.



Digitally signed by
Jessica Kimmel
Date: 2024.08.08
09:40:57 -04'00'

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties EquityLine SPV Limited Partnership 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 _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

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

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

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

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

DATED the ____ day of _____, 20__.

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

Per: _____

Name:

Title:

and

Applicant

Respondent

Court File No. CV-24-00721560-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at TORONTO**

ORDER
(Appointing Receiver)

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800
Toronto, ON M5J 2T9

Robb English (LSO # 19862F)
Tel: (416) 865-4748
Email: renglish@airdberlis.com

Miranda Spence (LSO # 60621M)
Tel: (416) 865-3414
Email: mspence@airdberlis.com

Lawyers for Equitable Bank

This is Exhibit "C" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

From: [Judy Hamilton](#)
To: [Cristian Delfino](#); sergiy@equitylinemic.com
Cc: [Kyle Plunkett](#); [Miranda Spence](#); rkennedy@tgf.ca
Subject: RE: Indebtedness owing to Equitable Bank by the SPV as secured by EMIC and Unauthorized Transfer and Discharge of Lender Security
Date: September 6, 2024 2:42:00 PM
Attachments: [image002.png](#)
[image004.png](#)

Mr. Plunkett,

You have misstated my letter of August 22, 2024.

Specifically, my letter did not acknowledge that the proceeds of the discharges were received by EMIC. My letter corrected an earlier misstatement made by your firm that Equityline MIC was in receipt of the proceeds of the five mortgages.

My letter states as follows:

Equityline MIC is still in the process of tracing the proceeds of the five mortgages, **and it was neither holding or necessarily in receipt of all or part of the funds related to the said mortgages as your letter suggests.**

Both statements that you relied upon as a foundation to trace monies to EMIC were made by your firm in what appears to be an attempt to manufacture an evidentiary record.

As such there is no basis whatsoever for the registration of the security or your threatened proceeding. I suggest you withdraw the same immediately.

Yours truly,

Judy Hamilton

FRIEDMANS
LAW FIRM

Judy Hamilton | Partner

Friedmans LLP

150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5

T: (416) 496-3340 x 136 | F: (416) 497-3809

E: jh@friedmans.ca | www.friedmans.ca

IMPORTANT NOTICE: This communication and the information contained herein is intended only for the use of the individual or entity to which it is addressed. This message, including any attachments, contains material that is confidential and may be protected by a solicitor-client privilege, work-product privilege, or other privileges. If you are not the intended recipient, or the person responsible for delivering this confidential communication to the intended recipient, you have received this communication in error, and any review, use, dissemination, forwarding, printing, copying, or other distribution of this email message, the information contained herein, and any attachments is strictly prohibited. If you have received this confidential communication in error, permanently delete the original message and please notify the sender immediately by reply email message or by contacting (416) 496-3340.

From: Cristian Delfino <cdelfino@airdberlis.com>

Sent: Friday, September 6, 2024 2:16 PM

To: sergiy@equitylinemic.com

Cc: kplunkett@airdberlis.com; [Miranda Spence <mspence@airdberlis.com>](mailto:mspence@airdberlis.com); rkennedy@tgf.ca; [Judy Hamilton <JH@friedmans.ca>](mailto:JH@friedmans.ca)

Subject: Indebtedness owing to Equitable Bank by the SPV as secured by EMIC and Unauthorized Transfer and Discharge of Lender Security

Good afternoon,

Please see the attached letter as of today's date from Kyle Plunkett at Aird & Berlis LLP for your immediate attention.

Thank you,

Cristian Delfino (he/him)
Associate

T 416.865.7748
F 416.863.1515
E cdelfino@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com



This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

FRIEDMANS

LAW FIRM

William Friedman*
B.A., B.C.L., LL.B.
Barry M. Polisuk*
B.A., LL.B., LL.L.
Michael W. Ruso*
B.A. (Hons), J.D., TEP.
Khaled Gheddai
B.A. (Hons), M.A., J.D.

Judy Hamilton
B.A., B.Ed., LL.B.
Stephen C. Nadler
B.A., J.D.
Shida Azari*
B.A., LL.B.
Shabnam Riazzi
B.A., J.D.

Bryan C. Friedman*
B.F.A., J.D.
Mark A. Russell
B.A., J.D.
Olohirere Musa
B.A., J.D.

* provides legal services through a professional corporation

August 22, 2024

Via Email to rkennedy@tgf.ca

Thornton Group Finnigan LLP
Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON
M5K 1K7

Attention: Rebecca L. Kennedy

RE: In the Matter of the Receivership of Equityline SPV Limited Partnership ("**Equityline SPV**") Court File No.: CV-24-00721560-00CL

Dear Rebecca:

I act for Equityline SPV and Equityline Mortgage Investment Corporation ("**Equityline MIC**"). I have your letter dated August 16, 2024, with respect to five mortgages that were discharged from the Equityline SPV whose proceeds were not received by Equityline SPV upon discharge.

I understand that the five mortgages in issue are as follows:

Property Address	Borrower Name	Mortgage Amount
33 Broadmead Avenue, Toronto	Vahid Yousefi and Akram Pedramnia	\$100,000.00
128 Ducharme, Lakeshore	11384384 Canada Corp, Khaled Abed Abu Seiff	\$337,280.00
1563 Nipissing Court, Pickering	Eduard Savchuk	\$520,000.00
2662 Meldrum Road, Windsor	Enos Brown	\$288,000.00
9 Mowat Crescent, Orillia	David Horne	\$329,600.00
		\$1,574,880.00

I understand that Equityline MIC anticipates being in a position to deposit the sum of 1,574,880.00, being the aggregate value of the five mortgages into the Receiver's account on or before August

30, 2024. Equityline MIC is still in the process of tracing the proceeds of the five mortgages, and it was neither holding or necessarily in receipt of all or part of the funds related to the said mortgages as your letter suggests. Nevertheless, Equityline MIC has been making every effort to obtain the said funds to satisfy the Receiver's demand and reconcile the full aggregate value of the five mortgages.

As such, we confirm that the Receiver will not be required to take any steps or take proceedings for contempt.

Upon payment of the amounts of \$1,574,880.00 related to the said mortgages, we require that the Receiver:

- a. confirm in writing that any issue with respect to the five mortgages has been fully resolved and that all the remaining amounts outstanding on the Equitable debt relate to the mortgage security currently held by the Receiver; and,
- b. to provide an updated statement of the outstanding balance owing pursuant to Equitable's loan.

Please confirm that the Receiver will provide these two items upon receipt of the funds as stated above.

Yours truly,

Friedmans LLP

Per. 

Judy Hamilton



Kyle Plunkett
 Direct: 416.865.3406
 E-mail: kplunkett@airdberlis.com

September 6, 2024

DELIVERED VIA EMAIL - sergiy@equitylinemic.com

EquityLine Mortgage Investment Corporation

550 Highway 7 Avenue East, Suite 338
 Richmond Hill, ON L4B 3Z4

Attention: Sergiy Shchavyelyev,

Dear Sir:

Re: Indebtedness owing to Equitable Bank (the “Lender”) by EquityLine SPV Limited Partnership (“SPV”), as secured by EquityLine Mortgage Investment Corporation (“EMIC” or “you”)

And Re: Unauthorized Transfer and Discharge of Lender Security

We are the lawyers for the Lender in connection with its lending arrangements with the SPV.

As you know, the SPV is indebted to the Lender with respect to an uncommitted senior secured revolving credit facility made available to the SPV by the Lender pursuant to and under the terms of a credit agreement entered into as of August 5, 2021 (as amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”).

Reference is also made to the Pledge Agreement entered into by EMIC, as pledgor, and the Lender as of August 5, 2021 (the “**Pledge Agreement**”), pursuant to which EMIC agreed to pledge the Pledged Collateral (as defined in the Pledge Agreement) as general and continuing collateral security for the obligations of the SPV vis-à-vis the Lender.

As you are also aware, and by order of the Honourable Justice Steele dated July 30, 2024, KSV Restructuring Inc. was appointed as receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of the SPV.

Upon its appointment and during the Receiver’s review, it was discovered that five particular mortgages that had been pledged to the Lender, with title being held in the name of Computershare Trust Company of Canada (the “**Custodian**”), as title custodian, had been improperly discharged without the authority or knowledge of either the Custodian or the Lender. These five mortgages (collectively, the “**Unauthorized Discharges**”) are as follows:

Property Address	Borrower Name	Mortgage Amount
33 Broadmead Avenue, Toronto	Vahid Yousefi and Akram Pedramnia	\$100,000.00

Property Address	Borrower Name	Mortgage Amount
128 Ducharme, Lakeshore	11384384 Canada Corp, Khaled Abed Abu Seiff	\$337,280.00
1563 Nipissing Court, Pickering	Eduard Savchuk	\$520,000.00
2662 Meldrum Road, Windsor	Enos Brown	\$288,000.00
9 Mowat Crescent, Orillia	David Horne	\$329,600.00
		\$1,574,880.00¹

By letter dated August 22, 2024, your counsel Judy Hamilton of Friedmans LLP wrote to Rebecca Kennedy of Thornton Grout Finnigan LLP, counsel to the Receiver, and acknowledged that the proceeds of the Unauthorized Discharges were received by EMIC and ought to have been paid over to the SPV. As of the date of this letter, these funds, which do not belong to EMIC and remain subject to the security interests of the Lender, have yet to be paid over to the Receiver.

Given the Unauthorized Discharges were made without the knowledge or consent of the Lender, the Lender has registered a financing change statement against EMIC pursuant to subsection 48(2)(b) of the *Personal Property Security Act* (Ontario) to continue to secure the proceeds of the Unauthorized Discharges. This subsection reads as follows:

48(2) Where a security interest is perfected by registration and the debtor, without the prior consent of the secured party, transfers the debtor's interest in all or part of the collateral, the security interest in the collateral transferred becomes unperfected thirty days after the later of,

- (a) the transfer, if the secured party had prior knowledge of the transfer and if the secured party had, at the time of the transfer, the information required to register a financing change statement; and
- (b) the day the secured party learns the information required to register a financing change statement,

unless the secured party registers a financing change statement or takes possession of the collateral within such thirty days.

¹ This amount does not include any accruing interest or any costs and expenses (including any legal and other professional fees) incurred by the Lender to date, which amounts are due and payable and are also subject to the Lender's security interest.

The Indebtedness (as defined below) owing under these Unauthorized Discharges is secured by, among other things:

- (a) a general security agreement (the “**General Security Agreement**”) dated August 5, 2021 from the SPV, which continues to attach to the proceeds of sale with respect to the Unauthorized Discharges; and
- (b) the Pledge Agreement (collectively, the “**Security**”).

Accordingly, on behalf of the Lender, we hereby make formal demand for payment of **\$1,574,880.00** together with any and all accruing interest and any and all costs and expenses (including, without limitation, any additional legal and other professional fees) incurred by the Lender (collectively, the “**Indebtedness**”). Payment by EMIC is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement and any other agreement, as applicable.

If payment of the Indebtedness is not received by the Receiver immediately, the Lender shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, the appointment of an interim receiver, receiver, or receiver and manager of EMIC or any other proceedings that are necessary, in which case the Lender will also seek all costs it incurs in doing so.

On behalf of the Lender, we also enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA Notice**”). The Lender hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

We have also copied the Receiver and its legal counsel to this letter.

Yours truly,

AIRD & BERLIS LLP



Kyle Plunkett

c.c. Miranda Spence, *Aird & Berlis LLP*
Rebecca Kennedy, *Thornton Grout Finnigan LLP*
Judy Hamilton, *Friedmans LLP*

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))
 DELIVERED BY REGISTERED MAIL AND EMAIL

To: **EquityLine Mortgage Investment Corporation**
 550 Highway 7 Avenue East, Suite 338
 Richmond Hill, ON L4B 3Z4
Insolvent company / person

TAKE NOTICE that:

1. Equitable Bank (the “**Creditor**”), a secured creditor, intends to enforce the Creditor’s security on the accounts, proceeds and other personal property of EquityLine Mortgage Investment Corporation (the “**Debtor**”).
2. The security that is to be enforced (the “**Security**”) is in the form of, *inter alia*, a general security agreement granted by EquityLine SPV Limited Partnership dated August 5, 2021 and a pledge agreement entered into by the Debtor and the Creditor on August 5, 2021, registration in respect of which has been effected under the *Personal Property Security Act* (Ontario).
3. As of September 6, 2024, the total amount of indebtedness secured by the Security is \$1,574,880.00, plus accruing interest and costs of the Creditor (including, without limitation, its legal and other professional fees).
4. The Creditor will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of September 2024.

EQUITABLE BANK
 by its lawyers, **Aird & Berlis LLP**

Per:



Kyle Plunkett

Brookfield Place, Suite 1800
 181 Bay Street, Toronto, ON M5J 2T9
 Tel: 416-863-1500/Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

This is Exhibit “D” referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

WALMAN CATRE WISE & STONE
Barristers and Solicitors, in Association
1240 Bay Street, Suite 202, Toronto ON M5R 2A7

Samara R. Walman, LL.B
samara@terrywalman.com
Tel: (416) 961-0001 Ext. 107
Fax: (416) 961-5329

Subi Niran, Law Clerk
subi@terrywalman.com
direct tel: 416 961 0001/ ext 106
direct fax: (416) 961 5329

October 26, 2023

COMPUTERSHARE TRUST COMPANY OF CANADA
550 Highway 7 E
Suite 338
Richmond Hill, Ontario
L4B 3Z4

Re: COMPUTERSHARE TRUST COMPANY OF CANADA power of sale to Singh
2662 Meldrum Rd, Windsor
My File No.: 23-10253

LEDGER STATEMENT

Received from purchaser on closing	\$375,489.70
Paid to real estate broker - Buckingham Realty (Windsor) Ltd., Brokerage	\$2,317.50
Paid to The City of Windsor	2,455.18
Paid legal fees and disbursements-Default matters	20,312.09
Paid legal fees and disbursements- POS	6,269.58
Hold in trust- post closing matters	10,000.00
Paid to ELLE MORTGAGE CORPORATION following closing to pay down Elles participation in Computershare Loan to 2545174 Ontario Inc./ Quershi- 68 Finchley Circle, Markham File No. 22-9959	334,135.35
	\$375,489.70
	\$375,489.70

THIS IS MY STATEMENT HEREIN

Samara R. Walman

SRW:sn
E. & O. E.

WALMAN CATRE WISE & STONE
Barristers and Solicitors, in Association
1240 Bay Street, Suite 202, Toronto ON M5R 2A7

Terry M. Walman, LL.B
 terry@terrywalman.com
 Tel: (416) 961-3809
 Fax: (416) 961-5329

Subi Niran, Law Clerk
 subi@terrywalman.com
 direct tel: 416 961 0001/ ext 106
 direct fax: (416) 961 5329

March 27, 2024

COMPUTERSHARE TRUST COMPANY OF CANADA
 550 Highway 7 E
 Suite 338
 Richmond Hill, Ontario
 L4B 3Z4

Re: Your power of sale to CRESSWELL/PUPO
 9 Mowat Cres, Barrie
 My File No.: 24-10379

LEDGER STATEMENT

Received from purchaser on closing		\$471,400.00
Paid legal fees and disbursements-Default Matters-File No.23-10189	\$30,957.00	
Paid legal fees and disbursements-Sale File No. 24-10379	6,247.04	
Paid to City of Barrie- 2023 Property tax arrears	3,114.30	
Hold back for post closing matters	10,000.00	
Held in trust for application towards debts to Elle Mortgage Corporation	100,000.00	
Paid to Equityline Services Corp following closing	321,081.66	
	<u>\$471,400.00</u>	<u>\$471,400.00</u>

THIS IS MY STATEMENT HEREIN

Terry M. Walman

TMW:sn
 E. & O. E.

This is Exhibit "E" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

From: Terry Walman
Sent: October-10-24 1:46 PM
To: Rebecca Kennedy <Rkennedy@tgf.ca>
Cc: Noah Goldstein <ngoldstein@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>
Subject: KSVReceiver/Equitable Bank v Equityline SPV LP Elle Mtge Corp/Equityline Services Corp v Ashlar Holdings -638450 Prince of Wales, Mulmur, and Equityline SPV Loan ID#500- Brown -2662 Meldrum #485- 1563 Nippising Court, Pickering- Savchuk

Hi Rebecca,

As per agreement with you and the Receiver, 2 payments approved and wired, for application against the balance outstanding to Equitable Bank on loan #500- 2662 Meldrum Rd, Windsor-Enos Brown, the remainder to be first applied against the balance outstanding to Equitable Bank on loan #485- 1563 Nippising Court, Pickering- Savchuk to the extent needed to fully pay that loan, with balance of monies then applied against loan #453-128 Ducharme, Lakeshore- 11384384 Canada Corp/Seiff.

ID 73346997
 To: KSV RESTRUCTURING INC. RECEIVER 1514-406
 From: Trust 005029405216
Amount: 121,249.26 CAD
 Value Date: 10/10/2024
 Payment Method: Wire
 Transaction ID 73346997
 ID 73346831
 To: KSV RESTRUCTURING INC. RECEIVER 1514-406
 From: Trust 005029405216
Amount: 527,737.13 CAD
 Value Date: 10/10/2024
 Payment Method: Wire
 Transaction ID 73346831

From: Rebecca Kennedy <Rkennedy@tgf.ca>
Sent: Thursday, October 10, 2024 7:02 AM
To: Terry Walman <terry@terrywalman.com>
Cc: Judy Hamilton <JH@friedmans.ca>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>
Subject: RE: [EXTERNAL]RE: KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur, and Equityline SPV Loan ID#500- Brown -2662 Meldrum and

Terry,

Similar to my email from last night, we confirm, on behalf of the Receiver, that it will accept the funds and apply them as directed. We note, however, that the Receiver will need to confirm if the

loans are repaid and will not discharge any mortgages or charges or obligations until the Receiver confirms the loans have been repaid in full.

Rebecca

Rebecca Kennedy | rkennedy@tgf.ca | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca



Rebecca Kennedy | [Rkennedy@tgf.ca](mailto:rkennedy@tgf.ca) | Direct Line +1 416 304 0603 | www.tgf.ca

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From: Terry Walman <terry@terrywalman.com>

Sent: October 9, 2024 10:17 PM

To: Rebecca Kennedy <Rkennedy@tgf.ca>

Cc: Judy Hamilton <JH@friedmans.ca>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>

Subject: Re: [EXTERNAL]RE: KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur, and Equityline SPV Loan ID#500- Brown -2662 Meldrum and

Thank you Rebecca/Noah.

Rebecca if you would please send again your firms trust account information for wiring purposes.

Thank you.

Terry

Sent from my iPhone

On Oct 9, 2024, at 10:06 PM, Rebecca Kennedy <Rkennedy@tgf.ca> wrote:

Terry, Judy,

We confirm, on behalf of the Receiver, that it will accept the funds and apply them as directed. We note, however, that we will not discharge any mortgages or charges or obligations until the Receiver confirms the loans have been repaid in full.

Rebecca

Rebecca Kennedy | rkennedy@tgf.ca | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca



Rebecca Kennedy | Rkennedy@tgf.ca | Direct Line +1 416 304 0603 | www.tgf.ca

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From: Judy Hamilton <JH@friedmans.ca>

Sent: October 8, 2024 6:42 PM

To: Terry Walman <terry@terrywalman.com>; Rebecca Kennedy <Rkennedy@tgf.ca>

Cc: Noah Goldstein <ngoldstein@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>

Subject: [EXTERNAL]RE: KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur, and Equityline SPV Loan ID#500- Brown -2662 Meldrum and ...

Has the email below been responded to?

Yours truly,

Judy Hamilton

Judy Hamilton | Partner

Friedmans LLP

<image001.png> <image002.jpg> 150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5

T: (416) 496-3340 x 136 | F: (416) 497-3809

E: jh@friedmans.ca | www.friedmans.ca

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From: Terry Walman <terry@terrywalman.com>

Sent: Tuesday, October 8, 2024 12:23 PM

To: Rebecca Kennedy <Rkennedy@tgf.ca>

Cc: Noah Goldstein <ngoldstein@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>; Judy Hamilton <JH@friedmans.ca>

Subject: KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur, and Equityline SPV Loan ID#500- Brown -2662 Meldrum and Loan #

Hi Rebecca/Noah,

The Ashlar/Mulmur sale closed.

Sergiy of EQUITYLINE Services Corp has asked that the net monies available to Equityline Services Corp, in the amount of \$527,737.13 from that sale, be sent to you to be applied against the balance due to Equitable Bank on the loan #500- 2662 Meldrum Rd, Windsor-Enos Brown, and the remainder to be applied against the balance due to Equitable Bank on the loan #485- 1563 Nippising Court, Pickering- Savchuk.

Kindly confirm on behalf of the Receiver, similar to the previous, that you will accept the money for repayment towards these 2 specific loan matters.

Respectfully,
 Terry
 Terry Walman, LLB,
 1240 Bay Street, Suite 202
 (Bay St., 1 block North of Bloor St.),
 Toronto, Ontario, M5R 2A7

From: Terry Walman
Sent: September-24-24 3:44 PM
To: Rebecca Kennedy <Rkennedy@tgf.ca>
Cc: Noah Goldstein <ngoldstein@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>; JH@friedmans.ca; D. Robb English <renglish@airdberlis.com>
Subject: RE: [EXTERNAL]KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur Ontario, and Equityline SPV Loan ID#500- Brown -2662 Meldrum

Hi Rebecca,

Payment approved- see attached payment report.

Best to you,

Terry
 Terry Walman, LLB,
 1240 Bay Street, Suite 202
 (Bay St., 1 block North of Bloor St.),
 Toronto, Ontario, M5R 2A7

1 Payment **Approved**

ID 73051541
 To: KSV RESTRUCTURING INC. RECEIVER 1514-406
 From: Trust 005029405216
 Amount: 203,345.51 CAD
 Value Date: 24/09/2024
 Payment Method: Wire
 Transaction ID 73051541

From: Terry Walman
Sent: September-24-24 1:08 PM
To: Rebecca Kennedy <Rkennedy@tgf.ca>
Cc: Noah Goldstein <ngoldstein@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>; JH@friedmans.ca; D. Robb English <renglish@airdberlis.com>
Subject: Re: [EXTERNAL]KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur Ontario, and Equityline SPV Loan ID#500- Brown -2662 Meldrum

Hi Rebecca/Noah.

Thank you and yes we will send out funds this afternoon.

We also hope to have the Ashlar/Mulmur sale close later this week, and hopefully to have EQUITYLINE Services Corp allow its net monies from that file flow towards the balance of the Brown/Meldrum file and other files where Sergiy and his SPV company owe Equitable on previously paid out matters.

Best to you both,

Terry

Sent from my iPhone

On Sep 24, 2024, at 10:07 AM, Rebecca Kennedy <Rkennedy@tgf.ca> wrote:

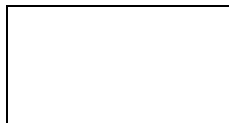
Terry:

On behalf of the Receiver, I confirm we will accept the money for partial repayment of the Meldrum Road Loan.

Please wire the funds today.

Rebecca

Rebecca Kennedy | rkennedy@tgf.ca | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca



Rebecca Kennedy | Rkennedy@tgf.ca | Direct Line +1 416 304 0603 | www.tgf.ca

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From: Terry Walman <terry@terrywalman.com>

Sent: September 23, 2024 4:18 PM

To: Rebecca Kennedy <Rkennedy@tgf.ca>; Noah Goldstein <ngoldstein@ksvadvisory.com>

Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalman.com>; JH@friedmans.ca

Subject: RE: [EXTERNAL]KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur Ontario, and Equityline SPV Loan ID#500- Brown -2662 Meldrum

Hi Rebecca, I am still waiting on you to confirm that the funds will be applied specifically as per my earlier request of Wednesday, September 18, 2024 3:46 PM, wherein I stated the following:

"2-See attached. An Equityline Services Corp. mortgage loan (Equityline Services Corp loan to Fernandes-107 Moorehouse Dr, Toronto, et al, has been paid out. Equityline Services Corp has authorized that \$203,345.51 be delivered to you, specifically for application against the indebtedness of

Equityline SPV in connection with Loan ID# 500-Brown (mortgagor)-2662 Meldrum Rd. Windsor, provided you are agreeable to accepting these monies, as such application. Kindly advise,"

Respectfully,

Terry

Terry Walman, LLB,
1240 Bay Street, Suite 202
(Bay St., 1 block North of Bloor St.),
Toronto, Ontario, M5R 2A7

From: Rebecca Kennedy [<mailto:Rkennedy@tgf.ca>]

Sent: September-23-24 4:12 PM

To: Terry Walman <terry@terrywalm.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>

Cc: Mitch Vininsky <mvininsky@ksvadvisory.com>; Elliot Kirshenblatt <elliott@terrywalm.com>; JH@friedmans.ca

Subject: RE: [EXTERNAL]KSV Receiver/Equitable Bank v Equityline SPV LP CV-24-00721560-00CL; and Elle Mortgage Corporation/Equityline Services Corp v Ashlar Holdings et al-638450 Prince of Wales, Mulmur Ontario, and Equityline SPV Loan ID#500- Brown -2662 Meldrum

Terry,

We were advised by Judy Hamilton on September 18, 2024, that you were imminently sending the Receiver the amount of \$203,345.51 on behalf of her client, the Equityline companies, with respect to the 107 Moorehouse Drive.

We have delivered the wire details.

Please confirm that, if the funds have not been wired, that you still hold them and will be wiring them tomorrow.

Rebecca

Rebecca Kennedy | rkennedy@tgf.ca | Direct Line: 416-304-0603 | Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

Rebecca Kennedy | Rkennedy@tgf.ca | Direct Line +1 416 304 0603 | www.tgf.ca

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This is Exhibit "F" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

----- Forwarded Message -----

Subject:Re: Potential Fraud Case.- Computershare v Lyle/Wright-22 LORD ROBERTS DRIVE, TORONTO,
Date:Tue, 19 Mar 2024 13:39:23 -0400
From:Igor Demitchev <igor@igordemitchevlaw.com>
To:Irene Choe <Irene.Cho@computershare.com>, Sergiy Shchavyelyev <sergiy@equitylinefinancial.com>

morning,

attached is the registered transfer of charge back to [Equityline SPV GP Inc.](#)

as requested, thx

Igor Demitchev, Barrister & Solicitor
Law Office of Igor Demitchev
Real Estate & Business Law
1000 Finch Avenue West, Suite 505
Toronto, ON M3J 2V5
Tel: 416-645-0960
Fax: 416-645-0961

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This communication is confidential and for the exclusive use of the person to whom it is addressed. If you are not the intended recipient, please advise us by e-mail and destroy or return any copies.
On 19/03/2024 12:49 p.m., Irene Choe wrote:

Hi Igor,

I understand the document was signed and sent back this morning so please confirm once the title transfer has been completed.

Regards,

Irene Choe
Computershare
General Counsel
Computershare Trust Company of Canada | Computershare Investor Services Inc.
Cell: 416-316-7983
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
www.computershare.com

| CERTAINTY | INGENUITY | ADVANTAGE |

From: Igor Demitchev <igor@igordemitchevlaw.com>
Sent: Monday, March 18, 2024 5:54 PM
To: Irene Choe <Irene.Cho@computershare.com>; Sergiy Shchavyelyev <sergiy@equitylinefinancial.com>
Subject: Re: Potential Fraud Case.- Computershare v Lyle/Wright-22 LORD ROBERTS DRIVE, TORONTO,

This Message Is From an External Sender

Be cautious with links and attachments – report suspicious emails.

This is Exhibit "G" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton



B E T W E E N:

COURT FILE NO.:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMPUTERSHARE TRUST COMPANY OF CANADA

PLAINTIFF

- and -

AUTON LYLE AND SHEILA WRIGHT

DEFENDANTS

STATEMENT OF CLAIM (GENERAL)

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff(s). The claim made against you is set out in the following pages:

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff(s)' lawyer(s) or, where the Plaintiff(s) do(es) not have a lawyer, serve it on the Plaintiff(s), and file it, with proof of service, in this court office, **WITHIN TWENTY (20) DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or the United States of America, the period for serving and filing your Statement of Defence is FORTY (40) DAYS. If you are served outside Canada and the United States of America, the period is SIXTY (60) DAYS.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten (10) more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF(S)' CLAIM, and \$1,000.00. for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff(s)' claim and \$400.00 for costs and have the costs assessed by the Court.

TAKE NOTICE THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: _____, 2022

Issued by _____

Local Registrar
Superior Court of Justice
330 University Ave. 8th Floor
Toronto, Ontario, M5G 1R7

To: AUTON LYLE
22 LORD ROBERTS DRIVE
TORONTO, ON L4N 5B4

(MORTGAGOR)

To: SHEILA WRIGHT
22 LORD ROBERTS DRIVE
TORONTO, ON L4N 5B4

(MORTGAGOR)

CLAIM

1. The Plaintiff's claim is against the Defendants, AUTON LYLE AND SHEILA WRIGHT, for:
 - (a) payment of the amount of \$954,081.70 due under covenants contained in a mortgage Instrument No. AT6111518;
 - (b) possession of the mortgaged premises;
 - (c) interest at the rate of 7.49% per annum, calculated monthly, not in advance, on the sum of \$954,081.70 from December 13, 2022 to the date of judgment;
 - (d) post-judgment interest at the rate of 7.49% per annum, calculated monthly, not in advance, until payment in full is received;
 - (e) the cost of this action on a solicitor and client basis.

2. The Plaintiff's claim is on a mortgage made between the said, AUTON LYLE AND SHEILA WRIGHT, as mortgagors, and COMPUTERSHARE TRUST COMPANY OF CANADA, as mortgagee, and registered on June 21, 2022, as Instrument No. AT6111518, in the Land Registry Office for the Land Titles Division of Toronto (No.80) under which mortgage the said mortgagors mortgaged the lands herein described securing the loan of \$940,000.00 and interest thereon at the rate of 7.49% per annum, calculated monthly, not in advance, as well after as before maturity and both before and after default.
3. The said mortgage provides for payment by monthly instalments of \$5,867.17, each on the 1st day of each and every month, in each and every year from and including, August 1, 2022 to and including July 1, 2023, and the balance, if any, of the said principal sum and interest shall become due and payable on July 1, 2023.
4. The said mortgage was transferred to, EQUITYLINE SPV GP INC. by Transfer of Charge, registered on October 11, 2022, as Instrument No. AT6200024, and subsequently transferred to COMPUTERSHARE TRUST COMPANY OF CANADA, by Transfer of Charge registered on October 11, 2022 as Instrument No. AT6200032.

5. The said mortgage provides that the aforesaid monthly instalments when received are applied first to interest calculated as aforesaid on the principal unpaid from time to time, and the balance, if any, of the said monthly instalments are applied on account of and in reduction of the principal.
6. The said mortgage provides that default under any terms or covenants contained in the mortgage or under any terms or covenants contained in any encumbrance in priority or subsequent to the mortgage, or in payment of the realty taxes for the said property, shall constitute default under the herein mortgage.
7. The said mortgage provides that the Mortgagee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the mortgaged premises, and that such payments together with all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the said lands, legal fees on solicitor and client basis, and generally in any other proceedings taken in connection with or to realize this security shall be with interest at the rate aforesaid, a charge upon the said lands and any such amounts paid by the mortgagee shall be added to the debt hereby secured and shall be payable forthwith.

8. The said mortgage provides that upon default of payment of monies hereby secured or payable, the balance of the principal and interest shall immediately become due and payable at the option of the Mortgagee.

9. The said mortgage provides that "on default the Mortgagee shall have quiet possession of the said lands free from all encumbrances."

10. Default in the payment of the monthly payments under the mortgage occurred on November 1, 2022, and still continues, and the Plaintiff claims payment by the Defendants, AUTON LYLE AND SHEILA WRIGHT of the amount due under the mortgage as follows:

PRINCIPAL as at October 1, 2022	\$940,000.00
Interest to December 13, 2022 (73 days at 7.49% / \$192.90 per day)	\$ 14,081.70
Balance due and owing as at December 13, 2022	\$954,081.70 =====

11. The following is a description of the mortgaged premises:

Pin: 06348-0288 (LT)

PARCEL 91-1, SECTION M680 LT 91 PLAN M680 S/T LT592772 SCARBOROUGH,
CITY OF TORONTO

Municipally known as: **22 LORD ROBERTS DRIVE, TORONTO, ON L4N 5B4**

12. The Plaintiff proposes that this action be tried at Toronto, Ontario, Canada.

Date: December 13, 2022

TERRY M. WALMAN, ESQ.
Barrister and Solicitor
1240 Bay Street, Suite 202
Toronto, Ontario, M5R 2A7
TEL (416) 961-0001
FAX (416) 961-5329
Email: terry@terrywalman.com
LSUC #23931E
FILE NO.: 22-10051 / ka

COMPUTERSHARE TRUST COMPANY OF CANADA

AUTON LYLE AND SHEILA WRIGHT

and

Plaintiff

Defendants

COURT FILE NO.:

ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

STATEMENT OF CLAIM

TERRY M. WALMAN, ESQ.
Barrister and Solicitor
1240 Bay Street, Suite 202
Toronto, Ontario, M5R 2A7
TEL (416) 961-0001 / FAX (416) 961-5329
Email: terry@terrywalman.com

SOLICITOR FOR THE PLAINTIFF(S)

LSUC #23931E

File No.: 22-10051 / ka



B E T W E E N:

COURT FILE NO.: CV-22-00691651-0000
ONTARIO
SUPERIOR COURT OF JUSTICE

COMPUTERSHARE TRUST COMPANY OF CANADA

PLAINTIFF

- and -

AUTON LYLE AND SHEILA WRIGHT

DEFENDANTS

JUDGMENT

On reading the Statement of Claim in this action and the proof of service of the Statement of Claim on the Defendants, AUTON LYLE AND SHEILA WRIGHT, filed, and the Defendants, AUTON LYLE AND SHEILA WRIGHT, having been noted in default,

1. **IT IS ORDERED AND ADJUDGED** that the Defendants, AUTON LYLE AND SHEILA WRIGHT, pay to the Plaintiffs the sum of \$1,036,700.86.
2. **IT IS ORDERED AND ADJUDGED** that the Defendants, AUTON LYLE AND SHEILA WRIGHT, deliver to the Plaintiff possession of the lands described in Schedule "A" attached.

This Judgment bears interest at the rate of 7.49% per year from its date.

DATE: February 9 ,2024

Local Registrar

Daniel F
Austin-Boyd

Digitally signed by
Daniel F Austin-Boyd
Date: 2024.03.01
14:32:05 -05'00'

Address of Court Office:
330 University Ave. 8th Floor
Toronto, Ontario, M5G 1R7

- 2 -

SCHEDULE "A"

Legal Description:

Pin: 06348-0288 (LT)

PARCEL 91-1, SECTION M680 LT 91 PLAN M680 S/T LT592772 SCARBOROUGH,
CITY OF TORONTO

Municipal Address:

22 LORD ROBERTS DRIVE, TORONTO, ON L4N 5B4

Plaintiff

Defendants

COURT FILE NO.: CV-22-00691651-0000

ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

J U D G M E N T

TERRY M. WALMAN, ESQ.
Barrister and Solicitor
1240 Bay Street
Suite 202
Toronto, Ontario
M5R 2A7
TEL (416) 961-0001
FAX (416) 961-5329
Email: terry@terrywalman.com
FILE NO.: 22-10051 / ka
Solicitor for the Plaintiffs
LSUC NO. 23931E

COMPUTERSHARE TRUST COMPANY OF CANADA

Plaintiff

and

AUTON LYLE AND SHEILA WRIGHT

Defendants

Court File No.: CV-22-00691651-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

NOTICE OF DISCONTINUANCE



TERRY M. WALMAN, ESQ.
Barrister and Solicitor
1240 Bay Street, Suite 202
Toronto, Ontario, M5R 2A7
TEL (416) 961-0001
FAX (416) 961-5329
LSUC NO. 23931E

SOLICITOR FOR THE PLAINTIFF

File No.: 22-10051 / ka

This is Exhibit "H" referred to in
the Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Enquiry Result

File Currency: 09OCT 2024



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
File Currency	09OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503191836	1	4	1	6	04MAR 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503191836		001	2		20240304 1232 9234 2771	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
	Address				City	Province	Postal Code		
	550 HIGHWAY 7 AVENUE EAST, SUITE 338				RICHMOND HILL	ON	L4B 3Z4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	HALLMARK HOUSEKEEPING SERVICES INC.								
	Address				City	Province	Postal Code		
	2150 ISLINGTON AVENUE, SUITE 103				TORONTO	ON	M9P 3V4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ALL PERSONAL PROPERTY AND BENEFICIAL INTEREST IN SPECIFICALLY								

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (ARM/AR/ 50511-1)			
	Address	City	Province	Postal Code
	3200-40 TEMPERANCE ST.	TORONTO	ON	M5H 0B4

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION						
File Currency	09OCT 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503191836	1	4	2	6	04MAR 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503191836		002	2		20240304 1232 9234 2771		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	NICK RANIERI			
	Address	City	Province	Postal Code
	2150 ISLINGTON AVENUE, SUITE 103	TORONTO	ON	M9P 3V4

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
File Currency	09OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	508591557	2	4	3	6	27AUG 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
508591557		001	1		20240827 1312 1793 1103	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
	Address				City	Province	Postal Code		
	550 HIGHWAY 7 AVENUE EAST, S#338				RICHMOND HILL	ON	L4B3Z4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	EQUITABLE BANK								
	Address				City	Province	Postal Code		
	30 ST. CLAIR AVE. W., SUITE 700				TORONTO	ON	M4V3A1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	AIRD & BERLIS LLP (DRE-164293)								
	Address				City	Province	Postal Code		
	181 BAY STREET, SUITE 1800				TORONTO	ON	M5J2T9		

END OF FAMILY

Type of Search	Business Debtor								
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Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION							95	
File Currency	09OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	774877383	3	4	4	6	28JUL 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
774877383		001	2		20210728 1757 1793 8716	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
	Address				City	Province	Postal Code		
	550 HIGHWAY 7 AVENUE EAST, SUITE 338				RICHMOND HILL	ON	L4B3Z4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	EQUITABLE BANK								
	Address				City	Province	Postal Code		
	30 ST. CLAIR AVE. W., SUITE 700				TORONTO	ON	M4V3A1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PLEDGE OF ALL SECURITIES NOW OWNED OR HEREAFTER ACQUIRED IN THE CAPITAL OF EQUITYLINE SPV LIMITED PARTNERSHIP, ALL SUBSTITUTIONS THEREFOR AND ADDITIONS THERETO, ALL INTEREST, DIVIDENDS, INCOME,								
Registering Agent	Registering Agent								
	AIRD & BERLIS LLP (164293)								
	Address				City	Province	Postal Code		
	181 BAY STREET, SUITE 1800				TORONTO	ON	M5J2T9		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
File Currency	09OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	774877383	3	4	5	6	28JUL 2026			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
774877383		002	2		20210728 1757 1793 8716				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	REVENUE OR OTHER DISTRIBUTIONS MADE OR PAID IN RESPECT OF SUCH SECURITIES AND ALL PROCEEDS THEREOF.								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
File Currency	09OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	783044505	4	4	6	6	17MAY 2027			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
783044505		001	1		20220517 0832 9234 2678	P PPSA	5
Individual Debtor	Date of Birth	First Given Name			Initial	Surname	

Business Debtor	Business Debtor Name		Ontario Corporation Number						
	EQUITYLINE MORTGAGE INVESTMENT CORPORATION								
	Address	City	Province	Postal Code					
	550 HWY 7 EAST, UNIT 338	RICHMOND HILL	ON	L4B 3Z4					
Individual Debtor	Date of Birth	First Given Name	Initial	Surname					
Business Debtor	Business Debtor Name		Ontario Corporation Number						
	Address	City	Province	Postal Code					
Secured Party	Secured Party / Lien Claimant								
	ELLE MORTGAGE CORPORATION								
	Address	City	Province	Postal Code					
	1240 BAY STREET, SUITE 202	TORONTO	ON	M5R 3N7					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make	Model		V.I.N.				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CASSELS BROCK & BLACKWELL LLP (ARM/AR 50511-1)								
	Address	City	Province	Postal Code					
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2					

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)



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[ServiceOntario Contact Centre](#)

This is Exhibit "I" referred to in the
Affidavit of Sergiy Shchavyelyev,
sworn this 15th day of October, 2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits, etc.

Judy Hamilton

From: Eric Barapp <ebarapp@gmail.com>

Date: June 13, 2024 at 4:41:43 PM EDT

To: Sergiy Shchavyelyev <sergiy@equitylinemic.com>

Cc: Terry Walman <terry@terrywalman.com>, "Manzer, Alison" <amanzer@cassels.com>, Glenn Cohen <glenn@glenncohenlaw.ca>, Matthew Ewing <matthew@equitylinemic.com>, Mary Moncada <mary@equitylinemic.com>, Igor Demitchev <igor@igordemitchevlaw.com>, Mark Simone <mark@equitylinemic.com>, Vlad Erick Barrapp Dagaev <vladd8@gmail.com>

Subject: Re: Debenture from Investors [IWOV-LEGAL.FID2577154]

I am reporting to the financial crimes unit as I believe there is financial crime happening here. Let them investigate.

a year to get back money from your MIC , so either you are committing fraud or you are buying time. I am happy to post all our emails publicly.

I will post them on google. promise lie, promise.. lie, promise ... lie and well post your bank account that you showed to vlad. That's not slander,, that's facts.

My comment about being a terrible human being ... Everybody already knows that, but that's not a crime.

I am also sending this claim to equitable

I am going to send the history of our emails to equitable and bmo bank. have fun getting credit.

On Thu, Jun 13, 2024 at 4:29 PM Eric Barapp <ebarapp@gmail.com> wrote:
Sergiy one who I should be in touch with since I can't show up to the office. Which lawyer should I be in touch with?

No lawyers and no staff. Mark Simone is mute. You can't be trusted with anything.

On a side note , Sergiy how's your moms leg? ,overheard she may have cancer. My condolences. Is it terminal? I feel so bad. Practically crying here. Let me know if you need help with organizing a funeral - I am connected with a number of funeral directors. Always ready to lend a helping hand to a guy like you.

but let's talk about things that matter to me , which is where is our money?

From: Eric Barapp <ebarapp@gmail.com>
Date: June 21, 2024 at 2:48:38 PM EDT
To: Sergiy Shchavyelyev <sergiy@equitylinemic.com>, Terry Walman <terry@terrywalman.com>, "Ari A. Lokshin" <ari@lokshinlaw.com>
Cc: Mary Moncada <mary@equitylinemic.com>, Mark Simone <mark@equitylinemic.com>, Matthew Ewing <matthew@equitylinemic.com>, vladd8@gmail.com
Subject: Re: Re; proof of wire

Me and Vlad will be coming to the office on Monday actually with Police as we now have multiple evidence that you are trying to commit fraud.

On Fri, Jun 21, 2024 at 2:47 PM Eric Barapp <ebarapp@gmail.com> wrote:
Sergiy the fact that you are a liar is now guaranteed when yesterday you said you will wire the money today and haven't.
I am on the way to your office. This has been going on since June - delay tactics.
If you push a person too far, it can backfire.
You have let Vlad know that Terry has money which is the MIC's money - not money to be paid to me and Vlad.
Ari please issue claim as Sergiy is a scammer and his of cards will fail.

Furthermore you are trying to raise money to buy the a staffing company by having debenture against the mortgages which already have debentures.
As confirmed by Mathew and one of our friends was contacted. We have the agreement.
Please include the new contract that Sergiy signed in your claim that I forwarded you earlier today.

On Fri, Jun 21, 2024 at 2:25 PM Sergiy Shchavyelyev <sergiy@equitylinemic.com> wrote:
It be tuesday, will add \$1,000 per day.

Thank You,
Sergiy Shchavyelyev, CEO
EquityLine Mortgage Investment Corporation.
550 HWY 7 East, Suite 338
Richmond Hill, ON, L4B 3Z4
FSCO Mortgage Broker Licence Number: 12570FSCO Mortgage Admin Licence Number:
13068Direct: 416-939-6376Office: 416-999-3993Fax: 416-999-3336Toll Free: 1-888-269-1988www.EquityLineMic.com

From: Eric Barapp <ebarapp@gmail.com>

Date: June 21, 2024 at 6:38:15 PM EDT

To: Sergiy Shchavyelyev <sergiy@equitylinemic.com>, Igor Demitchev <igor@igordemitchevlaw.com>, Vlad Dagaev <vladd8@gmail.com>, Mark Simone <mark@equitylinemic.com>

Subject: re: Funds

Serge I would like to comment how beautiful East Gwillmbury is beautiful parks and fields. What a beauty. My friends may visit it this weekend. Let me know where to sightsee. Its so quiet there - I am looking for inner peace - do you think I can find it there? ..

From: [Eric Barapp](#)
To: [Igor Demitchev](#)
Cc: [Judy Hamilton](#); [Sergiy Shchavyelyev](#); [Alexander Makaronets](#); [Vlad Dagaev](#)
Subject: Referral fees
Date: June 26, 2024 8:32:16 PM

Igor please notify law pro as we will be bringing into the action as you have referred us to Serge, a fund that you negligently referred me to knowing full well Serge is involved into sketchy business practices.

Judy, take note Law Pro will be brought into the claim.

--

Eric Barapp, BAS, JD
Personal Injury Lawyer

From: [Eric Barapp](#)
To: [Judy Hamilton](#)
Cc: [Sergiy Shchavelyev](#)
Subject: Referral Fees
Date: June 26, 2024 8:44:02 PM

Judy since you have not replied in a timely manner I have no choice but to cc your client as I am not sure you are receiving the emails since you are answering other people and not me.

As per my agreement with Serge I am owed referral fees of 2% from my debentures, even though we do not have a formal contract. Since he is not paying the debentures I am requesting the 2% referral fee on all debentures this year which he has not paid. I have email history of regular payment of these. Even him offering to pay them this year to calm me down.

Please let me know if you are planning to pay this in 30 days or I will have a lawyer draft a claim against Serge personality and Equitable Line Servicing Corp.

The amount owing is around 60-70k.

This will be under a simplified procedure so we should get a judge alone trial in no time.

Judy I assure you Serge will be billed by you - costs me nothing to issue and I have a good case.

--

Eric Barapp, BAS, JD
Personal Injury Lawyer

From: Eric Barapp <ebarapp@gmail.com>
Sent: Wednesday, June 26, 2024 9:44 PM
To: Judy Hamilton <JH@friedmans.ca>; Sergiy Shchavyelyev <sergiy@equitylinemic.com>
Cc: Alexander Makaronets <amakaronets@barapplaw.com>; Vlad Dagaev <vladd8@gmail.com>
Subject: Re: Meeting

The amount of emails you receive is only somewhat relevant as far as I am concerned. As an officer of the court you should only take on the type of clients that you can handle.

Maybe Sergei needs counsel with more resources but that's for him to decide.

If you think the volume of work is too much, hire more staff(an associate) as I do or lower the amount of clients to service, but proper client representation involves responding in a timely manner which you have not done in this case in my opinion. We can always agree to disagree on what it means to respond in a timely manner.

You can circle back to your client. That deadline had nothing to do with people doing irrational things(English is my second language),- simply a 6pm deadline because Serge is on the clock in my opinion. Try to help him out because today's events are a warm up to what the volume of work will transpire tomorrow for him - based on a gut feeling . I have a feeling that the email volume will pick up from other debenture holders. Just a gut feeling that I have. They simply don't listen as they dont have any obligation as they are not an officer of the court

I only look out for Serge. He is a man of integrity and great character so he should listen to my offer in a boardroom. Hopefully he doesn't suffer a heart attack from the stress he is under as we wouldn't want Equityline without the great CEO. Who else can do such a great job in making such decisions. Somebody that knows how to use leverage so well and loves leverage - hard to find people like that.

We can always discuss all the scenarios in the meeting.

On Wed, Jun 26, 2024 at 8:57 PM Judy Hamilton <JH@friedmans.ca> wrote:

Eric,

Thank you for your email. I have received multiple emails today from various debenture holders and I want to make clear that I have no intention of litigating by way of correspondence. As a result of the volume of emails, I did not read your suggestion that we meet at 6 p.m. today until just now.

I will forward your email to my client for consideration. However, I do not respond to arbitrary deadlines and demands under threat of irrational people doing irrational things.

Yours truly,

Judy Hamilton

Judy Hamilton | Partner

Friedmans LLP

<image001.png> <image002.jpg> 150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5

T: (416) 496-3340 x 136 | F: (416) 497-3809

E: jh@friedmans.ca | www.friedmans.ca

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From: Eric Barapp <ebarapp@gmail.com>

Sent: Wednesday, June 26, 2024 9:30 AM

To: Judy Hamilton <JH@friedmans.ca>; Alexander Makaronets <amakaronets@barapplaw.com>

Cc: Vlad Dagaev <vladd8@gmail.com>

Subject: Meeting

Hi Judy,

Let all of this be a lesson to Serge being on time is key, he could avoided a lot of his issues with multiple investors if he simply paid out by Friday @ 3pm. He was late and paid out Saturday @ 12pm. That's 18 hours that he was late. Now he will be very busy. I have always had issues with his punctuality when it came to money.

Please advise me of the concerns in my last 2 emails regarding all the issues including the financial statements that still have not been provided.

But I am really concerned here as I have offered to buy out mortgages that are in the fund and can be assigned within a week or as of today the group may consider even buying the SVP portfolio - unlike serge we have the liquidity. I have offered that in the past but based on the application serge rather transferred those mortgages to Elle. Is there fraud? Is there mismanagement? All possibilities. He also took cash from investors as investment. Did he misappropriate those funds? Is he allowed to do this? Those are questions that need to be asked.

Mr Makaronets who I am cc'ing who you have advised he may have his money stuck on repayment if he issues a claim, here is the problem in practice for you. Mr Serge signed an

extension where he is responsible for 22 percent per year on my debenture after July 12 and \$500 a day per day he is late with repaying it in full. Vlad(ccd) has the same clauses so if he were not to pay us and had to pay pro rata to all the debenture holders it would start getting very very expensive as the expense to simply me and Vlad is \$1000 per day if we do not receive our money on July 12. He has acknowledged that condition in a separate email and has paid us the \$1000 a day when he was late with the late penalty. The problem with using technicalities - they can work for and against you - here the mathematics work against Serge. The longer he fights any claim - it gets very expensive for him due to our debentures running at 22 percent with \$500 penalty to each.

In terms of interest - I personally prefer the receiver over Serge, simply don't trust him, so I hope equitable bank wins the motions and takes over. I think that would be best for everyone involved in the long run, unless of course serge sits down at the negotiating table.

Vlad(ccd) has a text once from Serge - Where Serge says do you want to drop everything and bring you your money? - considering he is running a cash flow based business - that's rather a questionable statement. The last proposal we can make is that we sit down with our lawyer/us and Serge/you/Mark Simone and we hammer out a concrete agreement for everybody involved - with concrete dates, concrete times of what is going to happen. **We can do it tonight @ 6pm at the Barapp Law Firm boardroom and yes Judy Serge will need to drop whatever he is doing as this is time. Unlike Serge the guys are reasonable when they are treated right. You can use the law and technicalities but when you have people that are unhappy the way they are treated they will do irrational things. We can put that unhappiness to rest tonight. Let me know so the group can find counsel to be present.**

Thanks

--

Eric Barapp, BAS, JD

Personal Injury Lawyer

--

Eric Barapp, BAS, JD

Personal Injury Lawyer

From: Eric Barapp
To: Igor Demitchev; Judy Hamilton; Mark Simone; Sergiy Shchavyelyev; Vlad Dagaev; Alexander Makaronets
Subject: Actions of Mr Demitchev
Date: June 29, 2024 10:23:36 AM

To Whom It May Concern,

I have met Mr Demitchev in the hallway on Thursday where he waved his hand at me saying "keep me the fuck out of it - its Serges problem you dirty Jew".

Judy please advise if Serge has retained you for this issue as well so I don't have to cc him on any future emails for this particular matter as it is clear that this is not a litigation or pre litigation matter.

Some people may see this as a threat but I for one like it that Mr Demitchev is being very aggressive towards me as this shows that he cares.

Mr Demitchev owes 25% of the voting shares of Equityline. Considering all the investors that Serge has not paid out are Jewish - is this organization anti semitic in nature based on Mr Demitchevs comments? Is he choosing the Jews as the ones not to receive their money? Because he paid out Mr Semenov(Ukrainian) and Anastasia(Russian) but the Jews allegedly seem to be getting the short end of the stick.

Some of the boys will be contacting Jewish Organization to show the continued anti semitic actions of Serge and his cousin. Targeting the Jewish community.

AIDA is important.

Attention - I bet I have as Igor getting aggressive. Hopefully their friendship with Serge ends.

Interest - Are you interested? Of course you are. You are willing to meet.

Decision - Have you made your decision to pay us ahead of Equitable Bank immediately?

Action - Sending us the redemption cheque in full.

I hope you will follow through on my AIDA

From: Eric Barapp
To: Judy Hamilton
Cc: Alexander Makaronets; Vlad Dagaev
Subject: Re: Meeting
Date: June 29, 2024 9:59:40 AM
Attachments: image001.png

Based on Serges previous actions this seems nothing more than a delay tactic.

The boys are ready to meet @ 11am. Ari is available as well. Friday @ 11. I guess Serge will be on time as he can zip across the city in one of his supercars.

Also per my understanding with Boris you have advised that you only represent Equityline only in Pre-Litigation and Litigation matters meaning Alex and I are free to contact him on any other matters such as redemptions, payments, kind of crappy car club, sale of his cars which are listed, his mistresses, liquidity issues, his pathetic MIC. As it is clear from your email that you represent him in a limited capacity. Please advise otherwise. We have to be consistent with every debenture holder.

I have a gut feeling that Serge will be busy next week, including the long weekend. Again simply a gut feeling. If he has any health issues due to the stress he is experiencing (making an assumption) I can recommend to him some of the finest cardiologists, oncologists, sleep clinics and psychiatrists. I am the guy to make him the recommendations in my opinion as this is my expertise. I deeply care for Serges medical team to be one of top performers so they can keep our CEO in good health so he can leverage even more.

25% of voting shares belong to Igor Demitchev, Yulia Sashko and Robert Kay as 25% owners have they been notified of the issues that the MIC is having?

On Fri, Jun 28, 2024 at 10:44 AM Judy Hamilton <JH@friedmans.ca> wrote:

Yes.

Yours truly,

Judy Hamilton

FRIEDMANS
 LAW FIRM

Judy Hamilton | Partner
 Friedmans LLP
 150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5
 T: (416) 496-3340 x 136 | F: (416) 497-3809
 E: jh@friedmans.ca | www.friedmans.ca

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From: [Eric Barapp](#)
To: [Sergiy Shchavyelyev](#); [Mark Simone](#); [Igor Demitchev](#); [Mary Moncada](#)
Cc: [Judy Hamilton](#); vladd8@gmail.com; [Alexander Makaronets](#)
Subject: Picketers
Date: July 4, 2024 11:15:09 PM



פרספקטיבה ערוץ PerspectivesTV
ישראלי בקנדה
[facebook.com](https://www.facebook.com)

One of our head picketers.

This one looks a little too nice for the boys but seems like a good guy to start with, considering your club supports members that are anti Israel I think he don't like you to start with....

Serge I promised Judy you will be busy cause of the scheduling change. I wasn't lying .

The boys will see you on the picket lines.

Serge unlike you I keep my word.

Sent from my iPhone

From: [Judy Hamilton](#)
To: [Eric Barapp](#); [Sergiy Shchavyelyev](#)
Cc: [Vlad Dagaev](#); [Alexander Makaronets](#); [Igor Demitchev](#); [Mark Simone](#)
Subject: RE: More Lies, Deceit and Issues
Date: July 12, 2024 6:18:00 PM
Attachments: [image001.png](#)

Eric,

Any ill feeling that may exist or be engendered between clients, particularly during litigation, should never be allowed to influence lawyers in their conduct and demeanour toward other legal practitioners or the parties. The presence of personal animosity between legal practitioners involved in a matter may cause their judgment to be clouded by emotional factors and hinder the proper resolution of the matter. Personal remarks or personally abusive tactics interfere with the orderly administration of justice and have no place in our legal system.

I would ask that you review the Rules of Professional Conduct with respect to civility and govern yourself accordingly. Your threats, insults and complete lack of civility is not assisting the parties in moving towards resolution.

Yours truly,

Judy Hamilton

FRIEDMANS
LAW FIRM

Judy Hamilton | Partner
 Friedmans LLP
 150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5
 T: (416) 496-3340 x 136 | F: (416) 497-3809
 E: jh@friedmans.ca | www.friedmans.ca

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From: Eric Barapp <ebarapp@gmail.com>
Sent: Friday, July 12, 2024 6:02 PM
To: [Sergiy Shchavyelyev <sergiy@equitylinemic.com>](mailto:sergiy@equitylinemic.com)
Cc: [Judy Hamilton <JH@friedmans.ca>](mailto:JH@friedmans.ca); [Vlad Dagaev <vladd8@gmail.com>](mailto:vladd8@gmail.com); [Alexander Makaronets <amakaronets@barapplaw.com>](mailto:amakaronets@barapplaw.com); [Igor Demitchev <igor@igordemitchevlaw.com>](mailto:igor@igordemitchevlaw.com); [Mark Simone <mark@equitylinemic.com>](mailto:mark@equitylinemic.com)
Subject: More Lies, Deceit and Issues

Hi,

Thankfully I connected with Arthur today, and understand his father in law is a director there. He has tried to pull his money out and has received zero as well.

He says Mr Kay will sell himself out - he sits on a bunch of boards.

From: Eric Barapp
 To: Sergiy Shchavyelyev
 Cc: Boris Lozovski; Judy Hamilton; Vlad Daganov; Alexander Makaronets
 Subject: Re: Urgent - Information Needed
 Date: July 12, 2024 4:52:27 PM

It took 2 days to operate like the no good Serge that he is. A lying deceiving

Guys I have been in touch with Arthur S - says he is losing his life savings...

How is your heart doing with all the junk crap in your office? We need the CEO to be healthy, but you didn't look too good during the meeting, well I can find more beauty in BCs drug row than with you.

FC Vrkuta and the American Authorities - I guess the OEC wasnt enough for Serge.

On Fri, Jul 12, 2024 at 4:34 PM Eric Barapp <ebarapp@gmail.com> wrote:

Wednesday is too late in my opinion.
 Tell these dudes to get themselves available for Monday @ 2.

On Fri, Jul 12, 2024 at 4:30 PM Sergiy Shchavyelyev <sergiy@equitylinemic.com> wrote:

I have proposed your request for Wednesday at 2pm.
 Im waiting on replies.
 Judy you were cc on the request for Wednesday at 2pm

Thank You,
 Sergiy Shchavyelyev, CEO
 EquityLine Mortgage Investment Corporation.
 550 HWY 7 East, Suite 338
 Richmond Hill, ON, L4B 3Z4
 FSCO Mortgage Broker Licence Number: 12570
 FSCO Mortgage Admin Licence Number: 13068
 Direct: 416-939-6376
 Office: 416-999-3993
 Fax: 416-999-3336
 Toll Free: 1-888-269-1988
www.EquityLineMic.com

On Jul 12, 2024, at 3:34 PM, Boris Lozovski <blozovs@gmail.com> wrote:

Sergiy,

stop chilling at the car club and go to your office and start working on the full list like you have stated in the meeting

we want a meeting in person with the board and the owners of the corp , wed at 2 pm would works for us

Thank you
 Boris

On Fri, Jul 12, 2024 at 3:21 PM Sergiy Shchavyelyev <sergiy@equitylinemic.com> wrote:

The board is fine to meet by zoom on tuesday or wednesday.

Im waiting on everyone from board to provide availability of time to propose to you.

Thank You,

From: [Eric Barapp](#)
To: [Sergiy Shchavyelyev](#)
Cc: [Judy Hamilton](#); [Vlad Dagaev](#); [Alexander Makaronets](#); [Igor Demitchev](#); [Mark Simone](#)
Subject: More Lies, Deceit and Issues
Date: July 12, 2024 6:01:59 PM

Hi,

Thankfully I connected with Arthur today, and understand his father in law is a director there. He has tried to pull his money out and has received zero as well.

He says Mr Kay will sell himself out - he sits on a bunch of boards.

If the board doesn't want to get sued for errors and omissions - they have insurance, tell them to earn their paycheque and sell us our mortgages which we have offered money for.

Serge, do you think we would buy the mortgages that are simply in the SVP? You think you can just trick us. We have a few tricks of our own. Should have played nice Serge, you Russian crook.

Judy, your client has proved to be nothing more than a deceitful, lying, manipulative piece of human . Maybe like you told Alex you can keep your client in check from lying and being deceitful.

Btw have they finally cut off that leg of your moms? So sad....

Thanks

--

Eric Barapp, BAS, JD
Personal Injury Lawyer

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On Jul 13, 2024, at 6:37 PM, Eric Barapp <ebarapp@gmail.com>
 wrote:

1st option

1. Interest to be paid on debenture for the 3.52 million (whatever debentures are) till that amount is repaid - partially will reduce it.
2. Our litigation lawyer, our real estate, our property management, we are free to improve the property as we see fit.
3. Mortgages to be managed by Admin Company.
4. Lean across Walsh and Your king farm as collateral to make sure there is no equity loss - if there is any equity loss you are on the hook - we don't care about interest loss. No payment of interest on the 5mil. Once all properties are sold we'll take off the lean.
5. You waive all accrued interest on any property.
6. We give you 5 million to buy the 8.5 million of mortgages.

2nd Option as suggested by Vlad - you are off the hook off the interest, you are off the hook off anything. 3.5 + 3.52 and the mortgages are transferred to us.

22 Lords Roberts Drive - 940k Total 188 MIC 752 SPV
 Southmoor - 600k - 95 MIC 380 SPV
 Havelock Gate - 1,271k - 254 MIC 1,017,000 Elle
 Euclid Ave - 1.4 - 936ELLE + 244MIC
 Seguin - 1.3 - 258 MIC 880 ELLE
 99 Kalmar - 625 - 125 MIC 500 SPV
 280 Thaler Unit 17 - 78k MIC and 312k SPV
 Brampton - 310 Mill Street - - 96,800 MIC 387,2000 SPV
 1096 William Street in London - 200 MIC and 800k SPV
 Paisley Road. - 72MIC 288SPV
 Hooper - - 110 MIC 440 SPV

For you this is your best ending. I see others and they are just not that good, I assure you of that. I have visualized it. AIDA, time to think with your brain which obviously by the portfolio doesn't work properly in evaluations.

Serge, don't be late. I expect an answer by 8pm tonight. Make us the priority or you will become our priority.

--

Eric Barapp, BAS, JD
Personal Injury Lawyer

From: [Eric Barapp](#)
To: [Sergiy Shchavyelyev](#)
Cc: [Vlad Dagaev](#); [Alexander Makaronets](#); [Boris Lozovski](#); [Matthew Ewing](#); [Judy Hamilton](#)
Subject: Re: Offer
Date: July 13, 2024 7:16:09 PM

Make things available before 8pm, you no good lazy ceo. You again proved to be late.

8 million of mortgages on those properties

We will give you 3.5m and 3.52m we have invested in the MIC. We buy them out.

What's happening to option 1?

You even have a slower thinking brain than I thought. The mentally ill special ed thinks faster than you.

I guess due to your action people around you will have a fun Sunday. I assure you.

Sent from my iPhone

On Jul 13, 2024, at 6:53 PM, Sergiy Shchavyelyev <sergiy@equitylinemic.com> wrote:

Thank you for your offer Eric

- 1) This will need to be presented to the board and still needs to be signed off by OSC as i have stated before.
- 2) i will make sure that board can clearly speak to this offer on wednesday at 2pm and transfers and assignments in option 2
- 3) on option 2 i will create an excel sheet unless you have one, please share. Also can you be more clear on 3.5 + 3.52.

As states before we are working with your team, yet many items are not in my hands on your time line of today before 8pm.

Your offer on option 2 will be reviewed by the everyone and you will have all your answers on Wednesday at 2pm.

Enjoy your weekend i hope the above helps.

Thank You,
Sergiy Shchavyelyev, CEO
EquityLine Mortgage Investment Corporation.
550 HWY 7 East, Suite 338
Richmond Hill, ON, L4B 3Z4

From: [Eric Barapp](#)
To: [Sergiy Shchavyelyev](#)
Cc: [Igor Demitchev](#); [Judy Hamilton](#); [vladd8@gmail.com](#); [Boris Lozovski](#); [Alexander Makaronets](#)
Subject: Offer and FC Vrkota and Immigration Scheme and Legal Picketing
Date: July 14, 2024 6:17:38 AM

I suggest the board and you serge figure out how to take the offer. During the meeting we will be talking about the conduct of the solicitor of the company and 25 percent voting shareholder the guy that had his drivers license allegedly suspended due to alcohol use. I have seen him consume lots of alcohol during work hours. See you at the board meeting Serge.

Serge, you know active income is only earned when you have 5 or more payroll employees? I allegedly know where the other 2-3 came from. Igor should be at the meeting. Ask him to bring Stas as well. It's without prejudice right.

Btw I saw Willie Handlers grandkids what a bunch of beautiful little munchkins. family is very important serge. If we have too we'll go to Willie's grandkids school or camp to picket. Legal picketing tell your board we'll be at all their kids activities or grandkids, legal picketing everyday and with their picture. The kids will come home and ask why is grandpas face on a sign. Thats due to him not paying Eric Barapp his demands. Judy it's beautiful we already picketed at serges moms place - "the lady with the ravaged leg". Our boys could have picketed ,caught that terrible infection from her. Now we'll be hitting the kids activities before Wednesday. Legal picketing at its finest. Allowed to picket at the grandkids camp and it's legal. AIDA.... I have a busy week scheduled in for you. I assure you the rest of the board will hear about our displeasure. Serge and once I find where your children go to camp we'll be showing up there too. All within the rules. You tell me about the financial audited statement and the rules of professional conduct. I can tell you how human nature works.

Picketers show up. Kid gets nervous starts having issues. Needs to see a child psychologist. The picketers did everything legal but then the classmates may poke fun at the kids, the kid may not want to attend, he may start having educational issues.... As I said I can be legally be a bad human. Thats how workers picket except I think the best place is to target where the kids or grandkids of the directors are for the full effect.

In Canada, picketing at a children's camp is legal, but there are certain considerations and restrictions:

1. ***Peaceful assembly*:** Picketing must be peaceful and not disrupt the camp's operations or put children at risk.
2. ***Respect for children*:** Picketing should not involve confronting or intimidating children, staff, or parents.
3. ***Private property*:** If the camp is on private property, picketers may need permission from the owner or operator to access the property.
4. ***Local bylaws*:** Check with local authorities to ensure compliance with noise, trespassing, or other bylaws.
5. ***Safety*:** Picketing should not compromise the safety of children, staff, or others at the camp.

It's essential to consider the potential impact on children and the camp's operations before picketing at a children's camp in Canada. It may be helpful to:

- Contact the camp administration or owner to discuss your concerns and intentions.
- Explore alternative locations for picketing, such as nearby public spaces.
- Ensure picketers are aware of and respect the camp's boundaries and rules.

Remember, picketing should be peaceful, respectful, and lawful.

If I am doing something unlawful please tell me. I will stop immediately(possibly) The same can't be said for FC Vrkota back in the day. Igor you told your cousin is a big guy..... You Must of been a comedian in your previous life. The arrogance your cousin possesses is something but minus the fluff.

From: Judy Hamilton
Sent: Wednesday, July 17, 2024 9:10 AM
To: Eric Barapp <ebarapp@gmail.com>
Cc: Boris Lozovski <blozovs@gmail.com>; Alexander Makaronets <amakaronets@barapplaw.com>; vladd8@gmail.com; Bill Friedman <wf@friedmans.ca>
Subject: RE: Serge and Equityline

WITH PREJUDICE

Eric,

Firstly, I am copying Bill Friedman, the founder of this firm, as I would like him to be aware of the seriousness of your conduct to date.

On Friday, I wrote to you again to ask you to please conduct yourself in accordance with the rules of professional conduct and specifically to address your conduct and demeanour. As you are well aware, personal remarks, insults, disturbing references to people's children and grandchildren meant to make them feel threatened and vulnerable, or personally abusive tactics, are strictly prohibited. The court provides us with civil process to deal with grievances.

Despite my attempt to encourage you to act civilly, I came to the office on Monday to read a series of abusive and inappropriate emails with the intent to harass and annoy which were unprofessional and unhelpful. These communications will not assist in getting you or your group of investors to obtain a preference or special treatment. You have been previously advised that any action or settlement with creditors must have the approval of the regulator.

Due to your tactics, you have disintitiled yourself from any communications that are not through counsel, and specifically objective third-party counsel who are not themselves investors.

You and your fellow participants do not need to ask me whether your emails and tactics are illegal. They clearly are. You are a lawyer licensed to practice in Ontario and you are fully aware of what you and your group members are doing. I encourage each of them to seek independent legal advice on this.

You should not be surprised that further to your direct and aggressive intimidation of members of the Board, they are disinclined to meet with you at this time. In any event, you are not entitled to interfere with the Board's process by threats and intimidation. Your offer, along with other offers, is being vetted by the Board and should there be any questions with respect to your offer, either the Board or I will reach out for further information, but as aforesaid, only to a designated counsel that your group appoints as the contact person for such discussions. Please advise who you have retained in this regard.

You have already been advised that any action plan needs to be approved by the OSC. The Board is working through the process that has been prescribed by the regulator and will not be diverted from the same by illegal and improper tactics.

Yours truly,

Judy Hamilton

Judy Hamilton | Partner
Friedmans LLP
150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5
T: (416) 496-3340 x 136 | F: (416) 497-3809
E: jh@friedmans.ca | www.friedmans.ca

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

From: Eric Barapp <ebarapp@gmail.com>
Sent: Wednesday, July 17, 2024 8:00 AM
To: Judy Hamilton <JH@friedmans.ca>
Cc: Boris Lozovski <blozovs@gmail.com>; Alexander Makaronets <amakaronets@barapplaw.com>; vladd8@gmail.com; Sergiy Shchavyelyev <sergiy@equitylinemic.com>; Glenn Cohen <glenn@glenncohenlaw.ca>; Terry Walman <terry@terrywalman.com>; Mary Moncada <mary@equitylinemic.com>; Igor Demitchev <igor@igordemitchevlaw.com>; Mark Simone <mark@equitylinemic.com>
Subject: Serge and Equityline

Are you still representing serge and equity line.

If not Boris will be looking personally for serge at his residence(farm), office, car club or any other place he deems fit since like many others believes its now a scam. Boris has a brain injury just letting you know verified by neurologist. Serge has financial statement, Boris has also papers. Also he will be visiting his moms to find his whereabouts - the lady with the infected leg.

My team is wondering maybe serge was busy getting to his son's oncologist appointment that's why our offer hasn't been responded too? Please advise. Maybe he is still stuck on the dvp. Poor little munchkin.

As an officer of the court you must clearly communicate. If you are failing to communicate then we will need to communicate with your client directly.

We made an offer - we have seen zero replies. It's been 3 days. Way too long, and the rain on the DVP is not an excuse.

We will be coming to your office at 2pm regardless.
Your client confirmed the meeting.

Boris start looking for serge as obviously he doesn't have counsel until we have confirmation.

I have contacted other counsel as maybe they represent him as this maybe a case of Aidan Pechersky. We are not going to just let him leave the country.

We need a reply by 9am Judy.

Sent from my iPhone

EQUITABLE BANK
Applicant

-and-

EQUITYLINE SPV LIMITED PARTNERSHIP
Respondent

Court File No. CV-24-00721560-00CL

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SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT

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Barristers and Solicitors
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Lawyers for the Respondent

RCP-F 4C (September 1, 2020)

EQUITABLE BANK
Applicant

-and-

EQUITYLINE SPV LIMITED PARTNERSHIP
Respondent
Court File No. CV-24-00721560-00CL

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Lawyers for the Respondent

RCP-F 4C (September 1, 2020)