

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF SECTION 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

B E T W E E N:

10000688136 ONTARIO INC.

Applicant

- and -

20 CALDARI DEVELOPMENT INC.

Respondent

THIRD REPORT OF THE RECEIVER AND MANAGER

May 24, 2024

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INTRODUCTION

1. Ernst & Young Inc. (“**EY**” or the “**Receiver**”) was appointed as receiver and manager of all the assets, undertakings and properties of 20 Caldari Development Inc. (the “**Debtor**”) acquired for, or used in relation to the Debtor’s business operations, pursuant to an order dated December 7, 2023 (the “**Appointment Order**”) issued by the Ontario Superior Court of Justice (the “**Court**”).
2. On January 25, 2024, the Receiver filed its first report (the “**First Report**”) to provide the Court with information on, among other things:
 - a) the Debtor’s background and situation prior to the Receiver’s appointment;
 - b) the Receiver’s activities from the date of its appointment;
 - c) the results of the Receiver’s efforts to access the Debtor’s books and records and other relevant information;
 - d) certain tenant matters in the receivership proceedings; and
 - e) a proposed marketing and sale process for the real property owned by the Debtors, municipally known as 20 Caldari Road, Vaughan, Ontario (the “**Property**”).
3. On April 5, 2024, the Receiver filed its second report (the “**Second Report**”) regarding, among things:
 - a) the assignment of the mortgage and related security interest previously held by the Canadian Western Bank (“**CWB**”) in respect of the Debtor to 10000688136 Ontario Inc. (the “**Secured Creditor**”);
 - b) updates on the proposed sale process, including the Receiver’s activities in preparing for the sale process;
 - c) an adjournment of the motion for Court approval of the sale process at the request of the Secured Creditor;

- d) the Receiver's preliminary review of the lease agreement between the Debtor and the Aurora Hotel Group Inc. ("**AHG**") dated February 1, 2021 (the "**AHG Lease**");
 - e) AHG's failure to make rent payments during the receivership proceedings; and
 - f) an update regarding the Receiver's access to the Debtor's books and records.
4. On March 8, 2024, this Court granted an Order (the "**Preservation Order**") directing AHG to preserve the Debtor's documents pending further Order of the Court. Additionally, the Preservation Order required the Auroras (as defined below) and AHG to pay \$1,000 to the Receiver, in costs thrown away as a result of the adjournment of the Receiver's motion seeking access to the Debtor's records and computer systems.
5. On April 12, 2024, this Court granted an Order (the "**Compliance Order**") that requires, among other things,
- a) AHG to immediately pay the overdue base rent payments totaling \$108,480.00 for March and April 2024, plus \$7,711.23 in additional rent;
 - b) AHG to promptly pay ongoing base and additional rent due under the AHG Lease during the receivership proceeding;
 - c) the subtenants of AHG (the "**Subtenants**") to remit rent directly to the Receiver, provided that these payments do not exceed the amounts owing under the AHG Lease;
 - d) provision of the Aurora Documents and Devices (as defined in the Compliance Order) to the Receiver forthwith, allowing the Receiver to take an image of any data related to the Debtor's business affairs found on these devices following a specified process; and
 - e) AHG to pay the Receiver \$8,381.78 as reimbursement for the Receiver's costs incurred as a result of AHG's non-compliance with the Appointment Order.

A copy of the Compliance Order is attached hereto at **Appendix "A"**.

6. On April 24, 2024, the Court granted an Order that the receivership proceeding shall continue and the title of the receivership proceeding in all the documents issued or filed after this Order be revised to reference 10000688136 Ontario Inc. (i.e., the “Secured Creditor”) as the Applicant instead of CWB.
7. On May 16, 2024, the Secured Creditor brought a motion (the “**Discharge Motion**”) for an Order approving, among other things:
 - a) the accounts of the Receiver and its counsel;
 - b) the discharge of the Receiver; and
 - c) the resolution of certain legal actions, as further described below.
8. The purpose of this third report of the Receiver (the “**Third Report**”) is to provide the Court with information on the following:
 - a) the current status of the estate administration and other information relevant to the conduct of, and possible termination of, the receivership;
 - b) the tasks required to complete the estate administration and discharge post-receivership obligations incurred under the Appointment Order on the basis of the Receiver’s discharge as set out in the Discharge Motion;
 - c) the Receiver’s motion setting out additional information not addressed in the Discharge Motion and providing a draft Order (the “**Discharge Order**”) addressing, among other things:
 - i) the approval of this Third Report and the activities and proposed activities of the Receiver from the date of the Second Report to the date of the Receiver’s discharge;
 - ii) the approval of the Receiver’s Statement of Receipts and Disbursements for the period April 4, 2024 to May 23, 2024, attached hereto at **Appendix “B”**¹;

¹ The Compliance Order has approved the Receiver’s receipts and disbursements up to April 3, 2024.

- iii) the direction to EY to perform and complete such incidental duties as required to complete the administration of the receivership, including notifying certain stakeholders of the Receiver's pending discharge, filing HST returns in respect of the receivership period, and confirming and paying the post-receivership obligations accrued and unpaid in the receivership proceeding (the "**Administrative Matters**");
- iv) the direction to AHG to forthwith pay to the Receiver the amounts totaling \$50,224 pursuant to the Compliance Order and the Preservation Order;
- v) alternatively, the requirement for the Secured Creditor to provide the Receiver with the necessary funding, if such funding is needed by the Receiver to discharge all post-receivership obligations, including the fees and disbursements of the Receiver and its legal counsel;
- vi) that the Discharge Order shall only become effective seven (7) days after the earlier of: 1) the date on which the Secured Creditor has provided the Receiver with the funding necessary to discharge all post-receivership obligations, and 2) the date on which the Receiver provides written confirmation to the Secured Creditor that all funding requirements have been met;
- vii) upon the effective date of the Discharge Order, the discharge of EY as Receiver of the assets, undertaking and properties of the Debtor and releasing EY from any and all liabilities;
- viii) the authority for the Receiver to file the discharge certificate (the "**Discharge Certificate**") as provided for in the Discharge Order after completing the Administrative Matters, thereby terminating the Receiver's Charge and Receiver's Borrowing Charge;
- ix) notwithstanding the Receiver's discharge, the continuation for the benefit of the Receiver of all Orders made in this receivership proceeding in favour of

EY in its capacity as the Receiver, for the purpose of addressing any remaining incidental duties; and

- x) the approval of the fees and disbursements of the Receiver, and the fees and disbursements of its counsel, Dickinson Wright LLP, for the period up to the date of the Discharge Order and accruals for the subsequent completion of the Administrative Matters to the date of the Discharge Certificate.

TERMS OF REFERENCE

9. In preparing this Third Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, certain of the Debtor's books and records, the motion materials filed in respect of this proceeding and discussions with management and its counsel (collectively, the "**Information**"). Future oriented financial information relied upon in the Third Report is based on assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.
10. The Receiver has not audited or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
11. A copy of this Third Report and related documents with respect to the receivership application are available on the Receiver's website at www.ey.com/ca/Caldari. The Receiver has also established an email address that is referenced on the Receiver's website so that parties may contact the Receiver if they have questions with respect to this proceeding.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
13. Capitalized terms, unless otherwise defined in this Third Report, have the meaning ascribed to them in the Appointment Order.

BACKGROUND

14. The Debtor is a corporation incorporated under the laws of Ontario. The Debtor's principal asset is the Property, which consists of an approximately 34,000 square foot steel, two story building situated on a 95,770 square foot site.
15. Jay Khanna ("**Khanna**") and Nakul Aurora are the equal shareholders of the Debtor, each holding a 50% share.
16. The Discharge Motion is supported by the affidavit of Jay Khanna sworn May 16, 2024 (the "**Khanna Affidavit**") included with the Secured Creditor's motion record.
17. At the onset of the receivership proceeding, Akash Aurora and Ravi Aurora informed the Receiver that they and their brother, Nakul Aurora (collectively, the "**Auroras**") managed the Debtor's business affairs and the Property before the receivership.
18. As described in the Khanna Affidavit, there are three legal actions involving Khanna, J.I.S Contract Furniture Inc., a company owned by Khanna, AHG and/or the Auroras. One of these actions is an oppression application commenced by Khanna on December 22, 2022 against Nakul Aurora and the Debtor, seeking relief pursuant to sections 207 and 248 of the Ontario Business Corporations Act.
19. Both the Secured Creditor and Khanna are represented by the same legal counsel at Fogler, Rubinoff LLP ("**Fogler**"). The Khanna Affidavit states that the Secured Creditor is associated with J.I.S Contract Furniture Inc.

CURRENT STATUS OF ESTATE ADMINISTRATION

20. The Receiver has continued to manage the Property with the assistance of Epic Investor Services, the property manager (the "**Property Manager**") retained by the Receiver.

AHG's Payment and Delinquency

21. The Receiver and its counsel repeatedly followed up with AHG and its counsel on the payment and information access requirements set out in the Compliance Order through written correspondence and discussions.
22. Due to a lack of meaningful response from AHG, on April 25, 2024, the Receiver delivered a letter to the Subtenants requesting them to make direct payment to the Receiver starting May 1, 2024. As of the date of this report, the Receiver has received payments totalling of \$14,777.55 from:
 - a) Scalzi Law – \$1,928.44;
 - b) Segreto Law – \$2,574.11; and
 - c) Domenico Basile Barrister & Solicitor – \$10,275.00²
23. The payments received from the Subtenants are much less than the amount payable by AGH pursuant to the Compliance Order.
24. In light of this situation, the Receiver and its counsel engaged in discussions with Fogler regarding issues with respect to the estate administration, as well as the Receiver’s plan to seek Court approval of a process to market and sell the Property.
25. On May 15, 2024, AHG made a payment in the amount of \$116,000.
26. As summarized in the table attached hereto as **Appendix “C”**, after accounting for the payments from AHG and the Subtenants, AHG still owes a total of \$50,224 pursuant to the Compliance Order and the Preservation Order as at the date of this Third Report. The Receiver has followed up with AHG on the payment of this outstanding balance but has not received a response.

Access to the Debtor’s Information

27. The Compliance Order requires that the Auroras and AHG cooperate with the Receiver by delivering the Aurora Documents and Devices forthwith, allowing an EY professional appointed by the Receiver to take an image of all the information related to the Company’s

² The Receiver was advised \$2,055 is for the month of May 2024, while the balance is related to the prior periods from January to April, 2024. However, the Receiver has not reviewed this information.

business affairs in accordance with the process set out in the Compliance Order.

28. The Receiver has engaged with the Forensic & Integrity Services team at EY to prepare for the imaging process. The Receiver and its counsel have followed up with the Auroras but have yet to receive a meaningful response.

Receipts and disbursements

29. A summary of the Receiver's receipts and disbursements from April 4, 2024 to May 22, 2024 and for the receivership from December 7, 2023 to May 22, 2024 is attached at Appendix "B".
30. The Receiver has paid all expenses incurred in operating the Property as they have come due to date in the receivership. Utility obligations will continue to accrue until the Discharge Order becomes effective based on the Receiver providing prior notification to the utilities. Notice periods provided for in monthly contracts will run beyond the effective date of the Discharge Order.
31. The time incurred by the Receiver and its legal counsel in addressing AHG's continuing defaults pursuant to the Compliance Order, along with related issues, has led to professional fees that are higher than anticipated. In light of the Aurora's ongoing payment default, the Receiver expects that additional funding will be likely required from the Secured Creditor in order that the Receiver can pay all post-receivership obligations, including the Administrative Matters, and the fees of the Receiver and its counsel. A summary of the Receiver's current funding estimate is attached hereto at **Appendix "D"**.

STEPS TO COMPLETE THE ADMINISTRATION

32. For the reasons outlined in the Khanna Affidavit, the Secured Creditor is seeking Court approval, among other things, to discharge the Receiver and terminate the receivership proceeding.
33. In light of the Discharge Motion, the Receiver has communicated with the following stakeholders and affected parties:
 - a) the Canada Revenue Agency ("**CRA**") and the City of Vaughan (the "**City**") regarding the pending termination of the receivership proceeding and the Receiver's

intention to pay only the taxes payable relating to the receivership period. As discussed further below, the Company owes significant Harmonized Sales Tax (“HST”) and property tax amounts in respect of the pre-receivership period;

- b) the Property Manager, the Debtor’s insurance broker and other service providers engaged or continued by the Receiver; and
- c) Stone Quartz Inc., a tenant at the Property, and the Subtenants.

Administrative Matters

- 34. The draft Discharge Order contemplates that the Receiver will be discharged on the effective date of the Discharge Order and will be released from all liabilities, subject to the Receiver discharging all post-receivership obligations.
- 35. Certain incidental matters will need to be completed after the issuance of the Discharge Order for the Receiver to finalize the administration of the receivership. The Receiver will address the Administrative Matters as soon as possible after the Discharge Order is granted and all funding requirements are met, which will start the seven-day window running to the effective date of the Discharge Order. The Administrative Matters include, but are not limited to:
 - a) giving notice to the Property Manager and other service providers of the termination of the respective service agreements, which are subject to month-to-month arrangements, and paying for the final month’s services;
 - b) notifying the utility providers to close the accounts in the Receiver’s name as of the effective date of the Discharge Order and paying the outstanding balances related to the post-receivership period;
 - c) contacting the insurance broker to remove the Receiver as an additional insured and loss payee;
 - d) filing the final HST return up to the effective date of the Discharge Order and remitting any HST payable for the receivership period; The receiver has complied

with HST reporting and remittance requirements during the receivership proceeding;

- e) notifying the City and making payment of the property tax relating to the receivership period;
- f) providing a final report and statement of accounts to the Office of the Superintendent of Bankruptcy, in accordance with section 246 of the Bankruptcy and Insolvency Act R.S.C. 1985, as amended;
- g) addressing other obligations in connection with the Appointment Order, including updating the Receiver's case website and responding to inquiries from stakeholders;
- h) arranging for the Appointment Order to be removed from title to the Property; and
- i) after paying all post-receivership liabilities, including the fees of the Receiver and its counsel, closing the Receiver's bank account, and remitting any remaining balance to the Secured Creditor or as otherwise directed by this Court.

36. Accordingly, the Receiver respectfully requests that this Court issue the Discharge Order substantially in the form provided, which would include directing and authorizing the Receiver to file the Discharge Certificate, thereby terminating the Receiver's Charge and Receiver's Borrowing Charge, after the Administrative Matters are completed. The Receiver will provide its final statement of receipts and disbursements upon filing the Discharge Certificate.

Pre-receivership Priority Liabilities

37. As summarized in the chart below, the Debtor owes significant HST arrears and property tax arrears relating to the pre-receivership period, according to notices received from CRA and the City.

Period outstanding	Category	Payable Amount	Penalty & Interest	Total Overdue Amount	Date as of
2021 through Dec 7, 2023	GST/HST	\$ 112,622.94	\$16,655.54	\$ 129,278.58	17-Apr-24
2021 to 2023	Property taxes	\$ 152,652.69	\$30,461.96	\$ 183,114.65	08-Apr-24
				<u>\$ 312,393.23</u>	

38. The draft Discharge Order does not contemplate addressing these pre-receivership priority liabilities, nor does the estate have sufficient liquidity to pay these liabilities. Rather, it is contemplated that these liabilities will not be discharged or otherwise affected by the proposed discharge of the Receiver. Rather, these liabilities will retain their priority status as against the Debtor and/or the Property.
39. CRA and the City are included on the Service List in connection with the Receiver's motion. As discussed earlier, the Receiver has communicated with the CRA and the City regarding the proposed termination of the receivership proceeding and the Receiver's intention to pay only the taxes relating to the receivership period.

APPROVAL OF FEES AND DISBURSEMENTS

40. Pursuant to the Appointment Order, the Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and shall pass their accounts from time to time before the Court.
41. Attached hereto at **Appendix "E"** is the Affidavit of Allen Yao of Ernst & Young Inc. sworn May 23, 2024 (the "**Yao Affidavit**"), attesting to the fees and disbursements of the Receiver for the period March 23, 2024 to May 17, 2024, in the aggregate amount of \$51,336.9, inclusive of HST and expenses.
42. The Receiver believes that the statements of account attached to the Yao Affidavit accurately reflect the work that was done in connection with this matter and that all of the time spent by the Receiver was reasonable and necessary for the receivership administration.
43. Attached hereto as **Appendix "F"** is the Affidavit of Lisa S. Corne of the Receiver's counsel, Dickinson Wright LLP ("**DW**"), sworn May 23, 2024 (the "**Corne Affidavit**"), attesting to the fees and disbursements of the Receiver's counsel for the period March 4, 2024 to May 17, 2024, in the aggregate amount of \$50,856.83, inclusive of HST and expenses.
44. The Receiver confirms that the fees and disbursements set out in the Corne Affidavit and Forte Affidavit relate to advice sought by the Receiver. Further, the hourly rates charged by

the Receiver's counsel are consistent with the rates charged by corporate law firms practicing in the area of insolvency in the Toronto market. It is the Receiver's view that the fees and disbursements of DW are reasonable and appropriate in the circumstances.

45. The Receiver estimates aggregate accrued and additional fees and disbursements for the Receiver and its counsel to the filing of the Discharge Certificate in the amount of approximately \$26,000 before HST.

CONCLUSIONS AND RECOMMENDATIONS

46. Based on the foregoing, the Receiver respectfully recommends that this Court grant the Discharge Order substantially in the form attached to the Receiver's motion record accompanying the Third Report.

**ERNST & YOUNG INC.,
in its capacity as Receiver and Manager of
20 Caldari Development Inc.
and not in its personal capacity**

Per:



Allen Yao
Senior Vice-President

Appendix “A”

Court File No. CV-23-0004340-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MANDHANE

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FRIDAY, THE 12TH
DAY OF APRIL, 2024

B E T W E E N:



CANADIAN WESTERN BANK

Applicant

and

20 CALDARI DEVELOPMENT INC.

Respondent

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY
AND INSOLVENCY ACT, RSC 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, RSO 1990, c. C.43, AS AMENDED***

ORDER

THIS MOTION, made by Ernst & Young Inc, in its capacity as the Court-Appointed receiver (the “**Receiver**”) of 20 Caldari Development Inc. (the “**Company**”), appointed pursuant to the Order of this Court dated December 7, 2024 (the “**Appointment Order**”) for an order *inter alia*, approving the Second Report of the Receiver dated April 5, 2024 (the “**Second Report**”) came on for hearing this day via judicial video conference, at the courthouse at 7755 Hurontario Street, Brampton Ontario.

ON READING the Second Report and on hearing submissions of counsel for the Receiver and counsel for the Company, Ravi Aurora, Akash Aurora, Nakul Aurora and the Aurora Hotel Group Inc. (collectively, the “**Aurora Group**”), no one else appearing, although served, as appears

from the Affidavit of service of Jennifer Samuels, filed, and on being advised that the Aurora Group consents to the relief sought in paragraphs 1, 2, 3, 9, 10, and 11 of this Order and does not oppose the balance of the relief:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record be and is hereby abridged, such that this motion is properly returnable this day, and all further service is hereby dispensed with.
2. THIS COURT ORDERS that the Second Report and the activities of the Receiver set out therein be and are hereby approved.
3. THIS COURT ORDERS that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Second Report.
4. THIS COURT ORDERS that the fees and disbursements of the Receiver and those of its counsel in the amounts set out in the Second Report be and are hereby approved.
5. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements as at April 3, 2024 appended to the Second Report be and is hereby approved.
6. THIS COURT ORDERS that the Aurora Hotel Group Inc. immediately pay to the Receiver the overdue rent pursuant to the Lease Agreement dated February 1, 2021(the "**AHG Lease**"), which includes base rent of \$108,480 (inclusive of HST) for March and April 2024, plus \$7,711.23 (inclusive of HST) in additional rent.

7. THIS COURT ORDERS that the Aurora Hotel Group Inc. promptly pay to the Receiver the ongoing base rent and additional rent in respect of the premises occupied by the Aurora Hotel Group Inc. during the receivership proceeding.

8. THIS COURT ORDERS that the subtenants of the Aurora Hotel Group Inc. remit rent directly to the Receiver, provided that these payments do not exceed the amounts of the base rent and additional rent owing pursuant to the AHG Lease.

9. THIS COURT ORDERS and Declares that Ravi Aurora, Akash Aurora, Nakul Aurora and the Aurora Hotel Group Inc. are “Persons” as defined in the Appointment Order.

10. THIS COURT ORDERS that subject to paragraph 11 below, the Aurora Group and any agents, service providers, contractors, or employees of the Aurora Group, forthwith provide the Receiver any and all documents, items, devices, computers, servers, iPads, tablets, magnetic tapes or disks, DVDs, CDs, USB devices, cellular phones, or any other electronic storage or media device, including cloud-based storage, belonging to or used in connection with the business or affairs of the Company, including without limitation, personal computers and cellular phones belonging to the Aurora Group (collectively, the “**Aurora Documents and Devices**”) or any information stored thereon, including any information that is not Unrelated Information. For the purposes of this Order, “**Unrelated Information**” means any files, data or other information that is not (a) Records (as that term is used and defined in the Appointment Order), or (b) otherwise directly or indirectly connected to the Company’s business, affairs, operations, or any of its other property.

11. THIS COURT ORDERS the Receiver will only collect information from the Aurora Documents and Devices (the “**Collected Information**”) under paragraph 10 of this Order in accordance with the following process:

- (a) The Receiver shall appoint a separate department, person, or persons within Ernst & Young LLP as its agent (the “**Professional**”) to be responsible for collecting any Collected Information from the Aurora Documents and Devices on behalf of the Receiver and the Aurora Group;
- (b) The costs of the Professional shall be borne by the Receiver and form part of the Receiver’s costs;
- (c) To gather the Collected Information the Professional may, and is hereby authorized to take an image and/or make a copy of any data related to the Company’s business affairs found on the Aurora Documents and Devices;
- (d) Until the Collected Information is released in accordance with subparagraphs 11(e) to (i) below, any Collected Information shall be held by the Professional in a manner: i) that keeps it separate confidential from the Receiver and Receiver’s counsel, and ii) that prevents the Receiver and Receiver’s counsel from accessing the Collected Information. For clarity, the Collected Information shall only form part of the Receiver’s file in accordance with the process set out in this paragraph;
- (e) Prior to delivering any Collected Information to the parties, the Professional shall deliver an index (the “**Index**”) of the Collected Information to the Receiver and the Aurora Group;
- (f) The Index shall include sufficient particulars relating to the Collected Information for the Receiver and the Aurora Group to identify the nature of the Collected Information;
- (g) Within seven (7) days after receiving the Index, either party may bring a motion for an order that the Index is incomplete and should include additional information, or

that certain Collected Information listed in the Index is Unrelated Information that should not be produced to the Receiver;

- (h) If such a motion is brought within seven (7) days, then the Professional shall hold the disputed Collected Information until further order of the Court or mutual agreement between the Receiver and the Aurora Group. Any Collected Information which is not disputed shall be released to the Receiver and the Aurora Group forthwith;
- (i) If no such motion is brought within seven (7) days, then the Professional shall deliver copies of the Collected Information to the Receiver and the Aurora Group.

12. THIS COURT ORDERS that the Aurora Group shall pay to the Receiver \$8,381.78 as reimbursement for expenses incurred as a result of their non-compliance with the Appointment Order.



MANDHANE J.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
BRAMPTON

ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com
Tel: 416-646-4608

Lawyers for the Receiver

Appendix “B”

ERNST & YOUNG INC.
Court appointed Receiver and Manager of
20 Caldari Development Inc.
TRUST ACCOUNT RECONCILIATION
For the period April 4, 2024 to May 23, 2024

	<u>April 4 to May 23, 2024</u>	<u>Cumulative to May 23, 2024</u>
Receipts:		
Rental Income	\$ 133,901.57	\$ 353,901.57
Advances from Lender		100,000.00
HST Collected	17,541.98	46,958.37
Reimbursement for Utility Costs	1,036.69	7,316.62
Interest Earned	1,482.88	2,415.85
Total Receipts	\$ 153,963.12	\$ 510,592.41
Disbursements:		
Repayment of Advance		\$ 105,000.00
Receiver Fees		102,170.00
HST Paid	\$ 1,180.38	24,258.11
Property Maintenance	593.00	22,226.23
Management Services	4,000.00	20,000.00
Utilities	4,211.07	16,438.20
Building and Environmental Inspection		11,112.44
Insurance		9,545.43
HST remitted	9,026.63	9,026.63
Legal Fees		6,163.50
Receiver Disbursements		5,108.51
Security/Alarm Services		2,183.40
Bank Charges	101.17	178.66
Registration Fees		75.30
Legal Disbursements		56.25
Total Disbursements	\$ 19,112.25	\$ 333,542.66
Excess Receipts over Disbursements	\$ 134,850.87	\$ 177,049.75
Represented By:		
Current Account # 112-158-1		\$ 177,049.75

Appendix “C”

Payments Due From AHG

23-May-24

(HST included)	Base Rent		Additional Rent		Total
Invoiced in 2024 for the period from Nov 1 to Dec 31, 2023	N/A	\$	2,188		
January, 2024	Paid		1,381		
February, 2024	Paid		1,381		
March, 2024	\$	54,240	1,381		
April, 2024		54,240	1,381		
May, 2024		54,240	1,381		
		162,720	9,091		
Less: Payments received from subtenants		(14,778)	N/A		
Overdue amounts	\$	147,942	\$	9,091	\$ 157,034
Add: Cost award as per the Preservation Order					1,000
Add: Cost award as per the Compliance Order					8,382
Total payable amount					166,415
Less: Payment received on May 15					(116,191)
Outstanding balance due from AHG					\$ 50,224

Appendix “D”

20 Caldari Receivership
Liquidity Estimate
As of May 22, 2024

Assumptions

The draft Discharge Order provides for the effective discharge of the Receiver 7 days after the Receiver's funding requirements are met. This analysis assumes that if the Receiver's funding needs are met by June 7, 2024, the Discharge Order would become effective 7 days later, by June 14, 2024.

As illustrated below, the funding requirements would be reduced or satisfied if payment is collected from AHG pursuant to the Compliance Order. This analysis does not consider any rent for the month of June.

	Total Amount	
Opening cash	\$ 177,050	
Less: accrued liabilities (incl. HST)		
Post-receivership property taxes	43,400	Estimated property tax for the period from Dec 7 to June 14, 2024
Post-receivership HST payable	3,000	Estimated HST position for the period May 1 to June 14, 2024
Property manager fees	4,520	Represents the payment of one final month, if the termination notice is issued on June 7
Lawn care monthly payment	1,920	Same as above
Utilities	5,840	The Receiver paid for the hydro up to April 18, 2024, and for gas up to April 28, 2024. Based on the run rate, hydro and gas are estimated at approximately \$3,500/month.
Receiver's fees	69,953	Includes actual fees up to May 17 and an estimate of \$18,000 plus HST through the discharge
Receiver's counsel	59,331	Includes actual fees up to May 17 and an estimate of \$7,500 plus HST through the discharge
Contingency reserve	10,000	Subject to final accounting of the costs to complete the Administrative Matters
Estimated Funding Requirements	197,964	
Cash Surplus/(funding requirements)	\$ (20,914)	

Outstanding payment due from AHG as of May 22, 2024	\$ 50,224
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Appendix “E”

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

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c. C.43, AS AMENDED

20 CALDARI DEVELOPMENT INC.

**AFFIDAVIT OF ALLEN (LIANG) YAO
Sworn May 23, 2024**

I, **ALLEN (LIANG) YAO, CPA, CA, CIRP**, of the City of Toronto, in the Province of Ontario, make oath and say as follows:

1. I am a Senior Vice President of Ernst & Young Inc. (“EYI”), in its capacity as the Court-appointed Receiver (the “**Receiver**”) under the *Bankruptcy and Insolvency Act* proceedings (the “**Receivership Proceedings**”) of 20 Caldari Development Inc., (, the “**Debtor**”) and, as such, have knowledge of the matters to which I hereinafter dispose. Unless I indicate to the contrary, the facts wherein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as **Exhibit “A”** is a true copy of the invoice prepared by the Receiver for fees and disbursements incurred by the Receiver in the course of the Receivership Proceedings in respect of the Applicants for the period March 23, 2024 to May 17, 2024.
3. Attached hereto as **Exhibit “B”** is a schedule summarizing the invoice in **Exhibit “A”**, the fees and disbursements of the Receiver for the period March 23, 2024 to May 17, 2024, in the aggregate amount of \$51,336.90, inclusive of HST and expenses.
4. Attached hereto as **Exhibit “C”** is a schedule summarizing the billing rates and total hours of each of the members of EYI who acted on behalf of the Receiver in these proceedings.

5. To the best of my knowledge, the rates charged by EYI throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.
6. The hourly billing rates outlined in **Exhibit "C"** to this affidavit are comparable to the hourly rates charged by EYI for services rendered in relation to similar proceedings.
7. I make this affidavit in support of a motion by the Receiver for, inter alia, approval for the fees and disbursements of the Receiver.

SWORN before me at the City of Toronto,
in the Province of Ontario, before me on
May 23, 2024 in accordance with
O. Reg. 431/20, Administering Oath or
Declaration Remotely.



A Commissioner in and for the
Province of Ontario



ALLEN (LIANG) YAO

THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF ALLEN
(LIANG) YAO SWORN BEFORE
ME THIS 23rd DAY OF MAY 2024
in accordance with
O. Reg. 431/20, Administering Oath or
Declaration Remotely.

A handwritten signature in cursive script, appearing to read "L. Yao", is positioned above a horizontal line.



Ernst & Young LLP
Toronto, ON

Invoice

20 Caldari Development Inc.
20 Caldari Road
Vaughan, ON L4K 4N8
Canada

Invoice No.: CA01C100553386
Please include this number with payment

Invoice Date: May 23, 2024
Due Date: Upon receipt
Client No.: 0013532918
Engagement No.: E-67887010

Please see last page of the invoice for
payment instructions.

Billing for the period ending May 17, 2024.

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	43,267.50	HST	13 %	5,624.78	48,892.28
Expenses	2,163.38	HST	13 %	281.24	2,444.62
	45,430.88			5,906.02	51,336.90
Invoice summary	45,430.88				
Tax:	13% HST			5,906.02	
Total:	45,430.88			5,906.02	51,336.90

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R130866262 QST: 1006241791



Ernst & Young LLP
Toronto, ON

Payment Options and Instructions

Interac e-Transfer

Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Wire Transfer

Beneficiary: Ernst & Young LLP
Address: 100 Adelaide Street West
Toronto, ON, M5H 0B3
Beneficiary Bank: BMO Bank of Montreal
Bank SWIFT Code: BOFMCAM2
Code CC: 000124112
Beneficiary's Account #: 24111000237

Cheques

P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Electronic Funds Transfer (EFT)

Legal Name: Ernst & Young LLP
Banking Information: Bank of Montreal
Bank : 001
Transit : 24112
Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:
gss.CanadaAccountsReceivable@xe02.ey.com.

20 Caldari Development Inc.
Summary of Professional Fees May 17, 2024

<u>Name</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Allen Yao	Senior Vice President/ Partner	40.2	700	28,140.00
Sharon Hamilton	Senior Vice President/ Partner	4.9	700	3,430.00
Stuart Clinton	Senior Vice President/ Partner	1.5	700	1,050.00
Greg McDonald	Senior Manager	8.8	500	4,400.00
Cam Bear	Senior	12.9	275	3,547.50
Raghav Mittal	Senior	4.4	275	1,210.00
Donna Hatfull	Senior	0.4	275	110.00
Robert Ferguson	Senior	1.6	275	440.00
Marites Carandang	Senior	1.6	275	440.00
<u>Data Imaging Services</u>				
Dave Caballes	Partner	0.5	700	350.00
Alison Brown	Senior Manager	0.3	500	150.00
Subtotal		77.1	\$	43,267.50

Administrative Expenses @ 5%	\$	2,163.38
Sub total	\$	45,430.88
HST @ 13%	\$	5,906.01
Total Invoice	\$	51,336.90

20 Caldari Development Inc., 0013532918_Vaughan Warehouse, E-67887010

WIP Time Details

Person	Date	Hours	Description
Alison Brown	18-Apr-24	0.3	Internal meeting with Allen and Dave to discuss collection efforts
Alison Brown Total		0.3	
Allen Yao	25-Mar-24	3.5	Follow up w AHG, Instructions to Raghiv re bank statement review, draft report and consider relief
Allen Yao	26-Mar-24	1.2	Draft report, review response from lender's counsel,
Allen Yao	27-Mar-24	2.6	Review measurements, bank statements, Baseline condition report, discussion w Greg, draft report
Allen Yao	28-Mar-24	0.8	Review and sign fee affidavit, appendices, call w legal counsel consider report, discussion w Greg and AGH rent
Allen Yao	1-Apr-24	1.2	Email w counsel, and revise report as to defer sale process, call w Epic
Allen Yao	3-Apr-24	1.1	Revise report based on information from counsel, consider relief,
Allen Yao	4-Apr-24	2.0	Bounced rent cheque, discussions w Lisa, internal discussion, revise report, compile appendices, review motion record
Allen Yao	5-Apr-24	0.6	Court materials, send information to stakeholders
Allen Yao	8-Apr-24	0.3	Emails to stakeholders, brokers
Allen Yao	10-Apr-24	0.8	Update from counsel, discussion re same, review of order
Allen Yao	11-Apr-24	0.9	Call w Shaw Aurora, discussion w counsel, call w IT specialist
Allen Yao	12-Apr-24	2.1	Attend hearing, review and negotiate draft orders, review information requirement, call w Greg
Allen Yao	15-Apr-24	0.4	Call w Epic, internal discussion, internal discussion re next steps, re liquidity
Allen Yao	16-Apr-24	0.2	Follow up with Order, review liquidity, email to FIDS
Allen Yao	17-Apr-24	0.3	Call with counsel, letter to AHG re rent and data,
Allen Yao	18-Apr-24	0.4	Call with FIDS re imaging, email documents
Allen Yao	22-Apr-24	0.8	Email to counsel, draft letter to subtenant, internal discussion
Allen Yao	23-Apr-24	0.4	Call w counsel, internal discussion re communication w subtenants
Allen Yao	25-Apr-24	0.5	Call from Shawn Aurora, emails w counsel and Epic re Order, rent payment, property maintenance matters
Allen Yao	26-Apr-24	1.4	Update funding requirement estimate, correspondence re requests from stakeholders, check cash balance and rent payment status
Allen Yao	29-Apr-24	0.6	Call w EPIC, cash funding analysis, and court documents
Allen Yao	30-Apr-24	0.2	Correspondence with Mirion
Allen Yao	1-May-24	0.5	Update cash funding analysis, internal discussion, correspondence with subtenants
Allen Yao	2-May-24	0.8	Internal discussion, emails with subtenants, call w Akash Aurora, send email re same
Allen Yao	3-May-24	0.5	Emails with counsel, borrowing certificate, internal update, email from Eddie re subtenants
Allen Yao	6-May-24	0.3	Follow up with Shaw Aurora, consider and update funding estimate
Allen Yao	7-May-24	0.8	Internal discussion, call from Shawn Aurora, email traffic re subtenant payments, funding letter to the secured creditor
Allen Yao	9-May-24	0.7	Discussion with counsel, discussion with stakeholder and its counsel, updated funding estimate
Allen Yao	10-May-24	1.2	Draft report re sale process approval, send funding estimate to stakeholder
Allen Yao	13-May-24	4.3	Draft report re sale process, review HST remittance calculation, and subtenant payment matters
Allen Yao	14-May-24	0.8	Update report
Allen Yao	15-May-24	1.8	Correspondence w AGH re payment, internal update, update liquidity analysis, call w counsel and secured creditor's counsel
Allen Yao	16-May-24	1.4	Instructions to remit HST, internal discussion, review motion record from secured creditor, calls w counsel
Allen Yao	17-May-24	4.8	Draft report re discharge, call w counsel, CRA's inquiry re discharge motion
Allen Yao Total		40.2	
Cam Bear	2-Apr-24	0.5	Emails with Epic re: AHG rent and Allen regarding HST audit
Cam Bear	2-Apr-24	1.0	Write up reqs, issue payments, record. Email CRA to inquire if pre appointment HST returns have been posted and request audit.
Cam Bear	3-Apr-24	1.0	Write up req, issue payment for professional fees, record deposit from AHG. Download, update R&D and send to Allen

20 Caldari Development Inc., 0013532918_Vaughan Warehouse, E-67887010

WIP Time Details

Person	Date	Hours	Description
Cam Bear	3-Apr-24	0.4	Attend bank to make rent deposit
Cam Bear	4-Apr-24	0.4	Call with Allen and Greg re: AHG deposit. Adjust R&D to reflect returning cheque. Locate previous rent payments and bank drawn on.
Cam Bear	5-Apr-24	0.6	Look into Pinchin payment for Greg. Write up JE and record returned AHG rent cheque.
Cam Bear	9-Apr-24	0.3	Complete stop payment form and email for approval
Cam Bear	11-Apr-24	0.8	Email stop payment to bank, write up JE and record reversal of cheque, issue replacement
Cam Bear	23-Apr-24	1.4	Scan and email CRA correspondence to Allen. Complete and Efile Receiver HST returns
Cam Bear	23-Apr-24	0.4	Print off bank statement, write up deposit and record rent receipt from Stone Quartz
Cam Bear	25-Apr-24	0.4	Write up req, issue payment, record and mail
Cam Bear	26-Apr-24	0.4	Reconcile bank with R&D, update HST schedule and respond to Allen's questions on cash position
Cam Bear	1-May-24	0.9	Call with Greg to discuss utilities. Review payments, summarize and email to Greg
Cam Bear	2-May-24	0.3	Complete and Efile April 2024 HST return
Cam Bear	6-May-24	0.4	Write up req, issue payment, record
Cam Bear	7-May-24	0.5	Write up deposits, record rent receipts
Cam Bear	10-May-24	0.5	Write up req, email Greg for previous Enbridge bill. Update utility schedule. Issue cheque, record
Cam Bear	13-May-24	0.5	Arrange courier pickup. Write up deposit. Review HST NOA's
Cam Bear	14-May-24	0.9	Write up deposit, record rent receipt. Update R&D and email to Allen and Tess
Cam Bear	15-May-24	0.9	Confirm rent receipt from AHG counsel. Write up deposit, print off Order, record rent. Reconcile subtenant payments received for Allen. Reconcile May 15th cash for Allen
Cam Bear	15-May-24	0.4	Print off support, write up receipt and record rent deposit made my Epic
Cam Bear Total		12.9	
Dave Caballes	18-Apr-24	0.5	discussion with Allen regarding data collection procedures and methodologies.
Dave Caballes Total		0.5	
Donna Hatfull	9-May-24	0.4	contact Enbridge - access to account for billings
Donna Hatfull Total		0.4	
Greg McDonald	26-Mar-24	0.3	Emails re: size of building, measurement; emails to pinchin re: ESA BCR; discussion with Allen
Greg McDonald	27-Mar-24	0.6	Reconcile outstanding rent; update wording for Court Report; Call with Epic re: outstanding amounts
Greg McDonald	28-Mar-24	0.8	review second report; emails with epic; confirm numbers of second report
Greg McDonald	4-Apr-24	0.3	emails to team on rent; emails on payments to vendors; call with Allen
Greg McDonald	5-Apr-24	0.9	emails to team on rent; emails on payments to vendors; call with Allen ; draft response to second report to send to brokers; emails with Epic; emails re: cheque outstanding to Pinchin; discussion with Cam re: R&D
Greg McDonald	8-Apr-24	0.5	Respond to brokers x 4; emails to AHG rent rent: emails re: outstanding cheque
Greg McDonald	12-Apr-24	0.1	Discussion with Allen; read Order
Greg McDonald	15-Apr-24	0.9	Bi-weekly call with epic; call with Allen; BCR email; follow up on order
Greg McDonald	22-Apr-24	0.1	Emails to Epic
Greg McDonald	24-Apr-24	1.3	Call on Caldari, emails with Khanna re: contracts, call with Lisa, emails with Epic
Greg McDonald	26-Apr-24	0.6	Emails with Epic; discussion with Allen
Greg McDonald	29-Apr-24	0.3	Emails with Epic; discussion with Allen ; Call with Epic
Greg McDonald	30-Apr-24	0.1	Call with Epic
Greg McDonald	1-May-24	0.4	Emails with Epic, call with Allen,
Greg McDonald	6-May-24	0.7	Call with Allen; Emails to AHG / Khanna
Greg McDonald	8-May-24	0.2	Discussion with Allen
Greg McDonald	13-May-24	0.3	Emails with epic; review report of receiver

20 Caldari Development Inc., 0013532918_Vaughan Warehouse, E-67887010

WIP Time Details

Person	Date	Hours	Description
Greg McDonald	15-May-24	0.4	Call with Allen re: next steps; email to Epic re: cheque in transit; review calculation of outstanding rent amounts from AHG
Greg McDonald Total		8.8	
Marites Carandang	10-Apr-24	0.2	March 2024 bank rec.
Marites Carandang	18-Apr-24	0.1	Post March 2024 bank adjustments.
Marites Carandang	22-Apr-24	0.1	Email wire instruction to Allen
Marites Carandang	6-May-24	0.3	Processing of cheque
Marites Carandang	7-May-24	0.2	Print off invoice, have cheque signed and mailed.
Marites Carandang	9-May-24	0.4	Print off R & D, email to team, responded to Allen's query, provide details
Marites Carandang	14-May-24	0.3	Print off/convert to excel updated R & D, email same to Allen
Marites Carandang Total		1.6	
Raghav Mittal	27-Mar-24	3.0	Review and summarize historical G/L, trial balance and bankstatements
Raghav Mittal	28-Mar-24	1.4	Review and summarize historical G/L, trial balance and bankstatements
Raghav Mittal Total		4.4	
Robert Ferguson	27-Mar-24	1.4	Prepare fee schedules for affidavit. Prepare draft affidavit.
Robert Ferguson	2-May-24	0.2	Post documents to website.
Robert Ferguson Total		1.6	
Sharon Hamilton	3-Apr-24	1.3	reviewing and marking up draft Second Report, discussions with Allen re same
Sharon Hamilton	9-Apr-24	0.4	discussions with Allen re status of motion
Sharon Hamilton	10-Apr-24	0.3	message from/to Allen re Aurora lease termination
Sharon Hamilton	11-Apr-24	1.1	review R&D, call with Lisa and Allen, discussions with Allen
Sharon Hamilton	16-Apr-24	0.7	emails to and discs with Allen re court order
Sharon Hamilton	16-May-24	1.1	review and respond to Allen's emails, disc with Allen, review draft notice of motion
Sharon Hamilton Total		4.9	
Stuart Clinton	26-Apr-24	0.5	Call With Allen re: issues and next steps
Stuart Clinton	30-Apr-24	0.3	follow up re:funding issue etc
Stuart Clinton	1-May-24	0.7	review draft cash position update from Allen ; e-mails with Allen on revisions needed and next steos
Stuart Clinton Total		1.5	
Grand Total		77.1	

THIS IS EXHIBIT "B" REFERRED
TO IN THE AFFIDAVIT OF ALLEN
(LIANG) YAO SWORN BEFORE
ME THIS 23rd DAY OF MAY 2024
in accordance with
O. Reg. 431/20, Administering Oath or
Declaration Remotely.

A handwritten signature in cursive script, appearing to read "Allen Yao", positioned above a horizontal line.

Ernst & Young Inc.
The Court-Appointed Receiver 20 Caldari Development Inc.
Summary of the Receiver's Fees & Disbursements
For the Period from March 23, 2024 to May 17, 2024

		For the Period				
Invoice Date	Invoice #	Receiver's Fees	Expenses	Total before HST	HST	Total
23-May-24	CA01C100553386	43,267.50	2,163.38	45,430.88	5,906.02	51,336.90
Total Receiver's Fees & Disbursements		43,267.50	2,163.38	45,430.88	5,906.02	51,336.90

THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF ALLEN
(LIANG) YAO SWORN BEFORE
ME THIS 23rd DAY OF MAY 2024
in accordance with
O. Reg. 431/20, Administering Oath or
Declaration Remotely.

A handwritten signature in black ink, appearing to read "Allen Yao", is positioned above a horizontal line.

Ernst & Young Inc.

The Court-Appointed Receiver 20 Caldari Development Inc.

Summary of the Receiver's Fees by Person

For the Period from March 23, 2024 to May 17, 2024

Person		Hours	Average Rate	Total Fees
Allen Yao	Senior Vice President/ Partner	40.2	700 \$	28,140.00
Stuart Clinton	Senior Vice President/ Partner	1.5	700 \$	1,050.00
Sharon Hamilton	Senior Vice President/ Partner	4.9	700 \$	3,430.00
Dave Caballes	Partner	0.5	700 \$	350.00
Alison Brown	Senior Manager	0.3	500 \$	150.00
Greg McDonald	Senior Manager	8.8	500 \$	4,400.00
Cam Bear	Senior	12.9	275 \$	3,547.50
Raghav Mittal	Senior	4.4	275 \$	1,210.00
Donna Hatfull	Senior	0.4	275 \$	110.00
Marites Carandang	Senior	1.6	275 \$	440.00
Rob Ferguson	Senior	1.6	275 \$	440.00
		<u>77.1</u>		<u>\$ 43,267.50</u>

Appendix “F”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF SECTION 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*

B E T W E E N:

1000688136 ONTARIO INC.

Applicant

- and -

20 CALDARI DEVELOPMENT INC.

Respondent

FEE AFFIDAVIT

I, **LISA CORNE**, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am a partner with the law firm of Dickinson Wright LLP (“**DW**”). I have personal knowledge of the matters to which I hereinafter depose.
2. DW has acted as counsel to Ernst & Young Inc., in its capacity as Court-appointed Receiver (the “**Receiver**”), in these proceedings.
3. DW’s fees and disbursements in representing the Receiver during the period from March 4, 2024 until May 17, 2024, total \$ 50,836,.83 including HST. A copy of DW’s accounts for the period indicated is attached as **Exhibit A**.

4. Attached as **Exhibit B** is a chart which summarizes the expertise and area of practice of the lawyers involved in rendering services to the Receiver, their hourly rates charged to the Receiver, as well as the average hourly rate charged. The hourly rates charged are DW's normal hourly rates.

SWORN by Lisa Corne at the City of Windsor, in the Province of Ontario, before me on May 23, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

}



Commissioner for Taking Affidavits
(or as may be)
Sahar Cadili



LISA CORNE

This is Exhibit “A” referred to in the Affidavit of Lisa Corne sworn by Lisa Corne at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SAHAR CADILI

IN ACCOUNT WITH



199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT WEST
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
<http://www.dickinsonwright.com>
GST/HST NUMBER: 831204003 RT0001

INVOICE DATE: APRIL 30, 2024
INVOICE NO.: 1917132

ERNST & YOUNG, INC.
222 BAY STREET, 16TH FLOOR
TORONTO-DOMINION CENTRE
TORONTO, CANADA MK5 1S7
TORONTO, ON MK5 1S7

ATTN: Allen Yao

CLIENT/MATTER NO.: 060442-00004

RE: RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.

PRIVILEGED AND CONFIDENTIAL

FOR PROFESSIONAL SERVICES THROUGH APRIL 30, 2024

CAD

TOTAL FEES CURRENT INVOICE	\$	31,962.00
TOTAL DISBURSEMENTS CURRENT INVOICE	\$	47.54
HST - ONTARIO	\$	4,161.24
TOTAL CURRENT INVOICE	\$	36,170.78

This statement may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.

Remittance Instructions		
Terms: Due and Payable Upon Receipt		
Mail To:	Wire Instructions:	ACH Instructions:
Dickinson Wright LLP 199 Bay Street Suite 2200 Commerce Court West Toronto, ON, M5L 1G4	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399 SWIFT CODE: ROYCCAT2 Sort Code://CC000300002 (Sort Code used only for Non-US Foreign Wires)	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399
(Please reference your client/invoice numbers when paying electronically)		

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
CLIENT/MATTER NO.:060442-00004

INVOICE DATE: APRIL 30, 2024
INVOICE NO.: 1917132
PAGE 2
CURRENT INVOICE DETAIL

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
03/04/24	LSC	Conversation with A. Yao to report on status of assignment transaction and motion for sale approval, and selection of listing broker	0.5	467.50
03/06/24	LSC	Revise factum to delete request for approval of sale process and confer with A. Yao re same	1.0	935.00
03/07/24	LSC	Confer with C. Skipper, A. Yao and D. Chan regarding strategy for motion to compel Aurora group to comply with receivership order and outstanding information requests, email and telephone call from counsel for Aurora group regarding scope of production order , prepare file factum re same, revise draft order, prepare and submit revised motion confirmation to court and arrange case lines bundle and zoom details to be sent to service list ,	3.2	2,992.00
03/08/24	DZS	Emails with Lisa Corne re protocol for disclosure of personal information in collection of data; research for and provide to Lisa Corne precedent form of order for same	0.4	172.00
03/08/24	LSC	Confer with A. Yao, Prepare for and attend in court on motion to compel compliance with Receivership order, confer with counsel for respondents on terms of adjournment and draft interim preservation order , and arrange for order to be signed and entered	3.0	2,805.00
03/10/24	LSC	Review and respond to email from A. Yao regarding real estate broker and next steps	0.6	561.00
03/12/24	LSC	Review correspondence to receiver from fogler rubinoff regarding assignment of debt and security and registered transfer of charge , review email from Akash Aurora regarding updates to financial information ,	0.5	467.50
03/14/24	LSC	Confer with A. Yao regarding planning for April 12 court motion and outline next steps, and reporting to court, review four listing proposals , email to A. Yao regarding same, and email to C. Skipper regarding same , email to counsel for debtor requesting notice of Appearance	1.5	1,402.50
03/19/24	LSC	Review status of financial reporting by Aurora group and AHG lease , Conference call with A. Yao and C. Skipper to prepare for court motion on April 12, review listing proposals and AHG lease , and strategy for addressing same,	1.5	1,402.50
03/19/24	LSC	Email with c. Skipper regarding confidentiality undertaking and forward listing proposals	0.4	374.00
03/19/24	LSC	Email with court and service list regarding issued and entered order of Justice Mirta regarding production and preservation of documents	0.5	467.50

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
CLIENT/MATTER NO.:060442-00004

INVOICE DATE: APRIL 30, 2024
INVOICE NO.: 1917132
PAGE 3

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
03/20/24	LSC	Review AHGLease and prepare default notice and letter to Aurora Group, review and outline strategy for dealing with AHG lease, comment on draft receiver's report regarding AHG lease , review appraisal and proposals from listing brokers regarding estimated value and AHG lease issue ,	2.0	1,870.00
03/25/24	LSC	Telephone call with A. Yao and email to C. Skipper to request information regarding AHG lease	0.5	467.50
03/27/24	LSC	Email with counsel for secured creditor regarding timing of sale process and concerns relating to AHG lease and consider issues and strategy	0.5	467.50
03/28/24	LSC	Telephone call with A. Yao regarding relief to be sought on April 12 motion, and issues regarding AHG lease and timing of sale process	0.5	467.50
03/28/24	LSC	Review email from A.Yao and draft supplementary report,telephone call with A. Yao regarding relief to be requested on April 12 court motion , and next steps in receivership	0.5	467.50
04/01/24	LSC	Telephone call with C. Skipper and email with A. Yao regarding status of discussions with AHG , scope of receiver's report to court and relief to be requested on April 12 motion	0.6	561.00
04/02/24	LSC	Review law and issues relating to validity of AHG lease , confer with A. Yao and C. Skipper regarding sale process, revise draft second report and email to A. Yao	1.5	1,402.50
04/03/24	LSC	Revising receiver's motion record regarding April 12 motion and confer with A. Yao re same	1.0	935.00
04/04/24	LSC	Review email from T. Hartwell at CWB regarding returned rent cheque, telephone call and email with A. Yao and C. Skipper regarding same, and revisions to second report and receiver's notice of motion for April 12	1.2	1,122.00
04/05/24	LSC	Finalize receiver's second report and motion record for April 12 and arrange service and filing in court	1.5	1,402.50
04/09/24	LSC	Prepare for motion on April 12, contact court to set up case lines bundle	1.0	935.00
04/10/24	LSC	Telephone call with A. Yao, and C. Skipper regarding AHG response to motion for access to company records and payment of rent, and remedies available, prepare and send to A. Yao draft order for April 12, motion, revise draft, arrange to circulate to other counsel and upload order to case lines	1.8	1,683.00
04/11/24	LSC	Meeting with A. Yao and S. Hamilton to discuss status of sale process, and timing, receiver's role after assignment of debt to shareholder , and next steps ,telephone conference with A. Yao and counsel for AHG regarding proposal to resolve issues relating to information access and delivery of company records	1.5	1,402.50

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
CLIENT/MATTER NO.:060442-00004

INVOICE DATE: APRIL 30, 2024
INVOICE NO.: 1917132
PAGE 4

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
04/12/24	LSC	Review revised draft order from counsel for AHG, emails and telephone calls with A. Yao regarding revisions to draft order, further discussions with counsel for AHG and A. Yao regarding numerous revised draft orders, attend in court to obtain order approving Second report, and requiring; payment by AHG to Receiver of rent, and delivery of company documents to receiver.	3.5	3,272.50
04/12/24	LSC	Email with C. Skipper and Allen Yao regarding status of rent payment owing by AHG	0.4	374.00
04/15/24	LSC	Telephone call with C skipper to discuss order of April 12 th, and status of payment by Aurora Group, , status of settlement discussions between Khana and Aurora Group. and direction regarding next steps	1.2	1,122.00
04/17/24	LSC	Letter to counsel for Aurora Group regarding outstanding payments and compliance with order of Justice Mandhane	0.5	467.50
04/24/24	LSC	Telephone call from A. Yao regarding next steps and email to C. Skipper requesting update on settlement discussions	0.4	374.00
04/25/24	LSC	Review and respond to email from A. Yao and prepare letter to counsel for Aurora Hotel Group to require delivery of devices and payment of rent and other amounts pursuant to Order of Mandhane J.,follow up with court re status of issued and entered order	1.0	935.00
04/26/24	LSC	Review and respond to email from G. MacDonald regarding summer maintenance	0.2	187.00
TOTAL FEES			34.4	\$ 31,962.00

<u>DATE</u>	<u>DISBURSEMENTS</u>	<u>VALUE</u>
12/18/23	Royal Bank Of Canada-Melissa Eisen - Misc: Royal Bank Of Canada-Melissa Eisen - BILLABLE COURT AND RELATED - VENDOR: ROYAL BANK OF CANADA - FILING MOTION RECORD - BRAMPTON INV# 28264839 DATE: 01/26/2024	(339.00)
01/26/24	Royal Bank Of Canada-Melissa Eisen - BILLABLE COURT AND RELATED - VENDOR: ROYAL BANK OF CANADA - FILING MOTION RECORD - BRAMPTON INV# 28264839 DATE: 01/26/2024	339.00
	Delivery Expense	16.66
	Document and CD Duplication	30.88
TOTAL DISBURSEMENTS		\$ 47.54
HST - ONTARIO		\$ 4,161.24
TOTAL CURRENT INVOICE		\$ <u>36,170.78</u>

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
CLIENT/MATTER NO.:060442-00004INVOICE DATE: APRIL 30, 2024
INVOICE NO.: 1917132
PAGE 5

TIMEKEEPER SUMMARY				
<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>RATE</u>	<u>HOURS</u>	<u>VALUE</u>
LISA S. CORNE	PARTNER	935.00	34.00	31,790.00
DAVID Z. SEIFER	ASSOCIATE	430.00	0.40	172.00
TOTAL FEES CURRENT INVOICE			<u>34.40</u>	<u>\$ 31,962.00</u>

PLEASE NOTE THAT THIS ACCOUNT IS DUE UPON RECEIPT**DICKINSON WRIGHT LLP****LISA S. CORNE**

In accordance with the Solicitors Act interest at 1.3% will be charged on all accounts outstanding over 30 days. E.&O.E.

INVOICE DATE: MAY 22, 2024
INVOICE NO.: 1925499

ERNST & YOUNG, INC.
222 BAY STREET, 16TH FLOOR
TORONTO-DOMINION CENTRE
TORONTO, ON MK5 1S7

ATTN: Allen Yao

CLIENT/MATTER NO.: 060442-00004

RE: RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.

PRIVILEGED AND CONFIDENTIAL

FOR PROFESSIONAL SERVICES THROUGH MAY 22, 2024

CAD

TOTAL FEES CURRENT INVOICE	\$	12,996.50
HST - ONTARIO	\$	1,689.55
TOTAL CURRENT INVOICE	\$	14,686.05

OUTSTANDING INVOICES ON THE MATTER BILLED ON THIS CURRENT INVOICE AS OF MAY 22, 2024

<u>INVOICE</u>	<u>DATE</u>	<u>BILLED VALUE</u>	<u>PAYMENTS</u>	<u>OUTSTANDING</u>
1917132	04/30/24	36,170.78	(0.00)	36,170.78

TOTAL OUTSTANDING FROM PRIOR INVOICES	\$	36,170.78
TOTAL AMOUNT DUE	\$	50,856.83

This statement may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.

Remittance Instructions		
Terms: Due and Payable Upon Receipt		
Mail To:	Wire Instructions:	ACH Instructions:
Dickinson Wright LLP 199 Bay Street Suite 2200 Commerce Court West Toronto, ON, M5L 1G4	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399 SWIFT CODE: ROYCCAT2 Sort Code://CC000300002 (Sort Code used only for Non-US Foreign Wires)	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399
(Please reference your client/invoice numbers when paying electronically)		

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
CLIENT/MATTER NO.:060442-00004

INVOICE DATE: MAY 22, 2024
INVOICE NO.: 1925499
PAGE 2
CURRENT INVOICE DETAIL

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
04/29/24	LSC	Review letter from C. Skipper and order to continue	0.2	187.00
04/30/24	LSC	Email to A. Yao regarding issued and entered order of April 12, 2024, non payment of rent owing to Receiver, and funding issues	0.5	467.50
05/02/24	LSC	Email and telephone call with A. Yao regarding funding, review cash flow estimates, telephone call to counsel for secured creditor and counsel for Aurora group regarding cash deficit	1.0	935.00
05/03/24	LSC	Review email from A. You and draft receiver's certificate, review email from C. Skipper to R. Shastri regarding noncompliance with order of Mandhane J. And rent payments	0.5	467.50
05/06/24	LSC	Review email from A. Yao and telephone call with him to discuss funding analysis , prepare draft letter to C. Skipper and revise to incorporate comments from A. Yao	1.5	1,402.50
05/07/24	LSC	Review and finalize borrowing certificate and letter to C. Skipper regarding funding request	1.0	935.00
05/08/24	LSC	Email with C. Skipper regarding status of settlement with Aurora Group, and motion to discharge receiver, funding issues as a result of default in rent payments	0.8	748.00
05/09/24	LSC	Review email from C. Skipper and telephone call with him and A. Yao re lack of funding and next steps, confirm status of motion date, arrange new motion date , confer with A. Yao relating to same	1.5	1,402.50
05/10/24	LSC	Prepare receiver's notice of motion for directions regarding sale process and termination of lease to Aurora Hotel Group Inc.	1.2	1,122.00
05/13/24	LSC	Review draft report and revise receiver's notice of motion for directions in response to nonpayment of rent	1.5	1,402.50
05/15/24	LSC	Review correspondence from A. Aurora regarding partial payment of rent owing , telephone call with A, Yao regarding response, review email from A. Yao to A. Aurora and conference call with C. Skipper and A. Yao to review status of settlement and funding through May 31 d and discharge	1.5	1,402.50

RECEIVERSHIP OF 20 CALDARI DEVELOPMENT INC.
 CLIENT/MATTER NO.:060442-00004

 INVOICE DATE: MAY 22, 2024
 INVOICE NO.: 1925499
 PAGE 3

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
05/16/24	LSC	Review and comment on drat notice of motion by secured creditor to terminate receivership,review and send to A. Yao , and telephone call with A. Yao regarding funding through discharge	1.5	1,402.50
05/17/24	LSC	Telephone call from A. Yao regarding response to motion of secured creditor and terms of discharge order and outline for receiver's report to court	1.2	1,122.00
TOTAL FEES			13.9	\$ 12,996.50
HST - ONTARIO				\$ 1,689.55
TOTAL CURRENT INVOICE				\$ <u>14,686.05</u>

TIMEKEEPER SUMMARY				
<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>RATE</u>	<u>HOURS</u>	<u>VALUE</u>
LISA S. CORNE	PARTNER	935.00	13.90	12,996.50
TOTAL FEES CURRENT INVOICE			<u>13.90</u>	<u>\$ 12,996.50</u>

PLEASE NOTE THAT THIS ACCOUNT IS DUE UPON RECEIPT

DICKINSON WRIGHT LLP



LISA S. CORNE

In accordance with the Solicitors Act interest at 1.3% will be charged on all accounts outstanding over 30 days. E.&O.E.

This is Exhibit “B” referred to in the Affidavit of Lisa Corne sworn by Lisa Corne at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SAHAR CADILI

Billing Rates of Dickinson Wright LLP

For the period March 4, 2024 to May 22, 2024

	Hourly Rate	Hours	Year of Call	Area of Practice
Lisa S. Corne	935.00 (2024)	47.90	1988	Bankruptcy and Insolvency
David Z. Seifer	430.00 (2024)	0.4	2019	Bankruptcy and Insolvency/Litigation

Average hourly rate per lawyer	\$682.50
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1000688136 ONTARIO INC.
Applicant

-and-

20 CALDARI DEVELOPMENT INC.
Respondent

Court File No CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

FEE AFFIDAVIT

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, Box 447

Commerce Court Postal Station

Toronto, ON M5L 1G4

LISA S. CORNE

Email: lcorne@dickinsonwright.com

Lawyers for Ernst & Yong Inc., Court-Appointed Receiver