



ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]

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

BETWEEN:

**OWEMANCO MORTGAGE HOLDING CORPORATION**

Applicant

- and -

**CONCEPT LOFTS LTD. and DONALD DESROCHERS**

Respondents

**FIRST REPORT OF ROSEN GOLDBERG INC.**

**November 4, 2022**

**I. INTRODUCTION**

1. By Order of Justice Cavanagh dated October 21, 2022 (the “**IR Appointment Order**”), Rosen Goldberg Inc. was appointed interim receiver (in such capacity, the “**Interim Receiver**”) of certain real property of the Respondent Concept Lofts Ltd. (the “**CCL**”) municipally known as 1183 Dufferin Street, in Toronto, Ontario (the “**Dufferin Property**”) pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”). A copy of the



IR Appointment Order is attached as **Appendix A**.

2. A copy of Justice Cavanagh’s endorsement in connection the IR Appointment Order (the “**IR Endorsement**”) is attached as **Appendix B**.

## **II. TERMS OF REFERENCE**

3. In preparing this First Report, the Interim Receiver has relied upon information from third party sources (collectively, the “**Information**”). Certain information contained in this First Report may refer to, or be based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Interim Receiver has relied on this Information, and to the extent possible reviewed the Information for reasonableness. However, the Interim Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Interim Receiver expresses no opinion or other form of assurance in respect of the Information.

## **III. PURPOSE OF THIS REPORT**

4. This First Report is being filed to report on the Interim Receiver’s activities and preliminary findings with respect to the Dufferin Property since its appointment on October 21, 2022.

## **IV. BACKGROUND**

5. The Dufferin Property is a converted church residential condominium project (the “**Project**”) located on the east side of Dufferin Street between Bloor Street West and Dupont Street. It consists of 14 residential units and 11 below grade parking stalls. Although



construction was substantially completed in the summer of 2021, the Project does not appear to have progressed significantly, if at all, since that time. The condominium corporation has not yet been created.

6. On September 15, 2022, the City of Toronto caused notice of an Order issued on July 16, 2019 under the *Building Code Act, 1992* to be registered against the Dufferin Property. The Order prohibits footings, foundations, structural framing, ductwork and piping for heating and air conditioning systems from being covered or enclosed. The Interim Receiver observes that contrary to the Order, the footings, foundations, structural framing, ductwork and piping for heating and air conditioning systems from being are in fact covered or enclosed.
7. As set out the IR Endorsement, the Interim Receiver was appointed to take possession of and secure the Dufferin property and place insurance coverage after the Applicant OWEMANCO Mortgage Holding Corporation learned that the Project was uninsured.

## **V. INTERIM RECEIVER'S ACTIVITIES AND FINDINGS**

8. Following its appointment, the Interim Receiver:
  - caused insurance to be placed on the Project through Chubb Insurance effective as of October 21, 2022;
  - undertook a site inspection of the Project;
  - engaged Apex Property Management and Consulting Inc. to undertake property management services and visit and inspect the Project twice daily;
  - contacted Babak Shajari, the City of Toronto building inspector assigned to the Project, to notify him of the Interim Receiver's appointment;
  - arranged for utilities to be provided to all of the unoccupied residential units in the



Project; and

- arranged for locks to the unoccupied units to be changed; and
  - engaged in preliminary discussions with the occupants of two occupied units.
9. The Interim Receiver also engaged in discussions with Sanjay Dubey. Mr. Dubey is the principal of SDM Constructions Inc., who on October 20, 2022 registered a construction lien against the Dufferin Property in the amount \$189,739.09 in respect of site supervision and project management services and materials. Mr. Dubey is also an officer and director of CCL.
  10. Although two of the units (Units 102 and 108) are occupied, Mr. Dubey confirmed that no occupancy certificates have been issued in respect of the Project.
  11. According to Mr. Dubey, Unit 102 is rented by CCL to a tenant for \$4,300/month and Unit 108 is being rented by Donald Desrochers to a tenant for between \$2,600 and \$2,700/month on the basis that Mr. Desrochers purports to own Unit 108, notwithstanding that the condominium corporation has not yet been created and units have not yet been conveyed to end buyers.
  12. Mr. Dubey also advised the Interim Receiver that he understands that between four and six units residential units are subject to agreements of purchase.
  13. On October 27, 2022, the Interim Receiver learned that buyers of two units in the Project from CCL had initiated legal proceedings for declarations that CCL repudiated their agreements of purchase and sale and for the return of their deposits. Copies of the buyers' Notices of Application are attached as **Appendices C and D**.
  14. On October 26, 2022, Justice Centa, who was unaware of the stay of proceedings imposed under the IR Appointment Order, scheduled both applications to be heard on January 16,



2023. A copy of Justice Centa's endorsement is attached as **Appendix E**.
15. On October 28, 2022, counsel for the buyers delivered copies of their agreements of purchase and sale with CCL to the Interim Receiver. The Interim Receiver has not yet reviewed the agreements to purchase and sale or assessed the merits of their repudiation claims.
16. As of this date, the Interim Receiver has not reviewed any other agreements of purchase and sale or had communications with any buyers.

All of which is respectfully submitted,

Dated at Toronto, Ontario, this 4th day of November, 2022.

**ROSEN GOLDBERG INC., SOLELY IN ITS CAPACITY AS  
COURT-APPOINTED INTERIM RECEIVER OF  
THE DUFFERIN PROPERTY, AND NOT IN  
ITS PERSONAL OR CORPORATE CAPACITY**