

**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**

**UNOFFICIAL TRANSCRIPTION OF THE ENDORSEMENT OF
THE HONOURABLE MR. JUSTICE McEWEN
DATED OCTOBER 3, 2019**

J. Nemers for the Court-appointed Receiver

D. Filice, from the Receiver's Office

D. Magisano for Ducimus Capital Corp.

Mervyn D. Abramowitz for Applicants

3 Oct 19

Order to go on consent of parties/persons attending, no opposition having been received,
as per Schedule A attached.

Sealing order shall also go as Sierra Club criteria are met. Second order also to go as per draft filed + signed, as amended.

Schedule A

On consent, the Respondents withdraw the totality of their accusations against the Receiver and its counsel, the first four paragraphs (and ninth paragraph) of the draft Order sought by the Receiver's responding and cross-motion record are approved pursuant to the Order signed by me today and the balance of the relief sought by the parties is to be determined on the following basis:

1. all the monies reflected at Exhibit "H" of Mr. Nadarajalingam's affidavit sworn October 2, 2019, being \$1,004,272.77 (the "Trust Monies") are to be delivered to the Receiver's counsel by wire by no later than noon (Toronto time) on Monday, October 7, 2019 (the "First Deadline Date"). The Trust Monies shall be held in escrow by the Receiver's counsel until the earlier of Friday, October 11, 2019 at 4 p.m. (Toronto time) (the "Second Deadline Date") and the date on which the balance of funds necessary to satisfy all the Debtor's creditors is wired to the Receiver's counsel (the "Remaining Funds"). The exact amount of the Remaining Funds is dependent on the specific amount owing to the Applicants as of the Second Deadline Date (which the Applicants estimate to be approximately \$230,000 higher than reflected in the Applicants' payout letter from Sept. 10/19) and the specific additional amount owing to the Receiver and its counsel as of the Second Deadline Date and to discharge (estimated to be, in the totality, an additional amount of approximately \$35,000 beyond what I have approved today pursuant to paragraph 4 of my Order of today, provided that there are no further issues or complications), but the parties (including the Receiver) agree based on the Respondents' materials that the amount to satisfy the unsecured creditors who have not agreed to postpone their debts is \$68,285.21. The parties shall return before me on Oct. 7/19 @ 9:15 a.m. with a draft order substantively similar to the Refinancing Approval Order made by me in matter CV-18-608368-00CL (modified, for greater certainty, to reflect the creditors, creditor amounts and other specifics of the present case), which shall reflect the exact amount of the Remaining Funds. Provided that the Remaining Funds are wired to the Receiver's counsel prior to or at the Second Deadline Date, then the Trust Funds shall be released from escrow and, together with the Remaining Funds, distributed by the Receiver to the Debtor's creditors in accordance with a form of order substantively similar to the Distribution and Discharge Order made by me on August 29, 2019 in matter CV-18-608368-00CL (modified, for greater certainty, to reflect the creditors, creditor amounts and other specifics of the present case),

which shall also be presented to me when the parties return to me on October 7/19. In the event that the Remaining Funds are not wired to the Receiver's counsel prior to or at the Second Deadline, and unless the Receiver or the Applicant takes steps after the making of this endorsement to preclude the Ducimus financing transaction from being completed, the Trust Funds shall be released from escrow and applied by the Receiver as follows:

- (i) first, to satisfy the fees and the disbursements of the Receiver and its counsel then outstanding; and
 - (ii) second, to partially satisfy the indebtedness owing to the Applicants (subject to the Receiver's counsel delivering an opinion confirming the validity and enforceability of the Applicants' security, subject to the usual assumptions and qualifications of an opinion of such nature);
2. the fifth, sixth, seventh and eighth paragraphs of the draft Order sought by the Receiver responding and cross-motion record are also approved by me today (approving the Sale Process, the Listing Agreement, etc.), but shall only become effective on Wednesday, October 16, 2019 at 11:59 p.m. (Toronto time) if the Remaining Funds have not been wired to the Receiver's counsel prior to or at the Second Deadline Date.

The fees and disbursements of the Receiver and its counsel, as set out in the Receiver's record dated September 27, 2019 are fair and reasonable and are approved.

I am satisfied that the Confidential Appendices (as defined in the Receiver's record) should be sealed.