

**IN THE MATTER OF THE RECEIVERSHIP OF
20 CALDARI DEVELOPMENT INC.**

**Notice and Final Statement of the Receiver
(Subsection 246(3) of the Act)**

INTRODUCTION

1. On December 7, 2023, Ernst & Young Inc. (“**EYI**”) was appointed as receiver and manager (the “**Receiver**”) of all the assets, properties and undertakings of 20 Caldari Development Inc. (the “**Debtor**”) pursuant to an Order issued by the Ontario Superior Court of Justice (the “**Court**”).
2. This is the final report on the administration by EYI of the receivership proceeding for the period from December 7, 2023 to June 7, 2024.

RECEIVERSHIP ADMINISTRATION

3. The Debtor’s principal asset is an approximately 34,000 square foot steel, two story steel building located in Vaughan, Ontario (the “**Property**”).
4. The Receiver took possession of the Property. However, the Receiver was unable to access certain books and records of the Debtor that are in the possession of one shareholder of the Debtor. The Receiver’s activities are described in detail in the reports of the Receiver. Copies of these reports are available at the Receiver’s case website: www.ey.com/ca/Caldari.

OTHER

5. In March 2024, 10000688136 Ontario Inc (the “**Secured Creditor**”) has acquired the mortgage and related security interest previously held by Canadian Western Bank in respect of the Debtor.
6. On May 18, 2024, the Secured Creditor brought a motion returnable May 31, 2024, seeking the termination of the receivership proceeding and the Receiver’s discharge.
7. On May 31, 2024, the Court granted an Order (the “**Discharge Order**”) that provides that the Receiver shall be discharged effective June 7, 2024, and that EYI shall file a discharge certificate upon the completion of administrative matters. A copy of this Discharge Order is attached hereto as **Appendix “A”**
8. Following its discharge as the Receiver on June 7, 2024, EYI completed certain additional administrative matters and filed the discharge certificate on June 18, 2024. EYI has transferred the remaining available proceeds in the estate to the Secured Creditor pursuant to the Discharge Order. A final Statement of Receipts and Disbursements for the period December 7, 2023 to June 13, 2024 is attached as **Appendix “B”**.

Dated at Toronto this 26th day of June, 2024.

ERNST & YOUNG INC.
Solely in its capacity as Receiver
20 Caldari Development Inc.
and not in its personal capacity.

Per: 

Allen Yao
Senior Vice President

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

FRIDAY, THE 31ST

JUSTICE AGARWAL

)

DAY OF MAY, 2024

)

B E T W E E N:



1000688136 ONTARIO INC.

Applicant

- and -

20 CALDARI DEVELOPMENT INC.

Respondent

DISCHARGE ORDER

THIS MOTION, made by the Applicant, 1000688136 ONTARIO INC. for an order approving the resolution of litigation in Ontario Superior Court of Justice action numbers CV-21-00003633, CV-22-00001381, CV-22-00692176 AND CV-23-00004340, among other relief and the Cross-motion by Ernst & Young Inc. in its capacity as the Court-appointed receiver and manager (the “Receiver”) of the undertaking, property and assets of 20 Caldari Development Inc. (the “Debtor”), for an order:

- i. approving the activities and proposed activities of the Receiver as set out in the third report of the Receiver dated May 24, 2024 (the “Third Report”);
- ii. approving the Receiver’s Statement of Receipts and Disbursements for the period April 4, 2024 to May 23, 2024;

- iii. approving the fees and disbursements of the Receiver and its counsel;
- iv. directing the Aurora Hotel Group Inc. (“AHG”) to forthwith pay to the Receiver the amount of \$1000.00 owing pursuant to the Order of the Honourable Justice Mirza dated March 8, 2024, and the amount of \$49,224 owing pursuant to the Order of the Honourable Justice Mandhane dated April 12, 2024;
- v. Alternatively, directing 1000688136 Ontario Inc.(the “Secured Creditor”) to provide to the Receiver funding in an amount requested by the Receiver to satisfy the post – receivership obligations;
- vi. after payment of all post–receivership obligations, approving the distribution of the remaining proceeds available in the estate, if any, to the Secured Creditor, or as otherwise ordered by the court;
- vii. discharging Ernst & Young Inc. as Receiver of the undertaking, property and assets of the Debtor; and
- viii. releasing Ernst & Young Inc. from any and all liability, as set out in paragraph 9 of this Order.

was heard this day via judicial video conference at the courthouse at 7755 Hurontario Street, Brampton, Ontario.

1. **ON READING** the Third Report, the affidavits of the Receiver and its counsel as to fees (the “Fee Affidavits”), and on reading the Notice of Motion of the secured creditor, 1000688136 Ontario Inc., dated May 16, 2024, the Affidavit of Jay Khanna, sworn May 16, 2024 and the Exhibits annexed thereto and the Affidavit of Akash Aurora, sworn May 23, 2024, and together with the documents evidencing the global resolution as listed in Schedule "B" to this Order, and on hearing the submissions of counsel for the Receiver, counsel for 1000688136 Ontario Inc.(the “Secured Creditor”), and counsel for The Aurora Hotel Group Inc., Akash Aurora, Nakul Aurora, and Ravi Aurora no one else appearing although served as evidenced by the Affidavits of Service, filed;

2. **THIS COURT ORDERS** that the time for service of this motion is hereby abridged and service of this Notice of Motion and Motion Record is hereby validated so that this Motion is properly returnable on May 31 2024 and further service thereof is hereby dispensed with.
3. **THIS COURT ORDERS** that the activities and proposed activities of the Receiver, as set out in the Third Report, are hereby approved.
4. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements for the period from April 4 to May 23, 2024 is hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Fee Affidavits, are hereby approved, together with the additional fees and disbursements of the Receiver and its counsel through to the filing of the Receiver's Discharge Certificate as contemplated in paragraph 10 hereof.
6. **THIS COURT ORDERS** the Aurora Hotel Group Inc. ("AHG") to forthwith pay to the Receiver the balance of the amounts owing pursuant to the Order of the Honourable Justice Mirza dated March 8, 2024, and the Order of the Honourable Justice Mandhane dated April 12, 2024, being the sum of \$20,224.
7. **THIS COURT ORDERS**, in the alternative to paragraph 5 hereof, the Secured Creditor shall, upon request by the Receiver, forthwith advance funds to the Receiver in an amount sufficient to fund completion of the Receiver's post receivership obligations and complete the Administrative Matters as defined in the Third Report (the "Funding").
8. **THIS COURT ORDERS** that this Order shall become effective on June 7, 2024 (the "Effective Date").
9. **THIS COURT ORDERS** that, upon the Effective Date of this Order, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of

all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Ernst & Young Inc. in its capacity as Receiver, including the Receiver's Charge and Receiver's Borrowing Charge as defined in the Order of Justice Tzimas dated December 7, 2023.

10. **THIS COURT ORDERS AND DECLARES** that upon the Effective Date of this Order, Ernst & Young Inc. shall be released and discharged from any and all liability that Ernst & Young Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Ernst & Young Inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Ernst & Young Inc. shall be released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

11. **THIS COURT ORDERS** that subject to receipt of the Funding, and after completing the Administrative Matters, as defined in the Third Report, including paying the Receiver's and the Receiver's counsel's fees, the Receiver shall file a certificate, in the form attached hereto as Schedule "A" certifying that it has completed the Administrative Matters, thereby terminating the Receiver's Charge and Receiver's Borrowing Charge as defined in the Order of Justice Tzimas dated December 7, 2023.

GLOBAL RESOLUTION

12. **THIS COURT APPROVES** the Global Resolution of the litigation as described and set forth in the Affidavit of Jay Khanna, and as set out in the documents of the Global Resolution listed in Schedule "B" hereto, and hereby declares that the Global Resolution shall be concluded and deemed effective on the Effective Date.

13. **THIS COURT ORDERS** that the Global Settlement between the shareholders of the Debtor as described in the Third Report shall take effect as of the Effective Date.

14. **THIS COURT ORDERS** there shall be no costs to these motions.

Hon. R.K. Agarwal

Schedule “A”

Court File No. CV-23-00004340-0000

**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

RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Tzimis of the Ontario Superior Court of Justice (the "**Court**") dated December 7, 2023, Ernst & Young Inc. was appointed as the receiver (the "**Receiver**") without security, of all of the assets, undertakings, and properties of the Respondent (the "**Debtor**").

B. Pursuant to an Order of the Honourable Justice Agarwal of the Court dated May 31, 2024 (the "**Discharge Order**"), Ernst & Young Inc. was discharged as Receiver of the assets, undertakings and properties of the Debtor to be effective seven days after the date on which the Receiver’s funding requirements are met and the Court authorized the Receiver to file a certificate confirming that the Receiver has completed the “Administrative Matters” as defined in its Third Report dated May 24, 2024 (the "**Report**") provided, however, that notwithstanding its discharge: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver

shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Ernst & Young Inc in its capacity as Receiver.

THE RECEIVER CERTIFIES that the Receiver has completed the Administrative Matters as set out in the Report, and a copy of the Receiver's Final Statement of Receipts and Disbursements is attached hereto as Schedule "A".

**ERNST & YOUNG INC. in its capacity as
Court Appointed Receiver and Manager of 20
Caldari Development Inc.**

Per: _____

Name: Allen Yao

Title: Senior Vice President

1000688136 ONTARIO INC.
Applicant

-and-
Respondent

20 CALDARI DEVELOPMENT INC.

Court File No CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

RECEIVER'S DISCHARGE CERTIFICATE

DICKINSON WRIGHT LLP

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Toronto, ON M5L 1G4

LISA S. CORNE

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

SCHEDULE "B"

Court File No. CV-23-00004340-0000

ONTARIO SUPERIOR COURT OF JUSTICE

B E T W E E N:

1000688136 ONTARIO INC.

Applicant

and

20 CALDARI DEVELOPMENT INC.

Respondent

I-N-D-E-X

TAB	DOCUMENTS
	Second Mortgage Documents
1.	Amended and Restated Promissory Note, dated June 1, 2025
2.	Demand Debenture, dated June 1, 2024
3.	Undertaking to Not Challenge, dated June 1, 2024
4.	Assignment of Insurance to J.I.S. contract Furniture Inc., dated June 1, 2024
5.	Limited Recourse Guarantee, dated June 1, 2024 by 20 Caldari Development Inc. to and in favour of J.I.S. Contract Furniture Inc.
6.	Acknowledgment and Direction to the firm of Fogler Rubinoff re E-reg documents, dated June 1, 2024
7.	Certified Resolution of the Board of Directors of 20 Caldari Development Inc. – Guarantor, dated June 1, 2024
8.	Officer's Certificate – 20 Caldari Development Inc., dated June 1, 2024

9.	Acknowledgment re Standard Charge Terms to J.I.S. Contract Furniture Inc. and Fogler Rubino LLP, dated June 1, 2024
10.	Personal Guarantee – Nakul Aurora, dated June 1, 2024
	Transfer of First Mortgage Documents
11.	Assignment of Debt and Security Agreement between Canadian Western Bank and 1000688136 Ontario Inc., dated March 11, 2024
12.	Registered Assignment/Transfer of First Mortgage, dated March 11, 2024 – YR3655690
13.	Service of Order to Continue (Action No. CV-23-00004340-0000 re Mortgage action, dated April 29, 2024
14.	Amendment to Commitment Letter, dated June 1, 2024
15.	Schedule "A" – Statement of Principal Owing as of June 1, 2024
16.	Schedule "B" - Mortgage Amending Agreement, dated June 1, 2024
17.	Mortgage Statement of principal re 1000688136 Ontario Inc.
	Option Agreement
18.	Option Agreement, between Nakul Aurora and Jay Khanna, dated June 1, 2024
19.	Schedule "A" - Release and Indemnity to Jay Khanna, dated June 1, 2024
20.	Schedule "B" - Release and Indemnity to Nakul Aurora and 20 Caldari Development Inc., dated June 1, 2024
	Leases
21.	Lease – 20 Caldari Development Inc. with Tenant Co. (Countertop Solutions Inc.),

	dated June 1, 2024
22.	Lease Agreement – June 1, 2024 20 Caldari Development Inc. and Aurora Hotel Group Inc.
23.	Business Operating Agreement, dated June 1, 2024
COURT DOCUMENTS	
24.	Notice of Discontinuance, dated June 1, 2024 Court File No. CV-21-00003633 Promissory Note Action
25.	Notice of Discontinuance, dated June 1, 2024 Court File No. CV-22-00001381 Barrie Hotel Action
26.	Release of Caution Re 20 Fairview Litigation, registered on 2023 02 01, SC1961049
27.	Order re Removal of Undertaking Action No. CV-22-00001381-0000 Barrie Hotel Action
28.	Notice of Discontinuance, dated June 1, 2024 Court File No. CV-22-00692176 Oppression Remedy Action
29.	Consent of Mortgagee, 1000688136 Ontario Inc.

1000688136 ONTARIO INC.
Applicant

-and-
Respondent

20 CALDARI DEVELOPMENT INC.

Court File No CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

DISCHARGE ORDER

DICKINSON WRIGHT LLP
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LISA S. CORNE
Email: lcome@dickinsonwright.com

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

Appendix “B”

ERNST & YOUNG INC.
Court appointed Receiver and Manager of
20 Caldari Development Inc.
TRUST ACCOUNT RECONCILIATION
For the period December 7, 2023 to June 13, 2024

	<u>May 24 to June 13, 2024</u>	<u>Cumulative to June 13, 2024</u>	Note
Receipts:			
Rental Income	\$ 18,444.25	\$ 372,345.82	
Collection on behalf of 20 Caldari Development	26,897.55	26,897.55	A
Advances from Lender		100,000.00	
HST Collected	2,532.52	49,490.89	
Cost Award	9,382.00	9,382.00	
Reimbursement for Utility Costs	1,036.69	8,353.31	
Interest Earned	610.75	3,026.60	
Total Receipts	<u>\$ 58,903.76</u>	<u>\$ 569,496.17</u>	
Disbursements:			
Receiver Fees	\$ 68,832.50	\$ 171,002.50	
Repayment of Advance		105,000.00	
Legal Fees	64,120.00	70,283.50	
Property Taxes	45,000.00	45,000.00	
Transfer funds to 20 Caldari Development	22,372.00	22,372.00	A
HST Paid	18,664.98	42,923.09	
Management Services	4,000.00	24,000.00	
Landscaping	800.00	23,026.23	
Utilities	3,455.80	19,894.00	
Building and Environmental Inspection		11,112.44	
Insurance		9,545.43	
HST remitted		9,026.63	
Receiver Disbursements	3,441.63	8,550.14	
Security/Alarm Services	170.00	2,353.40	
Bank Charges	48.21	226.87	
Legal Disbursements	47.54	103.79	
Registration Fees		75.30	
Total Disbursements	<u>\$ 230,952.66</u>	<u>\$ 564,495.32</u>	
Excess Receipts over Disbursements	<u>\$ (172,048.90)</u>	<u>\$ 5000.85</u>	B
Represented By:			
Current Account # 112-158-1		<u>\$ 5,000.85</u>	
Less: Utility Reserve		<u>(5,000.85)</u>	B
		<u>(0.00)</u>	

Notes

A. Pursuant to an Order issued on May 31, 2024, Ernst & Young Inc. was discharged as the Receiver of 20 Caldari Development Inc. (the "Company") effective June 7, 2024. During the week of June 3, 2024, in coordination with the Company, the Receiver collected certain rent payments for the month of June 2024. These funds were utilized to finalize administrative matters, with the remaining balance transferred to the Company at the direction of the Company and its secured creditor, 10000688136 Ontario Inc.

B. A \$5,000 reserve has been retained for the payment of the final utility bill. Any remaining balance will be transferred to the Company.