

2019 (the “**Second Report**”), (iii) approving and accepting the Receiver’s Interim Statement of Receipts and Disbursements for the period from March 19, 2018 to April 25, 2019, as set out in Appendix “D” to the Second Report (iv) approving the fees and disbursements of the Receiver for the period from March 6, 2018, to April 2, 2019, the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from May 14, 2018, to April 18, 2019, and the fees and disbursements of Zimmerman & Associates (“**Zimmerman**”) from March 19 to July 10, 2018, relating to the closing of the sale of the WM Drive Property, and (v) for directions regarding (a) the surplus funds available for distribution held by the Receiver from the sale of the WM Drive Property following payout of the Applicants’ first mortgage, less the fees and costs of the Receiver from April 3, 2019, and its counsel from on or about April 19, 2019 (the “**Surplus Funds**”), and (b) regarding a deposit paid by Skymark in the amount of \$100,000.00 (the “**Deposit**”) in respect of an aborted purchase of a property in Lindsay, Ontario (the “**Lindsay Property**”), currently held by Colliers Macaulay Nicolls Inc., the real estate brokerage for the vendor, was heard this day at Toronto.

AND THIS MOTION made by 2455657 Ontario Corporation (“**245 Ontario**”), which held the second mortgage registered over the WM Drive Property as of the closing date of the sale of the WM Property by the Receiver on or about July 9, 2018 (the “**Second Mortgage**”), originally returnable May 2, 2019 (the “**245 Motion**”), for an Order authorizing and directing the Receiver to make a distribution to 245 Ontario out of the Surplus Funds on account of its Second Mortgage, or such other amount as remains held by the Receiver from the Surplus Funds, was heard this day at Toronto.

ON READING the Second Report of the Receiver, the Affidavit of Jonathane Ricci sworn April 29, 2019, the affidavit of Roman Turlo sworn May 15, 2019, on hearing the submissions of counsel for (i) the Receiver, (ii) the Debtor, (iii) 245 Ontario, (iv) 1764180 Ontario Ltd. (“**176 Ontario**”, the claimant of the Deposit in respect of the Lindsay Property), and (v) 2384419 Ontario Inc. and Roman Turlo, *no one appearing for any other person on the Service List, although properly served with (i) the Receiver’s Motion as appears from the affidavit of service of Chad Kopach sworn April 26, 2019, and (ii) a draft copy of this Order as appears from the affidavit of service of Eric Golden sworn June 12, 2019, and on being advised by counsel for the Receiver that (i) Colliers*

and Justice Hainey having heard submissions from

on May 2, 2019,

Macaulay Nicolls Inc. consents to this Order as it relates to the Deposit, (ii) no person on the Service List has advised the Receiver of any opposition to the Receiver's Motion, (iii) no person on the Service List has advised the Receiver of any opposition to the 245 Motion, (iv) other than 245 Ontario, 176 Ontario, Colliers Macaulay Nicolls Inc., 2384419 Ontario Inc. and Roman Turlo, no person on the Service List has taken any position whatsoever on the Receiver's Motion or the 245 Motion, or made any claims to the Surplus Funds, and (v) the Receiver and its counsel are not aware of claims to the Surplus Funds or the Deposit other than by 245 Ontario, 176 Ontario, Colliers Macaulay Nicolls Inc., 2384419 Ontario Inc. and Roman Turlo,

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion originally returnable May 2, 2019 (the "**NOM**"), and related motion material filed by the Receiver in support of that NOM, including the Receiver's Motion Record dated April 26, 2019, and the Second Report (collectively, the "**Motion Material**"), be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the Second Report, and the actions of the Receiver described therein, be and are hereby approved.
3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from March 19, 2018 to April 25, 2019, as set out in Appendix "D" to the Second Report, be and is hereby accepted and approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from March 6, 2018 to April 2, 2019, the fees and disbursements of Blaneys for the period from May 14, 2018 to April 18, 2019, and the fees and disbursements of Zimmerman for the period from March 19, 2018 to July 10, 2018, be and are hereby approved.

5. **THIS COURT ORDERS** that the Appointment Order of Justice McEwen dated March 19, 2018, be and same is hereby amended to add the following paragraph:

3(s) to deal with the deposit paid by the Debtor in the amount of \$100,000.00 (the “**Deposit**”) in respect of an aborted purchase of a property in Lindsay, Ontario (the “**Lindsay Property**”), currently held by Colliers Macaulay Nicolls Inc., including, without limitation, authorizing payment of the Deposit authorizing payment of the Deposit to Rubenstein, Siegel in trust, the solicitors for the vendor of the Lindsay Property, 1764180 Ontario Ltd.;

6. **THIS COURT ORDERS** that the Receiver be and is hereby directed to make a distribution to 245 Ontario from the proceeds of sale of the WM Drive Property in the amount of \$200,000.00, in partial satisfaction of the amounts owing under 245 Ontario’s Second Mortgage over the WM Drive Property (the “**Partial Payment**”).
7. **THIS COURT ORDERS** that the Partial Payment be made payable by the Receiver to the lawyers of record herein for 245 Ontario, DJD Law Professional Corporation, in trust, and that the Partial Payment be held in trust by DJD Law Professional Corporation until further Order of the Court regarding payment thereof.
8. **THIS COURT ORDERS** that \$50,000.00 from the Deposit be paid by Colliers Macaulay Nicolls Inc. to Rubenstein, Siegel in trust, the solicitors for the vendor of the Lindsay Property, 1764180 Ontario Ltd.
9. **THIS COURT ORDERS** that the remaining \$50,000.00 from the Deposit be paid to Colliers Macaulay Nicolls Inc. to its own account.

A handwritten signature in blue ink, appearing to read "Dietrich J.", is written above a horizontal line.

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&M HANDELMAN INVESTMENTS LIMITED, ET AL.

Applicants

and

Court File No. CV-18-593698-00CL
SKYMARK PROPERTIES 1 CORPORATION, ET AL.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceeding commenced at Toronto

**ORDER
(APPROVAL AND DISTRIBUTION)**

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