



Court File No. CV-22-00674717-00CL & CV-21-00668821-00CL

Court File No. CV-21-00668821-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY , THE 25th
JUSTICE OSBORNE) DAY OF SEPTEMBER, 2024

BETWEEN:

BERKID INVESTMENTS LIMITED, ROBERT BARRON, THORNBRIDGE CAPITAL INC., LUCY BER, SUSAN LATREMOILLE, JAMES MACDONALD, SCOTT TUPLING, NADA TUPLING, TMP INVESTMENTS INC., MARK PIEROG, TARA PIEROG, RON LAPSKER, 1392530 ONTARIO INC., LANGFORD GRAIN INC., FORE BEARS FORENSIC SCIENCE INC., FESTIVUS HOLDINGS INC., STEVEN FREIMAN AND GREGORY IP

Plaintiffs

- and -

HUNTER MILBORNE, GREGORY MARCHANT, MM REALTY PARTNERS INTERNATIONAL, MM REALTY PARTNERS INTERNATIONAL INC., LEGACY LIFESTYLE DESTIN LIMITED PARTNERSHIP, LEGACY LIFESTYLE DESTIN GP INC., LEGACY LIFESTYLE SUMMERLIN LIMITED PARTNERSHIP, LEGACY LIFESTYLE SUMMERLIN GP INC. LEGACY LIFESTYLE TRAILWINDS LIMITED PARTNERSHIP, LEGACY LIFESTYLE TRAILWINDS GP INC., WAVERLEY CORPORATE FINANCE SERVICES LTD. and MORGAN MARCHANT

Defendants

Court File No. CV-22-00674717-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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**LEGACY LIFESTYLES DESTIN LP, LEGACY LIFESTYLES TRAILWINDS LP,
LEGACY LIFESTYLES SUMMERLIN LP, LEGACY LIFESTYLES OCOEE LP,
LEGACY LIFESTYLES LONGLEAF LP**

Applicants

- and -

**LEGACY LIFESTYLES DESTIN PROPERTY LLC, LEGACY LIFESTYLES
TRAILWINDS PROPERTY LLC, LEGACY LIFESTYLES FORT MYERS PROPERTY
LLC, LEGACY LIFESTYLES OCOEE PROPERTY LLC, , LEGACY LIFESTYLES
LONGLEAF PROPERTY LLC**

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., C. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended

ORDER

THIS MOTION made by Zeifman Partners Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”), of the assets, undertakings and properties of Legacy Lifestyles Destin LP, Legacy Lifestyles Destin GP Inc., Legacy Lifestyles Summerlin LP, Legacy Lifestyles Summerlin GP Inc., Legacy Lifestyles Trailwinds LP, Legacy Lifestyles Trailwinds GP Inc., Legacy Lifestyles Ocoee LP, Legacy Lifestyles Ocoee GP Inc., Legacy Lifestyles Longleaf LP, Legacy Lifestyles Longleaf GP Inc., Legacy Lifestyles Destin Property LLC, Legacy Lifestyles Trailwinds Property LLC, Legacy Lifestyles Ft. Myers Property LLC, Legacy Lifestyles Ocoee Property LLC and Legacy Lifestyles Longleaf Property LLC, appointed pursuant to the Amended Order of the Honourable Justice Conway, dated February 11, 2022 (the “**Receivership Order**”) for an order, approving distributions of the net proceeds of sale of the Destin Property and the Trailwinds Property (each defined below), approving the fees and disbursements of the Receiver

and its counsel and granting certain other relief was heard this day at 330 University Avenue, Toronto, Ontario via Zoom.

ON READING the Sixth Report of the Receiver, dated September 16, 2024 (the “**Sixth Report**”), the affidavit of Allan Rutman affirmed September 10, 2024 (the “**Rutman Affidavit**”), the affidavit of Kenneth Kraft affirmed September 11, 2024 (the “**Kraft Affidavit**”), the affidavit of James Irving, sworn September 12, 2024 (the “**Irving Affidavit**”), the affidavit of Arnold (Skip) Straus, Jr., sworn September 16, 2024 (the “**Straus Affidavit**”), the affidavit of Douglas Waldorf, affirmed September 11, 2024 (the “**Waldorf Affidavit**”), the affidavit of Timothy R. Dunn, sworn September 20, 2024 (the “**Dunn Affidavit**”), the Supplemental Report to the Sixth Report of the Receiver, dated September 24, 2024 (the “**Supplemental Sixth Report**”), and on hearing the submissions of counsel for the Receiver, and such other counsel and parties as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Amanda Campbell sworn September 16 & 24, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DESTIN DISTRIBUTIONS

2. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make interim distributions of the net sale proceeds of the property municipally known as 401 Beach Drive, Destin, Florida (the “**Destin Property**”), to the creditors of Legacy Lifestyles Destin LP, Legacy Lifestyles Destin GP Inc. and Legacy Lifestyles Destin Property LLC, as set forth in Schedule “A” hereto.

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make the following payments from the net proceeds of sale of the Destin Property:

- (a) CA\$33,333.33 to Greg Roberts PC, on account of 1/3 of the costs award in favour of the Plaintiffs set out at paragraph 41 of the Receivership Order (the “**Costs Award**”);
- (b) CA\$10,000.00 to Katzman & Associates, on account of 1/5 of the Costs Award in favour of the Intervening Investors;
- (c) US\$12,115.00 to N21 Group LLC; and
- (d) US\$122,007.01 to the Receiver’s trust account in respect of the Trailwinds Debtors, to be included in the funds available for distribution as set out in Schedule “B” hereto.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute any remaining net proceeds of the Destin Property in accordance with the distribution calculation attached as Appendix “L” to the Sixth Report without the need for any further Court approval.

TRAILWINDS DISTRIBUTIONS

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make interim distributions of the net sale proceeds of the property municipally known as 5578 County Road, 466A, Wildwood, Florida (“**Trailwinds Property**”), to the creditors of Legacy Lifestyles Trailwinds LP, Legacy Lifestyles Trailwinds GP Inc. and Legacy Lifestyles Trailwinds Property LLC, as set forth in Schedule “B” hereto.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make the following payments from the net proceeds of sale of the Trailwinds Property:

- (a) CA\$33,333.33 to Greg Roberts PC, on account of 1/3 of the Costs Award in favour of the Plaintiffs; and
- (b) CA\$10,000.00 to Katzman & Associates, on account of 1/5 of the Costs Award in favour of the Intervening Investors.

7. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute any remaining net proceeds of the Trailwinds Property in accordance with the distribution calculation

attached as Appendix “A” to the Supplemental Sixth Report without the need for any further Court approval.

LIMITATION OF LIABILITY

8. **THIS COURT ORDERS** that the Receiver shall not have any liability for carrying out the provisions of this Order and making the distributions in accordance with its terms, save and except for any gross negligence or wilful misconduct on its part.

RECEIVER’S ACTIVITIES AND R&D

9. **THIS COURT ORDERS** that the Sixth Report, the Supplemental Sixth Report, and the activities and conduct of the Receiver as described therein, be and are hereby approved, provided, however, that only Zeifman Partners Inc., in its capacity as Receiver and not in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

10. **THIS COURT ORDERS** that the Receiver’s interim statement of receipts and disbursements, for period from February 11, 2022 to September 5, 2024, be and is hereby approved.

FEES

11. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from June 1, 2024 to August 31, 2024, as set out in the Sixth Report and the Rutman Affidavit be and are hereby approved.

12. **THIS COURT ORDERS** that the fees and disbursements of Dentons Canada LLP, for the period from June 1, 2024 to August 31, 2024, as set out in the Sixth Report and the Kraft Affidavit be and are hereby approved.

13. **THIS COURT ORDERS** that the fees and disbursements of Dentons Bingham Greenebaum LLP, for the period from April 1, 2024 to June 30, 2024, as set out in the Sixth Report and the Irving Affidavit be and are hereby approved.

14. **THIS COURT ORDERS** that the fees and disbursements of Dentons Cohen & Grigsby P.C., for the period from April 19, 2024 to June 24, 2024, as set out in the Sixth Report and the Waldorf Affidavit be and are hereby approved.

15. **THIS COURT ORDERS** that the fees and disbursements of Straus & Associates, P.A. relating to the Trailwinds Property for the period from November 15, 2023 to August 1, 2024, as set out in the Sixth Report and the Straus Affidavit be and are hereby approved.

16. **THIS COURT ORDERS** that the fees and disbursements of Blaney McMurtry LLP for the period from August 1, 2024 to September 16, 2024, as set out in the Supplemental Sixth Report and the Dunn Affidavit be and are hereby approved.

Osborne, J.

Digitally
signed by
Osborne J.
Date:
2024.09.25
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Schedule "A"

Destin Distributions

DESTIN DISTRIBUTION

	<u>USD</u>	<u>CAD converted @1.37</u>
Estimated Cash Balance as at September 5, 2024	\$ 3,132,000	
Holdback: Estimated Remaining Fees of Receiver and Counsel	\$ (91,241)	\$125,000.00 CDN
Holdback: Inspector Proportionate Fees 1/5	\$ (15,691)	\$21,496.58 CDN
Holdback: Inspector Fees Pending Sale of Remaining Properties	\$ (23,536)	\$32,244.88 CDN
Payment: Plaintiff's Costs Award - 1/3 (Roberts)	\$ (24,331)	\$33,333.33 CDN
Holdback: Plaintiff's Costs Pending Sale of Remaining Properties	\$ (12,165)	\$16,666.67 CDN
Payment: Intervening Investors Costs Award - 1/5 (Katzman)	\$ (7,299)	\$10,000 CDN
Holdback: Intervening Investors Costs Pending Sale of Remaining Properties N21	\$ (10,949)	\$15,000 CDN
	\$ (12,115)	

Funds remaining for distribution

\$ 2,934,672

Lender

	<u>ALLOWED AMOUNT</u>	<u>Percentage of Claim</u>	<u>Distribution</u>
1 1018073 B.C. Ltd. (Frank Geier)	200,000.00	2.8576%	\$ 83,860.24
2 1392530 Ontario Inc. (Shirley Chong)	200,000.00	2.8576%	\$ 83,860.24
3 1424604 Ontario Limited (Jim Richings)	150,000.00	2.1432%	\$ 62,895.18
4 2244512 Ontario Inc. (Ashis Chawla)	50,000.00	0.7144%	\$ 20,965.06
5 4422279 Canada Inc (Ron Shlien)	300,000.00	4.2864%	\$ 125,790.37
6 David Thomson	100,000.00	1.4288%	\$ 41,930.12
7 David Thomson (Re: Carolyn R. MacLeod)	100,000.00	1.4288%	\$ 41,930.12
8 Fore Bears Forensic Science Inc. (Vince Rochon)	300,000.00	4.2864%	\$ 125,790.37
9 Gonul Isinak	100,000.00	1.4288%	\$ 41,930.12
10 Gregory Ip Medicine Professional Corporation	500,000.00	7.1439%	\$ 209,650.61
11 James Tennent	150,000.00	2.1432%	\$ 62,895.18
12 Kevin Sterling	100,000.00	1.4288%	\$ 41,930.12
13 Langford Grain Inc. (Dave & Michelle Langford)	392,634.19	5.6099%	\$ 164,631.99
14 Lucy Ber	200,000.00	2.8576%	\$ 83,860.24
15 M2D2 Capital Resources, Inc. (Don Thomson)	200,000.00	2.8576%	\$ 83,860.24
16 Mark & Tara Pierog	500,000.00	7.1439%	\$ 209,650.61
17 Mark Freiman	200,000.00	2.8576%	\$ 83,860.24
18 Marty Shankman Agency Limited	150,000.00	2.1432%	\$ 62,895.18
19 Michael Kessel	35,000.00	0.5001%	\$ 14,675.54
20 New Gemini Inc. (Steve Sibley)	250,000.00	3.5720%	\$ 104,825.31
21 Paul Collins Professional Corporation	200,000.00	2.8576%	\$ 83,860.24
22 Reinrichmar Holdings Limited	150,000.00	2.1432%	\$ 62,895.18
23 Robert White	100,000.00	1.4288%	\$ 41,930.12
24 Ron Lapsker	500,000.00	7.1439%	\$ 209,650.61
25 Scott & Nada Tupling	420,000.00	6.0009%	\$ 176,106.51
26 Steven E. Freiman	300,000.00	4.2864%	\$ 125,790.37
27 Susan Latremaille	150,000.00	2.1432%	\$ 62,895.18
28 John Boag	150,000.00	2.1432%	\$ 62,895.18
29 Thornbridge Capital (Mark Ber & Jason Middleton)	300,000.00	4.2864%	\$ 125,790.37
30 Legacy Lifestyles Trailwinds Property LLC	290,977.00	4.1574%	\$ 122,007.01
31 Gregory L. Marchant	260,348.32	3.7198%	\$ 109,164.37
Total	<u>\$ 6,998,959.51</u>	<u>100.0000%</u>	<u>\$ 2,934,672.26</u>

Schedule “B”

Trailwinds Distributions

TRAILWINDS DISTRIBUTION

	US FUNDS	
Estimated Cash Balance as at September 5, 2024	\$ 3,447,000	
Less: Provision for remaining fees	\$ (91,241)	\$125,000.00 CDN conversion rate @ 1.37
Farley Cohen Proportionate Fees 1/5	\$ (15,691)	\$21,496.58 CDN conversion rate @ 1.37
Holdback Pending Sale of Remaining Properties	\$ (23,536)	\$32,244.88 CDN conversion rate @ 1.37
Cost Awards - Roberts - 1/3	\$ (24,331)	\$33,333.33 CDN conversion rate @ 1.37
Holdback Pending Sale of Remaining Properties	\$ (12,165)	\$16,666.67 CDN conversion rate @ 1.37
Cost Awards - Katzman - 1/5	\$ (7,299)	\$10,000 CDN conversion rate @ 1.37
Holdback Pending Sale of Remaining Properties	\$ (10,949)	\$15,000 CDN conversion rate @ 1.37
Destin unsecured claim	\$ 122,007	

Funds remaining for distribution

\$ 3,383,794

Lender	Allowed Claim	Percentage of Claim	Distribution
001 1387615 Ontario Limited (Scott Barrett)	72,648.02	0.7051%	\$ 23,860.55
002 2143700 Ontario Inc. (Larry/David Jackson)	200,000.00	1.9413%	\$ 65,688.09
003 2244512 Ontario Inc. (Ashis Chawla)	50,000.00	0.4853%	\$ 16,422.02
004 2464649 Ontario Inc. (Rick Woodgate)	100,000.00	0.9706%	\$ 32,844.04
005 Neale Brown	370,000.00	3.5913%	\$ 121,522.97
006 4422279 Canada Inc. (Ron Shlien)	400,010.00	3.8826%	\$ 131,379.46
007 9677658 Canada Inc. (Ken Wootton)	100,000.00	0.9706%	\$ 32,844.04
008 Alcran Holdings Ltd. (Ian Johnson)	100,000.00	0.9706%	\$ 32,844.04
009 Angellotti Holdings Inc.	50,000.00	0.4853%	\$ 16,422.02
010 Avni Suchak (Mitesh)	200,000.00	1.9413%	\$ 65,688.09
011 Basi Law Professional Corporation (Katy Basi)	50,000.00	0.4853%	\$ 16,422.02
012 Christiansen Investments Inc. (Arlene Christiansen)	1,500,000.00	14.5594%	\$ 492,660.67
013 Claremont Holdings Corporation (Ian Collins)	72,471.65	0.7034%	\$ 23,802.62
014 Donald C. Baker	100,000.00	0.9706%	\$ 32,844.04
015 Edward M. Hunter	200,000.00	1.9413%	\$ 65,688.09
016 Festivus Holdings Inc. (Steve & Mark Freiman)	550,000.00	5.3385%	\$ 180,642.25
017 Hallco Holdings Inc. (Mike Hall)	300,000.00	2.9119%	\$ 98,532.13
018 Ian and Moira Bell	150,000.00	1.4559%	\$ 49,266.07
019 Izabella Dykstra	50,000.00	0.4853%	\$ 16,422.02
020 James MacDonald	349,286.56	3.3903%	\$ 114,719.83
021 Katayoun Sarafian	100,000.00	0.9706%	\$ 32,844.04
022 Langford Grain Inc. (Dave & Michelle Langford)	1,064,783.68	10.3351%	\$ 349,718.03
023 Mad Apples Marketing Communications Inc. (David Power)	100,000.00	0.9706%	\$ 32,844.04
024 Michael Kessel	50,000.00	0.4853%	\$ 16,422.02
025 1000583755 Ontario Inc. (Olga de Wit)	100,000.00	0.9706%	\$ 32,844.04
026 MLC Financial Ltd.	200,000.00	1.9413%	\$ 65,688.09
027 NMP Investment Holdings Inc. (Nick Perpik)	250,000.00	2.4266%	\$ 82,110.11
028 Paul Collins Professional Corporation	225,000.00	2.1839%	\$ 73,899.10
029 Paura Professional Corporation (Mario Paura)	225,000.00	2.1839%	\$ 73,899.10
030 Peter G. Volpe	100,000.00	0.9706%	\$ 32,844.04
031 Reinrichmar Holdings Limited (Rick Reininger)	300,000.00	2.9119%	\$ 98,532.13
032 Richard W. Woodruff	200,000.00	1.9413%	\$ 65,688.09
033 Robert Barron	100,000.00	0.9706%	\$ 32,844.04
034 Robert White	50,000.00	0.4853%	\$ 16,422.02
035 Scott & Nada Tupling	300,000.00	2.9119%	\$ 98,532.13
036 Spectrum Jewellery Mfg. Inc.	720,800.00	6.9963%	\$ 236,739.87
037 Taler Investments Inc. (Mark Harrington)	100,000.00	0.9706%	\$ 32,844.04
038 The Asylum Inc.	450,000.00	4.3678%	\$ 147,798.20
039 Thornbridge Capital Inc.	100,000.00	0.9706%	\$ 32,844.04
040 TMP Investments Inc. (Mark Pierog)	400,000.00	3.8825%	\$ 131,376.18
041 Greg Marchant	202,611.39	1.9666%	\$ 66,545.78
Total	\$ 10,302,611.30	100.0000%	\$ 3,383,794.27

Court File No. CV-22-00674717-00CL & CV-21-00668821-00C

Court File No. CV-21-00668821-00C

BERKID INVESTMENTS LIMITED
Plaintiff

and

HUNTER MILBORNE et al.
Defendant

LEGACY LIFESTYLES DESTIN LP, et al.
Applicants

and

Court File No. CV-22-00674717-00C
LEGACY LIFESTYLES DESTIN PROPERTY LLC, et al.
Responders

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

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