

District of Ontario  
Division No. 09-Toronto  
Court No. 31-2481036 / 31-2481035  
Estate No. 31-2481036 / 31-2481035

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF  
EDGE ON TRIANGLE PARK INC.  
and EDGE RESIDENTIAL INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S REPORT TO THE CREDITORS OF PRELIMINARY ADMINISTRATION**

**SECTION A – BACKGROUND**

Edge on Triangle Park Inc. (“**Triangle**”)

Triangle was incorporated on February 9, 2010 and was the developer of the Edge Triangle Project which is a mixed-use project consisting of rental and development portions. The Edge Triangle Project consists of two towers of 21 and 22 stories built on top of a 7-story podium with a total above grade buildable floor area of 690,678 sq. ft consisting of 666 residential units, 38,958 sq. ft. of office space, and commercial space with a total area of 3,700 sq. ft. Construction was substantially completed in May, 2015.

Edge Residential Inc. (“**Residential**”)

Residential was incorporated on April 10, 2015 and owned 32 condominium units that were transferred to Residential from Triangle on or about July 2015. At the time of Residential's NOI filing, 19 of the 32 units were being rented and the remaining 13 units were vacant.

The sole officer and director of Triangle and Residential is Alan Saskin.

On April 29, 2016, Triangle and Residential each filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”). The Fuller Landau Group Inc. (“**Fuller Landau**”) was named as proposal trustee under the NOIs.

On October 6, 2016, the court granted an order continuing the NOI proceedings of Triangle and Residential under the Companies' Creditors Arrangement Act and appointing the proposal trustee as the Monitor.

On November 27, 2018 the court granted an order (the “**Bankruptcy Order**”):

- a. authorizing the Monitor to file assignments in bankruptcy for both Triangle and Residential and to name Fuller Landau as Licensed Insolvency Trustee thereto. The court further ordered that the estates of Triangle and Residential, following their assignments into bankruptcy, shall be procedurally and substantively consolidated;

- b. ordering that despite the bankruptcies of Triangle and Residential, the Monitor shall continue to administer the court-approved claims process as set out in the order of The Honourable Mr. Justice Newbould dated December 16, 2016 for claims made against those companies, instead of the statutory proof of claim procedure set out in the *Bankruptcy and Insolvency Act* (Canada);
- c. ordering and directing that the Monitor shall transfer all Non-Cash Assets (as that term was defined in the order) to Urbancorp Cumberland 2 L.P. with the exclusive direction of the Monitor to facilitate the continuation of the liquidation of such assets, and such other actions as may be required to maximize recoveries therefrom for the benefit of creditors;
- d. ordering that the Cash Funding Order dated March 16, 2017 shall continue to apply to the estates of Triangle and Residential, or their consolidated estate, despite their subsequent bankruptcies, as if they remained Applicants hereunder, for the purpose of continuing to pay the Funding Requirements up to the amount of \$1,500,000 and thereafter with the further order of the Court; and
- e. granting the consolidated bankrupt estate of Triangle and Residential a charge on the current and future assets, undertakings, and property of Urbancorp Cumberland 2 L.P.

The Bankruptcy Order was sought by the Monitor in order to commence interim distributions to proven creditors from the available cash and from future recoveries from the liquidation of the Non-Cash Assets.

On March 1, 2019, pursuant to the Bankruptcy Order, Assignments in Bankruptcy were filed by The Fuller Landau Group Inc. in its capacity as CCAA Monitor of each of the following:

- 1) Edge on Triangle Park Inc. (Estate No. 31-2481036)
- 2) Edge Residential Inc. (Estate No. 31-2481035)

The estates of Triangle and Residential were consolidated pursuant to the Bankruptcy Order and Estate No. 31-2481036 is the primary estate in the consolidated bankruptcy proceeding.

On March 8, 2019, the Notice of First Meeting of Creditors, a list of Creditors, and a proxy, were sent to all Known Creditors of Triangle and Residential. The Notice of Bankruptcy was published in the March 14, 2019 national edition of the Globe and Mail.

For additional information or clarification, copies of the Monitor's reports 1 – 20 and Court Orders issued can be found at the Monitor's website at [www.fullerllp.com/active\\_engagements/edge-on-triangle-park-inc/](http://www.fullerllp.com/active_engagements/edge-on-triangle-park-inc/)

## **SECTION B – ASSETS**

### **Cash Assets**

The Bankrupt's Statement of Affairs (the "SOA") discloses the following assets:

- a) Approximately \$104,351 in the Monitor's trust account, subsequently transferred to the Trustee's account, for Triangle;
- b) Approximately \$2,404,665 in the Monitor's trust account, subsequently transferred to the Trustee's account, for Residential;

### **Urbancorp Cumberland 2 L.P. ("Cumberland 2 L.P.") Assets**

For information purposes, as noted in the Bankruptcy Order, the Non-Cash Assets of Triangle and Residential have been conveyed and transferred to Cumberland 2 L.P.

In addition to the Non-Cash Assets, Urbancorp Cumberland 2 L.P. is holding cash (the "**Cash Holdback**") which represents:

1. \$1,500,000 representing the Funding Requirements as set out in the Bankruptcy Order; and
2. an amount required for deficiencies identified by the Condominium Corporation for the Edge Triangle Project pursuant to the Tarion Performance Audit.

The Monitor of Cumberland 2 L.P. is facilitating the liquidation of the Non-Cash Assets and is in settlement discussions with the Condominium Corporation regarding the Tarion Performance Audit obligations. The proceeds from the liquidation of the Non-Cash Assets and funds remaining from the Cash Holdback, net of costs and professional fees, will be made available to the Trustee for distribution to the proven creditors in the consolidated estate.

The Non-Cash Assets remaining to be liquidated include the following:

- 1) 3 Condominium units located at 36 Lisgar St., Toronto, ON,  
8 Parking spaces located at 36 Lisgar St. Toronto, ON,  
18 locker and bicycle storage units at 36 Lisgar St. Toronto, ON,
- 2) Approximately 8,000 sq. ft. of commercial office space ("**TMAC**");
- 3) Accounts Receivable due from certain related entities (some of which are subject to CCAA Proceedings) and third parties;
- 4) Mortgages Receivable due from the Condominium Corporation; and



- 5) Cash collateral for letters of credit.

As noted above, the estates have been procedurally and substantively consolidated pursuant to Bankruptcy Order. Proceeds from the liquidation of the Non-Cash Assets and any funds remaining from the Cash Holdback will be pooled into a single trust account for distribution to the proven creditors of the consolidated estate.

### **SECTION C – SECURED AND PRIORITY CLAIMS**

There are two construction lien claims totalling \$72,949.42 which have been accepted by the Monitor.

As well there is contingent secured claim filed by Aviva Insurance Company of Canada (“Aviva”) in the amount of \$1,800,000.

### **SECTION D – CONSERVATORY AND PROTECTIVE MEASURES**

The Trustee and Monitor have secured Triangle and Residential’s books, records and accounting system.

### **SECTION E – PROVABLE CLAIMS**

Pursuant to the Bankruptcy Order, the Monitor will continue to administer the court-approved claims process and as such creditors are not required to file a new proof of claim with the Trustee. Proofs of claims filed by creditors pursuant to the December 16, 2016 Claims Procedure Order and admitted by the Monitor will be used in the bankruptcy estate:

- a) for voting purposes at the meeting; and
- b) for distribution purposes;

The Monitor has admitted or resolved most of the creditor claims filed in these proceedings. However, a handful of disputed claims remain to be determined. The Monitor has sought court approval to appoint a claims officer to adjudicate the disputed claims.

<b><u>Type of Claim</u></b>	<b><u>Amount Filed</u></b> \$	<b><u>Amount Allowed</u></b> \$	
Purported Trust Claims	3,268,603.00		(Note 1)
Secured Claims	24,449,426.61	1,872,949.42	(Note 2)
Unsecured Claims	306,130,979.75	29,612,180.08	(Note 3)

Note 1: Filed amounts included \$3,268,603 of which the priority of these claims was disallowed by the Monitor but are subject to appellate review.

Note 2: Secured claims in the amount of \$8,364,287.96 have been paid or settled by the Monitor. Aviva filed a claim in the amount of \$13.26 million of which \$1.8 million has been allowed as a

contingent secured claim and \$11.40 million as a contingent unsecured claim. A claim filed in the amount of \$2,313,335.03 has been adjudicated by the Monitor and determined to be an unsecured claim, however, the adjudication process is subject to appeal. The balance of claims in the amount of \$72,949.42 have been allowed by the Monitor.

Note 3: Includes \$5,566,347.75 of trust or secured claims as unsecured claims. \$11.4 million is included as a contingent unsecured claim. As well, filed claims include \$1,913,612.16 of late filed claims (pursuant to the CCAA Claims Process Order) which will be adjudicated by the Monitor.

A copy of the Trustee's claim claims register showing the admitted claims can be found on the Trustee's website at: [www.fullerllp.com/active\\_engagements/edge-on-triangle-park-inc/](http://www.fullerllp.com/active_engagements/edge-on-triangle-park-inc/)

## **SECTION F – LEGAL PROCEEDINGS, PREFERENCES AND TRANSACTIONS AT UNDERVALUE**

The Monitor commenced certain legal proceedings in the CCAA Proceedings with respect to the transfer of assets. Details with respect to the outcome of those proceedings can be found at the Trustee's website.

## **SECTION G – ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION**

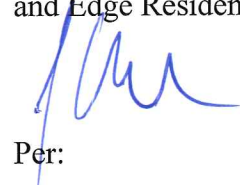
Given the uncertainty of (i) the timing and expected sales proceeds from the liquidation of the Non-Cash Assets; (ii) the appeal filed with respect to the impact of breach of trust claims in the bankruptcy; (iii) the timing and amount with respect to a settlement of the Tarion Performance Audit; and (iv) the resolution of disputed claims, the Trustee is unable to provide any estimate of anticipated distribution to creditors.

In addition, as noted above the quantum of certain creditor claims are still contested or are contingent. The resolution of these disputed claims through adjudication will also impact the projected distribution.

Dated at Toronto, Ontario, this 20<sup>th</sup> day of March 2019

**The Fuller Landau Group Inc.**

Licensed Insolvency Trustee Re: The Estate of Edge on Triangle Park Inc.  
and Edge Residential Inc.



Per: