



**First Report to Court of  
KSV Restructuring Inc.  
as Receiver and Manager of  
EquityLine SPV Limited Partnership**

October 2, 2024

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COURT FILE NUMBERS: CV-24-00721560-00CL

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

**BETWEEN:**

**EQUITABLE BANK**

**APPLICANT**

**- AND -**

**EQUITYLINE SPV LIMITED PARTNERSHIP**

**RESPONDENTS**

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**IN THE MATTER OF AN 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. C.43, AS AMENDED**

**FIRST REPORT OF  
KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER**

**OCTOBER 2, 2024**

## **1.0 Introduction**

1. Pursuant to an order issued by the Ontario Superior Court of Justice (the “**Court**”) on August 8, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as the receiver and manager (the “**Receiver**”), without security, of all assets, undertakings and properties of EquityLine SPV Limited Partnership (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”). A copy of the Receivership Order is provided in Appendix “A”.
2. The application to appoint the Receiver was brought by Equitable Bank (“**EQB**”), the Debtor’s senior secured creditor, which was owed approximately \$10.1 million as of the date of the Receivership Order.

3. The Debtor is part of a group of companies known as the “EquityLine Group”, which operates in the mortgage services sector. The Debtor currently holds a portfolio of approximately 25 mortgages, with an estimated book value of \$11.8 million (the “**Mortgage Portfolio**”). The Mortgage Portfolio is managed by EquityLine Services Corporation (“**Services Co.**”), which also manages mortgages for the EquityLine Group’s publicly listed mortgage investment entity, EquityLine Mortgage Investment Corporation (the “**MIC**”).
4. Since its appointment, the Receiver has identified several critical issues concerning the Debtor, including, but not limited to the following:
  - a) all mortgages are in default of their payment schedules;
  - b) at least eight of the Debtor’s mortgagors have alleged fraud, raising serious questions regarding the validity of their mortgages. The Receiver is aware of three mortgagors that have formally filed claims against Computershare Trust Company of Canada (“**CTCC**”), which holds the legal title to the mortgage loans on behalf of the Debtor;
  - c) the Debtor’s principal has disclosed the unauthorized diversion of \$1.6 million in mortgage repayments from the Debtor to the MIC prior to the date of the Receivership Order, which amount is subject to EQB’s security interest. The MIC has not returned these funds to the Debtor, despite repeated demands by the Receiver; and
  - d) three mortgages, with principal amounts totalling approximately \$1 million, that were subject to EQB’s security interest, were postponed or transferred without the required consent of EQB (the “**Postponed Mortgages**”).
5. This report (the “**Report**”) is filed by KSV in its capacity as Receiver.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information about the Debtor and EquityLine Group;
  - b) summarize the Receiver’s activities since the Receivership Order was granted;
  - c) summarize the Receiver’s review of the Mortgage Portfolio;
  - d) recommend that this Court issue an Amended and Restated Receivership Order and provide the basis for:
    - i. appointing KSV as receiver over Services Co. and the MIC;
    - ii. authorizing the Receiver to exercise investigative powers, including to examine under oath any Person (as defined in the Receivership Order); and
    - iii. approving this Report and the Receiver’s activities described therein.

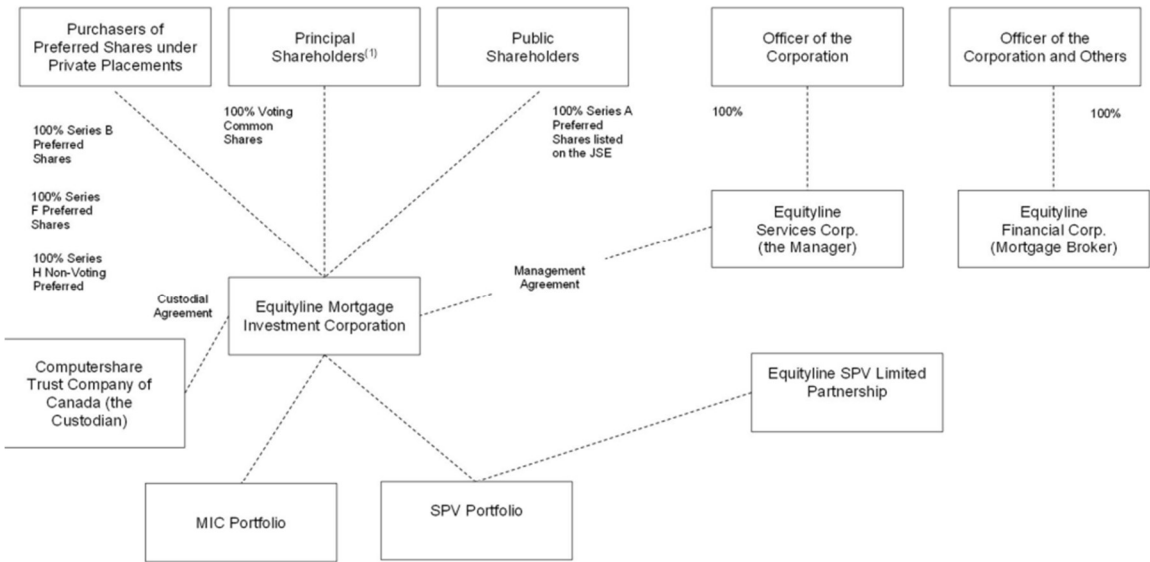
## 1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions and information provided by representatives of EQB; (ii) certain of the Debtor’s unaudited books and records; (iii) information provided by the Debtor; and (iv) the receivership application materials filed by EQB and materials filed by the Debtor (collectively, the “**Information**”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the affidavit of Brendan Smith, Director, Specialized Finance of EQB, sworn May 31, 2024 (the “**Smith Affidavit**”). Copies of the Court materials filed in these proceedings are available on the Receiver’s case website at: <https://www.ksvadvisory.com/experience/case/equityline>.

## 2.0 Background

### 2.1 Structure

1. EquityLine Group brokers, finances and manages its mortgages. An organizational chart for EquityLine Group is provided below.<sup>1</sup>



<sup>1</sup> Sourced from the MIC’s Offering Memorandum dated September 23, 2023.

2. The principal entities within EquityLine Group and their respective functions are outlined below.
  - a) EquityLine Financial Corp. (the “**Mortgage Broker**”): entity that offers mortgage brokering services, mortgage lending and private mortgage loan administration services.
  - b) Services Co.: entity responsible for managing mortgages and overseeing day-to-day mortgage administration activities, including the sourcing, structuring, and ongoing management of the mortgage portfolio.
  - c) MIC: a publicly listed entity on the Jamaican Stock Exchange, the MIC is a non-bank lender primarily providing residential real estate loans in Ontario, with a smaller portion of its portfolio dedicated to commercial real estate loans.
  - d) Debtor: as more fully set out below, the Debtor is a special purpose vehicle which currently holds a portfolio of 25 mortgages in Ontario with a book value of \$11.8 million.
3. Sergiy Shchavyelyev (“**Shchavyelyev**”) serves as the sole director of the Debtor and is also the President and Director of EquityLine Group’s affiliate entities, including the MIC, Services Co. and the Mortgage Broker.

## 2.2 Debtor

1. The Debtor is a limited partnership formed pursuant to the laws of Ontario declared on June 23, 2021. The MIC is the sole limited partner of the Debtor. EquityLine SPV GP Inc. is the general partner of the Debtor.
2. The Debtor does not have any employees. Its mortgages are administered by Services Co.
3. Under a Mortgage Sale and Servicing Agreement, the Mortgage Broker transfers the rights, title, and interest in specific mortgages to the Debtor. The Debtor finances a portion of these mortgages using funds borrowed from EQB. Services Co. manages the Mortgage Portfolio, interacting with individual mortgagors, collecting payments, and reporting on the status of the mortgages. Pursuant to the Credit Agreement (as defined below), EQB funded up to 80% of first mortgages and 50% of second mortgages, with the remaining balance financed by the MIC.

4. A summary of the principal amount of the mortgages is provided below. Three of the mortgages in the Mortgage Portfolio are Postponed Mortgages.

(unaudited; \$000s)	# of Mortgages	Principal value	Funded by EQB	Funded by MIC
First Mortgage	16	9,087	7,140	1,947
Second Mortgage	9	2,718	1,359	1,359
Mortgage Portfolio <sup>2</sup>	<b>25</b>	<b>11,805</b>	<b>8,499</b>	<b>3,306</b>
Discharged Mortgages	5	2,044	1,575	469
Total Portfolio, including discharged/postponed	<b>30</b>	<b>13,849</b>	<b>10,074</b>	<b>3,775</b>

5. As outlined in the Smith Affidavit, prior to the commencement of receivership proceedings, EQB became aware that a substantial majority of the Mortgage Portfolio was in default. Additionally, EQB discovered that at least eight of the mortgages, which were believed to be held as collateral, had been discharged, postponed or transferred without the loan proceeds being applied or without the knowledge or authorization of either EQB or CTCC. A copy of the Smith Affidavit is attached as Appendix “B”.

## 2.3 EQB

1. As of the date of the Receivership Order, approximately \$10.1 million was outstanding to EQB.
2. Pursuant to the terms of a credit agreement dated August 5, 2021, as amended (the “**Credit Agreement**”), EQB provided a revolving credit facility (the “**Credit Facility**”) with advances up to an aggregate principal amount of \$25 million.
3. As security for the Credit Facility, EQB obtained the following from the Debtor: (i) a general security agreement dated August 5, 2021 (the “**GSA**”); and (ii) a custodial agreement with CTCC dated August 5, 2021 (the “**Custodial Agreement**”), and a title custodian acknowledgement agreement with EQB and CTCC dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”). Under the terms of the Custodial Agreement and the Title Custodian Acknowledgment Agreement, CTCC holds legal title and acts as agent, nominee and bailee for and on behalf of the Debtor in respect of its mortgages, while the Debtor retains beneficial ownership of those mortgages.
4. The Debtor’s obligations to EQB pursuant to the Credit Agreement are guaranteed by Services Co. through an unlimited guarantee agreement dated August 5, 2021.
5. On August 27, 2024, EQB filed a financing statement pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) against the MIC in respect of the \$1.6 million in mortgage repayments that were to have been deposited with the Debtor.

<sup>2</sup> Included within the Mortgage Portfolio are three mortgages that have been postponed or transferred without the required consent of EQB. The total principal balance of these mortgages is approximately \$1.5 million, with \$1 million funded by EQB and \$500,000 funded by the MIC.



6. On September 10, 2024, EQB filed a financing statement pursuant to the PPSA against Services Co. in respect of the proceeds of mortgages (including regular payments) inappropriately retained by Services Co.
7. Counsel for the Receiver has not yet conducted a security review of EQB's security.

## 3.0 Mortgage Portfolio

### 3.1 Introduction

1. Immediately following the commencement of the receivership proceedings on August 8, 2024, the Receiver requested a meeting with Shchavyelyev. Shchavyelyev indicated that the earliest he could meet was on August 14, 2024, six days after the commencement of the receivership proceedings.
2. On August 14, 2024, two representatives of the Receiver met with Shchavyelyev and a board member of the MIC.

### 3.2 Status of Mortgage Portfolio

#### 3.2.1 Prior to Receivership

1. Prior to the receivership, EQB received monthly reports from the Debtor suggesting that several mortgages were in varying stages of arrears, specifically between 30 to 90 days. EQB understood that payments were continuing and that none of these mortgages had been classified as defaulted or were subject to enforcement proceedings.
2. Contrary to these reports, the majority of the mortgages were, in fact, in default. The Debtor and Services Co. appear to have provided misleading information to EQB regarding both the financial status of the Debtor and EQB's collateral.
3. The Receiver understands that Services Co. engaged Terry Walman ("**Walman**") as its counsel and initiated lawsuits to recover on some of the mortgages in the name of CTCC. CTCC has advised the Receiver that Services Co. did not inform CTCC of these actions nor did it or Walman obtain CTCC's consent, resulting in unauthorized legal proceedings being initiated.

#### 3.2.2 Review of Mortgage Portfolio

1. During the August 14, 2024 meeting with Shchavyelyev, the Receiver reviewed the status of the Mortgage Portfolio, which is comprised of 25 mortgages.
2. Shchavyelyev advised the Receiver that 24 of the remaining 25 mortgages in the Mortgage Portfolio are in varying stages of default. The Receiver notes that the default rate in the MIC industry is approximately 1%<sup>3</sup>.

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<sup>3</sup> Source: <https://www.reuters.com/world/americas/risk-mortgage-defaults-puts-spotlight-canadian-non-bank-lenders-2024-02-01>

3. Of the 25 mortgages, Shchavyelyev reported that four are subject to allegations of fraud made by the borrowers against, among others, CTCC. These claims assert that service and renovation contractors presented falsified agreements to elderly borrowers in an effort to register a Notice of Security Interest (NOSI) against their properties. Subsequently, these borrowers were contacted by the Debtor, which allegedly settled the purported security interests in exchange for high-yield mortgage loans.
4. For example, in the case of the second mortgage loan on the property located at 132 Swift Crescent, Guelph, the borrower was reportedly victimized by a door-to-door sales scam around December 2021. The borrower is alleging that it was misled into believing that certain falsified “liens” on their home would result in the property being sold unless funds were paid to join a non-existent class action lawsuit. Several visits from the alleged fraudsters allowed them to gather personal information from the borrower and complete a mortgage application without the borrower’s knowledge or consent. Following the deposit of the mortgage proceeds into the borrower’s account, the alleged fraudsters convinced the borrower that these funds were proceeds from the lawsuit, which were to be used for renovations. Ultimately, the borrower alleges that it was induced to pay the entirety of the mortgage funds to the alleged fraudsters in subsequent months.
5. A sample Statement of Claim, which is similar to two others, is attached as Appendix “C”.

### **3.2.3 Communication with Borrowers**

1. The Receiver sent letters to the 25 borrowers on August 19, 2024, by registered mail and on August 27, 2024, by courier notifying them of the receivership proceedings, and demanding the monthly mortgage payments be directed to the Receiver’s bank account.
2. The Receiver made further attempts to reach unresponsive borrowers through phone calls and emails. In total, the Receiver has communicated with 14 of the 25 borrowers. Of these, eight have alleged mortgage fraud — four more than previously identified by Shchavyelyev.
3. For the remaining 11 mortgages, the Receiver’s counsel sent letters to the unresponsive borrowers on September 18, 2024, by email and registered mail. To date, only one borrower has responded. The Receiver has engaged a contractor to attend at the residences of the unresponsive borrowers to attempt to contact them. If the Receiver is not able to contact the borrowers, it may commence enforcement actions.

4. The current status of the mortgages, all of which are in default, is provided in the table below.

(unaudited; \$000s) Mortgage Status	Number of Mortgages	Principal	Debt funded by EQB	Debt funded by the MIC
No alleged fraud	7	2,564	1,806	758
Alleged Fraud	8	4,015	2,969	1,046
Unresponsive	10	5,226	3,724	1,502
	25	11,805	8,499	3,306

5. The Receiver understands that 20 of the 25 mortgages have not been serviced in over a year. The other five mortgages have outstanding balances ranging from one to seven months.

### 3.3 Diverted Funds

#### 3.3.1 Pre-Receivership Title Searches and Findings

- Prior to the receivership, EQB conducted title searches on properties where it held registered mortgages. These searches identified that at least eight mortgages had been discharged, postponed or transferred without the proceeds being applied to the loan, and without the authorization or knowledge of either EQB or CTCC. This resulted in approximately \$2.6 million of outstanding debt owed to EQB that is no longer secured by a property charge.
- A summary of the eight affected mortgages is as follows:

(unaudited; \$000s)		
Property	Mortgage Amount	Nature of Instrument
33 Broadmead Ave.	100	CTCC discharged
128 Ducharme St.	337	CTCC discharged
2662 Meldrum Rd	288	CTCC discharged
9 Mowat Crescent	330	CTCC discharged
1563 Nipissing Court	520	CTCC discharged
<i>Subtotal</i>	1,575	
69 Fenwood Heights	170	Postponement
135 Ben Sinclair Ave	90	Partial transfer
22 Lord Roberts Dr	752	Transfer of Charge
<i>Subtotal</i>	1,012	
<b>Total</b>	<b>2,587</b>	

- Each title search for the properties listed above is attached as Appendix "D". The table and underlying instruments reflect:
  - the first five mortgages, with an aggregate outstanding principal of \$1,574,880, were inappropriately discharged without the knowledge or consent of EQB or CTCC, and without the proceeds being paid to EQB;

- b) on August 8, 2023, a postponement in favor of Elle Mortgage Corporation (“**Elle**”) occurred regarding 69 Fenwood Heights, also without knowledge or consent from EQB or CTCC;
  - c) on October 19, 2023, a partial transfer (64%) of charge occurred from CTCC to Elle for 135 Ben Sinclair Avenue, again without knowledge or consent from EQB or CTCC; and
  - d) a full transfer of charge took place on March 19, 2024, from CTCC to EquityLine GP Inc. concerning 22 Lord Roberts Drive, unauthorized by EQB or CTCC;
4. On July 16, 2024, Shchavyelyev swore an affidavit (the “**Shchavyelyev Affidavit**”), in which the following was conceded:
- a) in paragraph 24, three mortgages held by the Debtor were discharged without EQB having been paid its interest in that mortgage (the “**Discharged Mortgages**”). The total amount due to EQB arising from the Discharged Mortgages was \$725,280; and
  - b) in paragraph 25, the misallocation of sale proceeds from the Discharged Mortgages was due to an alleged accounting error, resulting in funds for the Discharged Mortgages being transferred to the MIC, and that such alleged error has not been corrected and such funds have not been returned by MIC to the Debtor.
5. A copy of the Shchavyelyev Affidavit is attached as Appendix “E”.

### 3.3.2 Meeting Outcome

- 1. During the August 14, 2024 meeting with the Receiver, Shchavyelyev advised that five, rather than three, mortgages had been discharged by the Debtor without payment of proceeds to EQB, increasing the total to five Discharged Mortgages. The aggregate value of these mortgages was \$1,574,880, with the funds being transferred to the MIC.
- 2. The Receiver requested third-party verification of these transfers, such as bank statements, but has not yet received them. Shchavyelyev indicated that the funds would be returned to the Debtor by August 23, 2024.

### 3.3.3 Demand Upon MIC and Services Co.

- 1. On July 31, 2024, the Jamaica Observer published an article titled “Equityline winding up business as JSE suspends trading” (the MIC is listed on the JSE, being the Jamaica Stock Exchange). The article refers to the MIC “winding up its business and distributing assets to satisfy investor claims” and references that “the company’s auditors, Grant Thornton LLP in Canada, requested Equityline withdraw its auditors report”, without an explanation as to why the audit opinion was withdrawn. A copy of the article is provided as Appendix “F”.

2. The Receiver notes that the MIC's most recent unaudited financial statements posted on its website are for the period ended September 30, 2023. Accordingly, the current financial position of the MIC is unknown; however, since it co-invested in mortgages with the Debtor, and given the Debtor's mortgage default rate, the MIC's assets are impaired.
3. On August 16, 2024, the Receiver's counsel sent a letter to Shchavyelyev demanding repayment of the proceeds from the Discharged Mortgages by August 23, 2024 (the "**August 16<sup>th</sup> Letter**"). The letter also warned that the failure to return the funds would result in the Receiver taking all necessary steps to recover the property, including seeking relief against the MIC and potentially holding Shchavyelyev personally in contempt of the Receivership Order. A copy of the August 16<sup>th</sup> Letter is attached as Appendix "G".
4. The Receiver did not receive a response to the August 16<sup>th</sup> Letter. On August 20, 2024, Shchavyelyev emailed the Receiver, stating, "I'm still working on getting funds to repay. Judy is preparing the agreement to your lawyer side. The moment funds are in my account (estimated Friday), I will send it to Judy Friedman so she can transfer it to your lawyer against the release document. All in works takes a bit of time." A copy of this email is attached as Appendix "H".
5. The Receiver sought clarification regarding the necessity of a release for the return of the Debtor's property. Shchavyelyev later advised that he wanted assurance that no further motion would be brought against the MIC once the funds were repaid. The Receiver informed Shchavyelyev's counsel that it could not agree to such terms, as there may be other funds that had been diverted.
6. On August 22, 2024, the Receiver received a letter from the MIC's counsel, which also purported to be on behalf of the Debtor, despite the Debtor being under receivership. The letter stated that the funds would be repaid to the Receiver by August 30, 2024. It also requested that upon repayment, the Receiver confirm that all amounts owing by the MIC to the Receiver would be considered fully resolved. A copy of this letter is attached as Appendix "I".
7. On August 23, 2024, the Receiver's counsel sent a letter to Shchavyelyev's counsel stating that the Receiver would not accept any conditions for the return of these diverted funds. The letter emphasized that the Receiver was unsure if these were the only five mortgages involved and that the investigation into the circumstances of the diversion was ongoing. A copy of the Receiver's letter is attached as Appendix "J".
8. On September 6, 2024, EQB's counsel sent a letter to Shchavyelyev informing him that EQB had registered a financing change statement against the MIC under subsection 48(2)(b) of the PPSA to continue securing the proceeds from the unauthorized discharges. The letter also made a formal demand regarding the unauthorized Discharged Mortgages and included a Notice of Intention to Enforce Security ("**NITES**") pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*. A copy of the letter, together with the NITES, is attached as Appendix "K".

9. On September 13, 2024, EQB's counsel sent to Services Co. a formal demand for the mortgage proceeds inappropriately retained by Services Co. and included a NITES. A copy of the letter, together with the NITES, is attached as Appendix "L".
10. Since then, Shchavyelyev has made several further commitments to repay the diverted funds but has not done so in full. On September 24, 2024, the Receiver received \$203,346 as partial repayment for a mortgage that had been repaid to Services Co. While the Receiver has been informed that other Services Co. mortgage repayments will be directed to repay the Debtor, no additional funds have been received.

### **3.3.4 Communication with Counsel**

1. The Receiver and its counsel have communicated with Walman, former counsel to the Debtor, with respect to enforcement of the mortgages that comprised the Mortgage Portfolio.
2. As outlined above, certain mortgages that comprise the Mortgage Portfolio have been subordinated, postponed and transferred on the title of the subject property prior to the receivership. Elle is the entity that holds mortgages on the properties where postponement or transfer has occurred prior to the receivership. The Receiver understands that Walman also acts as counsel to and may be the principal of Elle.
3. In addition, Walman continues to act for Services Co. with respect to the enforcement of mortgages that do not form part of the Mortgage Portfolio.
4. In each case, the unauthorized discharges, postponement and assignments referred to at paragraph 3.3.1 (3) were registered by Walman's law office with a clerk of his office signing the document on behalf of CTCC without the knowledge or approval of CTCC or EQB.

### **3.4 Additional Findings**

1. Three of the borrowers have advised the Receiver that Services Co. attempted to withdraw multiple monthly interest payments in the days prior to the receivership proceedings. Presently, the Receiver has obtained support that three months of accelerated interest, in the aggregate amount of \$19,016, was improperly withdrawn by Services Co. on August 8, 2024 (the date of the Receivership Order) from one of the borrowers.
2. The Receiver delivered a letter to Shchavyelyev and Services Co. by email on September 6, 2024, demanding the accounting records of amounts collected from mortgagors in the months prior to the receivership, along with a repayment of the collected funds. The Receiver made subsequent attempts to contact Shchavyelyev on September 9, 20, and 23, 2024. Shchavyelyev has not responded. This lack of communication is concerning, as the Receiver cannot ascertain whether additional funds have been improperly diverted.

### 3.5 Recommendation

1. Given the above, the Receiver has significant concerns about the Debtor, the MIC and Services Co. Shchavyelyev is the sole director of each of these entities and has ceased responding to the Receiver.
2. The Receiver recommends the Court issue an amended receivership order for the following reasons:
  - a) **Recovery of Diverted Funds:** Significant funds, amounting to \$2,586,880, have been improperly diverted from the Debtor without the knowledge or consent of EQB or CTCC. The Receiver has identified multiple instances of unauthorized discharges and transfers concerning mortgages that compromise the Debtor's stakeholders, including the security interests held by EQB. By appointing the Receiver over the MIC and Services Co., the Court would enable a focused investigation and recovery effort for these diverted funds, ensuring that the creditors can claim amounts owed according to their entitlements.
  - b) **Transparent Investigation:** The Receiver's authority would allow for comprehensive and impartial investigations into the transactions and decisions made by both the MIC and Services Co. This includes obtaining necessary documentation and conducting due diligence to trace diverted funds. Given the complexities of these financial transactions, an independent Court officer is best positioned to ensure that all relevant information is disclosed, enhancing the overall transparency of the recovery process.
  - c) **Preservation of Assets:** The Receiver is equipped to safeguard the MIC's assets, which has disclosed that it is winding-up, and maximize the value of the Mortgage Portfolio. This is crucial given the substantial outstanding debt, the likely significant impairment of the MIC's mortgage portfolio and the potential for further prejudice to the MIC's stakeholders.
  - d) **Mitigation of Fraud Risks:** The ongoing financial irregularities and fraud allegations significantly elevate the risk of further loss to creditors and other stakeholders. By appointing the Receiver, the Court can help mitigate these risks, safeguarding the assets of the MIC and Services Co. and facilitating the recovery of funds that rightfully belong to the creditors. The Receiver's oversight would serve to deter any additional unauthorized actions by management.
  - e) **Objective Management:** The Receiver offers impartial and objective management of the MIC, distinct from the previous management's apparent conflicts of interest and miscommunication with stakeholders, including EQB and CTCC.
  - f) **Oversight of Services Co.:** Services Co. collects payment on behalf of the mortgage loans. Shchavyelyev has been unresponsive regarding the collection of additional payments. The Receiver can provide oversight to understand if additional funds were diverted.

- g) **Preservation of Creditor Rights:** The appointment of the Receiver is in alignment with the best interests of all stakeholders, particularly the creditors. The Receiver's role would focus on maximizing recoveries from the MIC and Services Co., ensuring that the rights of creditors are considered throughout the receivership process. This aligns with the overarching goal of preserving the value of the assets and ensuring equitable treatment among all creditors. In the current circumstances, the Receiver does not know if the MIC will repay the diverted funds.

## 4.0 Receipts and Disbursements

1. The Receiver has collected two payments in the aggregate of \$211,737 since the commencement of these proceedings, as follows:
  - a) \$8,392 received on September 19, 2024 - interest payment on one mortgage loan. Several months of interest arrears are still owing on this mortgage.
  - b) \$203,346 received on September 24, 2024 – Funds received from Walman as a partial repayment of the mortgage loan on the property located at 2662 Meldrum Road, Windsor. These funds are attributable to a portion of the \$1,574,880 of the Discharged Mortgages.
2. The Receiver has not made any disbursements since the commencement of the proceedings.

## 5.0 Receiver's Activities

1. The Receiver's activities since the commencement of these proceedings include:
  - a) corresponding extensively with EQB, Aird & Berlis LLP ("**A&B**"), and Thornton Grout Finnigan LLP ("**TGF**"), the Receiver's counsel, regarding all aspects of these receivership proceedings;
  - b) corresponding with the Debtor to obtain the Information regarding the Mortgage Portfolio;
  - c) attending a meeting at the Debtor's head office on August 14, 2024;
  - d) reviewing mortgage documents and reports provided by the Debtor;
  - e) corresponding with A&B and EQB to perform title searches on the Mortgage Portfolio, and consulting CTCC regarding the same;
  - f) corresponding with Shchavyelyev to demand repayment of the \$1.6 million diverted to the MIC, and corresponding extensively with EQB, A&B, and TGF regarding the same;



- g) corresponding with Shchavyelyev to demand the accounting records of amounts collected from the Services Co. in the months prior to the receivership;
- h) corresponding with the mortgage borrowers on August 19 and 27, 2024 to notify them of the receivership proceedings and the requirement to pay the monthly mortgage service to the Receiver;
- i) convening phone calls with borrowers to understand the mortgage status, and arrange for repayment of interest and mortgage principal;
- j) maintaining a mortgage schedule to track mortgage status and cumulative interest outstanding;
- k) reviewing counterclaims of borrowers who claim alleged fraud;
- l) preparing this Report and reviewing and commenting on the motion materials in respect of same;
- m) engaging a contractor to attend at the residences of unresponsive borrowers;
- n) responding to emails and calls from borrowers;
- o) preparing the notice and statement of receiver pursuant to sections 245 and 246 of the *Bankruptcy and Insolvency Act*; and
- p) maintaining the Receiver's case website.

## 6.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

\* \* \*

All of which is respectfully submitted,



**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS RECEIVER OF  
EQUITYLINE SPV LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

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

THE HONOURABLE	)	TUESDAY, THE 30th
	)	
JUSTICE JANA STEELE	)	DAY OF JULY, 2024

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**ORDER**  
**(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver and manager ("**KSV**" and in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard before the Honourable Justice Jana Steele on July 29, 2024 at 330 University Avenue, Toronto, Ontario.

AND WHEREAS on reading the Affidavit of Brendan Smith sworn May 31, 2024 and the Exhibits thereto, the Affidavit of Jackson Chau sworn July 25, 2024 and the Exhibit thereto, the Affidavit of Stephen Murphy sworn July 25, 2024 and the Exhibits thereto, the Affidavit of Sergiy Shchavyelyev sworn July 16, 2024 and the Exhibits thereto, and on hearing the

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.

A handwritten signature in blue ink that reads "Kimmel J." is positioned to the left of the digital signature information.

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

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## 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:

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](mailto:renglish@airdberlis.com)

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

*Lawyers for Equitable Bank*

## **Appendix “B”**

Court File No.

**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. C.43, AS AMENDED**

**AFFIDAVIT OF BRENDAN SMITH**  
(sworn May 31, 2024)

I, Brendan Smith, of the City of Toronto, in the Province of Ontario do make oath and say  
as follows:

1. I am a Director, Specialized Finance of Equitable Bank (the “**Bank**”), and as such have  
knowledge of the matters to which I hereinafter depose. To the extent that I do not have direct  
first-hand knowledge of particular facts or events, I have obtained that information from others  
and/or from my review of the documentation attached as exhibits, and have indicated the source  
of that information in my Affidavit. I verily believe the facts hereinafter deposed to are true and  
correct.

2. I swear this affidavit in support of Equitable Bank's application to, inter alia, appoint KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**"), without security, of all the assets, properties and undertakings (collectively, the "**Property**") of EquityLine SPV Limited Partnership ("**EquityLine LP**" or the "**Debtor**").

**The Parties:**

3. EquityLine LP is a limited partnership formed pursuant to the laws of Ontario under the *Limited Partnerships Act*, declared on June 23, 2021, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. It has no employees. Its general partner is EquityLine SPV GP Inc. ("**EquityLine GP**"). Attached to this affidavit and marked as **Exhibit "A"** is a true copy of the Limited Partnerships Report for EquityLine LP.

4. EquityLine GP is an Ontario corporation, originally incorporated on June 23, 2021, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. The sole stated director is Sergiy Shchavyelyev ("**Shchavyelyev**"). Attached to this affidavit and marked as **Exhibit "B"** is a true copy of the Corporate Profile Report for EquityLine GP.

5. EquityLine Services Corp. ("**EquityLine Services**", and together with EquityLine LP and EquityLine GP, the "**Credit Parties**") is an Ontario corporation, originally incorporated on January 18, 2018, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. EquityLine Services' sole stated director is Shchavyelyev. Attached to this affidavit and marked as **Exhibit "C"** is a true copy of the Corporate Profile Report for EquityLine Services.

### **Structure of the Business:**

6. Pursuant to a Mortgage Sale and Servicing Agreement dated August 5, 2021, which is attached to this affidavit and marked as **Exhibit "D"**, EquityLine LP offers mortgages through EquityLine Financial Corp. acting as mortgage broker (the “**EquityLine Mortgages**”). EquityLine Services then acts as Servicer on the EquityLine Mortgages, which involves dealing with the individual mortgagors, collecting payments and reporting on the status of the mortgages.

7. The EquityLine Mortgages are used by EquityLine LP as collateral to obtain and secure the below-defined Facility from Equitable Bank.

8. Pursuant to a Custodial Agreement (as defined below), legal title to the EquityLine Mortgages is held by Computershare Trust Company of Canada. EquityLine LP retains beneficial ownership and is presently the beneficial owner of approximately 34 mortgages with a face value of approximately \$18,115,600.

9. A chart describing the structure of these arrangements is attached to this affidavit and marked as **Exhibit "E"**.

### **The Credit Agreement and Security:**

10. The Debtor is indebted to Equitable Bank in connection with a revolving credit facility (the “**Facility**”) made available by Equitable Bank to the Debtor pursuant to and under the terms of a credit agreement dated August 5, 2021 (as amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”). A copy of the Credit Agreement is attached hereto and marked as **Exhibit "F"**.

11. As security for the Debtor's obligations to Equitable Bank, including, without limitation, under the Credit Agreement, the Debtor provided, without limitation, a general security agreement dated August 5, 2021 (the "GSA"), which grants to Equitable Bank, among other things, a security interest in any and all of the property, assets and undertakings of EquityLine LP, registrations in respect of which were duly made pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA", and the foregoing referred to as the "Security"). A copy of the Security is attached to this affidavit and marked as **Exhibit "G"**.

12. Equitable Bank is the sole secured creditor with registration under the PPSA over all of the property and assets of EquityLine LP, and is the provider of the capital required to conduct the business operations of EquityLine LP. Attached to this affidavit and marked as **Exhibit "H"** is a copy of the certified ON PPSA search for the Debtor, current as of May 9, 2024.

13. The GSA granted by the Debtor grants to Equitable Bank a right to appoint a receiver and manager over the Debtor's property upon the occurrence of an Event of Default, which is defined in the GSA by reference to the Credit Agreement as including "The failure by the Borrower to make payments of any principal, interest or fees due to the Lender, including without limitation any amounts due on the Demand Date." Pursuant to s. 5.1 of the GSA:

5.1 (f) Upon the occurrence of any Event of Default which is continuing, the Lender may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of the Lender or not, to be an interim receiver, receiver, receivers, receiver and manager, liquidator, trustee in bankruptcy or similar Person (hereinafter called a "Receiver," which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the



agent of each Borrower and not of the Lender and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or his/her/its servants, agents or employees. Except as may be otherwise directed by the Lender, all money or proceeds received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to the Lender. Every such Receiver may be vested with all or any of the rights and powers of the Lender. The identity of the Receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Lender. Where the “Lender” is referred to in this Section 6.1(f) [*sic*], the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents, or such receiver.

14. As further security for the Debtor’s obligations to Equitable Bank, including, without limitation, under the Credit Agreement, the Debtor entered into a custodial agreement with Computershare Trust Company of Canada (“**Computershare**” or the “**Custodian**”) dated August 5, 2021 (the “**Custodial Agreement**”), and a title custodian acknowledgment agreement with Equitable Bank and Computershare dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”). The Custodial Agreement and Title Custodian Acknowledgement Agreement are attached to this affidavit and marked as **Exhibit "I"**.

15. By operation of the Custodial Agreement and the Title Custodian Acknowledgment Agreement, Computershare holds legal title and acts as agent, nominee and bailee for and on behalf of EquityLine LP in respect of its mortgages, and EquityLine LP retains beneficial ownership of title to its mortgages.

16. The Debtor’s obligations to Equitable Bank pursuant to the Credit Agreement are guaranteed by EquityLine Services pursuant to an unlimited guarantee agreement dated August 5, 2021, a copy of which is attached to this affidavit and marked as **Exhibit "J"**.

17. The Debtor's obligations to Equitable Bank pursuant to the Credit Agreement are also secured by the following:

- (a) A pledge agreement granted by Shchavyelyev in favour of Equitable Bank dated August 5, 2021; and
- (b) A pledge agreement granted by EquityLine Mortgage Investment Corporation in favour of Equitable Bank dated August 5, 2021 (the foregoing together referred to as the "**Pledge Agreements**", which are attached to this affidavit and marked as **Exhibit "K"**).

**Debtors' Financial Position:**

18. Until recently, based on monthly written reports provided directly to Equitable Bank by EquityLine LP, the Bank understood that many of the EquityLine Mortgages were in various stages of arrears ranging from 30 days to 90 days. However, Equitable Bank understood that payments continued to be made towards such mortgages and that none of the EquityLine Mortgages were being treated as defaulted or subject to enforcement proceedings.

19. In actuality, a majority of the EquityLine Mortgages were in default (the "**Defaulted Mortgage Loans**"), and EquityLine LP and EquityLine Services had been providing Equitable Bank with inaccurate information as to the position of the Debtor and the status of the Security and Defaulted Mortgage Loans.

20. As of the beginning of May 2024, Equitable Bank understood that approximately 27 of the 34 EquityLine Mortgages were Defaulted Mortgage Loans, impacting approximately \$11,164,000 of the \$13,617,080 owing to Equitable Bank. Stated differently, approximately 80% of the EquityLine Mortgages in number and value were in default. It is unclear how long these defaults have existed and Equitable Bank no longer knows the true value of its Security.

21. Since the beginning of May 2024, as detailed below, funds were advanced to Equitable Bank to pay out four (4) of the Defaulted Mortgage Loans. It is now understood that approximately 22 of the 30 remaining EquityLine Mortgages are Defaulted Mortgage Loans, impacting approximately \$8,592,680 of the \$10,073,480 still owing to Equitable Bank. This still represents more than 70% in number and more than 80% in value of the EquityLine Mortgages.

22. Prior to the above discoveries by Equitable Bank and Computershare, EquityLine Services retained a lawyer, Terry Walman (“**Walman**”), and commenced lawsuits to collect on the Defaulted Mortgage Loans, which lawsuits were brought in the name of Computershare. However, EquityLine Services did not advise Computershare of this course of action, nor did it obtain Computershare’s consent, with the result that legal proceedings were commenced in the name of Computershare without its authorization.

23. The enforcement proceedings were in respect of mortgages that had been reported to the Bank as being current and not in default. As above, approximately 70-80% of the EquityLine Mortgages pledged as collateral to the Bank are now believed to be in default. These defaults were not reported to either the Bank or Computershare and conflict with the reporting that was made by the Debtor.

24. Since the origination of enforcement proceedings on the Defaulted Mortgage Loans, Computershare has been named in a number of counterclaims in proceedings for which it did not authorize commencement, nor did it have any knowledge. As a direct consequence of the Respondent’s actions, Computershare has been put at risk and it no longer wishes to remain as Custodian.

25. Computershare has given notice to the Bank that it shall remove itself as Custodian. Computershare provided Equitable Bank with 30 days' notice of this intention, which notice period expired on May 23, 2024. Equitable Bank asked Computershare to extend this notice period for a short time, pending the determination of this Application. A temporary custodial agreement is now in place, expiring June 10, 2024.

26. In an attempt to remain current on its financial obligations under the Credit Agreement, EquityLine Services or its affiliates have been supplementing interest payments to Equitable Bank. However, EquityLine Services and EquityLine LP have breached reporting obligations and concealed the distressed state of Equitable Bank's Security. As a result, Equitable Bank has lost confidence in the Credit Parties.

27. On April 23, 2024, pursuant to the terms of the Title Custodian Acknowledgement Agreement, Equitable Bank delivered to Computershare and EquityLine LP a notice of control (the "**Notice of Control**"). As a result, the Custodian must now follow all instructions and directions of Equitable Bank in respect of the mortgage loans over which it holds legal title, to the exclusion of all other instructions and directions from any person (including the Credit Parties). The Notice of Control is attached to this affidavit and marked as **Exhibit "L"**.

28. On or about April 30, 2024, Equitable Bank retained KSV to perform a review of the Debtor's financials and operations, and the Debtor signed for acceptance of the engagement on the same date. With cooperation from the Debtor, KSV has since familiarized itself with the Debtor's business and financial position.

29. As a result of the defaults, Equitable Bank arranged for title searches to be performed on the properties where it held registered mortgages. The results of this search indicated to Equitable

Bank that at least nine of the mortgages it believed were being held as security had in fact been discharged or postponed without the proceeds being paid to the loan and without the authorization or knowledge of either Equitable Bank or Computershare. This equates to \$3,098,880 of outstanding debt owed to Equitable Bank that is no longer secured by a property charge. This has also reduced the total collateral value by approximately \$8,229,019.

30. One example of an EquityLine Mortgage being discharged without repayment or authorization is in respect of the property at 128 Ducharme Street. Instrument number CE1138263 was registered on the title to that property on June 13, 2023, discharging Computershare's charge thereon. The related parcel register and discharge of charge are attached hereto as **Exhibit "M"**. The proceeds of the discharge were not applied to the Loan and the lender was not aware that this had occurred.

31. An example of an EquityLine Mortgage being postponed without repayment or authorization is in respect of 69 Fenwood Heights. Instrument number AT6392613 was registered on title on August 8, 2023, postponing Computershare's interest to that of Elle Mortgage Corporation ("**Elle**"). The related parcel register and postponement of interest are attached hereto as **Exhibit "N"**. Again, neither Equitable Bank nor Computershare were aware of this postponement, nor did they authorize that registration.

32. Some of the other properties believed to be affected are summarized below, without limitation:

Property	Instrument Number	Date	Nature of Instrument
2662 Meldrum Road	CE1153661	September 28, 2023	Transfer of Power of Sale from Computershare to third party
9 Mowat Crescent	SC2044056	September 28, 2023	Transfer of Power of Sale from Computershare to third parties
135 Ben Sinclair Avenue	YR3609999	October 19, 2023	Transfer of Charge from Computershare to Elle
1563 Nipissing Court	DR2299653	February 26, 2024	Transfer of Power of Sale from Computershare to third parties
22 Lord Roberts Drive	AT6533326	March 19, 2024	Transfer of Charge from Computershare to EquityLine GP

33. Again, none of the abovementioned instruments were known to or authorized by either of Computershare or Equitable Bank. Furthermore, no repayment was made in respect of any of the affected mortgages.

### **Defaults and Demands for Payment:**

34. The Credit Agreement contains standard Events of Default, including if there is a breach or non-performance or non-observance of any term or condition of the Credit Agreement or the Security.

35. The Facility is a true demand loan, but in any event one or more Events of Default (as defined in the Credit Agreement and/or the Security, as applicable) have occurred.

36. For example, and without limitation, at the end of March, Equitable Bank received notice from Computershare that EquityLine LP had defaulted under the Custodial Agreement, which triggered an Event of Default under the Credit Agreement.

37. Equitable Bank made formal written demand on the Credit Parties for payment of the Debtor's indebtedness to Equitable Bank by letter dated April 23, 2024 (the "**Demands**"), accompanied by a notice of intention to enforce security (the "**BIA Notice**"), which was delivered to the Credit Parties pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). A copy of the Demand and the BIA Notice are attached hereto and marked as **Exhibit "O"**.

38. As set out in the Demand and the BIA Notice, a total of \$13,617,097.50 (exclusive of legal and financial advisor fees, disbursements and accruing interest) was owing by the Debtor to Equitable Bank under the Credit Agreement as of April 23, 2024 (the "**Indebtedness**"). The Indebtedness continues to accrue interest.

39. Following the issuance of the Demand, the Credit Parties agreed to pay out several of the EquityLine Mortgages. An initial tranche was agreed upon in the amount of \$4,000,000.

Ultimately, EquityLine LP paid out four of the EquityLine Mortgages on May 10, 2024 in the amount of \$3,543,600. Further tranches of repayment were promised, but as of the making of this affidavit, there have been multiple requests for extensions and no additional funds have been received.

40. The Indebtedness is now \$10,073,480 (exclusive of legal and financial advisor fees, disbursements and accruing interest).

41. The Credit Parties are in default of the terms of and their obligations under the Credit Agreement and the Security. The Credit Parties have failed or are unable to (a) repay the Indebtedness in full or (b) enter into any arrangements acceptable to Equitable Bank for the full repayment of the Indebtedness prior to the date of this affidavit.

42. Notwithstanding the issuance of the Demand, Equitable Bank has reserved the right to continue to make advances to the Debtor, at its sole discretion, to ensure the continuation of the Debtor's business operations.

**Rationale for the Relief Sought in Appointment Order:**

43. The provisions of the Security allow for the appointment of a Receiver over the Property of the Debtor upon default.

44. The appointment of a receiver is necessary and appropriate for the following reasons:

- (a) To review and assess the true status of the mortgages pledged as collateral, and to preserve the value of those mortgages;



- (b) To prevent the abandonment of the collateral by protecting the interests of Computershare in its role as Custodian and by insulating same from further liability in relation to the Credit Parties' improperly conducted enforcement efforts; and
- (c) for the protection of the estate of the Debtor and to realize on the collateral subject to Equitable Bank's security for the benefit of Equitable Bank and all other stakeholders.

45. KSV is qualified to act as receiver and manager, is familiar with the Debtor's business, and has consented to act as receiver if so appointed by the Court.

46. All of which is sworn by me in good faith, and for no improper purpose whatsoever.

**SWORN** remotely by Brendan Smith, stated as )  
 being in the City of Toronto, in the Province of )  
 Ontario, before me on May 31, 2024 in accordance )  
 with O. Reg. 431/20, Administering Oath or )  
 Declaration Remotely. )



\_\_\_\_\_  
 Commissioner (or as may be) )

Calvin Peter Horsten, a  
 Commissioner, etc., Province of Ontario,  
 while a Student-at-Law.  
 Expires June 14, 2025.

DocuSigned by:  
  
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 \_\_\_\_\_  
**BRENDAN SMITH**

## **Appendix “C”**

Court File No. CV-22-00000329-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

COMPUTERSHARE TRUST COMPANY OF CANADA

Plaintiff

and

MARGARET ELLEN JANK  
by her litigation guardian, PAULA FAZARI

Defendant

**AFFIDAVIT OF PAULA FAZARI**

I, Paula Fazari, of the City of Guelph, in the County of Wellington, MAKE OATH AND SAY:

1. I am the litigation guardian and daughter of the plaintiff, Margret Jank. I am also my mother's Attorney for Property and, as such, have knowledge of the matters contained in this Affidavit. Where I have made statements based on information from others, I state the source of the information and believe it to be true. Attached as **Exhibit "A"** is a copy of my mother's Power of Attorney for Property.

2. My mother is highly vulnerable. She is an elderly, single woman who lives alone at 132 Swift Crescent, Guelph (the "Property"). She is 72 years old, retired and has a fixed income of \$28,883.00 annually. Attached as **Exhibit "B"** is a copy of her 2021 Notice of Assessment.

3. Over the last few years, my mother has exhibited signs of serious cognitive decline. Family members, including myself, noticed that she had a poor sense of time and dates. She would

appear confused even in straightforward discussions and circumstances. She could not repeat information that had been given to her, and showed an alarming inability to distinguish important information from unimportant information. In the last year, she has forgotten things, like the fact that she regularly picks up her grandchildren from school. She has insured her home twice over, forgetting that it has been insured for years, and attempted to insure it a third time.

4. Even before I had concerns about her cognitive functioning, my mother was not financially sophisticated. Before my parents separated in 2013, my father handled all finances. My mother understands very little about finances, complex financial decisions or the consequences of those decisions.

5. In late 2019, my concerns about my mother's state of health increased to the point that I requested that her bank, Scotiabank, advise me if there was any unusual activity in her accounts and add me to the account as a point of contact.

6. Until the events set out below, my mother refused to have her state of mind assessed. As a result of these events, we have had a preliminary opinion from a medical practitioner that she is suffering significant cognitive decline which may be the result of dementia. My mother and I are scheduled to see a specialist at the end of February 2023 to determine the cause of the decline.

#### **Discovery of the Second Mortgage**

7. On or about October 20, 2022, my mother contacted my sister, Kelly Jank, and asked to borrow \$5,000. It was unusual for my mother to make such a request of either myself or my sister. I understand from my sister that my mother refused to tell her why she needed the money.

8. My husband, John Fazari, and I spoke to my mother and were told that she needed money for a furnace, which did not make sense to me. On further discussion with my mother, she admitted that she need the money to pay legal fees and that she was in some financial trouble.

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She informed us that two men, who identified themselves as “Zeeshan” and “Matthew”, were visiting her and calling her and needed money from her to fund a class action lawsuit of which she was a part. We were able to determine that she had already paid them \$10,000.00.

9. This explanation also did not make sense to me. John and I immediately contacted our lawyer, Frank Valeriotte at SmithValeriotte Law Firm LLP. Mr. Valeriotte’s clerk pulled the PIN and advised us that there were several Notices of Security Interest registered on title, as well as a second mortgage. Attached as **Exhibit “C”** is a copy of the parcel register.

10. The second mortgage registered on title was in the amount of \$335,000 and for a one-year term at an interest rate of 10.99 percent. The mortgagee on the second Mortgage is listed on the Charge as “Computershare Trust Company of Canada c/o Equityline Services Corp.” Attached as **Exhibit “D”** is a copy of the Charge, registered as instrument WC674138 (the “Mortgage”).

11. My mother did not need a second mortgage at any time. Furthermore, to my knowledge, she has never made financial decisions without consulting myself, John or my sister. It was immediately apparent to me that she had not authorized the Mortgage.

12. My mother advised me that Matthew was supposed to visit her the following day to get the \$4,000. At my urging, my mother contacted either Zeeshan or Matthew by phone after John and I had discovered what was happening. My mother told them that her family knew now.

13. We immediately informed the Guelph Police of the situation. I understand from my lawyer, Eva Lane, and from John, that the Ontario Provincial Police are investigating my mother’s situation, along with hundreds of other similar situations involving elderly victims.

14. On or about October 22, 2022, shortly before the Guelph Police arrived at my mother’s house, my mother received a call from an individual who asked my mother if she remembered

her coming to the house to sign mortgage documents. I was in the room when my mother received the call. My mother said she did not remember and did not know who the individual was. She told the individual that she had learned she was scammed and that her daughter was aware of the scam.

15. We advised John of the call shortly afterwards, following which John called the individual, who identified herself as a lawyer named Danielle Harrison and alleged that she had travelled from Mississauga to Guelph to have my mother sign mortgage documents for a second mortgage. This also did not make sense to me as my mother has always used SmithValeriotte for her legal needs.

16. John advises me that Harrison called him the following day with questions about the visit by the Guelph Police, at which point John advised her that my mother's real lawyer was involved and requested that she not call my mother anymore.

17. We were advised by Mr. Valeriotte that my mother had purchased title insurance through Chicago Title when she purchased the Property in 2013. Consequently, we filed a claim with Chicago Title on October 24, 2022.

We retained Eva Lane of SmithValeriotte as litigation counsel for any uninsured claims on October 28, 2022. Tom Arndt of TWA Law is my mother's lawyer for insured claims.

#### **Details of the Scam**

18. Through discussing the situation extensively with my mother and hearing from Ms. Lane the details of ongoing investigations and research, I have learned specifics of what happened to my mother.

19. In or around December 2021, at least two individuals made one or more unsolicited visits to my mother at her home. Zeeshan and Matthew convinced my mother to pay them a lump sum

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of \$10,000 to join a class-action lawsuit. They informed her that liens were registered on title to the Property, and these liens would result in my mother losing her home unless she joined the lawsuit.

20. There was no lawsuit. My mother would not have understood that she did not have liens on her home and that the Notices of Security interest on title (if she was ever aware of them) would not cause her to lose her home.

21. My mother was terrified, believed that she was in danger of losing her home and consequently paid Zeeshan and Matthew \$10,000.

22. I understand from my discussions with my mother that Zeeshan and Matthew returned to the Property and/or contacted my mother by phone multiple times between December 2021 and April 2022. On each occasion, they requested money to pay legal fees in the alleged class-action lawsuit. During visits, each man left the room for extended periods of time. We suspect, based on discussions with police, that they did so in order to gather information about my mother, including pictures of her identification. Attached as **Exhibit "E"** are copies of handwritten notes by my mother recording the continued calls and visits.

23. According to the documents from Harrison's legal file, which my lawyer obtained and has provided to me for review, Aid Almusri, a mortgage broker, at The Mortgage Maven filled out a mortgage application for my mother on March 17, 2022. The application lists an email address that does not belong to my mother. Furthermore, my mother does not know how to use email. Attached as **Exhibit "F"** is a copy of the mortgage application with Almusri's Financial Services Regulator of Ontario ("FSRO") license number at the top.

24. Harrison's file also contains a "Suitability of Mortgage for Client" form that looks to have been executed by my mother via DocuSign. My mother does not know how to use DocuSign or

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email, and does not possess a computer. Furthermore, my mother's income on the form is greatly inflated to \$75,000 per year. Attached as **Exhibit "G"** is a copy of the Suitability form.

25. Similarly, Harrison's file includes Solicitor Instructions and a Term Sheet from Computershare's transactional lawyer that appear to have been executed via DocuSign by my mother. As I have already stated, this is impossible and I believe that those signatures are not genuine. Attached as **Exhibit "H"** are copies of the respective documents.

26. The Mortgage was registered against the Property on May 27, 2022, with the following terms:

- (a) A 10.99 percent annual interest rate;
- (b) Monthly interest-only payments of \$3,068.04, 6 months of which were allegedly prepaid;
- (c) A one-year term with a maturity date of June 6, 2023;
- (d) A broker fee of \$23,700.00; and
- (e) A lender fee of \$16,750.00

Attached as **Exhibit "I"** is a copy of Harrison's Reporting Letter and enclosures, including a Trust Ledger Statement and a Draft Net Advance Statement from Shapiro Lawyers, who acted on Computershare's behalf on the Mortgage transaction.

27. According to Harrison's file, she purported to act on my mother's behalf. My mother has told me, and I believe it to be true, that she did not retain Harrison, did not receive independent legal advice from her, and does not know who Harrison is.



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28. My mother has told me, and I verily believe to be true, that she did not sign any mortgage documents and that she did not authorize any mortgage. She did not need a mortgage or any kind of financing in April 2022. If she had, she could have accessed financing through other means and with more reasonable terms.

29. The terms of the Mortgage are harsh and my mother still does not fully understand what they mean. I believe that even if she had been aware of the Mortgage or informed of its terms, she would not have understood the financial consequences of a one-year mortgage at such a high interest rate.

30. I understand Computershare to be in the business of administering loans. Equityline Services Corp (“Equityline”), which is the other corporation listed on the Mortgage, appears to be a mortgage investment company. Both entities have vastly more knowledge and expertise in this area in comparison with my mother.

### **Continued Fraud**

31. I understand from Harrison’s file and my mother’s bank statements, that the proceeds of the Mortgage, being \$273,039.83, were deposited into my mother’s bank account on June 2, 2022, which was a full week after the Mortgage was registered on title to the Property.

32. My mother has told me that immediately after the proceeds were deposited, the Fraudsters arrived at the Property again, claiming that the lawsuit had been successful. My mother has told me that the Fraudsters informed her that she entitled to “winnings” in the amount of \$250,000, but only on the condition that she use it for home renovations. Attached as **Exhibit “J”** is a copy of my mother’s June 2022 Account Summary. The Fraudsters instructed my mother to visit her bank and obtain two bank drafts, in the amount of \$125,000 each, to be made payable to “CARA Group.” She did so.

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33. I understand from my mother's account that the Fraudsters appeared to know the amount that had been deposited and when it had been deposited prior to their arrival at the Property.

34. Based on my review of my mother's bank statements, the Fraudsters appear to have returned to the Property on or about June 8, 2022 to collect the bank drafts. My mother has told me that they advised that the wrong company was on the bank drafts and that new bank drafts, in the same amounts, needed to be made out to "SQ Homes." My mother did so and the first drafts were cancelled. Attached as **Exhibit "K"** are copies of the bank drafts. The relevant bank statement can be found above, at Exhibit J .

35. The Fraudsters returned to collect the new bank drafts and left with \$250,000 worth of bank drafts, which was substantially all of the Mortgage proceeds.

36. Between June 2022 and into October 2022, the Fraudsters continued to call and visit my mother, requesting further payments towards "legal fees." By October 2022, my mother had paid the Fraudsters the entire balance of the Mortgage proceeds, as well as additional amounts from credit cards, lines of credit and her bank accounts.

37. I am advised by Ms. Lane that the mortgage broker, Aid Almusri, is a representative of 2799953 Ontario Inc carrying on business as Canada's Choice Capital ("CCC"), and has previously worked for another mortgage brokerage called Centum Smart Mortgages Inc ("Centum"). CCC is a related corporation to Canada's Choice Investments Inc, which is involved in numerous lawsuits involving elderly individuals challenging the validity of mortgages obtained through fraud and/or misrepresentation. All three corporations are parties to other legal disputes involving elderly women in similar circumstances. I am informed of these facts, which I believe to be true, by the exhibits described in the paragraph below.

38. Three civil actions have been commenced by other elderly, retired, single women who are also challenging the validity of their mortgages, which mortgages arose from a nearly identical scam as the scam that targeted my mother. Attached as **Exhibits "L", "M" and "N"** are the Statements of Claim in those respective actions. A fourth elderly woman is defending a foreclosure action in yet another nearly identical scam. Attached as **Exhibit "O"** is a copy of the Statement of Defence and Counterclaim in that action.

39. Harrison, the lawyer who purportedly acted for my mother in the Mortgage transaction, has been named in at least two of those actions.

40. My lawyers have provided me with copies of the legal documents in Exhibits L M N O and advised me that they originated from the Court Registry or counsel involved in those actions, which I believe to be true.

41. I believe that my mother was the victim of a fraudulent conspiracy that has targeted other seniors to defraud them of the equity in their properties.

### **Power of Sale**

42. On October 14, 2022, Equityline sent a letter to my mother alleging that she had missed her October 1 mortgage payment. When John and I discovered the existence of the Mortgage and extent of the fraud, John emailed Equityline on October 21, 2022 to advise that the Mortgage was fraudulent and that no further payments would be made. Attached as **Exhibit "P"** is a copy of the letter from Equityline.

43. In response, Equityline advised by email dated October 21, 2022 that it would be proceeding in accordance with the *Mortgages Act*.

-10-

44. On or about December 13, 2022, John and I discovered in her home a letter to my mother from Computershare's lawyer, Terry Walman, advising that the Mortgage was in arrears. Attached as **Exhibit "Q"** is a copy of the letter, dated December 8, 2022.

45. I am advised by Ms. Lane that she spoke to Mr. Walman by phone on December 14, 2022, along with Mr. Arndt, and advised Mr. Walman of the circumstances surrounding the Mortgage, namely the fraud, forgery and unconscionability, as well as the similarity in pattern to the larger scam targeting seniors in Ontario. Formal notice of the circumstances followed by letter dated December 15, 2022. Attached as **Exhibit "R"** is a copy of Ms. Lane's letter to Mr. Walman.

46. Ms. Lane advises me that on December 16, 2022 Mr. Walman advised that Computershare would proceed with the power of sale and notify its title insurer of the fraud allegations. Attached as **Exhibit "S"** is a copy of the correspondence between Ms. Lane and Mr. Walman.

47. I am informed by Ms. Lane that Computershare commenced the within action on December 19, 2022. The Statement of Claim was served on my mother shortly before Christmas. Attached as **Exhibit "T"** is a copy of the Statement of Claim.

48. Ms. Lane advises me that my mother's Statement of Defence was served on February 9, 2023. Attached as **Exhibit "U"** is a copy of the Statement of Defence that was filed with the Superior Court.

49. On or about January 16, 2023, John and I discovered a Notice of Sale had been sent by registered mail to my mother. The Notice of Sale was dated January 4, 2023 and indicated a deadline of February 15, 2023 to repay the Mortgage, after which Computershare would proceed with the power of sale. Attached as **Exhibit "V"** is a copy of the Notice of Sale.

### **Correspondence between Counsel**

50. On or about January 31, 2023, and given the deadline of February 15, Ms. Lane attempted to set up a call with Mr. Walman regarding the power of sale. She was unable to do so. Attached as **Exhibit “W”** is a copy of the correspondence dated January 31, 2023. Ms. Lane has advised John and me of this and I believe it to be true.

51. I am informed by Ms. Lane that we obtained an expert opinion that my mother's signatures on the mortgage documents are fraudulent. In particular, the expert identified the following documents as containing signatures that are not genuine:

- (a) The Acknowledgement and Direction authorizing the Mortgage;
- (b) The Acknowledgment and Direction authorizing the Assignment of Rents;
- (c) Declaration dated April 21, 2022;
- (d) The Acknowledgement of receipt of the Standard Charge Terms; and
- (e) The Mortgage Commitment Agreement.

Attached as **Exhibit “X”** is a copy of the expert's verbal opinion, dated February 6, 2023, and the five signature pages identified above. Ms. Lane has advised me that a formal report from the expert is forthcoming.

52. I am advised by Ms. Lane that on February 6, 2023, she provided the expert's opinion to Mr. Walman, along with a request that Computershare either:

-12-

- (a) voluntarily agree not to enforce the power of sale pending the outcome of this action and a determination of the validity of the Mortgage; or
- (b) permit my mother to redeem the Mortgage and pay the money into court or into a lawyer's trust account, in exchange for a discharge, and to await the final determination of this action.

Ms. Lane further advises me that she informed Mr. Walman that an injunction would be necessary in the event that Computershare refused to agree to either option. She requested a response by end of day Tuesday February 7, given the looming February 15 deadline set out in the Notice of Sale. Attached as **Exhibit "Y"** is a copy of Ms. Lane's email dated February 6, 2023.

53. In response, I am advised by Ms. Lane that Mr. Walman responded by saying that he was traveling and would discuss with his clients on Wednesday and provide a response by Friday. Attached as **Exhibit "Z"** is Mr. Walman's email dated February 6, 2023.

54. Ms. Lane advises me that she corresponded further with Mr. Walman thereafter, requesting confirmation that Computershare had purchased title insurance in attempt to avoid this motion. Attached as **Exhibit "AA"** is a copy of the relevant correspondence.

55. I was very discouraged to hear of the responses from Mr. Walman. I expected discussion around the expert's opinion and some co-operation by Computershare as we determine whether or not a vulnerable senior was frauded or coerced into a mortgage she did not want, understand or benefit from. Instead, Computershare has provided no indication whatsoever that they will voluntarily hold off on the power of sale. On the contrary, Mr. Walman's response demonstrates a complete lack of urgency for a serious matter and I considered it necessary to bring this motion for an injunction. I felt I had no choice and that if I did not act, my mother would lose her home.

56. My mother cannot afford to purchase another home; the Property is her only asset and her income is limited. She cannot redeem the Mortgage herself. John and I may be able to redeem it on her behalf but it would devastate us financially if we had to do so. If Computershare is permitted to sell the Property before a court decides whether the Mortgage is valid, my mother will be without a home. This matter has caused considerable stress within our family.

57. Computershare maintains that it is an “innocent lender” in this matter, so I struggle to understand why it is so aggressively pursuing the power of sale in the face of our position that my mother was targeted by fraud. It will cause irreparable harm to my mother’s mental and financial well-being if she loses her home in circumstances like this.

58. We have offered to allow the Mortgage to stay registered on title, to allow Computershare to protect its purported interests, pending the final determination of this action. Computershare will not be prejudiced by waiting.

59. Ms. Lane advises me that the Notice of Motion was served on Mr. Walman on February 8, 2023.

60. I swear this affidavit in support of this motion and for no other improper purpose.

**SWORN** by Paula Fazari of the City of Guelph, in the County of Wellington, before me at the City of Guelph, in the Province of Ontario, on January 9, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



DocuSigned by:  
*Paula Fazari*  
745191706310432...

---

Commissioner for Taking Affidavits  
(or as may be)

**EVA M. LANE**

---

**PAULA FAZARI**

RCP-E 4D (February 1, 2021)

COMPUTERSHARE TRUST COMPANY OF CANADA  
Plaintiff

-and- MARGARET ELLEN JANK  
Defendant

Court File No. CV-22-00000329-0000

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
GUELPH

**AFFIDAVIT**

**SMITHVALERIOTE LAW FIRM LLP**  
294 East Mill Street  
Centre Wellington, Ontario

Eva M. Lane (67537A)  
elane@svlaw.ca  
Tel: 519-837-6928

Lawyers for the defendant

RCP-F 4C (September 1, 2020)



## **Appendix “D”**

PROPERTY DESCRIPTION: LT 23 PL 3757 SCARBOROUGH; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2000/08/14

OWNERS' NAMES  
2420315 ONTARIO INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/08/11 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/08/14 **</p>						
SC408139	1969/06/27	TRANSFER		*** COMPLETELY DELETED ***	STEINBLUMS, VAIRA RIMSA, EMILIJA	
AT2617281	2011/02/08	TRANSMISSION-LAND		*** COMPLETELY DELETED *** STEINBLUMS, VAIRA RIMSA, EMILIJA	STEINBLUMS, AIVARS STEINBLUMS, VAIRA - ESTATE	
AT2617282	2011/02/08	TRANS PERSONAL REP		*** COMPLETELY DELETED *** STEINBLUMS, AIVARS	STEINBLUMS, AIVARS	
AT3652194	2014/08/01	TRANSMISSION-LAND		*** COMPLETELY DELETED *** STEINBLUMS, AIVARS	STEINBLUMS, RICHARD	
AT3652459	2014/08/01	TRANS PERSONAL REP		*** COMPLETELY DELETED *** STEINBLUMS, RICHARD	AFIZ, RAZIUL	
AT3680107	2014/09/03	CHARGE		*** COMPLETELY DELETED *** AFIZ, RAZIUL	HOME TRUST COMPANY	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.  
NOTE: RESULTS WERE GENERATED VIA WWW.PURVIEW.CA

LAND  
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 OFFICE #66

06413-0226 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT4083736	2015/12/02	TRANSFER	\$650,000	AFIZ, RAZIUL	2420315 ONTARIO INC.	C
AT4083737	2015/12/02	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	CARNEVALE, PETER CARNEVALE, SUSAN STUART, FATIMA STUART, KEENA 866806 ONTARIO LIMITED	
AT4133400	2016/01/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
		REMARKS: AT3680107.				
AT4174490	2016/03/24	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 866806 ONTARIO LIMITED	LEMARKE HOLDINGS INC. 866806 ONTARIO LIMITED	
		REMARKS: AT4083737.				
AT4255905	2016/06/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** LEMARKE HOLDINGS INC. 866806 ONTARIO LIMITED	LEMARKE HOLDINGS INC.	
		REMARKS: AT4174490. AT4083737				
AT4504325	2017/03/07	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** STUART, KEENA	COTT, EUNICE	
		REMARKS: AT4083737.				
AT4524196	2017/03/30	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	IAFRATE, OSVALDO	
AT4857182	2018/05/04	NOTICE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	IAFRATE, OSVALDO	
		REMARKS: AT4524196				
AT5010047	2018/11/19	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	CARNEVALE, ROSEMARY MINDEN, JONIE ALEXANDRIS, ELENORE	
AT5416700	2020/04/28	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	ALAM, BADSHA BANU, NILUFA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5445545	2020/06/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CARNEVALE, ROSEMARY MINDEN, JONIE ALEXANDRIS, ELENORE		
	REMARKS: AT5010047.					
AT5512509	2020/09/03	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	MCC MORTGAGE HOLDINGS INC.	
AT5512510	2020/09/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	MCC MORTGAGE HOLDINGS INC.	
	REMARKS: AT5512509					
AT5512511	2020/09/03	POSTPONEMENT		*** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA	MCC MORTGAGE HOLDINGS INC.	
	REMARKS: AT5416700 TO AT5512509					
AT5512549	2020/09/03	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	10226107 CANADA INC.	
AT5512554	2020/09/03	POSTPONEMENT		*** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA	10226107 CANADA INC.	
	REMARKS: AT5416700 TO AT5512549					
AT5514079	2020/09/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** IAFRATE, OSVALDO		
	REMARKS: AT4524196.					
AT5514095	2020/09/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CARNEVALE, PETER CARNEVALE, SUSAN STUART, FATIMA LEMARKE HOLDINGS INC. COTT, EUNICE		
	REMARKS: AT4083737.					
AT5700881	2021/04/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA		
	REMARKS: AT5416700.					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT5710370	2021/04/20	CHARGE	\$340,000	2420315 ONTARIO INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5710444	2021/04/20	NO ASSGN RENT GEN <i>REMARKS: AT5710370</i>		2420315 ONTARIO INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5710939	2021/04/20	DISCH OF CHARGE <i>REMARKS: AT5512549.</i>		*** COMPLETELY DELETED *** 10226107 CANADA INC.		
AT5881899	2021/10/12	CHARGE		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	TSX TRUST COMPANY	
AT5881900	2021/10/12	NO ASSGN RENT GEN <i>REMARKS: AT5881899.</i>		*** COMPLETELY DELETED *** 2420315 ONTARIO INC.	TSX TRUST COMPANY	
AT5883028	2021/10/13	DISCH OF CHARGE <i>REMARKS: AT5512509.</i>		*** COMPLETELY DELETED *** MCC MORTGAGE HOLDINGS INC.		
AT5886842	2021/10/19	POSTPONEMENT <i>REMARKS: AT5710370 TO AT5881899</i>		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA	TSX TRUST COMPANY	
AT5918665	2021/11/23	TRANSFER OF CHARGE <i>REMARKS: AT5710370.</i>		COMPUTERSHARE TRUST COMPANY OF CANADA	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5935997	2021/12/10	CHARGE	\$80,000	2420315 ONTARIO INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT6282570	2023/02/16	TRANSFER OF CHARGE <i>REMARKS: AT5881899.</i>		*** COMPLETELY DELETED *** TSX TRUST COMPANY	VAULT CAPITAL INC.	
AT6366029	2023/06/30	CHARGE	\$1,600,000	2420315 ONTARIO INC.	ELLE MORTGAGE CORPORATION	C
AT6392613	2023/08/08	POSTPONEMENT <i>REMARKS: AT5710370 TO AT6366029</i>		COMPUTERSHARE TRUST COMPANY OF CANADA	ELLE MORTGAGE CORPORATION	C
AT6392614	2023/08/08	POSTPONEMENT <i>REMARKS: AT5935997 TO AT6366029</i>		COMPUTERSHARE TRUST COMPANY OF CANADA	ELLE MORTGAGE CORPORATION	C
AT6392707	2023/08/08	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

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06413-0226 (LT)

PAGE 5 OF 5  
PREPARED FOR Anshu Agarwal  
ON 2024/05/17 AT 16:32:01



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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	REMARKS: AT5881899.			VAULT CAPITAL INC.		

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06516-0252 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/10 AT 09:32:10

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PT LT 525 PL 2347 SCARBOROUGH; PT LT 526 PL 2347 SCARBOROUGH AS IN SC319281; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2000/08/14

OWNERS' NAMES

YOUSEFI, VAHID  
PEDRAMNIA, AKRAM  
YOUSEFI, NORA  
YOUSEFI, NIMA

CAPACITY SHARE

JTEN PT 98%  
JTEN PT 98%  
TCOM 1%  
TCOM 1%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/08/11 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2000/08/14 **						
SC319281	1964/04/10	TRANSFER		*** COMPLETELY DELETED ***	CARAGATA, ANNA MARY	
SC416392	1969/12/15	CERTIFICATE		*** COMPLETELY DELETED ***		
64R4156	1974/10/18	PLAN REFERENCE				C
CA472107	1997/05/20	NOTICE		*** COMPLETELY DELETED ***		
E555225	2002/06/20	TRANSFER		*** COMPLETELY DELETED *** CARAGATA, ANNA MARY	CLARKE, EILEEN	
E555226	2002/06/20	CHARGE		*** COMPLETELY DELETED *** CLARKE, EILEEN	BANK OF MONTREAL	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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ON 2024/05/10 AT 09:32:10

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
E572889	2002/07/25	APL (GENERAL)		*** COMPLETELY DELETED *** CITY OF TORONTO		
		<i>REMARKS: DELETING SC416392</i>				
AT15741	2002/10/15	DISCHARGE INTEREST		*** COMPLETELY DELETED ***	THE CONSUMERS' GAS COMPANY LTD.	
		<i>REMARKS: RE: CA472107</i>				
AT2527797	2010/10/15	TRANSFER		*** COMPLETELY DELETED *** CLARKE, EILEEN	YOUSEFI, VAHID PEDRAMNIA, AKRAM	
		<i>REMARKS: PLANNING ACT STATEMENTS</i>				
AT2527798	2010/10/15	CHARGE		*** COMPLETELY DELETED *** YOUSEFI, VAHID PEDRAMNIA, AKRAM	ROYAL BANK OF CANADA	
AT2548925	2010/11/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
		<i>REMARKS: E555226.</i>				
AT3115701	2012/08/30	CHARGE		*** COMPLETELY DELETED *** PEDRAMNIA, AKRAM YOUSEFI, VAHID	CANADA INVESTMENT CORPORATION	
AT3180308	2012/11/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADA INVESTMENT CORPORATION		
		<i>REMARKS: AT3115701.</i>				
AT3180310	2012/11/21	CHARGE		*** COMPLETELY DELETED *** PEDRAMNIA, AKRAM YOUSEFI, VAHID	527540 ONTARIO LIMITED	
AT3363791	2013/07/30	CHARGE		*** COMPLETELY DELETED *** PEDRAMNIA, AKRAM YOUSEFI, VAHID	HOME TRUST COMPANY	
AT3364153	2013/07/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED		
		<i>REMARKS: AT3180310.</i>				
AT3386061	2013/08/22	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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OFFICE #66

06516-0252 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/10 AT 09:32:10

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				ROYAL BANK OF CANADA		
	<i>REMARKS: AT2527798.</i>					
AT3654884	2014/08/07	CHARGE		*** COMPLETELY DELETED *** PEDRAMNIA, AKRAM YOUSEFI, VAHID	NATIONAL BANK OF CANADA	
AT3708677	2014/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
	<i>REMARKS: AT3363791.</i>					
AT5798143	2021/07/14	CHARGE		*** COMPLETELY DELETED *** PEDRAMNIA, AKRAM YOUSEFI, VAHID	COMPUTERSHARE TRUST COMPANY OF CANADA	
AT5918599	2021/11/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA	COMPUTERSHARE TRUST COMPANY OF CANADA	
	<i>REMARKS: AT5798143.</i>					
AT6326875	2023/05/05	TRANSFER	\$2	YOUSEFI, VAHID PEDRAMNIA, AKRAM	YOUSEFI, VAHID PEDRAMNIA, AKRAM YOUSEFI, NORA YOUSEFI, NIMA	C
AT6326876	2023/05/05	CHARGE	\$1,211,000	PEDRAMNIA, AKRAM YOUSEFI, VAHID YOUSEFI, NORA YOUSEFI, NIMA	BANK OF MONTREAL	C
AT6327647	2023/05/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA		
	<i>REMARKS: AT5798143.</i>					
AT6344248	2023/05/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
	<i>REMARKS: AT3654884.</i>					

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: LOT 92, PLAN 65M4609; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2839092; SUBJECT TO AN EASEMENT FOR ENTRY AS IN YR3058135; TOWN OF EAST GWILLIMBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
SUBDIVISION FROM 03419-1059

PIN CREATION DATE:  
2018/06/29

OWNERS' NAMES  
SIVANATHAN, THISAAN  
VIJENTHIRA, RIO VELANNETE

CAPACITY SHARE  
JTEN  
JTEN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2018/06/29 **						
YR1928597	2012/12/21	CHARGE		*** DELETED AGAINST THIS PROPERTY *** PATAPSCO DEVELOPMENTS INC. QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION WEEHAUKEN HOMES INC.	THE BANK OF NOVA SCOTIA	
YR1928598	2012/12/21	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** PATAPSCO DEVELOPMENTS INC. QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION WEEHAUKEN HOMES INC.	THE BANK OF NOVA SCOTIA	
		REMARKS: YR1928597				
YR2311611	2015/06/26	NOTICE		*** DELETED AGAINST THIS PROPERTY *** QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION WEEHAUKEN HOMES INC. PATAPSCO DEVELOPMENTS INC.	THE BANK OF NOVA SCOTIA	
		REMARKS: YR1928597				
65M4609	2018/06/11	PLAN SUBDIVISION				C
YR2836514	2018/06/11	APL INH ORDER-LAND		*** DELETED AGAINST THIS PROPERTY *** THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY		
		REMARKS: SEE DOCUMENT FOR COMPLIANCE REQUIREMENTS				
YR2837281	2018/06/13	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY	QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	C
YR2837282	2018/06/13	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE BANK OF NOVA SCOTIA	THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY	
		REMARKS: YR1928597 TO YR2837281				
YR2839092	2018/06/19	TRANSFER EASEMENT	\$2	QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.  
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LAND  
REGISTRY  
OFFICE #65

03419-1572 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/16 AT 13:14:25

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2839093	2018/06/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE BANK OF NOVA SCOTIA	THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY	
		REMARKS: YR1928597 TO YR2839092				
YR2839094	2018/06/19	APL ANNEX REST COV		QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION		C
		REMARKS: NO EXPIRY				
YR2839095	2018/06/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE BANK OF NOVA SCOTIA	QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	
		REMARKS: YR1928597 TO YR2839094				
YR2839588	2018/06/20	APL DEL INH ORDER		*** DELETED AGAINST THIS PROPERTY *** THE CORPORATION OF THE TOWN OF EAST GWILLIMBURY		
		REMARKS: YR2836514.				
YR3057085	2020/01/16	APL ANNEX REST COV		QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION		C
YR3058135	2020/01/20	TRANSFER		*** COMPLETELY DELETED *** QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	QUEENSVILLE RIDGE (ARH) HOMES LTD.	
YR3058186	2020/01/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** QUEENSVILLE RIDGE (ARH) HOMES LTD.	QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	
YR3058187	2020/01/20	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** QUEENSVILLE PROPERTIES DEVELOPMENT CORPORATION	THE BANK OF NOVA SCOTIA	
		REMARKS: YR3058186.				
YR3058188	2020/01/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
		REMARKS: YR1928597.				
YR3219273	2021/03/05	CHARGE		*** DELETED AGAINST THIS PROPERTY *** QUEENSVILLE RIDGE (ARH) HOMES LTD.	THE BANK OF NOVA SCOTIA	
YR3269653	2021/06/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
		REMARKS: YR3058186.				
YR3317073	2021/09/22	CHARGE		*** DELETED AGAINST THIS PROPERTY *** QUEENSVILLE RIDGE (ARH) HOMES LTD.	THE BANK OF NOVA SCOTIA	
YR3354572	2021/12/13	TRANSFER		*** COMPLETELY DELETED *** QUEENSVILLE RIDGE (ARH) HOMES LTD.	TAN, SOR-HOA	

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LAND  
REGISTRY  
OFFICE #65

03419-1572 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/16 AT 13:14:25

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR3354573	2021/12/13	CHARGE		*** COMPLETELY DELETED *** TAN, SOR-HOA LIN, JUN	LIN, JUN  MERIDIAN CREDIT UNION LIMITED	
YR3360330	2021/12/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
		REMARKS: YR3219273.				
YR3360331	2021/12/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
		REMARKS: YR3317073.				
YR3394408	2022/03/14	TRANSFER	\$1,800,000	LIN, JUN TAN, SOR-HOA	SIVANATHAN, THISAAN VIJENTHIRA, RIO VELANNETE	C
YR3394409	2022/03/14	CHARGE		*** COMPLETELY DELETED *** SIVANATHAN, THISAAN VIJENTHIRA, RIO VELANNETE	TSX TRUST COMPANY	
YR3394410	2022/03/14	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** SIVANATHAN, THISAAN VIJENTHIRA, RIO VELANNETE	TSX TRUST COMPANY	
		REMARKS: YR3394409				
YR3394411	2022/03/14	CHARGE	\$180,000	SIVANATHAN, THISAAN VIJENTHIRA, RIO VELANNETE	COMPUTERSHARE TRUST COMPANY OF CANADA	C
YR3395540	2022/03/16	APL (GENERAL)		*** COMPLETELY DELETED *** TAN, SOR-HOA LIN, JUN		
		REMARKS: YR2837282, YR2839093 AND YR2839095 - DELETED				
YR3405004	2022/04/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED		
		REMARKS: YR3354573.				
YR3445727	2022/06/29	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	EQUITYLINE SPV GP INC.	C
		REMARKS: YR3394411.				
YR3445735	2022/06/29	TRANSFER OF CHARGE		EQUITYLINE SPV GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
		REMARKS: YR3394411, YR3445727				

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OFFICE #65

03419-1572 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/16 AT 13:14:25

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR3485785	2022/10/11	NOTICE		ENERCARE HOME AND COMMERCIAL SERVICE INC. ENERCARE HOME AND COMMERCIAL SERVICES LIMITED PARTNERSHIP	VIJENTHIRA, RIO VELANNETE	C
		REMARKS: LEASE OF CHATTEL				
YR3515196	2023/01/12	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** TSX TRUST COMPANY	VAULT CAPITAL INC.	
		REMARKS: YR3394409.				
YR3515199	2023/01/12	NOTICE		*** COMPLETELY DELETED *** TSX TRUST COMPANY	VAULT CAPITAL INC.	
		REMARKS: YR3394409				
YR3528200	2023/02/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** VAULT CAPITAL INC.		
		REMARKS: YR3394409.				
YR3561641	2023/06/12	NO SEC INTEREST	\$10,940	VISTA CREDIT CORP.		C
YR3609999	2023/10/19	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	ELLE MORTGAGE CORPORATION COMPUTERSHARE TRUST COMPANY OF CANADA	C
		REMARKS: YR3394411. YR3394411; YR3445727 AND YR3445735				

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PROPERTY DESCRIPTION: LT 3 PL M52 BELLE RIVER

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
RE-ENTRY FROM 01430-1957

PIN CREATION DATE:  
2002/03/13

OWNERS' NAMES  
1000131861 ONTARIO INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b>						
R400333	1967/12/12	BYLAW		SEE DOCUMENT		C
CE1069284	2022/03/25	TRANSFER <i>REMARKS: PLANNING ACT STATEMENTS.</i>	\$527,000	RICE, ANGELA	1000131861 ONTARIO INC.	C
CE1097652	2022/08/24	CHARGE	\$200,000	1000131861 ONTARIO INC.	NEST CAPITAL MORTGAGE INVESTMENT CORPORATION	C
CE1124278	2023/02/24	TRANSFER OF CHARGE <i>REMARKS: CE1097652.</i>		NEST CAPITAL MORTGAGE INVESTMENT CORPORATION	RENT TO BUY HOMES INC.	C
CE1134683	2023/05/17	CHARGE	\$500,000	1000131861 ONTARIO INC.	AIELLO, GIUSEPPE ISSHAK, ROBERT	C
CE1134874	2023/05/18	POSTPONEMENT <i>REMARKS: CE1097652 TO CE1134683</i>		RENT TO BUY HOMES INC.	AIELLO, GIUSEPPE ISSHAK, ROBERT	C

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PCL 52-8, SEC 40M1737; PT BLK 52, PL 40M1737 (PICKERING), PTS 12 & 13, 40R15890; S/T PT 13, 40R15890 IN FAVOUR OF PTS 14 & 16, 40R15890 AS IN LT708199 ; PICKERING

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1998/10/26

OWNERS' NAMES

JOHNSON, THEEPANRAJ  
THANKESWARAN, GHAVIYAA

CAPACITY SHARE

JTEN  
JTEN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1998/10/26 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1998/10/26**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1998/10/23 **</b></p>						
LT142162	1982/02/16	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF PICKERING	C
LT219632	1984/11/15	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF PICKERING	C
LT653510	1993/09/16	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF PICKERING	C
LT655991	1993/10/05	NOTICE AGREEMENT			THE REGIONAL MUNICIPALITY OF DURHAM	C
40R15890	1994/10/27	PLAN REFERENCE				C
LT706393	1994/12/21	BYLAW EX PART LOT				C
LT764095	1996/07/26	TRANSFER		*** COMPLETELY DELETED ***	WENT, JOHN WENT, RUTH	
LT773352	1996/10/01	CHARGE		*** COMPLETELY DELETED ***	CIBC MORTGAGE CORPORATION	
LT875944	1998/11/04	BYLAW		THE CORPORATION OF THE TOWN OF PICKERING		C
<p>REMARKS: BY-LAW NO. 4536/94 IS HEREBY REPEALED.</p>						
DR46373	2002/01/04	TRANSFER		*** COMPLETELY DELETED *** WENT, JOHN WENT, RUTH	CHIN, DONALD GAY-CHIN, BARBARA	
<p>REMARKS: PLANNING ACT STATEMENTS</p>						

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\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
DR46374	2002/01/04	CHARGE		*** COMPLETELY DELETED *** CHIN, DONALD GAY-CHIN, BARBARA	THE TORONTO-DOMINION BANK	
DR69119	2002/04/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** CIBC MORTGAGE CORPORATION		
		REMARKS: RE: LT773352				
DR720788	2008/06/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	ING BANK OF CANADA	
		REMARKS: DR46374				
DR1583383	2017/04/10	CHARGE		*** COMPLETELY DELETED *** CHIN, DONALD GAY-CHIN, BARBARA	AUTO WORKERS COMMUNITY CREDIT UNION LIMITED	
DR1659821	2017/11/23	TRANSFER		*** COMPLETELY DELETED *** CHIN, DONALD GAY-CHIN, BARBARA	MALIK, ADEEL ZEHRA, BANEEN HAIDERI	
DR1659822	2017/11/23	CHARGE		*** COMPLETELY DELETED *** MALIK, ADEEL ZEHRA, BANEEN HAIDERI	COMPUTERSHARE TRUST COMPANY OF CANADA	
DR1671327	2018/01/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** TANGERINE BANK		
		REMARKS: DR46374.				
DR1673205	2018/01/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** AUTO WORKERS COMMUNITY CREDIT UNION LIMITED		
		REMARKS: DR1583383.				
DR1958364	2020/12/22	CHARGE		*** COMPLETELY DELETED *** MALIK, ADEEL ZEHRA, BANEEN HAIDERI	THE BANK OF NOVA SCOTIA	
DR1992053	2021/04/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA		
		REMARKS: DR1659822.				
DR2129535	2022/05/05	TRANSFER		*** COMPLETELY DELETED *** MALIK, ADEEL ZEHRA, BANEEN HAIDERI	SAVCHUK, EDUARD	

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LAND  
 REGISTRY  
 OFFICE #40

26357-0038 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
DR2129536	2022/05/05	CHARGE		*** COMPLETELY DELETED *** SAVCHUK, EDUARD	COMPUTERSHARE TRUST COMPANY OF CANADA	
DR2129551	2022/05/05	NO ASSGN RENT GEN <i>REMARKS: DR2129536.</i>		*** COMPLETELY DELETED *** SAVCHUK, EDUARD	COMPUTERSHARE TRUST COMPANY OF CANADA	
DR2140948	2022/06/07	DISCH OF CHARGE <i>REMARKS: DR1958364.</i>		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
DR2179464	2022/10/07	TRANSFER OF CHARGE <i>REMARKS: DR2129536.</i>		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA	EQUITYLINE SPV GP INC.	
DR2179466	2022/10/07	TRANSFER OF CHARGE <i>REMARKS: DR2129536. DR2179464 &amp; DR2129536</i>		*** COMPLETELY DELETED *** EQUITYLINE SPV GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	
DR2299653	2024/02/26	TRANS POWER SALE <i>REMARKS: DR2129536.</i>	\$820,000	COMPUTERSHARE TRUST COMPANY OF CANADA	JOHNSON, THEEPANRAJ THANKESWARAN, GHAVIYAA	C
DR2299654	2024/02/26	CHARGE	\$615,000	JOHNSON, THEEPANRAJ THANKESWARAN, GHAVIYAA	COMPUTERSHARE TRUST COMPANY OF CANADA	C

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PROPERTY DESCRIPTION: LT 83 PL 1109 SANDWICH EAST; WINDSOR

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
RE-ENTRY FROM 01356-0421

PIN CREATION DATE:  
2000/05/26

OWNERS' NAMES  
SINGH, YASHPREET

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/01/08 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/05/26**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 2000/05/29 **</b></p>						
R459284	1970/01/07	NOTICE		SEE DOCUMENT	DEPARTMENT OF TRANSPORT	C
<p>REMARKS: WINDSOR AIRPORT ZONING REGULATIONS D.N.A P.I.N 01337-0434 DELETED NOV 15/07</p> <p>CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORT' ADDED ON 1997/03/25 BY REGISTRAR 23. 'PARTY: SEE DOCUMENT' ADDED ON 1997/04/08 BY REGISTRAR 23.</p>						
R844423	1981/10/27	NOTICE		SEE DOCUMENT	DEPARTMENT OF TRANSPORT	C
<p>REMARKS: AMENDS 137437 &amp; 459284 WINDSOR AIRPORT ZONING REGULATIONS</p> <p>CORRECTIONS: 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'DEPARTMENT OF TRANSPORT' ON 1996/11/14 BY LAND REGISTRAR #3. 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'SEE DOCUMENT' ON 1997/04/01 BY LAND REGISTRAR#19. 'PARTY: DEPARTMENT OF TRANSPORT' ADDED ON 1997/04/08 BY REGISTRAR 23.</p>						
R844424	1981/10/27	NOTICE		SEE DOCUMENT	DEPARTMENT OF TRANSPORT	C
<p>CORRECTIONS: 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'SEE DOCUMENT' ON 1997/04/01 BY LAND REGISTRAR#19. 'PARTY: DEPARTMENT OF TRANSPORT' ADDED ON 1997/04/08 BY REGISTRAR 23.</p>						
CE1153661	2023/09/28	TRANS POWER SALE	\$395,000	COMPUTERSHARE TRUST COMPANY OF CANADA	SINGH, YASHPREET	C
<p>REMARKS: CE1081688.</p>						

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LAND  
REGISTRY  
OFFICE #12

01356-0053 (LT)

PAGE 2 OF 2  
PREPARED FOR Anshu Agarwal  
ON 2024/05/24 AT 15:29:41



\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE1153662	2023/09/28	CHARGE	\$450,000	SINGH, YASHPREET	THE TORONTO-DOMINION BANK	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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LAND  
REGISTRY  
OFFICE #51

58775-0177 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/24 AT 18:08:03

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PCL 45-2 SEC M87; PT LT 45 PL M87, PTS 7 & 8 51R8220; S/T RIGHT LT20971; S/T LT9446, BARRIE

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1997/10/14

OWNERS' NAMES  
CRESSWELL, JADEN MARK AUSTIN  
PUPO, NATALIA ALICIA

CAPACITY SHARE  
JTEN  
JTEN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/10/14 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/10/14**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1997/10/10 **</b></p>						
LT8778	1976/12/02	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF BARRIE THE PUBLIC UTILITIES COMMISSION OF THE CITY OF BARRIE	C
<p>CORRECTIONS: 'PARTY: THE PUBLIC UTILITIES COMMISSION OF THE CITY OF BARRIE' ADDED ON 1998/04/21 BY FENTON, DOT.</p>						
LT9378	1977/02/04	BYLAW EX PART LOT				C
LT9446	1977/02/10	TRANSFER EASEMENT			THE CORPORATION OF THE CITY OF BARRIE	C
51R8220	1978/11/03	PLAN REFERENCE				C
LT20971Z	1978/12/14	APL ANNEX REST COV				C
LT204882	1991/08/07	TRANSFER		*** COMPLETELY DELETED ***	HORNE, DAVID FORGET, DEBI	
LT204883	1991/08/07	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
LT343718A	1998/02/09	APL (GENERAL)		*** COMPLETELY DELETED *** HORNE, DAVID FORGET, DEBI		
<p>REMARKS: DELETE EXECUTION NOS. 37534 AND 37772</p>						
LT343719	1998/02/09	TRANSFER	\$35,000	HORNE, DAVID FORGET, DEBI	HORNE, DAVID	C
<p>REMARKS: DELETE EXECUTION NO. 9602991 BY ONT REG. 690/55 1998/02/27</p>						

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LAND  
REGISTRY  
OFFICE #51

58775-0177 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/24 AT 18:08:03

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT343720	1998/02/09	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	THE TORONTO-DOMINION BANK	
LT346957	1998/03/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: LT204883				
SC243282	2004/07/22	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	THE TORONTO-DOMINION BANK	
SC535341	2007/04/17	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	THE TORONTO-DOMINION BANK	
SC543581	2007/05/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: LT343720				
SC543582	2007/05/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: SC243282				
SC759467	2009/08/17	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	LAURENTIAN BANK OF CANADA	
SC766465	2009/09/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: SC535341				
SC1160050	2014/09/16	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	ICICI BANK CANADA	
SC1176517	2014/11/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** LAURENTIAN BANK OF CANADA		
		REMARKS: SC759467.				
SC1277586	2016/01/21	NOTICE		*** COMPLETELY DELETED *** HORNE, DAVID	HOME TRUST COMPANY	
		REMARKS: LODGEMENT				
SC1298387	2016/04/25	NO SEC INTEREST		*** COMPLETELY DELETED *** ECO ENERGY HOME SERVICES INC		
SC1404693	2017/04/27	NO SEC INTEREST		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				HOME TRUST COMPANY		
	<i>REMARKS: DOCUMENT DELETED BY SILVA PRANTERA ON 07/12/2023</i>					
SC1664673	2020/02/27	NO SEC INTEREST		*** COMPLETELY DELETED *** SUMMITT HOME SERVICES GP INC. SUMMITT HOME SERVICES LP		
SC1709780	2020/09/11	NO SEC INTEREST		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
	<i>REMARKS: ASSIGNS SC1404693 DOCUMENT DELETED BY SILVA PRANTERA ON 07/12/2023</i>					
SC1729963	2020/11/16	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	2748204 ONTARIO INC.	
SC1731814	2020/11/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 2748204 ONTARIO INC.	PENK, ARNOLD PENK, DORA	
	<i>REMARKS: SC1729963.</i>					
SC1765004	2021/03/23	NO SEC INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
	<i>REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2021/08/24 AT 18:19 BY LANE, RHONDA.</i>					
SC1789015	2021/06/03	NO SEC INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
SC1791269	2021/06/10	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	CANADA'S CHOICE INVESTMENTS INC.	
SC1792062	2021/06/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** PENK, ARNOLD PENK, DORA		
	<i>REMARKS: SC1729963.</i>					
SC1809883	2021/07/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
	<i>REMARKS: SC1765004.</i>					
SC1809888	2021/07/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
	<i>REMARKS: SC1765004.</i>					
SC1830048	2021/09/30	DISCHARGE INTEREST		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				HOME TRUST COMPANY		
SC1832364	2021/10/07	NO SEC INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
SC1834719	2021/10/15	NO SEC INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
				REMARKS: REASSIGNMENT OF SC1832364.		
SC1868070	2022/02/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CANADA'S CHOICE INVESTMENTS INC.	MAIN STREET MORTGAGE INVESTMENT CORPORATION	
				REMARKS: SC1791269.		
SC1902475	2022/06/03	CHARGE		*** COMPLETELY DELETED *** HORNE, DAVID	COMPUTERSHARE TRUST COMPANY OF CANADA	
SC1902477	2022/06/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HORNE, DAVID	COMPUTERSHARE TRUST COMPANY OF CANADA	
				REMARKS: NOTICE TO BE DELETED UPON DELETION OF SC1902475		
SC1902636	2022/06/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** MAIN STREET MORTGAGE INVESTMENT CORPORATION		
				REMARKS: SC1791269.		
SC1921460	2022/08/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ICICI BANK CANADA		
				REMARKS: SC1160050.		
SC1931829	2022/09/21	NO SEC INTEREST	\$29,896	2799953 ONTARIO INC.		C
SC1931830	2022/09/21	NO SEC INTEREST	\$40,349	2799953 ONTARIO INC.		C
SC1936265	2022/10/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA	EQUITYLINE SPV GP INC.	
				REMARKS: SC1902475.		
SC1936266	2022/10/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** EQUITYLINE SPV GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	
				REMARKS: SC1902475		
SC1937811	2022/10/17	DISCHARGE INTEREST		*** COMPLETELY DELETED *** UTILEBILL CREDIT CORPORATION		

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LAND  
REGISTRY  
OFFICE #51

58775-0177 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/24 AT 18:08:03

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1939342	2022/10/24	DISCHARGE INTEREST		*** COMPLETELY DELETED *** SUMMITT HOME SERVICES GP INC. SUMMITT HOME SERVICES LP		
SC1939538	2022/10/25	DISCHARGE INTEREST		*** COMPLETELY DELETED *** ECO ENERGY HOME SERVICES INC		
SC1947240	2022/11/24	DISCHARGE INTEREST		*** COMPLETELY DELETED *** CANADA'S CHOICE CAPITAL		
SC1947241	2022/11/24	DISCHARGE INTEREST		*** COMPLETELY DELETED *** 13273261 CANADA INC.		
SC2044056	2024/03/15	TRANS POWER SALE	\$500,000	COMPUTERSHARE TRUST COMPANY OF CANADA	CRESSWELL, JADEN MARK AUSTIN PUPO, NATALIA ALICIA	C
SC2044057	2024/03/15	CHARGE	\$495,909	CRESSWELL, JADEN MARK AUSTIN PUPO, NATALIA ALICIA	MANULIFE BANK OF CANADA	C

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LAND  
REGISTRY  
OFFICE #66

06348-0288 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/17 AT 15:27:21

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

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

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1993/11/29

OWNERS' NAMES

AUTON, LYLE  
WRIGHT, SHEILA

CAPACITY SHARE

JTEN  
JTEN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1993/11/29 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1993/11/29**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1993/11/17 **</b></p>						
LT592772	1955/09/01	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA	C
A173533	1965/08/18	NOTICE				C
A256117	1968/12/03	BYLAW				C
A621238	1977/05/31	TRANSFER		*** COMPLETELY DELETED ***	STEVANOVSKI, NOVAK STEVANOVSKI, MILICA	
C531929	1988/12/28	CHARGE		*** COMPLETELY DELETED ***	KALAJDIOVSKI, CVETKO KALAJDIOVSKI, MILANKA	
C909912	1994/08/19	APL OF SURV-CHRG		*** COMPLETELY DELETED *** KALAJDIOVSKI, MILANKA		
CORRECTIONS: 'INSTRUMENT TYPE' CHANGED FROM 'APL OF SURV-LAND' TO 'APL OF SURV-CHRG' ON 2006/03/29 BY FIROZ BHANJI.						
C909913	1994/08/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** KALAJDIOVSKI, MILANKA		
REMARKS: RE: C531929						
C993911	1996/03/12	TRANSFER		*** COMPLETELY DELETED *** STEVANOVSKI, NOVAK STEVANOVSKI, MILICA	STEVANOVSKI, MILICA	
AT660482	2004/11/19	CHARGE		*** COMPLETELY DELETED *** STEVANOVSKI, MILICA	ROYAL BANK OF CANADA	

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LAND  
REGISTRY  
OFFICE #66

06348-0288 (LT)

PREPARED FOR Mary Peplinski  
ON 2024/05/17 AT 15:27:21

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1080001	2006/03/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	<i>REMARKS: RE: AT660482</i>					
AT1123723	2006/04/28	TRANSFER	\$339,900	STEVANOVSKI, MILICA	AUTON, LYLE WRIGHT, SHEILA	C
AT1123724	2006/04/28	CHARGE		*** COMPLETELY DELETED *** AUTON, LYLE WRIGHT, SHEILA	THE TORONTO-DOMINION BANK	
AT2695684	2011/05/19	CHARGE		*** COMPLETELY DELETED *** AUTON, LYLE WRIGHT, SHEILA	HOME TRUST COMPANY	
AT4211256	2016/05/04	NO SEC INTEREST		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
AT4364524	2016/10/05	NO SEC INTEREST		*** COMPLETELY DELETED *** SKYMARK FINANCE CORPORATION		
AT4653134	2017/08/14	NO SEC INTEREST		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
AT4759028	2017/12/13	CHARGE		*** COMPLETELY DELETED *** AUTON, LYLE WRIGHT, SHEILA	HOME EQUITY MORTGAGE CORPORATION	
AT4761526	2017/12/15	POSTPONEMENT		*** COMPLETELY DELETED *** HOME TRUST COMPANY	HOME EQUITY MORTGAGE CORPORATION	
	<i>REMARKS: AT4211256 TO AT4759028</i>					
AT4761527	2017/12/15	POSTPONEMENT		*** COMPLETELY DELETED *** SKYMARK FINANCE CORPORATION	HOME EQUITY MORTGAGE CORPORATION	
	<i>REMARKS: AT4364524 TO AT4759028</i>					
AT4761528	2017/12/15	POSTPONEMENT		*** COMPLETELY DELETED *** HOME TRUST COMPANY	HOME EQUITY MORTGAGE CORPORATION	
	<i>REMARKS: AT4653134 TO AT4759028</i>					
AT4779829	2018/01/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		

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		REMARKS: AT1123724.					
AT4802715	2018/02/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY			
		REMARKS: AT2695684.					
AT4826248	2018/03/22	NO SEC INTEREST		*** COMPLETELY DELETED *** HOME TRUST COMPANY			
		REMARKS: DELETED BY A.KINSEY ON 2023/06/26 AT4653134/AT6184703					
AT5029935	2018/12/11	NO SEC INTEREST		*** COMPLETELY DELETED *** HOME TRUST COMPANY			
		REMARKS: ASSIGNED BY AT4211256					
AT5708422	2021/04/16	CHARGE		*** COMPLETELY DELETED *** AUTON, LYLE WRIGHT, SHEILA	BANKRIGHT FINANCIAL LTD.		
AT6065678	2022/05/03	CHARGE		*** COMPLETELY DELETED *** AUTON, LYLE WRIGHT, SHEILA	ALTERNATIVE LENDING GROUP INC.		
AT6068103	2022/05/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANKRIGHT FINANCIAL LTD.			
		REMARKS: AT5708422.					
AT6100421	2022/06/07	DISCHARGE INTEREST		*** COMPLETELY DELETED *** SKYMARK FINANCE CORPORAATION			
		REMARKS: AT4364524.					
AT6111518	2022/06/21	CHARGE	\$940,000	AUTON, LYLE WRIGHT, SHEILA	COMPUTERSHARE TRUST COMPANY OF CANADA	C	
AT6111523	2022/06/21	NO ASSGN RENT GEN		WRIGHT, SHEILA AUTON, LYLE	COMPUTERSHARE TRUST COMPANY OF CANADA	C	
		REMARKS: AT6111518.					
AT6112130	2022/06/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** ALTERNATIVE LENDING GROUP INC.			
		REMARKS: AT6065678.					
AT6184703	2022/09/19	DISCHARGE INTEREST		*** COMPLETELY DELETED *** 2035881 ONTARIO INC.			

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: AT4653134.				
AT6200024	2022/10/11	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	EQUITYLINE SPV GP INC.	C
		REMARKS: AT6111518.				
AT6200032	2022/10/11	TRANSFER OF CHARGE		EQUITYLINE SPV GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
		REMARKS: AT6111518.				
AT6214695	2022/11/01	DISCHARGE INTEREST		*** COMPLETELY DELETED *** CROWN CREST CAPITAL MANAGEMENT CORP.		
		REMARKS: AT4211256.				
AT6369029	2023/07/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME EQUITY MORTGAGE CORPORATION		
		REMARKS: AT4759028.				
AT6379258	2023/07/20	LIEN	\$20,619	HIS MAJESTY THE KING IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
		REMARKS: INCOME TAX				
AT6533326	2024/03/19	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	EQUITYLINE SPV GP INC.	C
		REMARKS: AT6111518, AT6200032				

## **Appendix “E”**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**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**

**AFFIDAVIT OF SERGIY SHCHAVYELYEV**

I, Sergiy Shchavyelyev, of the City of Richmond Hill, in the Regional Municipality of York, AFFIRM:

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**").
2. I make this affidavit in response to the Applicant's application to appoint KSV Advisory as Receiver over Equityline SPV (the "**Application**").

-2-

3. I have read the affidavit of Brendan Smith sworn May 31, 2024 and respond as follows.

4. I note that as of the date of Mr. Smith's affidavit sworn May 31, 2024, he was well aware that the total amount owed to Equitable was significantly less than \$13,617,097.50. Attached as **Exhibit "A"** to this affidavit is an email from Brendan Smith dated June 6, 2024 confirming that the amounts owing for Principal and Interest under the credit line was \$10,310,037.26 as of that date.

5. The principal and interest amount owing to Equitable under the credit facility had been significantly reduced by Equityline SPV from 2022 when \$25,000,000 was owing on the credit line. At the time, the credit line had been extended to \$55,000,000.

6. Equityline SPV reduced the balance owed on the credit line from \$25,000,000 to \$10,000,000 from the proceeds received when mortgages matured and were repaid and by exercising its enforcement rights under mortgages which had defaulted. I am confident given our enforcement progress to date that if Equityline SPV is permitted to continue its enforcement efforts it will be able to repay the remaining \$10,000,000 within the next 120 days (assuming the consent interim standstill order is lifted for this purpose).

7. Each of the mortgages in the Equityline SPV mortgage portfolio passed the underwriting criterion approved by Equitable and is title insured.

8. Equityline SPV is a bridge lender, lending interest only loans to individual residential homeowners on a short-term basis. The loan term is a maximum of 12 months and interest is at a variable rate. Pursuant to Equityline SPV's credit arrangement with

-3-

Equitable, Equityline SPV pays interest of prime plus 1.5% on monies borrowed from the credit facility. Equityline SPV loans to individual homeowners carry interest at prime plus 4%.

9. Between March 2022 and July 2023, because the Bank of Canada increased interest rates ten times, the monthly burden on the Equityline SPV borrowers increased significantly (along with Equityline SPV's interest burden under the credit facility with Equitable).

10. As such the default rates on the mortgages in the Equityline SPV portfolio rose dramatically, which Equityline SPV did not fully anticipate.

11. In the regular course of Equityline SPV's business, a modest number of defaulting mortgages is to be expected. When the default rate rose sharply because of skyrocketing interest rates, Equityline SPV did not have sufficient capital to redeem all of the mortgages in default. Equityline SPV borrowed sufficient funds from a third party lender to cover the monthly interest payments due to Equitable. To date, loans extended by the third party lender to Equityline SPV total approximately \$2,800,000.

12. By maintaining the payments due under the credit line, and by working directly with homeowners and bringing enforcement proceedings, approximately \$15,000,000 of the credit facility was paid down by Equityline SPV since the beginning of 2023.

13. As Computershare was the legal title holder pursuant to the custodial arrangement, these proceedings were initiated in the name of Computershare although the beneficial



-4-

owner of the mortgages is Equityline SPV. Enforcement counsel for Equityline SPV were Terry Walman (“**Walman**”) and Glen Cohen (“**Cohen**”).

14. On March 6, 2024, Computershare contacted Equityline about an enforcement proceeding Walman had commenced pursuant to a mortgage loan secured against a property municipally known as 22 Lord Roberts Drive in Toronto. Computershare was advised that there was an ongoing police investigation into the previous registrations against title including Notices of Security Interest (“**NOSIs**”) that had been registered on title prior to Equityline SPV’s loan.

15. Equityline SPV was not aware of the NOSIs when it advanced funds under its mortgage to the owners of 22 Lord Roberts Drive. The Equityline SPV loan is an equity loan advanced based on loan to value. Review of previously registered interests on title is not part of our underwriting process. Again, each mortgage is title insured.

16. When Computershare was advised by the mortgagor’s lawyer of the enforcement proceedings, Computershare contacted Equityline SPV and requested that it discontinue or stay the proceedings, which it did. Attached as **Exhibit “B”** is the notice of discontinuance.

17. Following the discontinuance, the mortgage registered against 22 Lord Roberts Drive was transferred by Computershare back to Equityline SPV, on the consent and with the authority of Computershare. Attached as **Exhibit “C”** are the email exchanges between Equityline SPV’s real estate lawyer, Igor Demitchev (“**Demitchev**”) and Computershare’s counsel regarding the allegations raised in proceeding as well as the

-5-

executed authorization to transfer the mortgage back to the beneficial owner, Equityline SPV.

18. Thereafter, Computershare resigned as custodian with respect to both portfolios.

19. Following Computershare's resignation, Equityline's intention and understanding was that, like 22 Roberts Drive, Computershare would transfer all of the registered mortgages in both Equityline portfolios back to Equityline in order to allow it to continue enforcement and pay down its debt to Equitable as soon as possible.

20. In order to complete the transfers back to Equityline SPV and Equityline MIC, Demitchev would forward the acknowledgement and direction to Computershare for review and signature. Attached as **Exhibit "D"** is a copy of an email from Demitchev dated May 10, 2024, providing the requisite acknowledgement and direction to transfer the legal title from Computershare to Equityline MIC on 4 loans, together with the executed acknowledgement and direction provided by Computershare.

21. The transfer process was initially relatively seamless and allowed refinancing or enforcement to continue.

-6-

23. In or about the end of April 2024, KSV Advisory on behalf of Equitable contacted Equityline SPV seeking information regarding the mortgages in the Equityline SPV portfolio. Equityline SPV immediately provided all of the information that was requested and agreed to a stand-still arrangement whereby no further proceedings would continue or mortgages discharged without the prior consent of Computershare and of Equitable with respect to the Equityline SPV mortgages. I confirm that all these proceedings remain at a standstill and are stayed, including any counterclaims against Computershare, by way of consent order.

24. I acknowledge that there was an accounting error when three mortgages in the Equityline SPV were discharged without Equitable having been paid their interest in that mortgage. The total amount due to Equitable arising from the discharge of those mortgages is \$725,280.

25. The misallocation of sale proceeds was due to an error in our accounting department whereby mortgage funds were paid to Equityline MIC instead of Equityline SPV. I acknowledge that this amount is due and owing and that Equitable has priority over the entire portfolio of Equityline SPV until the entire credit facility is paid. Equityline SPV would like to pursue the most efficient, least expensive and expeditious process designed to get Equitable paid out as soon as possible.

26. Computershare would generally have alerted us that the mortgage being paid out was in the Equityline MIC or the Equityline SPV when signing the transfer. Attached as **Exhibit "E"** is an email dated June 7, 2024 from Computershare which alerted us that a

-7-

closing of a mortgage under the MIC was actually an SPV mortgage requiring Equitable's consent.

27. As of June 7, 2024, Equitable would no longer consent to the transfer of the mortgage from Computershare to Equityline SPV so that the mortgages could be realized upon.

28. In order to halt all proceedings, Computershare served notices of change in all Equityline SPV enforcement matters in Computershare's name appointing their current counsel Tudor Carsten ("**Carsten**") as counsel of record in place of Equityline's enforcement counsel Terry Walman ("**Walman**") and Glenn Cohen ("**Cohen**").

29. Thereafter as I am advised by Walman and believe, Carsten refused all requests from enforcement counsel to transfer legal title to Equityline SPV so the enforcement could continue. He advised Walman and Cohen that he would be discontinuing, terminating and setting aside the existing proceedings. This position led to a lot of confusion because many of the matters had already proceeded to judgment and Equityline SPV had obtained writs of possession.

30. Carsten has refused to advise Equityline SPV or Walman and Cohen what the status of the enforcement proceedings currently are, or whether Computershare has communicated with the defaulting borrowers.

31. In typical enforcement proceedings, there is a lot of communication between the defaulting borrowers and enforcement counsel in case of refinancing and redemption of the mortgage during the sale and enforcement process. At the moment, Equityline SPV

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does not know what is happening with the any of the Equityline SPV enforcement proceedings, which is prejudicial to Equityline SPV and its stakeholders.

32. For example, Computershare halted the enforcement proceedings with respect to 1096 William Street, London, Ontario, (the "**William Street Property**") which is an eight bedroom, five bathroom residence of over 5,000 square feet. The mortgagors had two mortgages with Equityline SPV, being a first mortgage for \$1,000,000 and a second in the amount of \$280,000. The property had been appraised on March 17, 2022 for \$1,600,000. Attached as **Exhibit "F"** is a copy of the appraisal of the William Street Property.

33. Cohen, on behalf of Equityline SPV, had obtained a judgment on the first mortgage on consent of the mortgagors and a writ of possession. The mortgagors still felt they could redeem, but if they didn't they also consented to a writ of possession so we could have vacant possession to sell the property. See attached as **Exhibit "G"** the Minutes of Settlement, Judgment and Writ of Possession in relation to the William Street Property.

34. The amount due from the mortgagors exceeds \$1,300,000 on the first and second mortgages.

35. I am advised by Cohen and believe that he offered complete transparency to Computershare of the enforcement process for the William Street Property. Carsten refused to consider moving forward cooperatively, stating reputational prejudice to Computershare despite the fact that allowing the writ to be enforced and the property sold would be to the mutual benefit of all of the parties, and in particular the applicant

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Equitable, who would have first priority to the net proceeds. At the same time, Computershare on behalf of Equitable refused to transfer the mortgage to Equityline SPV.

36. As a result of Computershare's refusal to allow the enforcement process to continue, the mortgagors still retain possession of the William Street Property and have made no further payments under the mortgages or the Judgment.

37. As part of the disclosure requests, a number of enforcement proceedings were sent to Computershare demonstrating that enforcement had already proceeded through to Judgment. Despite this, Computershare refused to allow enforcement to continue.

38. For example, in respect of the property municipally known as 216 Bay Street in Ottawa, Ontario, the statement of claim was issued against the debtors on December 16, 2022, the notice of sale issued on January 19, 2023, default judgment issued on March 13, 2023, and the writ of seizure and sale filed on March 13, 2023. These proceedings are now at a standstill. Attached as **Exhibit "H"** are copies of the enforcement proceedings with respect to 216 Bay Street in Ottawa.

39. Again, Cohen asked Carsten to agree to assign the mortgages to Equityline SPV so that it could continue said enforcement proceedings. Computershare refused to do so. Instead, I am advised and believe that after Computershare's counsel issued a notice of change of solicitor in each proceeding, he advised Cohen and Walman that his intention was to discontinue, terminate and even set aside judgments.

40. The refusal of Computershare to advise of the status of the enforcement proceedings or take any steps to assist in the continuation of them has also prejudiced

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mortgagors who are seeking to refinance. With respect to a property at 411-310 Mill Street South, Brampton, Walman had obtained a default judgment against the mortgagor and had filed a writ. The mortgagor wished to refinance his personal residence at 19 Fahey Drive, which was not the mortgaged property, but could not do so because of the writ. Walman wrote to Carsten to ask for assistance in allowing the refinancing to proceed, which would benefit Equitable, Equityline SPV and the debtor, but again Computershare refused to assist. Attached as **Exhibit "I"** is a copy of an email from Carsten to Walman dated June 12, 2024 with respect to 19 Fahey Drive requesting that Computershare cooperate with the orderly assignment of the judgment and the writ so recovery could be made expeditiously.

41. Attached as **Exhibit "J"** are a few more examples of mortgages where default judgment has already been granted but which Computershare has refused to advance towards collection or assign them to Equityline SPV.

42. I do acknowledge that two or three of the mortgagors have brought counterclaims against Computershare as the named plaintiff alleging fraudulent mortgage practices and/or unconscionability. However, as all of the mortgages carried title insurance, any claim that a mortgage instrument is invalid would be defended by the title insurer. Before Computershare resigned as custodian, the title insurer had begun investigating and defending the counterclaims which alleged that the mortgage instruments were invalid. However, we have no further updates on these matters now that Computershare has taken carriage.

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43. If the current enforcement actions are discontinued it would be disastrous for Equityline SPV as the enforcement procedures will need to start *de novo* and the enforcement fees and expenses incurred to date will be simply thrown away. This is not necessary as enforcement counsel were already well on the way to sufficient recovery of amounts owed to Equitable, and it is very easy to protect Equitable's priority.

44. In the circumstances, appointing a Receiver to repeat the enforcement process that had already been commenced by Equityline SPV's counsel will be duplicative and not practical. These are simple residential mortgages and the enforcement fees of counsel are low.

45. On the other hand, Equitable's legal fees as of June 6, 2024 were already well over \$200,000. The legal fees that will be incurred by Equitable, the Receiver and its counsel, and other costs such as third party agents and property managers, will likely extinguish the possibility of any other stakeholder receiving recovery, and perhaps even reduce Equitable's recovery. A court approval process for each residential mortgage is going to be unwieldy and it is unnecessary.

46. There are simple protections that could be put in place to hold all funds in escrow to the benefit of Equitable without additional and unnecessary expenses for what is a comparably modest amount owing under the credit facility. Equitable could have likely already been paid out by now had it consented to allow Computershare to transfer the mortgages to Equityline SPV (or another mutually agreed upon custodian) to continue enforcement.



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47. I have no issue with addressing the enforcement of defaulted mortgages in the Equityline SPV portfolio by way of a joint retainer of an experienced enforcement counsel who has Equityline’s irrevocable direction to pay Equitable first from the proceeds of each mortgage enforcement until the revolving credit line is completely paid. This would be the least expensive and most expeditious resolution of the issues between Equitable and Equityline.

**AFFIRMED** by Sergiy Shchavyelyev of the City of Richmond Hill, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on July 16, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



DocuSigned by:  
*Judy Hamilton*  
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits  
(or as may be)

**JUDY HAMILTON**

DocuSigned by:  
*Sergiy Shchavyelyev*  
398D1B86A5AE4ED...

**SERGIY SHCHAVYELYEV**

RCP-E 4D (February 1, 2021)

## **Appendix “F”**

# Equityline winding up business as JSE suspends trading

0 Comments · Make a comment

BY DAVID ROSE Observer business writer davidr@jamaicaobserver.com

July 31, 2024



Equityline was suspended for the second time in two months by JSE.

**E**quityline Mortgage Investment Corporation (ELMIC) will be winding up its business and distributing assets to satisfy investor claims, a bitter sight for the six-year old start-up company. This occurs at the same time the company's preference shares were suspended by Jamaica Stock Exchange (JSE) for a second time in two months.

The announcement of the winding up was announced after trading hours on Friday where Equityline CEO Sergiy Shchavyelyev noted that the company's auditors, Grant Thornton LLP in Canada, requested Equityline withdraw its auditors report. That move resulted in the company no longer being in compliance with JSE rules regarding the availability of audited

financial statements, which necessitated a second suspension of the company's series A redeemable preference shares on Friday, July 26.

Equityline was suspended on June 4 due to its 2023 audited financials being more than 90 days beyond the original submission deadline of February 29. The preference shares were admitted back to trading on June 21, following the submission of its audited numbers earlier in that week.

However, in a new set of developments, the Ontario Securities Commission requested that Equityline cease the distribution of securities to investors, something that the company agreed to do. It was also revealed that an Equityline affiliate was served with a litigation claim, an event that affected its affiliate's capacity to provide the listed company with funding liquidity. Equityline's listed affiliate as per its 2023 annual report were EquityLine Services Corporation and EquityLine Financial Corporation.

Due to these events, Equityline will notify investors once a plan is finalized regarding the winding-up process, repayment details, and expected timing. Equityline's largest series A preference shareholders are Sagicor Group Jamaica unit trust and pooled funds which own 1,759,000 or two-thirds of the 2,683,400 series A preference shares. ELMIC's voting shares are owned by four Canadians, including two executive directors.

The winding up will see the number of companies on the JSE decline from 104 to 103 companies.

The move by Equityline to withdraw its audited financials should draw serious concern from all investors as companies rarely ever withdraw audited numbers altogether, usually making minor amendments for certain errors instead. While the company's audited financials and annual report were removed from the JSE website, the

**Jamaica Observer** was able to obtain an original copy of its 2023 annual report. The company's audited financials were overseen by engagement partner Frank Friedman. The audited numbers were then signed off by directors Sergiy Shchavyelyev and Sergiy Przhebelsky and the board on June 18.

Equityline's 2023 audited financials were given a qualified opinion by their auditor, the opposite of an unqualified opinion which is seen as a positive by readers of the audited financials. The opinion stated, "Management has asserted that an estimated credit loss is

not required related to these balances. We were unable to obtain sufficient appropriate audit evidence to support management's assertion and therefore were unable to determine whether any adjustments might be necessary to due from related parties, promissory notes receivable, and total current assets as at December 31, 2023, and total finance expenses, consolidated net loss and comprehensive loss and cash flows from operations for the year then ended."

There was also a note on the company's ability of the continue as a going concern, which simply means the ability of the firm to continue operations based on its financial position. Equityline's shareholder deficiency, an event which occurs when liabilities exceed assets, grew from CAD\$4.50 million to CAD\$5.98 million (\$693.09 million) for the year under review. The company's total assets were CA\$47.26 million, largely comprised of CA\$26.57 million in mortgage investments, and total liabilities of CA\$53.24 million, largely made up of debt obligations. Equityline issued CAD\$7.51 million in series F preference shares, to cover the relative growth in assets and mounting losses which saw the company report no cash at year end. Equityline reported a CAD\$1.48-million (\$171.44-million) net loss in 2023.

Equityline is a Canadian company focused on acquiring mortgages and maintaining a portfolio of those mortgages to pay dividends to its various shareholders. It issued 2,683,400 series A preference shares in January 2019 at US\$2 per share, which were listed on JSE. The original maturity date of the preference shares was set for January 31, 2024 but was moved to May 31 and then June 30. The preference shares traded on July 25 at US\$1.265, which left them up 15 per cent in 2024 before the suspension.

This is the sixth suspension applied by JSE in 2024 for companies listed on the exchange. Apart from iCreate Limited, all of these suspensions were related to late submissions of audited financials, however all companies were admitted back to trading once they submitted their audited financials. IronRock Insurance Company Limited was admitted back to trading on July 23 following the submission of its audited numbers and first-quarter numbers.

BUSINESS

BUSINESS OBSERVER

ALSO ON JAMAICA OBSERVER

## **Appendix “G”**

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*





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

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

THE HONOURABLE )  
JUSTICE JANA STEELE )  
)  
)  
)

TUESDAY, THE 30th  
DAY OF JULY, 2024

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**ORDER**  
**(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver and manager ("**KSV**" and in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard before the Honourable Justice Jana Steele on July 29, 2024 at 330 University Avenue, Toronto, Ontario.

AND WHEREAS on reading the Affidavit of Brendan Smith sworn May 31, 2024 and the Exhibits thereto, the Affidavit of Jackson Chau sworn July 25, 2024 and the Exhibit thereto, the Affidavit of Stephen Murphy sworn July 25, 2024 and the Exhibits thereto, the Affidavit of Sergiy Shchavyelyev sworn July 16, 2024 and the Exhibits thereto, and on hearing the

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:



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](mailto:renglish@airdberlis.com)

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

*Lawyers for Equitable Bank*

## **Appendix “H”**

---

**From:** Sergiy Shchavyelyev <[sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com)>  
**Sent:** Tuesday, August 20, 2024 5:37 PM  
**To:** Noah Goldstein <[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)>  
**Cc:** Rebecca Kennedy <[Rkennedy@tgf.ca](mailto:Rkennedy@tgf.ca)>; Mark Simone <[mark@equitylinemic.com](mailto:mark@equitylinemic.com)>  
**Subject:** [EXTERNAL]Re: Equityline

Im still working on getting funds to repay.

Judy is preparing the agreement to your lawyer side.

The moment funds are in my account (estimated friday) i will send it to Judy friedman so she can transfer to your lawyer against the release document. All in works takes a bit of time

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: [1-888-269-1988](tel:1-888-269-1988)[www.EquityLineMic.com](http://www.EquityLineMic.com)

On Aug 20, 2024, at 5:35 PM, Noah Goldstein <[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)> wrote:

Sergiy,

Can you please confirm that you still intend to repay the funds diverted from the SPV by no later than this Friday, August 23, 2024.

Thank you,

Noah

Noah Goldstein  
KSV Advisory Inc.  
Managing Director  
(m) 416.844.4842

## **Appendix “I”**

# FRIEDMANS

LAW FIRM

**William Friedman\***  
B.A., B.C.L., LLB  
**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., LLB  
**Stephen C. Nadler**  
B.A., J.D.  
**Shida Azari\***  
B.A., LLB  
**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](mailto: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
		<hr/> <hr/> <b>\$1,574,880.00</b>

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

## **Appendix “J”**

August 23, 2024

**By E-Mail JH@friedmans.ca**

Friedmans LLP  
150 Ferrand Devie, Suite 800  
Toronto, Ontario  
M3C 3E5

**Attention: Judy Hamilton**

Dear Ms. Hamilton:

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

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As you are aware, we act as Counsel to Equitable Bank in relation to the receivership of Equityline SPV and pursuant to the terms of the Court Order we also act as Counsel for the Receiver. Rebecca Kennedy of Thornton Group Finnigan LLP also acts as receiver's counsel where there is potential for conflict between the interests of Equitable Bank and other creditors.

We received from Ms. Kennedy a copy of your letter dated August 22, 2024, written on behalf of Equityline Mortgage Investment Corporation ("MIC") and Equityline SPV. As you are aware, the Receivership Order expressly provides the Receiver the power to appoint counsel to the exclusion of the power of Equityline SPV to do so. Accordingly, your firm does not have the authority to represent Equityline SPV.

Your letter refers to five particular mortgages which had been pledged to Equitable Bank, where title was held in the name of Computershare Trust Company of Canada ("Computershare") as title custodian which, in each case, has been discharged without authorization from Computershare or from Equitable Bank. The proceeds of these mortgages were acknowledged to have been received by the MIC, and were acknowledged not to have been applied to the Equitable Bank loan as was required under the lending agreements and security. Instead these proceeds have been converted to other uses by the MIC, which was and is not the owner of the mortgages or their proceeds.

In your letter, you suggest that your client will return the funds paid to discharge the mortgages subject to certain specific requirements of your client. With respect, the Receiver will not entertain any conditions for the return of these converted funds. We are unsure if these are the only five mortgages where proceeds have been converted nor has the Receiver's investigation into the circumstances of the conversion been completed.

Simply put, these funds do not belong to the MIC, which was known to the MIC when the funds were received by it. These funds are to be repaid to the Receiver forthwith without condition. On August 14, 2024, Mr. Shchavyelyev acknowledged to the Receiver that these funds had been diverted and that they would be returned by no later than August 23, 2024. In your most recent letter, you have now advised that the funds would be returned by August 30, 2024. Failure to



August 23, 2024  
Page 2

make a payment immediately will result in the Receiver commencing court proceedings for various relief, which may include a contempt order against the principal of the MIC and/or an Order placing the MIC into receivership.

In your letter, you also request an updated statement of the balance owing to Equitable Bank. With respect, several statements have been provided previously and your client has a good idea of the outstanding balance. There is no suggestion that payment of the loan balance is forthcoming or that a repayment date has being established, and therefore no particular reason to be preparing new statements continually as requested. Should there be evidence of actual funds in-hand and a payout date, a statement can be provided. Please note, however, that a payout of the Equitable Bank loan balance will not discharge the Receiver, nor necessarily satisfy those attendant costs.

Please ensure that your client is aware that it needs to return funds immediately, as we will intend to prepare court materials immediately.

Thank you for your attention in this regard.

Yours very truly,

**AIRD & BERLIS LLP**



D. Robb English  
Partner

DRE/cb

cc. Rebecca Kennedy, Thornton Grout Finnigan LLP

61554120.2

**AIRD BERLIS**

## **Appendix “K”**



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

September 6, 2024

DELIVERED VIA EMAIL - [sergiy@equitylinemic.com](mailto: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:

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

<b>Property Address</b>	<b>Borrower Name</b>	<b>Mortgage Amount</b>
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
		<b>\$1,574,880.00<sup>1</sup></b>

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.

---

<sup>1</sup> 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 6<sup>th</sup> 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.

## **Appendix “L”**

September 13, 2024

DELIVERED VIA EMAIL ([sergiy@equitylinemic.com](mailto:sergiy@equitylinemic.com))

**EQUITYLINE SERVICES CORP.**

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 (the “SPV”), as guaranteed by EquityLine Services Corp.**

**And Re: Debits**

---

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**”).

You, EquityLine Services Corp., became a guarantor of the obligations of the SPV pursuant to and under the terms of an unlimited guarantee agreement dated August 5, 2021 (the “**Guarantee**”).

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.

The Receiver has recently been made aware that the bank accounts of certain borrowers were debited for several months of mortgage payments in the days prior to the receivership of the SPV (the “**Debits**”). By letter dated September 6, 2024, the Receiver wrote to you requiring an accounting of the Debits collected by the mortgagees in the months prior to the receivership by no later than September 6, 2024 at 5:00 p.m. The Receiver’s letter also required such funds to be immediately transferred to the Receiver. As of the date of this letter, these funds have not been transferred to the Receiver and remain subject to the security interests of the Lender.

As such, and given the Debits were made without the knowledge or consent of the Lender, the Lender has registered a financing change statement against you, EquityLine Services Corp., pursuant to subsection 48(2)(b) of the *Personal Property Security Act* (Ontario) to continue to secure the Lender’s interest in, among other things, the Debits and any other payments collected by the mortgagees under the Credit Agreement. 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.

The Indebtedness (as defined below) owing under the Debits is secured by, among other things:

(a) a general security agreement dated August 5, 2021 from the SPV, which continues to attach to, among other things, the amounts of the Debits and any other payments collected by the mortgagees under the Credit Agreement; and

(b) a pledge agreement entered into by EquityLine Mortgage Investment Corporation ("**EMIC**"), as pledgor, and the Lender as of August 5, 2021, 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;

(collectively, the "**Security**").

Accordingly, on behalf of the Lender, we hereby make formal demand for payment of any and all amounts of the Debits<sup>1</sup> 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 EquityLine Services Corp. is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement, the Guarantee 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 EquityLine Services Corp. 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.

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<sup>1</sup> 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.

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

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in blue ink, appearing to read "K. Plunkett", is enclosed in a light blue rectangular box.

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 SERVICES CORP.**  
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 Services Corp. (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 (the “**SPV**”) dated August 5, 2021 and a pledge agreement entered into by EquityLine Mortgage Investment Corporation 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 13, 2024, the total amount of indebtedness secured by the Security is, among other things, any and all amounts debited from the bank accounts of certain borrowers for several months of mortgage payments in the days prior to the receivership of the SPV, 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 13<sup>th</sup> day of September 2024.

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

Per:



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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.

**AIRD BERLIS**