

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**FIRST SOURCE FINANCIAL MANAGEMENT INC.  
and KINGSETT MORTGAGE CORPORATION**

Applicants

- and -

**IDEAL (BC) DEVELOPMENTS INC., IDEAL (BC2) DEVELOPMENTS INC., IDEAL  
DEVELOPMENTS INC., 2490564 ONTARIO INC., 2490568 ONTARIO INC. and  
SHAJIRAJ NADARAJALINGAM**

Respondents

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 Prasana Balachandran  
(Sworn July 16, 2019)**

I, Prasana Balachandran, of the City of Markham in the Province of Ontario, MAKE OATH AND  
SAY AS FOLLOWS:


1. I am the director of corporate strategy and legal affairs of the Ideal Group of Companies and  
as such have knowledge of the matters hereinafter deposed to, except where matters are stated  
to be based on information and belief, in which case the source of my information and belief  
is stated, and I do verily believe the same to be true.
2. I have reviewed the "Aide Memoire" provided by the Applicants' lawyers to my lawyer at 2:36 p.m.  
today.


3. At schedule "C" of the Aide Memoire the suggestion is made that counsel has become aware that Ideal is marketing the property for \$13,500,000.
4. I am advised by Judy Hamilton that she asked Andrew Winton for the source of his information and counsel replied that it was a broker who wished to remain anonymous. He suggested that Ideal had engaged a broker to sell the Property. Attached as **Exhibit "A"** is a copy of the email exchange between my lawyer and the Applicants' lawyer after receipt of the Aide Memoire.
5. Since Andrew Winton would not reveal whose "marketing materials" were appended to the Aide Memoire, we could not contact the alleged broker to obtain information as to why they have created these materials which got into the hands of the Receiver.
6. Ideal has not listed the Property, nor is it shopping the development around to developers. I have confirmed this with both the President and CEO of Ideal, Shajiraj Nadarajalingam, and the director of sales and marketing, Omar Khan.
7. The documents at Exhibit "C" were not authorized by Ideal and no listing agreement has been entered into by Ideal. The documents attached do not look like marketing materials to me, and I have never heard of a situation where the listing broker wishes to remain anonymous. Marketing and anonymity do not go hand in hand.
8. It would make absolutely no commercial sense to list the Property for a value that is 50% of its appraised value, especially considering the obligations of both Ideal and Shajiraj Nadarajalingam to the mortgagees, including the subordinate mortgagees.
9. If KSV is only a proposed receiver, I do not understand how a broker would have known to approach them with "marketing materials" unless someone from the Applicants advised them that KSV had been or was being appointed as Receiver.

10. I am advised by Shajiraj Nadarajalingam and believe that he did receive a call from a real estate agent on behalf of Tridel last week. The agent advised him that his information from a KSV intermediary was that KSV had been appointed the receiver over the Property and that Ideal had lost control of it. His understanding was that the KSV intermediary had made this information available to a network of agents. The agent's information was that KSV would take any offer that was close to \$13,500,000.
11. Shajiraj advised the real estate agent that he was incorrect and that Ideal is opposing the application to appoint KSV as a receiver and that Ideal intends to proceed with the construction of the development once it has replacement financing in place.
12. It is my belief that the Applicants are trying to manufacture an urgency for the receivership application and to do so they may have already released information into the market suggesting that there is a receivership in place, with the intent of hurting our position on the application and in the market.
13. I do not believe there is any prejudice to the Applicants if there is a delay in order to argue or simply answer the refusals.
14. At his cross examination, Daniel Pollack could not provide any prejudice to the Lender for delay other than the loan would "drag".
15. The default on the mortgage occurred on May 30, 2019. The subordinate mortgagees have agreed to standstill until August 15.
16. I am advised by Judy Hamilton that the request for answers to refusals was made immediately after the transcript was received. The Applicants refused several hours later, without reasons.

17. I make this affidavit in response to the aide memoire filed by the Applicants and for an order that the Applicants provide answers to questions refused and for no other or improper purpose.

**SWORN BEFORE ME** at the City of  
Toronto, in the Province of Ontario, this  
16<sup>th</sup> day of July, 2019

  
\_\_\_\_\_  
Commissioner for Taking Oaths, Etc.  
*Judy Hamilton*

}   
\_\_\_\_\_  
**Prasana Balachandran**

This is Exhibit "A" referred to in  
the Affidavit of Prasana Balachandran  
sworn this 16th day of July, 2019.



---

Commissioner for Taking Affidavits, etc.

Judy Hamilton

---

**Judy Hamilton**

**From:** Judy Hamilton  
**Sent:** Tuesday, July 16, 2019 3:48 PM  
**To:** 'Andrew Winton'  
**Cc:** Sapna Thakker; Bill Friedman  
**Subject:** RE: Urgent request for 9:30 appointment at Commercial List Matter-CV-19-622054

Andrew,

I agree that one of the questions is why the "anonymous" broker is pitching the property. I certainly can't find the "marketing materials" on line. Also an important question is how these marketing materials exist without our client's authorization and direction. Of course my client has not engaged a broker to sell the property at an improvident value. That makes no commercial sense. My client intends to refinance and develop the property.

It appears your client is trying to manufacture an urgency for the court appearance tomorrow.

Yours truly,

**Judy Hamilton**  
Barrister & Solicitor

**FRIEDMANS**  
LAW FIRM

Friedman Law Professional Corporation  
150 Ferrand Drive, Suite 800  
Toronto, ON M3C 3E5  
[jh@friedmans.ca](mailto:jh@friedmans.ca)  
Tel: (416) 496-3340 ext. 136  
Fax: (416) 497-3809

This communication may be solicitor/client privileged and contains confidential information intended only for the persons to whom it is addressed. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately at 416-496-3340 or by e-mail [jh@friedmans.ca](mailto:jh@friedmans.ca).  
Le contenu de cet envoi, peut être privilégié et confidentiel, ne s'adresse qu'au(x) destinataire(s) indiqué(s) ci-dessus. Tout autre distribution, expédition ou divulgation est strictement interdite. Si vous avez reçu ce message par erreur, svp informez-nous immédiatement par téléphone a 416-496-3340 ou par e-mail [jh@friedmans.ca](mailto:jh@friedmans.ca) et supprimez ce message de votre boîte de réception sans lecture ou la copie.

---

**From:** Andrew Winton [<mailto:awinton@lolg.ca>]  
**Sent:** Tuesday, July 16, 2019 3:23 PM  
**To:** Judy Hamilton  
**Cc:** Sapna Thakker  
**Subject:** Re: Urgent request for 9:30 appointment at Commercial List Matter-CV-19-622054

Judy, the proposed receiver (KSV) received a copy of the marketing materials from a developer, who wishes to remain anonymous. Does your client dispute that he engaged a broker to try to sell the property?

I think the real question is why a broker is pitching developers to purchase the property, and why the suggested price is so low. Obviously my clients are concerned about this and will want the receiver to investigate.

Regards,

Andrew

Andrew Winton  
Lax O'Sullivan Lisus Gottlieb  
416 644 5342  
[www.lolg.ca](http://www.lolg.ca)

On Jul 16, 2019, at 3:15 PM, Judy Hamilton <[JH@friedmans.ca](mailto:JH@friedmans.ca)> wrote:

Sapna:

Please advise who is marketing the property and the source of the marketing materials appended to the "aide memoire" at Tab C.

Yours truly,

**Judy Hamilton**  
Barrister & Solicitor  
<image001.jpg>  
Friedman Law Professional Corporation  
150 Ferrand Drive, Suite 800  
Toronto, ON M3C 3E5  
[jh@friedmans.ca](mailto:jh@friedmans.ca)  
Tel: (416) 496-3340 ext. 136  
Fax: (416) 497-3809

This communication may be solicitor/client privileged and contains confidential information intended only for the persons to whom it is addressed. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately at 416-496-3340 or by e-mail [jh@friedmans.ca](mailto:jh@friedmans.ca).  
Le contenu de cet envoi, peut être privilégié et confidentiel, ne s'adresse qu'au(x) destinataire(s) indiqué(s) ci-dessus. Tout autre distribution, expédition ou divulgation est strictement interdite. Si vous avez reçu ce message par erreur, svp informez-nous immédiatement par téléphone à 416-496-3340 ou par e-mail [jh@friedmans.ca](mailto:jh@friedmans.ca) et supprimez ce message de votre boîte de réception sans lecture ou la copier.

---

**From:** Sapna Thakker [<mailto:sthakker@lolg.ca>]

**Sent:** Tuesday, July 16, 2019 2:37 PM

**To:** 'JUS-G-MAG-CSD-Toronto-SCJ Commercial List'; Judy Hamilton; Susan Guo  
**Cc:** Andrew Winton  
**Subject:** RE: Urgent request for 9:30 appointment at Commercial List Matter-CV-19-622054

Alsou,

Please find attached an electronic copy of an aide memoire that the Applicants intend to rely upon at tomorrow's 9:30am case conference. A hard copy will be filed with the court.

Thank you,

Sapna

---

**From:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List <[MAG.CSD.To.SCJCom@ontario.ca](mailto:MAG.CSD.To.SCJCom@ontario.ca)>  
**Sent:** July-16-19 11:37 AM  
**To:** Judy Hamilton <[JH@friedmans.ca](mailto:JH@friedmans.ca)>; Susan Guo <[SG@friedmans.ca](mailto:SG@friedmans.ca)>  
**Cc:** Andrew Winton <[awinton@lolg.ca](mailto:awinton@lolg.ca)>; Sapna Thakker <[sthakker@lolg.ca](mailto:sthakker@lolg.ca)>  
**Subject:** RE: Urgent request for 9:30 appointment at Commercial List Matter-CV-19-622054

Thank you for clarification.  
Scheduled July17 at 9:30am.

Alsou Anissimova

Superior Court of Justice  
Commercial & Estates Trial coordinator  
330 University Ave 7<sup>th</sup> floor  
Civil Trial office  
Toronto, Ontario  
M5G 1R7  
Tel: (416) 327-5047  
Fax: (416) 327-5697  
Email: [toronto.commerciallist@jus.gov.on.ca](mailto:toronto.commerciallist@jus.gov.on.ca)



**FIRST SOURCE FINANCIAL  
MANAGEMENT INC. et al.**  
Applicants

- and -

**IDEAL (BC) DEVELOPMENTS INC., et  
al.**  
Respondents  
Court File No.: CV-19-00622054-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**Affidavit of Prasana Balachandran**

**FRIEDMAN LAW PROFESSIONAL  
CORPORATION**

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

**William Friedman** (LSO No.: 18420U)  
wf@friedmans.ca

**Judy Hamilton** (LSO No.: 39475S)  
jh@friedmans.ca

Tel: 416-496-3340

Fax: 416-497-3809

*Lawyers for the Respondents*