

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**VECTOR FINANCIAL SERVICES LIMITED and  
DOWNING STREET FINANCIAL INC.**

Applicants

- and -

**IDEAL (JS) DEVELOPMENTS INC. and SHAJIRAJ NADARAJALINGAM**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

**REPLY AFFIDAVIT OF NOAH MINTZ,  
SWORN JULY 31<sup>st</sup>, 2019**

I, **NOAH MINTZ**, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY:**

1. I am a Managing Director with Vector Financial Services Limited (“**Vector**”). As previously noted in my initial affidavit, sworn June 18, 2019 (“**Initial Affidavit**”), in support of an application by Vector and Downing Street Financial Inc. (“**Downing**”) for the appointment of a receiver over the assets, undertakings and properties of Ideal, and for judgment against the Personal Guarantor, I have responsibility for matters pertaining to the borrowing of Ideal (JS) Developments Inc. (“**Ideal**”) and its guarantor Shajiraj Nadarajalingam (the “**Personal Guarantor**”). As such, I have personal knowledge of the matters to which I herein depose. I also have information received from others; where I reference that information, I identify its source and I verily believe that information to be true.

2. I swear this affidavit by way of reply to the responding affidavit of the Personal Guarantor, sworn July 10, 2019 (“**Responding Affidavit**”).

3. I use the terms defined in my Initial Affidavit, throughout the within affidavit.

#### **THE APRIL 11, 2019 MEETING**

4. The Personal Guarantor references in his responding affidavit a meeting held on April 11, 2019 between the Personal Guarantor and Prasana Balachandran of Ideal, and Mitchell Oelbaum of Vector. I was also present at that meeting, and therefore I have direct knowledge of those events.

5. Contrary to the Personal Guarantor’s assertion at paragraph 12 of his responding affidavit, Vector did not agree that it would extend the Loan if Ideal were to terminate some of the existing Agreements of Purchase and Sale.

6. The issue of terminating those agreements was a decision for Ideal to make, not Vector. We had made a loan to Ideal, the Loan had matured, we had extended the Loan on two separate occasions already, and we were looking for that Loan to be repaid, then, not later. We were very clear that we were not prepared to extend the Loan any further.

7. Further, they advised us that they had already terminated 22 Agreements of Purchase and Sale at the meeting. It was not like we told them at the meeting to terminate any agreements. We did not.

8. However, if we had commented previously in our discussions that Ideal ought to consider terminating some of the existing Agreements of Purchase and Sale, it was merely a suggestion on our part, as it might have helped Ideal secure construction financing, something it had not been able to do to that point.

9. It appeared to us that the economics of constructing the Project, based on the existing Agreements of Purchase and Sale, would be a tough sell, and we told the Personal Guarantor that. However, that was just an observation on our part, and at no time did we ever link the repayment of the Loan to the cancellation of any existing Agreements of Purchase and Sale.

10. Further, it made no difference to us what Ideal did with the Agreements of Purchase and Sale or even the Property itself, as we were not providing construction financing. We had merely provided initial "bridge" financing, that was time limited, and had now matured. We were simply looking for the Loan to be repaid at that point, not extend the Loan further.

11. Thus, whether they had already terminated 22 such Agreements or more, as the Personal Guarantor references in paragraph 13 of his Responding Affidavit, was not our concern. Our concern was in having the Loan repaid.

12. Furthermore, Vector never represented to Ideal that the termination of some of the existing Agreements of Purchase and Sale would be in lieu of a pay down of the mortgage principal. As noted, we were looking for the Loan to be repaid in full.

13. It is true that, at that point in time, we were in fairly regular contact with the Personal Guarantor and he had advised us that he was trying, but had not been able, to secure construction financing such that Ideal could repay the Loan. However, Ideal had not been able to secure that financing, try as they did.

14. Indeed, at that point, Ideal wasn't even making interest payments against the Loan. It appeared that they simply could not even raise enough money to do that.

15. As a result, we suggested that Ideal do whatever it could to enhance its ability to obtain construction financing, and that, while it was doing so, it pay some lump sum amount, for example, \$1 million, to Vector, representing some of the interest owing, to avoid our having to take enforcement steps with respect to the Loan at that time.

16. As is now clear, Ideal wasn't even able to come up with that additional, relatively small amount to pay to Vector, while it continued to seek construction financing. Recall that the Loan to be repaid was approximately \$15 million.

17. Ideal and the Personal Guarantor continued to promise us at various times that funds would be forthcoming, just as they had promised before, referring to various payments Ideal was owed and that it was waiting for, and noting that their other projects would also provide funds that they would use to pay the Loan. However, none of these funds ever materialized. Promises simply went unfulfilled.

18. It became clear to us throughout this process and this time that Ideal simply was not, and would not, in the near future, be in a position to be able to repay the Loan and that Vector really had no choice at that point but to commence enforcement proceedings.

19. As previously noted in my Initial Affidavit, the only extensions agreed to by Vector to Ideal were the extensions in writing contained in the two Loan Extension Commitment Letters dated October 17, 2018, and February 1, 2019, respectively. Copies of these Letters were attached to my Initial Affidavit as **Exhibits M** and **N**, respectively.

#### **COMMUNICATION WITH OTHER LENDERS**

20. Contrary to the assertion at paragraph 21 of the Personal Guarantor's responding affidavit, Vector did not had any communications with Tarion, nor any representatives of the Town of Richmond Hill in contemplation of, or with respect to, this Application.

21. Furthermore, Vector did not seek out, nor initiate discussions with, any other lenders. Vector's only communications with other lenders have occurred when other lenders have contacted Vector to inquire about the status of the Loan or Ideal itself.



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Proceeding commenced in **Toronto**

**REPLY AFFIDAVIT OF NOAH MINTZ**

**BLANEY McMURTRY LLP**

Lawyers  
1500 - 2 Queen Street East  
Toronto, ON M5C 3G5

**Mervyn D. Abramowitz (LSO #28325R)**

Tel: (416) 597-4887  
Fax: (416) 593-3396  
Email: [mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Megan Hodges (LSO #72898U)**

Tel: (416) 593-3906  
Fax: (416) 596-2143  
Email: [mhodes@blaney.com](mailto:mhodes@blaney.com)

Lawyers for the Applicants