

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL COURT**

THE HONOURABLE  
JUSTICE HAINEY

) THURSDAY THE 2<sup>ND</sup>  
) DAY OF MARCH, 2017

B E T W E E N:

GODSTONE CO-OWNERSHIP INC.

Applicant

and

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,  
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,  
LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC.,  
1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD.,  
1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN,  
FRANCISCO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMEN MANGAL,  
JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON,  
GODSTONE HARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG,  
SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN  
and JANET LOUISE HILSON

Respondents

**CLAIMS PROCEDURE ORDER**

**THIS MOTION** made by Pollard & Associates Inc., (“**Pollard**”) in its capacity as the Receiver of the following co-ownership units located within a 103-unit townhouse development located at 53 to 71 Godstone Road, in the City of Toronto, in the Province of Ontario (the “**Godstone Project**”):

- (a) Units 57-111, 57-119, 59-117, 63-111, 63-115, 63-116 and 71-118 held by Maple Ridge Real Estate Investments Corp. (“**Maple Ridge**”) (the “**Maple Ridge Units**”);

- (b) Units 67-115, 67-115, 67-120, 67-121, 69-124 held by 1320950 Alberta Ltd;
- (c) Units 69-121, 69-123, 69-127 held by 1336364 Alberta Ltd;
- (d) Units 69-116, 69-117, 69-120, 69-126 held by 1336365 Alberta Ltd;
- (e) Units 69-111, 69-114, 69-115 held by 1336366 Alberta Ltd;
- (f) Units 69-110, 69-125 held by 1336367 Alberta Ltd; (collectively, the “**Alberta Companies**” and the “**Alberta Units**”) on an interim basis pending the return of this motion on August 12, 2015.

For an order approving the Claims Procedure and to order a Claims Bar Date was heard this day at the Ontario Superior Court of Justice, 330 University Avenue, Toronto, Ontario.

**ON READING** the Fourth Report of the Receiver dated February 15, 2017, the Affidavit of Tracey Mason sworn February 24, 2017, the Supplemental Report of the Receiver dated February 25, 2017, the Motion Record of the Plaintiff to Discharge the Receiver, the Factum of the Plaintiff and the Responding Motion Record of DUCA Financial Services Credit Union Ltd. dated February 27, 2017, and on hearing submissions of counsel for the Receiver, counsel for DUCA Financial Services Credit Union Ltd., counsel for Lydia Luckevich and Janet Louise Hilson and counsel for the Plaintiff, Counsel for Rec + Counsel for King appearing although duly served,



**SERVICE**

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

**DEFINITIONS**

2. **THIS COURT ORDERS** that for the purposes of this Order, the following terms shall have the following meanings:

- (a) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (b) “**Claim**” means any right of any Person against the Units in connection with any indebtedness, liability or obligation of any kind of the Units, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,

equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could be asserted by way of set-off, counterclaim or otherwise, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the date of this Order or which would have been claims provable in bankruptcy had the Units, become bankrupt on the date of this Order, (each, a “**Creditor Claim**” and, collectively, the “**Creditor Claims**”).

- (c) “**Claims Bar Date**” means 5:00 p.m. (Toronto time) on May 10, 2017, or any later date ordered by the Court;
- (d) “**Claims Package**” means a package of information to be provided by the Receiver, which package shall include a copy of this Order without attachments, an Instruction Letter, a Notice of Claim and such other materials as the Receiver may consider appropriate or desirable;
- (e) “**Claims Procedure**” means the procedures outlined in this Order, including Schedule “A”;
- (f) “**Claims Procedure Order**” means this Order;
- (g) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (h) “**Creditor**” means any Person having a Claim;
- (i) “**Receivership Order**” means the Receivership Order made by the Honourable Justice Hailey dated July 27, 2015, as amended;
- (j) “**Instruction Letter**” means a letter to Creditors regarding the Claims Procedure containing instructions regarding the completion and return of a Notice of Claim substantially the same form attached as Schedule “A” hereto;
- (k) “**Person**” means any individual, general or limited partnership, firm association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or any other juridical entity howsoever designated or constituted;
- (l) “**Notice of Claim**” means the form of Notice of Claim to be completed and filed by a Creditor setting forth its purported Claim, substantially in the form attached as Schedule “A”;
- (m) “**Occupants of Units**” means those persons occupying the Units during the

Receivership Proceedings;

- (n) **“Proven Claim”** means the amount and classification of any Creditor’s Claim as finally determined as accepted by the Receiver in accordance with this Claims Procedure;
- (o) **“Receivership Proceedings”** means, collectively, the receivership proceedings commenced in respect of the Units by Order of this Court on July 27, 2015; and
- (p) **“Receiver’s Website”** means <http://www.pollardandassociates.ca>; and
- (q) **“Service List”** means those parties listed on the Service List which forms part of the Motion returnable March 2, 2017;

### **NOTICE TO CREDITORS AND OTHERS**

#### **3. THIS COURT ORDERS that**

- (a) the Receiver shall, no later than five Business Days following the making of this Order, post a copy of this Order (together with the Schedule) on the Receiver’s Website;
- (b) the Receiver shall send to each of the parties on the Service List; the occupants of the Units; Canada Revenue Agency and the Ministry of Finance, a copy of the Claims Package by hand delivering a copy to the Occupants of the Units and by sending a copy by courier to Canada Revenue Agency and the Ministry of Finance and by email to the Service List ,within 5 business days of making this Order;
- (c) the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Claims Package to any Person claiming to be a Creditor and requesting such material.

### **NOTICE OF CLAIM**

4. **THIS COURT ORDERS** that all Creditors, shall file with the Receiver a Notice of Claim within the time periods herein stipulated.

### **DEADLINE FOR FILING REQUEST FOR AMENDMENT OR NOTICE OF CLAIM**

5. **THIS COURT ORDERS** that all Notices of Claim, together with supporting documentation in respect of such Claim, must be filed with the Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission, by no later than the Claims

Bar Date.

6. **THIS COURT ORDERS** that any Creditor that does not file a Notice of Claim, together with supporting documentation in respect of such Claim,

- (a) shall be and is hereby forever barred from asserting or enforcing any Claim against the Units;
- (b) shall not be entitled to receive any distributions from the proceeds from the sale of the Units; and
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, the Receivership Proceedings.

#### **DETERMINATION OF CLAIMS AGAINST THE UNITS**

7. **THIS COURT ORDERS** that the Receiver shall review all Notices of Claims filed on or before the Claims Bar Date and may accept the amount, status and/or priority of a Claim set out in any Notice of Claim. If the Receiver determines to revise or disallow any Claims set out in the Notice of Claim, the Receiver shall seek further direction from the court and may make such recommendations to the court as the Receiver deems necessary.

8. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification and amount of any Claim with the Creditor for which the Receiver requests court approval.

#### **NOTICE OF TRANSFEREES**

9. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with the transferee or assignee of a Claim as the Creditor in respect thereof unless:

- (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver; and
- (b) the Receiver shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

10. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the

whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 9 of this Order and the Receiver has acknowledged in writing such transfer or assignment, the person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

11. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice to any Person other than the Creditor holding the Claim and shall, without limitation, have any obligation to give notice to any Person holding a security interest, lien, or charge in, or pledge or assignment by way of security in a Claim.

12. **THIS COURT ORDERS** that the transferee or assignee of any Claim:

- (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of any of the Units against any such transferor or assignor, including any rights of set-off which any of the Units had against such transferor or assignor, and
- (b) cannot use any transferred or assigned claim to reduce any amount owing by the transferee or assignee to any of the Units, whether by way of set-off, application, merger, consolidation or otherwise.

#### **PROTECTIONS FOR RECEIVER**

13. **THIS COURT ORDERS** that in carrying out the terms of this Order:

- (a) the Receiver shall have all of the protections given to it by the Receivership Order or as an officer of this Court, including the stay of proceedings in its favour;
- (b) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order;
- (c) the Receiver shall be entitled to rely on Godstone's books and records, and any information provided by Godstone, all without independent investigation; and
- (d) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

## **DIRECTIONS**

14. **THIS COURT ORDERS** that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure set out herein and the forms attached as Schedule hereto.

## **SERVICE AND NOTICE**

15. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Claims Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the fourth (4<sup>th</sup>) Business Day after mailing.

16. **THIS COURT ORDERS** that any notice or other communication to be given under this Order by a Creditor to the Receiver shall be in writing substantially in the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

**Pollard & Associates Inc.**  
**Attention: Angela K. Pollard**  
31 Wright Street  
Richmond Hill, Ontario  
L4C 4A2  
Fax: (905)884-4310  
Email: [akpollard@pollardandassoc.ca](mailto:akpollard@pollardandassoc.ca)

**- with a copy to:**

**DEVRY SMITH FRANK LLP**  
Lawyers & Mediators  
**Attention: Kelli Preston**  
95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9  
Fax: (416)449-7071  
Email: [kelli.preston@devrylaw.ca](mailto:kelli.preston@devrylaw.ca)

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

## **MISCELLANEOUS**

reporting to the Court.

17. **THIS COURT ORDERS** that this Claims Procedure Order does not and is not intended to provide for the calculation or methodology of determining distributions but solely for providing a process for submitting and adjudicating Claims. The Receiver will request additional relief from this Court with respect to determining a final basis for calculating and determining ultimate distributions to Creditors.

18. **THIS COURT ORDERS** that the Receiver may set off (whether by way of legal, equitable or contractual set-off) against the Claims of any Creditor, any claims of any nature whatsoever that any of the Units may have against such Creditor arising prior to the entry of this Claims Procedure Order, provided that such set-off satisfies the requirements for legal, equitable or contractual set-off to the extent permitted by applicable law as may be determined by the Court. If there is any dispute between the Receiver and the applicable Creditor, however, neither the failure to assert set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by the Receiver of any such claim that the Receiver may have against such Creditor.

19. **THIS COURT ORDERS AND REQUESTS** that the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States of America, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the term of this Order.

Determination of CLAIMS AGAINST THE UNITS.

20. This Court Orders that the Receiver shall receive all Notices of Claim filed on or before the Claims Bar Date. Following the Claims Bar Date the Receiver will compile all Claims, analyze and attempt to define the issues the Court will be required to review in order to determine the validity, quantum and priority of each Claim.

*[Handwritten signature]*



GODSTONE CO-OWNERSHIP INC.

Plaintiffs

and

MAPLE RIDGE REAL ESTATE  
INVESTMENTS CORP. ET AL

Defendants

Court File No. CV-12-9934-00 CL

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL COURT**  
Proceeding commenced at TORONTO

**CLAIMS PROCEDURE ORDER**

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