



Court File No. CV-24-00714813-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 24<sup>TH</sup>

)

JUSTICE PENNY

)

DAY OF SEPTEMBER, 2024

B E T W E E N:

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

and

1703306 ONTARIO INC. and R.O. BEAM & SON CONSTRUCTION LIMITED

Respondents

**ANCILLARY ORDER**

**THIS MOTION**, made by Zeifman Partners Inc. ("Zeifmans") in its capacity as Receiver and Manager (the "Receiver") over specified properties of 1703306 Ontario Inc. ("1703306") and R.O Beam & Sons Construction Limited ("R.O. Beam") (collectively, the "Debtors"), for, among other things, an order approving the First Report of the Receiver dated September 12, 2024 ("First Report") and other relief was heard by Zoom video conference.

**ON READING** the Motion Record of the Receiver and the First Report and Appendices thereto and on hearing the submissions of counsel for the Receiver, GR8SPACE4U Inc., the Debtors and various lien claimants, no one appearing for any other person on the service list,

although properly served as appears from the affidavit of service of Hayley Morgan sworn September 13, 2024, filed,

1. **THIS COURT ORDERS** that the First Report and the activities of the Receiver as set out in the First Report are hereby approved, provided that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Receiver's actions and activities.

2. **THIS COURT ORDERS** that the Debtors shall forthwith deliver the following records and information to the Receiver:

- (a) Documentation and backup accounting for the deposits for sale agreements in the amount of \$610,000 on the 15 Lots, and backups for accounting for the usage/disbursement of this \$610,000 with copies of bank statements and related books and records;
- (b) Contact details for the bookkeeper/accountant for the Debtors;
- (c) Copy of latest statement of account with business number for both Debtors.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver in the amount of \$155,435.53, inclusive of HST as set out in the Fee Affidavit of Allan A. Rutman are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of Fogler Rubinoff LLP as counsel for the Receiver in the amount of \$51,407.82, inclusive of HST as set out in the Fee Affidavit of Joseph Fried, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Loopstra Nixon LLP in the amount of \$8,240.53, inclusive of HST as set out in the Fee Affidavit of Matthew Himmel, are hereby approved.

6. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period between April 26, 2024 to August 31, 2024, is hereby approved.

7. **THIS COURT ORDERS** that, for the purpose of the paragraph 4 of each of the Approval and Vesting Orders for the partially built homes (Lots 3, 6, 15, 17 and 39) and the vacant lots (Lots 2, 5, 10, 11, 16, 18 and 40) issued contemporaneously with this Order, the holders of liens over Lot Nos. 2, 3, 5, 6, 10, 11, 15, 16, 17, 18, 39 and 40 which are vested off title pursuant to the Approval and Vesting Orders shall be entitled to the same priority that they enjoyed prior to the sale over all funds realized and to be realized by the Receiver.

8. **THIS COURT ORDERS** that the Receiver is authorized to repay amounts borrowed from Hillmount Capital Mortgage Holdings Inc. ("Hillmount") pursuant to Receiver's Certificates and to distribute funds to Hillmount up to the amount set out in the payout statement of Hillmount attached as Appendix 5 to the First Report, together with interest thereon to the date of payment, but subject to a holdback of \$1,000,000.00 pending determination of the issues set out in paragraph 9 herein.

9. **THIS COURT ORDERS** that the Receiver's motion to determine the holdbacks for the priority claimed by the holders of lien claims shall be adjourned to November 18, 2024 to permit the lien claimants to file evidence and factums supporting their claim to priority.

10. **THIS COURT ORDERS** that the Confidential Compendium attached to the First Report shall be sealed, kept confidential, and shall not form part of the public record, but shall rather be placed separate and apart from all the other contents of the Court File in a separately sealed envelope on which is affixed a notice setting out the title of these proceedings and a statement that the contents are subject to a sealing order.

11. **THIS COURT ORDERS** that the Confidential Compendium shall remain under seal until the sale of all of the properties which are the subject matter of the receivership is complete, or upon further order of this court.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be 'R. J. 3'.

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.  
Applicant

-and- 1703306 ONTARIO INC. et al.  
Respondents

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PROCEEDING COMMENCED AT TORONTO

**ANCILLARY ORDER**

**FOGLER, RUBINOFF LLP**

Lawyers

77 King Street West

Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

**Catherine Francis (LSO# 26900N)**

cfrancis@foglers.com

Tel: 416-941-8861

Lawyers for the Receiver, Zeifman Partners Inc.