

**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

THE HONOURABLE) THURSDAY, THE 20TH
)
JUSTICE STEELE) DAY OF MARCH, 2025

B E T W E E N:

(Court Seal)

AFC MORTGAGE ADMINISTRATION INC.

Applicant

and

SUNRISE ACQUISITIONS (ELMVALE) INC., SAJJAD HUSSAIN,
MAHVESH HUSSAIN, MUZAMMIL KODWAVI and SAFANA KODWAVI

Respondents

INTERIM DISTRIBUTION ORDER

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as the court appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Sunrise Acquisitions (Elmvale) Inc., Sajjad Hussain, Mahvesh Hussain, Muzammil Kodwavi and Safana Kodwavi (collectively the “**Debtors**”) for an order, *inter alia*, approving the distribution of the sale proceeds from the property owned by Sunrise Acquisitions (Elmvale) Inc., pursuant to an approval and vesting order dated March 31, 2025 granted by Justice Michael A. Penny (the “**Elmvale Property**”), was heard this day, at 330 University Avenue, Toronto ON, M5G 1R7.

ON READING the Motion Record of the Receiver, the Second Report of the Receiver (the “**Report**”) and affidavits contained therein, the Supplementary Motion Record of the Receiver containing the Affidavit of Kathy Ples sworn January 31, 2025, the Supplementary Report to the Second Report of the Receiver, the Appendices contained therein, and on hearing the submissions of counsel for the Receiver, counsel for AFC Mortgage Administration Inc. (“**AFC**”), counsel for KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Hwy 7 Receiver**”) of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc., and the parties listed on the counsel slip, no one appearing although served as evidenced by the affidavits of service, filed:

SERVICE & DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that all capitalized terms not otherwise defined herein shall have the meaning given to them in the Report.

DISTRIBUTIONS

3. THIS COURT ORDERS that, subject to a holdback of \$600,000 (the “**Residual Holdback**”) and such other holdbacks as the Receiver considers necessary or appropriate to fund these proceedings, including, without limitation, the Receiver’s fees and the fees of its counsel, the Receiver, its counsel and other agents are hereby authorized and

directed to make or cause to be made one or more distributions from the purchase price paid for the Elmvale Property as follows:

- (a) to the Stalking Horse Bidder in respect of the Break Fee provided under the Original Stalking Horse Agreement with the Stalking Horse Bidder as set out in the Sales Procedure Order granted by the Honourable Justice Conway on August 15, 2024;
 - (b) such parties as are applicable in respect of property tax, legal fees, real estate commissions and such other customary disbursements for a transaction of a similar nature; and
 - (c) to AFC in respect, and to the extent, of its mortgages registered against the Elmvale Property.
4. THIS COURT ORDERS that, subject to the Hwy 7 Receiver's (i) satisfactory review of AFC's payout statement (the "**Payout Statement**"), and a review of the backup documents (the "**Backup Documents**") and information relating to the Payout Statement reasonably requested and required to conduct such review, and (ii) determination as to the propriety of any interest, fees, penalties, charges, and expenses (other than out-of-pocket expenses and legal fees), claimed therein (including all such interest, fees, penalties, charges and expenses capitalized as principal) (such amounts collectively so determined, the "**Additional Indebtedness**"), or, in the event there is a dispute regarding the Hwy 7 Receiver's review and determination of the Additional Indebtedness, the determination by this Court, the Receiver is hereby authorized and directed to distribute the Residual Holdback (the "**Residual Distribution**"), and any additional interest accrued thereon to

the date of the Residual Distribution in accordance with AFC's mortgage and loan documents, to AFC in satisfaction of all indebtedness owed by the Debtors to AFC.

5. THIS COURT ORDERS that the Hwy 7 Receiver shall provide its position as set out in paragraph 4 above within fourteen (14) business days of being provided with the Backup Documents. If the Hwy 7 Receiver intends to proceed with a dispute, it shall provide a written Notice of Dispute setting out the quantum and basis for the dispute. Thereafter, the Receiver or the Hwy 7 Receiver shall bring a motion for a determination, if necessary, on the earliest date reasonably available.

GENERAL

6. THIS COURT ORDERS that the Receiver may apply to this Court at any time to amend, vary or supplement this Order or for advice and directions regarding the interpretation or application of this Order.
7. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

Date of issuance
(to be completed by registrar)



(Signature of judge, officer or registrar)

AFC MORTGAGE ADMINISTRATION INC.
Applicant

-and- SUNRISE ACQUISITIONS (ELMVALE) INC. et al.
Respondents

Court File No. CV-24-00713287-00CL

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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF
PROCEEDING COMMENCED AT
TORONTO

ORDER

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