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January 20, 2025

To: Unit buyers (“Unit Buyers”) of La Pue International Inc. (the “Company”) re 5528 Ferry Street, Niagara Falls, Ontario

Re: Update #5 to Unit Buyers

As previously advised, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated October 19, 2023 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of the Company, including the real property municipally known as 5528 Ferry Street, Niagara Falls, Ontario (the “**Real Property**”), on which the Company is developing a condominium project known as “**Stanley District**”. A copy of the Receivership Order and other court materials filed in the receivership proceeding to date can be found on the Receiver’s case website (the “**Case Website**”) at <https://www.ksvadvisory.com/experience/case/lapue>.

Sale Process Update

In the Receiver’s previous Notice to Unit Buyers dated December 20, 2024, a copy of which is available [here](#), the Receiver advised that it was bringing a motion scheduled to be heard on January 6, 2025, for an order, among other things, approving a reinstated sale transaction for the Real Property pursuant to an agreement of purchase and sale (the “**Purchase Agreement**”) between the Receiver and 100835091 Ontario Inc., which was assigned at the direction of 100835091 Ontario Inc. to 1001082540 Ontario Inc. (the “**Purchaser**”).

Pursuant to the terms of the Purchase Agreement, all condominium agreements of purchase and sale between the Company and Unit Buyers are to be assumed by the Purchaser. However, the Purchaser has 90 days following closing (with an option to extend this date by another 90 days) to obtain a vendor and builder license from the Home Construction Regulatory Authority (the “**HCRA**”).

On January 7, 2025, the Court approved the sale to the Purchaser and issued an Approval and Vesting Order, which can be found [here](#).

However, on January 16, 2025, the principal of the Company, Pawel Fugiel, filed a Notice of Appeal in respect of the Approval and Vesting Order (the “**Appeal**”). Mr. Fugiel’s materials in respect of the Appeal can be accessed [here](#).

The completion of the sale to the Purchaser will be determined by the outcome of the Appeal.

If the sale to the Purchaser is completed, the Purchaser will become the new developer of the Stanley District project, aiming to complete and deliver the condominium units. If HCRA approval is not obtained within the prescribed deadline, the Receiver will terminate the Unit Buyers’ agreements of purchase and sale, and the Unit Buyers’ deposits will be returned. The Receiver understands all deposits are secure and remain in trust with Sullivan Mahoney LLP.

At this time, no action is required from Unit Buyers. To minimize costs and ensure efficient communication, we kindly request that you refrain from contacting the Receiver directly regarding status updates. Please rest assured that we will provide timely updates on all material developments to keep you informed throughout the process.

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The Receiver will provide further updates as soon as possible, including once it knows the outcome of the Appeal.

Yours truly,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
LA PUE INTERNATIONAL INC.
AND NOT IN ITS PERSONAL CAPACITY**