

APPENDIX “F”
CONSENT OF A&M TO ACT AS MONITOR

Court File No.: CV-25-00740512-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MIZRAHI DEVELOPMENT GROUP
(THE ONE) INC. AND MIZRAHI COMMERCIAL (THE
ONE) GP INC.**

Applicants

CONSENT OF THE PROPOSED MONITOR

Alvarez & Marsal Canada Inc. hereby consents to act as Court-appointed monitor of Mizrahi Development Group (The One) Inc., Mizrahi Commercial (The One) GP Inc. and Mizrahi Commercial (The One) LP (collectively, the “**Companies**”) in respect of these proceedings, subject to the granting of an initial order under the *Companies' Creditors Arrangement Act* (Canada) in the form included in the Application Record filed on behalf of the Companies.

Dated as of April 3, 2025.

ALVAREZ & MARSAL CANADA INC.

Per: 

Name: Stephen Ferguson

Title: Senior Vice-President

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

Court File No. CV-25-00740512-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MIZRAHI DEVELOPMENT GROUP (THE ONE) INC. AND MIZRAHI
COMMERCIAL (THE ONE) GP INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

CONSENT OF THE PROPOSED MONITOR

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for Alvarez & Marsal Canada Inc., in its
capacity as Receiver and Proposed Monitor

APPENDIX “G”
CRO ENGAGEMENT LETTER



20 Adelaide St. E, Suite 920
Toronto, Ontario, M5C 2T6

April 1, 2025

Mizrahi Commercial (The One) LP, Mizrahi
Development Group (The One) Inc., and
Mizrahi Commercial (The One) GP Inc.

Re: Chief Restructuring Officer Engagement – 1 Bloor West Development

This engagement letter confirms and sets forth the terms and conditions of the engagement of FAAN Advisors Group Inc. ("**FAAN**") as the Chief Restructuring Officer ("**CRO**") of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc. (collectively, the "**Company**"), including the scope of the services to be performed by FAAN and the basis of compensation for those services.

Upon execution of this engagement letter by each of the parties hereto, receipt of the retainer described below, and approval by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") of: (i) the commencement of proceedings under the *Companies Creditors' Arrangement Act* (Canada) ("**CCAA**") in respect of the Company; (ii) the appointment of FAAN as the CRO of the Company; and (iii) this engagement letter, this engagement letter will constitute an agreement between the Company and FAAN (this "**Agreement**").

The appointment of FAAN as CRO and this Agreement require Court approval pursuant to the proposed CCAA Initial Order (as such Order may be amended from time to time, the "**CCAA Initial Order**"). The proposed CCAA Initial Order contemplates the granting of an administration charge (the "**Administration Charge**") to secure, among other obligations, payment of FAAN's fees and expenses, as detailed below, pursuant to this Agreement. For greater certainty, this Agreement is conditional upon Court approval of the Administration Charge.

1. Description of Services.

The Company hereby engages FAAN to serve as CRO to assist in the completion of the real estate project located at 1 Bloor West in Toronto, Ontario (the "**Project**"). This engagement will be led by FAAN's Managing Director, Naveed Z. Manzoor, with support provided by other FAAN personnel, as required. FAAN and its personnel are collectively referred to herein as the "**Engagement Personnel**".

FAAN and the Engagement Personnel shall be responsible for the duties listed below. Collectively, such CRO activities are referred to as the "**Services**".

- a) Assisting the Company during its contemplated CCAA proceedings ("**CCAA Proceedings**");
- b) Managing the CCAA Proceedings on the Company's behalf, including but not limited to:
 - (i) executing agreements for and on behalf of the Company; and
 - (ii) working closely with Tridel Builders Inc. and certain of its affiliates ("**Tridel**") and other parties involved in completing the Project, including making decisions on behalf of the Company with

respect to the ongoing development of the Project as contemplated by the transaction agreements to be entered into with Tridel;

- c) Serving as the Company's primary contact with and working closely with the proposed Court-appointed monitor ("**Monitor**"), Alvarez & Marsal Canada Inc. ("**A&M**"), and other professionals involved in the CCAA Proceedings;
- d) Dealing with other key stakeholders in the CCAA Proceedings including KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 301, IGIS Global Private Placement Real Estate Fund No. 434 and IGIS Global Private Placement Real Estate Fund No. 530 (the "**Lender**"); and
- e) Other services as customarily provided by the CRO of a company, and agreed to by FAAN, that is not duplicative of work others are performing for the Company; and
- f) All other duties and functions as set forth in the CCAA Initial Order.

FAAN and the Monitor (as defined below), may mutually agree to amend, modify or supplement the scope of the Services upon written agreement (email being sufficient).

During the performance of this Agreement, FAAN shall be an independent contractor and not an employee of the Company, and this Agreement is not intended and will not operate to make any Engagement Personnel an employee of the Company for any purpose. For greater certainty, this Agreement does not create any association, partnership, joint venture, employee/employer, principal/agent or any other relationship between FAAN and the Company. As an independent contractor, FAAN shall be responsible for all federal, provincial and income taxes payable in respect of all fees payable under this Agreement.

The Engagement Personnel shall operate in collaboration with other parties pursuant to and in accordance with the CCAA Initial Order, any other order of the Court in the Company's CCAA proceedings, this Agreement and the definitive agreements with Tridel that are contemplated to be approved in the CCAA proceedings, and any ancillary agreements entered into in connection therewith.

2. Compensation.

FAAN's monthly work fee for the Services will be CDN \$80,000 ("**Monthly Work Fee**"), plus HST and documented out-of-pocket expenses (including expenses related to the retention of Norton Rose Fulbright LLP as legal counsel) incurred in connection with, or arising out of FAAN's activities under or contemplated by this Agreement or any Order made in the CCAA Proceedings.

In addition to the Monthly Work Fee, FAAN shall be entitled to a discretionary incentive fee of up to \$850,000 ("**Incentive Fee**") based on FAAN's performance during this mandate, which performance shall be evaluated by the Lender at their sole discretion. For greater certainty, the timing and payment of the Incentive Fee, if any, shall be at the sole discretion of the Lender but shall be paid no later than the termination of this Agreement.

After the completion of the construction portion of the Project and provided FAAN has earned and received an Incentive Fee, the Company and FAAN, with the consent of the Lender, may agree to an amended Monthly Work Fee provided that such agreement shall be agreed upon in writing prior to such change.

Upon Court approval, FAAN shall immediately be paid a retainer in the amount of \$80,000, plus applicable taxes, which shall be credited against any fees due and owing to FAAN at the termination of this Agreement. Invoices rendered by FAAN are payable promptly after receipt or

unless otherwise agreed to by FAAN.

3. Termination. This Agreement will commence upon Court approval of same pursuant to the CCAA Initial Order and may be terminated without cause by A&M, in its capacity as Monitor, for and on behalf of the Company, with the consent of the Lender, by providing 90 days' written notice to FAAN. In the case of just cause, this Agreement may be terminated immediately by the Monitor, for and on behalf of the Company, with the consent of the Lender.

FAAN normally does not withdraw from an engagement unless there is material misrepresentation or failure to disclose material facts, a failure to make payment of FAAN's fees or expenses pursuant to the terms of this Agreement, or it is unethical or unreasonably difficult for FAAN to continue performance of the engagement, or other just cause. In the event that FAAN intends to withdraw from this engagement without cause, it shall provide 90 days' written notice to the Monitor and the Lender.

On termination of the Agreement, any fees and expenses due to FAAN for services provided up to and including the effective date of termination shall be remitted promptly by the Company (including fees and expenses that accrued prior to, but invoiced subsequent to, the effective date of termination). For greater certainty, if the final date of FAAN's engagement occurs mid-month, the Monthly Work Fee will be prorated based on the number of days in that month.

The Company and FAAN agree that notwithstanding the foregoing, any discharge of FAAN as CRO shall be subject to Order of the Court on a discharge motion to be brought within the CCAA proceedings.

The provisions of this Agreement that expressly state that they are to continue in effect after the termination of this Agreement, or which by their nature would survive the termination of this Agreement shall survive and continue to bind the parties.

4. No Audit. The Company acknowledges and agrees that the Engagement Personnel are not being requested to perform an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the CPA Canada, IFRS, OSC, AICPA, SEC or other provincial, state or national professional or regulatory body.
5. No Third-Party Beneficiary. The parties hereto acknowledge that all advice (written or oral) provided by FAAN to any party in connection with this Agreement is intended solely for the benefit and use of such parties in considering the matters to which this Agreement relates. Any party that receives advice provided by FAAN may choose to reproduce, disseminate, quote or refer to such information as it wishes, in its sole and absolute discretion, provided that in no event may such information be attributed to FAAN.
6. Information Provided by Lender, Forward-Looking Statements and Decision Making. FAAN and the Engagement Personnel: (i) shall be provided with access to the professionals, the Lender, and other parties engaged in the completion of the Project; and (ii) shall be furnished with all data, material and other information concerning the Project and the Company, including assets, liabilities, operations, cash flows, properties, and financial conditions that FAAN reasonably requests in connection with this Agreement (collectively, the "**Project Information**"). The Engagement Personnel may rely, without further independent verification, on the accuracy and completeness of the Project Information in connection with the Services provided hereunder. All parties acknowledge and agree that the Engagement Personnel are not responsible for the accuracy or completeness of the Project Information and shall not be responsible for any inaccuracies or omissions therein. The Engagement Personnel are under no obligation to update data submitted to them or to review any other areas unless specifically agreed to by FAAN.

The parties hereto understand that the Services to be rendered by the Engagement Personnel may include assistance in the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Project, which may materially and adversely differ from those projections (and the assumptions contained therein). In addition, Engagement Personnel will be relying on Project Information and information provided by the parties hereto and other parties involved with the Project, in the preparation of those projections (and the assumptions contained therein) and other forward-looking statements.

7. Exclusivity and Conflicts. FAAN is an independent firm that has several clients and engagements, some of which will be active during the rendering of services by the Engagement Personnel in connection with this matter. FAAN is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware.

It is possible that FAAN may have rendered or will render services to, or have business associations with, other entities or people which had or have or may have relationships with the Company and/or the Project, including creditors of the Lender and/or the Project. In the event that FAAN's appointment as CRO and this Agreement are approved by the Court, FAAN will not represent and has not represented the interests of any entities or people which are in conflict with the interests of the Company in connection with this matter.

8. Indemnification/Limitations on Liability. The Company agrees that FAAN shall incur no liability for any acts or omissions of the Engagement Personnel related to the performance or non-performance of the Services and consistent with the requirements of this engagement and this Agreement, provided that such actions or omissions are not carried out in a manner that is dishonest or grossly negligent and/or the Engagement Personnel have not engaged in willful misconduct.

The Company shall, and hereby indemnifies and holds harmless the Engagement Personnel (the "**Indemnified Professionals**") against all costs, charges, expenses, losses, damages, awards, liabilities, fines, penalties, taxes payable as a result of any payment made to Indemnified Professionals under this indemnity obligation (but excluding, for the avoidance of doubt, (i) any income or similar taxes payable by the CRO or any Engagement Personnel as a result of the receipt of fees payable hereunder to the CRO or compensation payable to the Engagement Personnel by FAAN, and (ii) any withholding taxes), fees (including reasonable and documented legal, professional or advisory fees or disbursements) or amounts paid to settle a claim (to the extent made with the prior written consent of the Company and the Monitor, not to be unreasonably withheld) or satisfy a judgment (collectively, a "**Liability**"); in each case, which the Indemnified Professionals may suffer, sustain, incur or be required to pay in respect of a threatened, pending or completed civil, criminal, administrative, regulatory, investigative or other proceeding to which any of them are made a party or involved in by reason of FAAN being or having been the CRO of the Company (a "**Proceeding**") other than any Liability incurred as a result of the gross negligence or willful misconduct of the Indemnified Professionals. The provisions of this section are in the nature of contractual obligations and no change in applicable law or the Company's charter, bylaws or other organizational documents or policies shall affect the Indemnified Professionals' rights hereunder.

In the context of the CCAA proceedings of the Company, should such proceedings be approved by the Court, the Company shall also seek, as part of any plan confirmation, discharge order or final sale order, a full and final release of FAAN from all potentially affected parties. The Company shall use reasonable commercial efforts to obtain such approval by the Court.

9. Assignment. Neither party shall assign their rights or obligations under this Agreement, in whole or in part, without prior written consent of the other party (and any such attempted assignment shall be void).

10. No Personal Liability of Receiver or Monitor. FAAN acknowledges and agrees that (i) A&M, in its capacity as receiver and manager of the Company and not in its personal or corporate capacity (in such capacity, the "**Receiver**"), is signing this Agreement solely in its capacity as Receiver for and on behalf of the Company and not in its personal or corporate capacity, and (ii) the obligations of the Company under this Agreement are entirely non-recourse to the Receiver, the Monitor, A&M and any of its affiliates and any of their respective shareholders, directors, officers, employees, agents, lawyers or advisors. For greater certainty, none of the Receiver, the Monitor, A&M nor any of its affiliates or any of their respective shareholders, directors, officers, employees, agents, lawyers or advisors, shall have any personal liability under or in connection with this Agreement, and the Receiver and the Monitor expressly disclaim any such liability.
11. Miscellaneous. This Agreement: (a) shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to such Province's rules concerning conflicts of laws that might provide for any other choice of law, and the parties irrevocably attorn to the exclusive jurisdiction of the Court for any actions, proceedings, disputes or other matters arising out of or relating to this Agreement; (b) incorporates the entire understanding of the parties with respect to the subject matter hereof; and (c) may not be amended or modified except in writing executed by each of the parties hereto and consented to by the Monitor; and notwithstanding anything herein to the contrary, upon the completion of the mandate contemplated herein, FAAN may reference or list the Project, and/or a general description of the Services in FAAN's marketing materials.

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

FAAN ADVISORS GROUP INC.

Per: 

Name: Naveed Z. Manzoor

Title: Managing Director

Accepted and agreed:

MIZRAHI COMMERCIAL (THE ONE) LP, MIZRAHI DEVELOPMENT GROUP (THE ONE) INC., AND MIZRAHI COMMERCIAL (THE ONE) GP INC., by Alvarez & Marsal Canada Inc., solely in its capacity as Court-appointed receiver and manager of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc., and not in its personal or corporate capacity

Per: 

Name: Josh Nevsky

Title: Senior Vice President

APPENDIX “H”
COMPARATIVE PRICING ANALYSIS OF DIP CREDIT AGREEMENT

The One - Summary of Comparable Credit Agreements

| Facilities Reviewed | Commitment (\$MM) | Interest Rate | Fees [1] |
|--|--|---|--|
| DIP Credit Agreement - The One | \$615.0 | 4.5% | None |
| Receivership Funding Credit Agreement - The One | \$315.0 | 10.0% | 1.5% |
| 19 Real Estate Credit Agreements (CCAA) See Exhibit 1.A | - Average of ~\$5.3 million - Up to \$25 million | - Average 10.8% - Ranging from 7.5% to 15.0% | - Average 2.0% - Ranging from 0.0% to 3.4% |
| Seven Credit Agreements in excess of \$100M (CCAA and Chapter 11) See Exhibit 1.B | - Average of ~\$360 million - Up to \$1.4 billion | - Average 12.7% - Ranging from 9.5% to 16.4% | - Average 1.6% - Ranging from 0.25% to 4.0% |

Note 1. Many of the agreements reviewed included additional fees (including non-utilization fees, monthly fees, draw fees) not contemplated in the DIP Credit Agreement.

Exhibit 1.A. Select Recent Real Estate Credit Agreement Terms

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate |
|---|--|-----------------|----------|-------------|--------------|-------------|-------------------|--|--------------------------------------|
| Westphalia Dev. Corp. | Walton Global Investments Ltd. | CCAA | FTI | 14-Jan-25 | AB | Real Estate | \$0.8 | | RBC Prime + 4% |
| A2A Capital Services Canada Inc. Et Al | Pillar Capital Corp. | CCAA | A&M | 14-Nov-24 | AB | Real Estate | \$2.0 | Facility fee of 3% to be deducted from each advance, Monthly monitoring fee of \$500, and due diligence fee of \$7,500 | 15.0% |
| Mizrahi Development Group (1451 Wellington) Inc. | TCC Mortgage Holdings Inc. | CCAA | MNP | 15-Oct-24 | ON | Real Estate | \$25.0 | Commitment fee of 1.5% (\$375,000) | 10.0% |
| Karwood Estates Inc. and Gregg Construction Limited | Pillar Capital Corp. | CCAA | GT | 05-Jun-24 | NL | Real Estate | \$2.4 | Facility fee of 3%, and due diligence fee of \$5,000 | 13.5% |
| Anfis Enterprises Inc. and 9407-5173 Québec Inc. | Dicepizza S de RL de CV | CCAA | RC | 12-Mar-24 | ON | Real Estate | \$0.1 | | Prime + 5% |
| Balboa Inc. et al. | Harbour Mortgage Corp. | CCAA | KSV | 23-Jan-24 | ON | Real Estate | \$12.0 | 1. Non-refundable commitment fee of \$240,000 to be paid from initial advance; and 2. If loan extended by Lender for period not to exceed 6 months, extension fee of \$120,000 payable on Repayment Date. | Greater of RBC prime + 4.8% or 12.0% |
| Donmar Properties Ltd. and 10058984 Manitoba Ltd. | Morcourt Properties Ltd. | CCAA | EY | 10-Apr-23 | MB | Real Estate | \$0.8 | | 8.0% |
| J.W. Carr Holdings Ltd. et al. | MGB Investments Ltd. | CCAA | EY | 20-Apr-23 | AB | Real Estate | \$2.7 | Closing fee of \$25,000; undrawn amount fee of 2% per annum on undrawn amounts | 12.0% |
| Donmar Properties Ltd. and 10058984 Manitoba Ltd. | Morcourt Properties Ltd. | CCAA | EY | 18-Apr-23 | MB | Real Estate | \$0.8 | N/A | 8.0% |
| Groupe Sélection Inc. | National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance and Fiera | CCAA | PwC | 21-Nov-22 | QC | Real Estate | \$20.0 | None | Prime + 3.75% |
| Hazellton Development Corporation | Triumph Eastern Investments Inc. | CCAA | GT | 20-Apr-22 | ON | Real Estate | \$9.0 | Commitment fee of \$180,000 | 13.0% |
| 0989705 B.C. Ltd. et al. | Gatland, REV and South Street LP | CCAA | A&M | 01-Apr-22 | BC | Real Estate | \$1.0 | \$25,000 | 10.0% |
| Trinity Ravine Community Inc. | Nahid Corporation or an affiliate | CCAA | Deloitte | 23-Feb-22 | ON | Real Estate | \$0.9 | 1. one-time fee of \$20,000; 2. Advance Fee of \$500 per advance; 3. Standby Fee of 0.35% for any unutilized portion of the DIP Facility 4. \$40,000 for lender's legal fees & costs | The greater of 12% or Prime + 9.55% |
| Boreal Capital Partners | Halmont Properties Corporation | CCAA | EY | 25-Nov-21 | ON | Real Estate | \$10.0 | Borrower responsible for DIP lender's expenses | 7.5% |
| 33 Laird Inc. et al. | An Affiliate of Beaux Properties International Inc. | NOI | MNP | 03-Dec-20 | ON | Real Estate | \$0.3 | N/A | 10.0% |
| Port Capital Development (EV) Inc. | Desjardins Financial Security Life Assurance Company | CCAA | EY | 29-May-20 | BC | Real Estate | \$1.8 | Commitment fee of \$25k. The Borrower will be responsible for all of the Interim Lender's reasonable legal fees incurred in respect of the Interim Financing and CCAA proceedings. | The higher of prime + 9.55% and 12%, |
| 2607380 Ontario Inc. | Meridian | CCAA | Richter | 26-Feb-20 | ON | Real Estate | \$7.2 | Commitment fee of \$107,000, availability fee of \$2,000 per month. | 9.3% |
| Gestion KnightsBridge Inc. and Investissements KnightsBridge S.E.C. | Claric Drolet Limited Partnership and Claric Bromont Limited Partnership | NOI | Richter | 15-Nov-19 | QC | Real Estate | \$0.1 | N/A | 10.0% |
| Forme Development Group Inc. | Kingsett Mortgage Corporation | CCAA | KSV | 30-Nov-18 | ON | Real Estate | \$5.0 | \$75.0M commitment fee, extension fee of \$25.0M on each 4-month extension; professional costs of the lender. | Prime + 4.55% (minimum rate of 8.5%) |

Exhibit 1.B. Select Recent Credit Agreement Terms in Excess of \$100 million

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate |
|---------------------------------|--|---------------------------|---------|-------------|--------------|---------------|--|--|---|
| Teal Jones Group | Wells Fargo et. al. | CCAA | PWC | 25-Apr-24 | BC | Lumber | The lesser of \$115.5 and amount provided by borrowing base + \$56.0 | \$300,000 | 9.5% |
| Revlon Inc. et al. | The BrandCo Lenders and certain Prepetition ABL Lenders | Foreign order recognition | KSV | 20-Jun-22 | ON | Manufacturing | Term DIP Facility - \$1.025 billion; ABL DIP Facility - \$400 million | Term DIP Facility - 1% of the aggregate principal amount of each Term DIP Lender's Term DIP Commitment; ABL DIP Facility - 1% of the aggregate Tranche A DIP ABL Commitments as of the Petition Date | Term DIP Facility - SOFR + 7.75% (with a 1% SOFR floor); LIFO ABL DIP Loans - ABR + 2.50% (with a 1.5% ABR floor); SISO ABL DIP Loans - ABR + 4.75% (with a 2.75% ABR floor) |
| Just Energy Group Inc. (TSX:JE) | LVS III SPE XV LP, TOCU XVII LLC, HVS XVI LLC and OC II LVS XIV LP | CCAA | FTI | 09-Mar-21 | ON | Oil and Gas | \$125.0 | Commitment fee of \$1.25 million and origination fee of \$1.25 million. The Borrower will be responsible for all of the DIP Lenders' reasonable legal fees incurred in respect of the DIP Financing. | 13.0% |
| Mountain Equipment Co-operative | Toronto-Dominion Bank, Royal Bank of Canada and Canadian Imperial Bank of Commerce | CCAA | A&M | 14-Sep-20 | BC | Retail | \$100.0 | The Interim Lenders also provided the petitioners' pre-filing credit facilities, so an "amendment fee" of \$250,000 is payable on the execution of the Interim Financing Credit Agreement. The petitioners are also required to reimburse the Interim Lenders for all reasonable and documented expenses in connection with the Interim Financing Facility and Interim Financing Credit Agreement. | Interest is payable on the outstanding principal amount at the applicable rate per annum for the Prime Rate, BA Rate and LIBO Rate Loans, any unused line fee, and the Default Rate for past due payments (all as defined in the Updated Credit Agreement), plus a rate of 2% per annum, payable on the Maturity Date |
| Pier 1 Imports (U.S.), Inc. | Various pre-petition lenders | Foreign order recognition | A&M | 18-Feb-20 | ON | Retail | US \$256.0 | \$2.4 million in aggregate fees (equal to 0.9% of the total financing) | Revolving loans: LIBOR + 3% FILO Loans: LIBOR + 4.5% ABL Term Loan: LIBOR + 8% |
| Yellow YRC | Citadel Credit Master Fund LLC and MFN Partners, L.P. | Foreign order recognition | A&M | 08-Aug-23 | ON | Trucking | US\$100.0 Post petition B-2 Facility US\$42.5 Junior DIP Facility | Post petition B-2 Facility: \$4.0 million Junior DIP Facility: \$1.7 million | Post petition B-2 Facility: ABR + 8.5% Junior DIP Facility: 15% |
| Sungard | PNC Bank & Certain Prepetition 1L Term Loan Lenders and Prepetition 2L Term Loan Lenders | Foreign order recognition | A&M | 11-Apr-22 | ON | IT | US\$50.0 Senior Secured Revolver US\$285.9 Senior Secured Term Loan | Senior Secured Term Loan: Tranche A: 4% Backstop Fee, 3.0% OID, 2.5% fee on repaid amounts | Senior Secured Revolver: ABR + 3% Senior Secured Term Loan: Tranche A (\$95.3) L+9.5%; Tranche B (\$190.6) L+7.5 |

APPENDIX “I”
CASH FLOW FORECAST

Mizrahi Development Group (The One) Inc et al.
Weekly Cash Flow Forecast
For the Period April 12, 2025 to August 29, 2025
\$000's CAD

| Cash Flow Week: | | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 |
|---------------------------------|----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Week Ending: | | 18-Apr-25 | 25-Apr-25 | 02-May-25 | 09-May-25 | 16-May-25 | 23-May-25 | 30-May-25 | 06-Jun-25 | 13-Jun-25 | 20-Jun-25 | 27-Jun-25 | 04-Jul-25 | 11-Jul-25 |
| Receipts | 1 | 882 | - | - | - | 1,135 | - | - | - | - | 2,197 | - | - | - |
| Disbursements | | | | | | | | | | | | | | |
| Construction Costs | 2 | - | - | (16,121) | - | - | - | (14,808) | - | - | - | - | (13,490) | - |
| Design Related Costs | 3 | - | - | (1,010) | - | - | - | (1,063) | - | - | - | - | (1,063) | - |
| Project & Sales Management | 4 | - | - | (23) | - | - | - | (1,448) | - | - | - | - | (448) | - |
| General, Administrative & Other | 5 | - | - | (300) | - | - | - | (29) | - | - | - | - | (29) | - |
| Land & Development Costs | 6 | - | - | (543) | - | - | - | (18) | - | - | - | - | (797) | - |
| Restructuring Professional Fees | 7 | - | - | (2,886) | - | - | - | (1,748) | - | - | - | - | (1,583) | - |
| Total Disbursements | | - | - | (20,883) | - | - | - | (19,115) | - | - | - | - | (17,410) | - |
| Net Cash Flow | | 882 | - | (20,883) | - | 1,135 | - | (19,115) | - | - | 2,197 | - | (17,410) | - |
| <u>Cash Balance</u> | | | | | | | | | | | | | | |
| Opening Cash | | 63,708 | 64,590 | 64,590 | 43,707 | 43,707 | 44,842 | 44,842 | 50,727 | 50,727 | 50,727 | 52,924 | 52,924 | 55,514 |
| Net Cash Flow | | 882 | - | (20,883) | - | 1,135 | - | (19,115) | - | - | 2,197 | - | (17,410) | - |
| Advances | | - | - | - | - | - | - | 25,000 | - | - | - | - | 20,000 | - |
| Ending Cash | | 64,590 | 64,590 | 43,707 | 43,707 | 44,842 | 44,842 | 50,727 | 50,727 | 50,727 | 52,924 | 52,924 | 55,514 | 55,514 |
| <u>DIP Facility</u> | | | | | | | | | | | | | | |
| Opening Balance | | - | - | - | - | - | - | - | 25,000 | 25,022 | 25,043 | 25,065 | 25,086 | 45,108 |
| Advances | | - | - | - | - | - | - | 25,000 | - | - | - | - | 20,000 | - |
| Accrued Interest | | - | - | - | - | - | - | - | 22 | 22 | 22 | 22 | 22 | 39 |
| Ending DIP Facility | | - | - | - | - | - | - | 25,000 | 25,022 | 25,043 | 25,065 | 25,086 | 45,108 | 45,147 |

Mizrahi Development Group (The One) Inc et al.
Weekly Cash Flow Forecast
For the Period April 12, 2025 to August 29, 2025
\$000's CAD

| Cash Flow Week: Week Ending: | Notes | Week 14 18-Jul-25 | Week 15 25-Jul-25 | Week 16 01-Aug-25 | Week 17 08-Aug-25 | Week 18 15-Aug-25 | Week 19 22-Aug-25 | Week 20 29-Aug-25 | 20 Week Total |
|---------------------------------|----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| Receipts | 1 | 2,109 | - | - | - | 1,829 | - | - | 8,151 |
| Disbursements | | | | | | | | | |
| Construction Costs | 2 | - | - | (13,524) | - | - | - | (14,228) | (72,171) |
| Design Related Costs | 3 | - | - | (1,063) | - | - | - | (1,063) | (5,262) |
| Project & Sales Management | 4 | - | - | (448) | - | - | - | (448) | (2,816) |
| General, Administrative & Other | 5 | - | - | (322) | - | - | - | (29) | (709) |
| Land & Development Costs | 6 | - | - | (797) | - | - | - | (9,461) | (11,615) |
| Restructuring Professional Fees | 7 | - | - | (1,120) | - | - | - | (998) | (8,335) |
| Total Disbursements | | - | - | (17,273) | - | - | - | (26,228) | (100,908) |
| Net Cash Flow | | 2,109 | - | (17,273) | - | 1,829 | - | (26,228) | (92,757) |
| <u>Cash Balance</u> | | | | | | | | | |
| Opening Cash | | 55,514 | 57,623 | 57,623 | 60,350 | 60,350 | 62,179 | 62,179 | 63,708 |
| Net Cash Flow | | 2,109 | - | (17,273) | - | 1,829 | - | (26,228) | (92,757) |
| Advances | | - | - | 20,000 | - | - | - | 20,000 | 85,000 |
| Ending Cash | | 57,623 | 57,623 | 60,350 | 60,350 | 62,179 | 62,179 | 55,951 | 55,951 |
| <u>DIP Facility</u> | | | | | | | | | |
| Opening Balance | | 45,147 | 45,186 | 45,225 | 65,264 | 65,320 | 65,377 | 65,433 | - |
| Advances | | - | - | 20,000 | - | - | - | 20,000 | 85,000 |
| Accrued Interest | | 39 | 39 | 39 | 56 | 56 | 56 | 56 | 490 |
| Ending DIP Facility | | 45,186 | 45,225 | 65,264 | 65,320 | 65,377 | 65,433 | 85,490 | 85,490 |

Mizrahi Development Group (The One) Inc et al.
Weekly Cash Flow Forecast
For the Period April 12, 2025 to August 29, 2025
Notes and Summary of Assumptions

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Companies have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. The Forecast reflects important assumptions, including those discussed below. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

The Forecast is presented in thousands of Canadian dollars.

Notes

(1) Receipts

Receipts primarily include input tax credit refunds. No receipts from the sale of condominium units or related deposits have been included during the forecast period.

(2) Construction Costs

Construction costs, which include hard costs, construction management fees, and other related costs, are based on estimates from SKYGRiD, Tridel, and the Companies' consultants, and may be subject to change. Consistent with normal practice on the Project, costs are forecast to be paid approximately one month following the month in which they were incurred.

(3) Design Related Costs

Design related costs, which include the fees of architects, consultants, and engineers, are based on estimates and historical trend, with input from Tridel and the Companies' consultants, and may be subject to change. The Forecast also includes certain additional costs related to the Tridel Reconfiguration Plan. Consistent with normal practice on the Project, costs are forecast to be paid approximately one month following the month in which they were incurred.

(4) Project & Sales Management

Project and sales management costs include project management fees, residential and sales fees, advertising costs and other costs.

(5) General, Administrative & Other

General, administrative and other costs include project level legal fees and other related costs.

(6) Land & Development Costs

Land and development costs include realty tax, building permits, builders' insurance premiums, and other related costs.

(7) Restructuring Professional Fees

Includes the fees of the Proposed Monitor, Goodmans, the CRO, the DIP Lender's counsel, the Cost Consultant, the Broker, and the Hotel Advisor.

APPENDIX “J”
REPORT ON CASH FLOW STATEMENT

Alvarez & Marsal Canada Inc.
200 Bay Street, Suite 3501
Toronto ON M5J 2J1

Attention: Mr. Stephen Ferguson and Mr. Josh Nevsky

April 2, 2025

Dear Sirs:

Re: Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc. (together, the “Debtors” or the “Companies”) – CCAA section 10(2) Prescribed Representations with Respect to Cash Flow Forecast

In connection with the application by the Companies for the commencement of proceedings under the *Companies’ Creditors Arrangement Act*, the Companies have prepared the cash flow forecast for the period April 12, 2025 to August 29, 2025 (the “**Cash Flow Forecast**”) and the list of assumptions on which the Cash Flow Forecast is based. The purpose of the Cash Flow Forecast is to determine the liquidity requirements of the Debtors during the CCAA proceedings.

The Companies confirm that the hypothetical assumptions on which the Cash Flow Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the Debtors and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the Cash Flow Forecast (the “**Notes**”).


Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Yours truly,

FAAN ADVISORS GROUP INC.

solely in its capacity as prospective Chief
Restructuring Officer for and on behalf of the Companies
and in no other capacity

Per.: 
Naveed. Z. Manzoor
Managing Director

APPENDIX “K”
LETTER FROM GOODMAN TO MCCARTHY
TÉTRAULT DATED JANUARY 20, 2025



Barristers & Solicitors

Bay Adelaide Centre, West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: +1 (416) 849-6895
mdunn@goodmans.ca

January 20, 2025

Our File No.: 232285

Delivered via Email (tcourtis@mccarthy.ca)

McCarthy Tétrault
66 Wellington Street West
Suite 5300, TD Bank Tower Box 48
Toronto ON M5K 1E6
Canada

Attention: Trevor Courtis

Dear Sirs:

Re: "Recirculation Transactions" and 10044890 Canada Corp.

We are counsel to Alvarez & Marsal Canada Inc. (the "**Receiver**") in its capacity as receiver and manager of all the assets, undertakings, and properties of Mizrahi Commercial (the One) LP, Mizrahi Development Group (the One) Inc., and Mizrahi Commercial (the One) GP Inc. (collectively, the "**Debtors**"), including the development project located at 1 Bloor Street West in Toronto, Ontario (the "**Project**"). As will be described further below, we write to request certain information from your clients, Richard Yu and Kevin Chen, regarding their knowledge of, and relationship with, an entity called 10044890 Canada Corp. ("**890**"). This request is made pursuant to paragraphs 8-10 of the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) dated October 18, 2023.

The CERIECO Advance Discrepancy

As you are aware, CERIECO commenced an action against the Debtors and others bearing Court File No. CV-22-00681586-00CL (the "**CERIECO Claim**").

During its review of the Debtors' books and records, the Receiver identified certain discrepancies between the quantum alleged to be owing to CERIECO in the CERIECO Claim and the advances from CERIECO to the Project recorded in the Project's QuickBooks records. As will be described further below, this discrepancy amounts to approximately \$18 million dollars.

The Receiver has investigated the cause of this \$18 million dollar discrepancy by, among other things, reviewing the Debtors' books and records and discussing the issues with senior officers and employees of Mizrahi Inc. ("MI") who were also former directors and/or officers of certain of the Debtors. The Receiver has also met with representatives of CERIECO to discuss these issues.

As will be described further below, the Receiver requires additional information from Mr. Yu and Mr. Chen in order to complete its review regarding this discrepancy.

The Recirculation Transactions and the Unrecorded CERIECO Advances

The Receiver's investigation suggests that the \$18 million discrepancy stems from three advances made by CERIECO to the Project that were never properly recorded in the Project's QuickBooks (the "**Unrecorded CERIECO Advances**"). The Unrecorded CERIECO Advances occurred on or about November 7, 2019, December 20, 2019, and January 17, 2020, respectively.

The parties interviewed by the Receiver indicated that the Unrecorded CERIECO Advances were part of a series of transactions referred to internally as the "Recirculation Transactions" that purportedly occurred at CERIECO's request. In each of the Recirculation Transactions, a transfer of cash was made from CERIECO to MI's Scotiabank 618 Account, to the Project's TD 662 account, and, on the same day, transferred back from the Project's TD 662 account to MI's Scotiabank 618 account.

CERIECO has advised the Receiver that it did not authorize, direct or participate (directly or indirectly) in the Recirculation Transactions and that it had no knowledge of such transactions at the time.

Mr. Yu and Mr. Chen's Relationship with 890

The Receiver's review indicates that the Unrecorded CERIECO Advances were eventually transferred from the Project's TD 662 account to 890. We have attached 890's corporate profile hereto as Schedule "A".

The parties interviewed by the Receiver have stated that the transfer of the Unrecorded CERIECO Advances to 890 occurred at the direction of Mr. Yu and Mr. Bosco Chan, who represented that 890 was an entity controlled by CERIECO.

MCLP's Payment of EPC Fees to 890

CERIECO has advised the Receiver that it did not authorize 890 to receive any sums, other than those reflected in certain Commission Agreements between CERIECO and Kevin Chen. The Commission Agreements are attached hereto as Schedule "B".

However, the Receiver's records indicate that 890 also received other payments from the Project. Specifically, 890 was the entity that received payment of the Prime Contract Fees ("**EPC Fees**") owed by Mizrahi Commercial (The One) LP ("**MCLP**") to CERIECO pursuant to section 5.4 of the Supplier Credit Agreement dated July 11, 2019.

In light of the foregoing, we require information from Mr. Yu and Mr. Chen with respect to:

- Whether 890 is an affiliate or related entity to CERIECO and, if so, evidence of that relationship;
- Whether Mr. Yu and/or Mr. Chen believed that 890 is an affiliate of or related entity to CERIECO and the basis for that belief;
- Whether Mr. Yu and/or Mr. Chen ever represented to others that 890 was an affiliate or related entity to CERIECO;
- Whether Mr. Yu and/or Mr. Chen directed MI to transfer the Unrecorded CERIECO Advances to 890. If so, whether Mr. Yu made this request at CERIECO's direction;
- Whether Mr. Yu and any of his affiliates or related entities (each a "**Yu Entity**") and/or Mr. Chen and any of his affiliates or related entities (each a "**Chen Entity**") owns, controls (directly or indirectly and whether *de jure* or *de facto*), is affiliated or related to and/or is aware of 890;
- Whether Mr. Yu or any Yu Entity and/or Mr. Chen or any Chen Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions defined above;
- Whether Mr. Yu or any Yu Entity and/or Mr. Chen or any Chen Entity ever received any of the funds paid to 890 or has knowledge with respect to how the funds were used;
- Whether, to the best of Mr. Yu and Mr. Chen's knowledge, CERIECO or any of its affiliates or related entities ever ultimately received any of the funds paid to 890;
- Whether Mr. Yu and/or Mr. Chen has any knowledge whatsoever about why the Unrecorded CERIECO Advances were made to 890;
- Whether Mr. Yu and/or Mr. Chen has any knowledge whatsoever about where the funds from the Unrecorded CERIECO Advances are today;

We would be pleased to meet with you, Mr. Yu and Mr. Chen to discuss these issues or to their responses in writing. Please provide a response by **January 31, 2025**.

The Receiver reserves all rights with respect to these matters, including, without limitation, pursuant to the Receivership Order and otherwise at law.

Yours truly,

Goodmans LLP

A handwritten signature in black ink, appearing to read 'Mark Dunn', is written over a circular stamp or seal.

Mark Dunn

Partner

MD

1386-3772-4433

A

Corporate Profile / Profil corporatif

| | | |
|---|---------------------|---|
| Date and time of Corporate Profile (YYYY-MM-DD) | 2024-11-06 10:07 AM | (AAAA-MM-JJ) Date et heure du Profil corporatif |
|---|---------------------|---|

| CORPORATE INFORMATION | | RENSEIGNEMENTS CORPORATIFS |
|---|-------------------|-------------------------------------|
| Corporate name | Dénomination | |
| GHY INVESTMENT INC. | | |
| Corporation number | 1004489-0 | Numéro de société ou d'organisation |
| Business number | 736131095RC0001 | Numéro d'entreprise |
| Governing legislation | Régime législatif | |
| Canada Business Corporations Act (CBCA) - 2017-01-02 | | |
| Loi canadienne sur les sociétés par actions (LCSA) - 2017-01-02 | | |
| Status | Statut | |
| Active | | |
| Active | | |

| REGISTERED OFFICE ADDRESS | ADRESSE DU SIÈGE |
|---|------------------|
| 70 Cachet Parkway Markham ON L6C 1C3 Canada | |

| ANNUAL FILINGS | | | | DÉPÔTS ANNUELS | |
|---|--|-------------------|------|---|--|
| Anniversary date (MM-DD) | | 01-02 | | (MM-JJ) Date anniversaire | |
| Filing period (MM-DD) | | 01-02 to/au 03-03 | | (MM-JJ) Période de dépôt | |
| Status of annual filings | | | | Statut des dépôts annuels | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | Filed | 2024 | Déposé | |
| | | Filed | 2023 | Déposé | |
| | | Filed | 2022 | Déposé | |
| Date of last annual meeting (YYYY-MM-DD) | | 2024-03-25 | | (AAAA-MM-JJ) Date de la dernière assemblée annuelle | |
| Type | | | | | |
| Non-distributing corporation with 50 or fewer shareholders | | | | | |
| Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins | | | | | |

| DIRECTORS | | ADMINISTRATEURS |
|----------------|----|---|
| Minimum number | 1 | Nombre minimal |
| Maximum number | 10 | Nombre maximal |
| Current number | 1 | Nombre actuel |
| Guohua Yu | | 70 Cachet Parkway, Markham ON L6C 1C3, Canada |

| CORPORATE HISTORY | | HISTORIQUE CORPORATIF |
|---|--|---|
| Corporate name history (YYYY-MM-DD) | | (AAAA-MM-JJ) Historique de la dénomination |
| 2017-01-02 to / à 2023-08-21 2023-08-21 to present / à maintenant | | 10044890 CANADA CORPORATION GHY INVESTMENT INC. |
| Certificates issued (YYYY-MM-DD) | | (AAAA-MM-JJ) Certificats émis |
| Certificate of Incorporation | | 2017-01-02 Certificat de constitution en société |
| Certificate of Amendment | | 2023-08-21 Certificat de modification |
| Amendment details: | | Renseignements concernant les modifications aux statuts : |
| Corporate name | | Dénomination sociale |
| Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. | | Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés. |
| Documents filed (YYYY-MM-DD) | | (AAAA-MM-JJ) Documents déposés |

| | |
|---|--|
| The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile. | Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil. |
|---|--|

B

COMMISSION AGREEMENT

Date : April 3, 2019

Ref. No. : CA-CRC-TheOne/01

China-East Resources Import & Export Co. (hereinafter referred to as **CERIECO**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of **the Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECO-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD1,000,000.00 (Say Canadian Dollars one million only).

Terms of payment:

The total amount of CAD1,000,000.00 (Say Canadian Dollars one million only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO** and the **Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.

Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai

For and on behalf of **CERIECO**



Mr. Kevin Chen

For and on behalf of **the Agent**

COMMISSION AGREEMENT

Date : April 8, 2019

Ref. No. : CA-CCC-TheOne/01

CERIECO CANADA Corporation (hereinafter referred to as **CERIECO CANADA**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of the **Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECOCA-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO CANADA** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO CANADA** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD60,000.00 (Say Canadian Dollars Sixty Thousand only).

Terms of payment:

The total amount of CAD60,000.00 (Say Canadian Dollars Sixty Thousand only only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO CANADA** and **the Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.


Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai



For and on behalf of **CERIECO CANADA**

Mr. Kevin Chen



For and on behalf of **the Agent**

APPENDIX “L”
LETTER FROM MCCARTHY TÉTRAULT
TO GOODMAN DATED FEBRUARY 12, 2025

McCarthy Tétrault LLP
 PO Box 48, Suite 5300
 Toronto-Dominion Bank Tower
 Toronto ON M5K 1E6
 Canada
 Tel: 416-362-1812
 Fax: 416-868-0673



Trevor Courtis
 Partner | Associé
 Direct Line: 416-601-7643
 Direct Fax: 416-868-0673
 Email: tcourtis@mccarthy.ca

Assistant: Emilia Moon-de Kemp
 Direct Line: 416-601-7592
 Email: emoondek@mccarthy.ca

February 12, 2025

Via Email (mdunn@goodmans.ca)

Mark S. Dunn
 Goodmans LLP
 Bay Adelaide Centre - West Tower
 333 Bay Street, Suite 3400
 Toronto ON M5H 2S7

Re: Mizrahi Commercial (the One) LP and Mizrahi Commercial (the One) GP Inc.

We are counsel to Richard Yu and Kevin Chen. We write in response to your letter dated January 20, 2025 as counsel to Alvarez & Marsal Canada Inc. in its capacity as receiver and manager of the assets and undertakings of, among others, Mizrahi Commercial (the One) LP ("**MCLP**") and Mizrahi Commercial (the One) GP Inc. ("**MCGP**").

You have requested information related to three transfers that were made to 10044890 Canada Corp. ("**890**") in the aggregate amount of \$18 million (the "**Fee Payments**"). The request is being made, and this additional information is being provided, pursuant to paragraphs 8-10 of the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) dated October 18, 2023.

Fee Payments Made Pursuant to Fee Agreement

The Fee Payments relate to efforts made by, among others, Mr. Yu and Mr. Chen to assist MCLP in obtaining the senior debt refinancing of the Project (as defined in your letter) by Meritz Securities Co, Ltd. in 2019 (the "**Meritz Loan**").

On July 31, 2019, MCLP, by its general partner MCGP, entered into a Financing Advisory Agreement (the "**Fee Agreement**") with 2649425 Ontario Inc. ("**264**"). Mr. Yu is the sole director and officer of 264. Pursuant to the Fee Agreement, MCLP agreed to pay (i) \$15,125,000 (representing 2.75% of the maximum loan amount of the Meritz Loan of \$550 million) and (ii) \$275,000 (representing reimbursement for expenses incurred).

The Fee Payments represented payments for amounts owing under the Fee Agreement plus HST plus a late fee of 2% per month on amounts outstanding more than 30 days after the Meritz Loan closed. Pursuant to an assignment agreement executed on the same date, the Fee Agreement was assigned by 264 to 890.

The following charts show the amounts owing to, and payments received by, 890 pursuant to the Fee Agreement:

Amounts Owning Per Fee Agreement

| Description | Amount |
|--------------------|-----------------|
| Fees | \$15,125,000.00 |
| Expenses | \$275,000.00 |
| Total | \$15,400,000.00 |
| Total + HST | \$17,402,000.00 |

Late Fees and Payments

| Description | Amount | Amount Owning |
|---------------------------|-----------------|----------------------|
| October 2019 Fee (2%) | \$348,040.00 | \$17,750,040.00 |
| November 12, 2019 Payment | -\$7,000,000.00 | \$10,750,040.00 |
| November 2019 Fee (2%) | \$215,000.80 | \$10,965,040.80 |
| December 23, 2019 Payment | -\$4,500,000.00 | \$6,465,040.80 |
| December 2019 Fee (2%) | \$129,300.82 | \$6,594,341.62 |
| January 24, 2020 Payment | -\$6,500,000.00 | \$94,341.62 |

Responses to Questions

In response to the questions in your letter:

- 890 is a corporation managed by an unrelated third party that is occasionally used as a conduit for receiving payments. To Mr. Yu and Mr. Chen's knowledge, 890 is not affiliated with or related to CERIECO Canada Corp. ("**CERIECO**"). Mr. Yu and Mr. Chen never represented to others that 890 was an affiliate or related entity to CERIECO with respect to the Fee Payments.
- The Fee Payments were made by MCLP to 890 pursuant to the Fee Agreement. To Mr. Yu and Mr. Chen's knowledge, the Fee Payments were not made at CERIECO's direction and CERIECO did not ultimately receive any portion of the Fee Payments. The Fee Payments were made to compensate Mr. Yu and Mr. Chen, among others, for their efforts in assisting MCLP in obtaining the Meritz Loan pursuant to the Fee Agreement.
- Mr. Yu and Mr. Chen had no involvement in the transfers between the accounts of the Mizrahi entities described in your letter and have no information related to those transactions.

Yours truly,

McCarthy Tétrault LLP

Per:



Trevor Courtis

MT MTD0CS 60028923

APPENDIX “M”
LETTER FROM GOODMAN TO BABIN BESSNER
SPRY DATED NOVEMBER 6, 2024

November 6, 2024

Our File No.: 232285

Delivered via Email (bmonahan@babinbessnerspry.com / mbookman@babinbessnerspry.com / cspry@babinbessnerspry.com)

Babin Bessner Spry LLP
101 – 185 Frederick Street
Toronto, ON M5A 4L4

Attention: Brendan Monahan

Dear Mr. Monahan:

Re: "Recirculation Transactions" and 10044890 Canada Corp.

As you know, we are counsel to Alvarez & Marsal Canada Inc. (the “**Receiver**”) in its capacity as receiver and manager of all the assets, undertakings, and properties of Mizrahi Commercial (the One) LP, Mizrahi Development Group (the One) Inc., and Mizrahi Commercial (the One) GP Inc. (collectively, the “**Debtors**”), including the development project located at 1 Bloor Street West in Toronto, Ontario (the “**Project**”). As will be described further below, we write to request certain information from CERIECO and CERIECO Canada Corp. (collectively, “**CERIECO**”) regarding its knowledge of, and relationship with, an entity called 10044890 Canada Corp. (“**890**”). This request is made to CERIECO pursuant to paragraphs 8-10 of the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) dated October 18, 2023.

The CERIECO Advance Discrepancy

As you are aware, CERIECO commenced an action against the Debtors and others bearing Court File No. CV-22-00681586-00CL (the “**CERIECO Claim**”).

During its review of the Debtors’ books and records, the Receiver identified certain discrepancies between the quantum alleged to be owing to CERIECO in the CERIECO Claim and the advances from CERIECO to the Project recorded in the Project’s QuickBooks accounting records. As will be described further below, this discrepancy amounts to approximately \$18 million dollars.

The Receiver has attempted to investigate the cause of this \$18 million dollar discrepancy by, among other things, reviewing the Debtors’ books and records and discussing the issues with senior officers and employees of Mizrahi Inc. (“**MI**”) who were also former directors and/or officers of certain of the Debtors. However, as will be described further below, the Receiver

requires additional information from CERIECO in order to complete its review regarding this discrepancy.

The Recirculation Transactions and the Unrecorded CERIECO Advances

The Receiver's investigation suggests that the \$18 million discrepancy stems from three advances made by CERIECO to the Project that were never properly recorded in the Project's QuickBooks accounting records (the "**Unrecorded CERIECO Advances**"). The Unrecorded CERIECO Advances occurred on or about November 7, 2019, December 20, 2019, and January 17, 2020, respectively.

The parties interviewed by the Receiver indicated that the Unrecorded CERIECO Advances were part of a series of transactions referred to internally within MI as the "Recirculation Transactions" which MI has indicated were completed at CERIECO's request. In each of the Recirculation Transactions, an initial transfer of cash was made from CERIECO to MI's Scotiabank 618 Account. Through a series of subsequent transfers, either through the Project's TD 662 Account or through MI's Scotiabank 618 Account, the advances made under the Recirculation Transactions would be "recirculated" back to CERIECO, who then transferred an amount back to the Project (except for the Unrecorded CERIECO Advances).

CERIECO'S Relationship with 890

The Receiver's review indicates that in the Unrecorded CERIECO Advances, a transfer of cash was made to MI's Scotiabank 618 Account from CERIECO and subsequently transferred to the Project's TD 662 account. Such funds were then transferred from the Project's TD 662 account to a numbered entity called 10044890 Canada Corp. ("**890**", as defined above) at the direction of Bosco Chan and Richard Yu, however, as opposed to the other Recirculation Transactions, such funds were not returned to MI or the Project. We have attached 890's corporate profile hereto as Schedule "A".

The parties interviewed by the Receiver indicated that Mr. Chan and Mr. Yu told them that 890 was an entity controlled by CERIECO. In light of the foregoing, please advise:

- Whether CERIECO or any of its affiliates or related entities (each a "**CERIECO Entity**") owns, controls (directly or indirectly and whether *de jure* or *de facto*), is affiliated or related to and/or is aware of 890;
- Whether a CERIECO Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions defined above and, if so, why a CERIECO Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions; and
- Whether a CERIECO Entity ultimately received any of the funds paid to 890, or otherwise has knowledge of how they were used.

We would appreciate receiving CERIECO's response by no later than **November 15, 2024**. We would also be pleased to discuss this issue with you or arrange for a discussion between CERIECO and the Receiver directly.

The Receiver reserves all rights with respect to these matters, including, without limitation, pursuant to the Receivership Order and otherwise at law.

Yours truly,

Goodmans LLP

A handwritten signature in black ink, appearing to read 'Mark Dunn', is written over a circular stamp or seal.

Mark Dunn
Partner
MD
[1381-8568-1680](tel:1381-8568-1680)

Corporate Profile / Profil corporatif

| | | |
|---|---------------------|---|
| Date and time of Corporate Profile (YYYY-MM-DD) | 2024-11-06 10:07 AM | (AAAA-MM-JJ) Date et heure du Profil corporatif |
|---|---------------------|---|

| CORPORATE INFORMATION | RENSEIGNEMENTS CORPORATIFS |
|-----------------------|---|
| Corporate name | Dénomination |
| | GHY INVESTMENT INC. |
| Corporation number | 1004489-0 |
| Business number | 736131095RC0001 |
| Governing legislation | Régime législatif |
| | Canada Business Corporations Act (CBCA) - 2017-01-02 Loi canadienne sur les sociétés par actions (LCSA) - 2017-01-02 |
| Status | Statut |
| | Active Active |

| REGISTERED OFFICE ADDRESS | ADRESSE DU SIÈGE |
|---------------------------|---|
| | 70 Cachet Parkway Markham ON L6C 1C3 Canada |

| ANNUAL FILINGS | DÉPÔTS ANNUELS |
|--|---|
| Anniversary date (MM-DD) | 01-02 (MM-JJ) Date anniversaire |
| Filing period (MM-DD) | 01-02 to/au 03-03 (MM-JJ) Période de dépôt |
| Status of annual filings | Statut des dépôts annuels |
| | Filed 2024 Déposé Filed 2023 Déposé Filed 2022 Déposé |
| Date of last annual meeting (YYYY-MM-DD) | 2024-03-25 (AAAA-MM-JJ) Date de la dernière assemblée annuelle |
| Type | Type |
| | Non-distributing corporation with 50 or fewer shareholders Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins |

| DIRECTORS | | ADMINISTRATEURS |
|----------------|----|---|
| Minimum number | 1 | Nombre minimal |
| Maximum number | 10 | Nombre maximal |
| Current number | 1 | Nombre actuel |
| Guohua Yu | | 70 Cachet Parkway, Markham ON L6C 1C3, Canada |

| CORPORATE HISTORY | | HISTORIQUE CORPORATIF |
|---|--|---|
| Corporate name history (YYYY-MM-DD) | | (AAAA-MM-JJ) Historique de la dénomination |
| 2017-01-02 to / à 2023-08-21 2023-08-21 to present / à maintenant | | 10044890 CANADA CORPORATION GHY INVESTMENT INC. |
| Certificates issued (YYYY-MM-DD) | | (AAAA-MM-JJ) Certificats émis |
| Certificate of Incorporation | | 2017-01-02 Certificat de constitution en société |
| Certificate of Amendment | | 2023-08-21 Certificat de modification |
| Amendment details: | | Renseignements concernant les modifications aux statuts : |
| Corporate name | | Dénomination sociale |
| Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. | | Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés. |
| Documents filed (YYYY-MM-DD) | | (AAAA-MM-JJ) Documents déposés |

| | |
|---|--|
| The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile. | Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil. |
|---|--|

APPENDIX “N”
LETTER FROM BABIN BESSNER SPRY
TO GOODMAN’S DATED NOVEMBER 30, 2024

November 30, 2024

SENT BY E-MAIL (mdunn@goodmans.ca)

Goodmans LLP
Bay Adelaide Centre, West Tower
333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Attn: Mark Dunn

Dear Mr. Dunn:

Re: “Recirculation Transactions” and 10044890 Canada Corp.

We write in response to your letter dated November 6, 2024 requesting information from CERIECO Canada Corp. (“**CERIECO**”) concerning transactions involving 10044890 Canada Corp. (“**890**”) and CERIECO’s relationship to 890.

As described in more detail below, CERIECO has no direct or indirect ownership, control of, or affiliation with 890, and it did not authorize or have any knowledge of the payments to 890 you refer to in your letter (nor did it receive any portion of such payments, directly or indirectly). CERIECO had certain limited dealings with 890 in 2019, which are described below. To the best of CERIECO’s knowledge, the sole *de facto* owner and directing mind of 890 is Kevin Chen.

Furthermore, in our view, the recirculation scheme described in your letter bears a striking resemblance to the very serious allegations of fraud and conspiracy that CERIECO has advanced in legal proceedings in Ontario against a number of individuals and entities connected to the Project (defined in your letter as the “**CERIECO Claim**”). For example, CERIECO alleges that millions of dollars of its funds (that were intended as Project advances) were improperly diverted to third parties through unauthorized “recirculation” transactions without CERIECO’s knowledge or authority.¹

CERIECO also alleges that million of dollars of other funds (that were also intended as Project advances) were improperly diverted (without CERIECO’s knowledge or authority) for the benefit of Mr. Chen and others, including Richard Yu, Bosco Chan and Sam Mizrahi through various

¹ See, e.g., Fresh As Amended Statement of Claim dated November 27, 2023 (“FAASOC”) at paras. 381 to 384.

means, including through significant payments to a company called 2694128 Ontario Inc. (“**269 Ontario**”).² We understand that 269 Ontario is owned by Mr. Chen or his spouse.

The Receiver’s investigation of these issues is therefore of significant interest to us and our client, and may give rise to further claims by CERIECO in the litigation, including against Mr. Chen and 890. CERIECO supports (and will cooperate fully with) the Receiver as it continues to investigate these and other matters.

We have set out below each of the Receiver’s questions, and our response. Unless otherwise indicated, all capitalized terms have the meanings given to them in your letter of November 6, 2024.

1. **Receiver’s question: Whether CERIECO or any of its affiliates or related entities (each a “CERIECO Entity”) owns, controls (directly or indirectly and whether *de jure* or *de facto*), is affiliated or related to and/or is aware of 890?**

Response: No, CERIECO (including any CERIECO Entity) has no direct or indirect ownership, control of, or affiliation with 890. However, CERIECO was aware of 890 and had limited dealings with it, which are described below.

To the best of CERIECO’s knowledge, the sole owner and directing mind of 890 is an individual named Kevin Chen. Mr. Chen had been engaged by CERIECO in or around 2016 (along with Bosco Chan) to advise and assist it on certain matters relating to the Project. Mr. Chen’s role and involvement in the Project is described in the CERIECO Claim.

CERIECO agreed to pay a commission fee to Mr. Chen and Mr. Chan for their assistance and work on the Project. Mr. Chen asked that such commissions be paid to him through 890. CERIECO and 890 entered into two written commission agreements, dated April 3 and April 8, 2019, providing for commissions of CAD \$1,000,000.00 and CAD \$60,000.00, respectively (the “**Commission Agreements**”). Copies of these agreements are enclosed with this letter.

The Commission Agreements were signed by Long Hai Wang on behalf of CERIECO, and by Mr. Chen on behalf of 890. The sums reflected in the Commission Agreements were not part of CERIECO’s advances to the Project, and were the only amounts that Mr. Chen or 890 were authorized to receive from CERIECO. CERIECO had no other dealings with 890.

CERIECO does not recognize the name of the individual who is listed as the sole director of 890, or the registered address, based on the corporate profile attached with your letter of November 6, 2024.

² See, e.g., FAASOC at paras. 366 to 380.

2. Receiver's question: Whether a CERIECO Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions defined above and, if so, why a CERIECO Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions?

Response: No. CERIECO (including any CERIECO Entity) did not authorize, direct or participate (directly or indirectly) in the Recirculation Transactions and had no knowledge of such transactions at the time.

However, CERIECO later learned of a similar (or possibly the same) scheme in 2023 in the course of its own investigation into the matters giving rise to the litigation. CERIECO describes this scheme in the CERIECO Claim in part as follows:³

381. CERIECO has also learned in or around 2023 that Dentons, Rimer, Bosco, Sam and others purported to implement a scheme in or around 2019 whereby funds advanced by CERIECO to MCLP would be sent back to certain bank accounts, before being “recirculated”, dollar-for-dollar, to MCLP (the “Recirculation”).

382. However, CERIECO has discovered that, contrary to the Recirculation, not all of the funds that were sent back were ultimately “recirculated” to MCLP.

383. In particular, CERIECO has learned that at least \$14,000,000.00 was never sent back to MCLP (or to CERIECO). CERIECO has no knowledge of where such funds were diverted. The location of such funds are within Dentons’ and Rimer’s knowledge.

384. CERIECO was not aware of, and did not authorize the Recirculation, and it has no knowledge of why this was done. Dentons and Rimer knew at all times that the Recirculation served no legitimate business purpose, and that this scheme was not authorized by CERIECO.

It should be noted that, notwithstanding that CERIECO has made these allegations, none of the defendants to the CERIECO Claim (including MI, Mr. Mizrahi, Mr. Chan or anyone else) have alleged in their Statement of Defence that CERIECO knew anything about (or authorized) any such “recirculation” transactions, nor have they even addressed the scheme in their pleadings at all, other than Dentons and Philip Rimer, who deny any involvement in it.

However, we understand from your letter that MI has made statements to the Receiver alleging a relationship between CERIECO and 890, and that CERIECO was involved in authorizing

³ See, e.g., FAASOC at paras. 381 to 384.

recirculation payments. These statements are false. Further, according to your letter, the source of MI's information appears to be Bosco Chan and Richard Yu, both of whom appear to have been involved in the scheme and who may have received payments indirectly from 890.

3. Receiver's question: Whether a CERIECO Entity ultimately received any of the funds paid to 890, or otherwise has knowledge of how they were used?

Response: No. CERIECO (including any CERIECO Entity) did not receive any of the funds paid to 890, and CERIECO has no knowledge of how such funds were used.

We trust the foregoing is satisfactory. Should you have any questions or wish to discuss any of CERIECO's responses, we would be pleased to make ourselves available.

Sincerely,



Brendan Monahan

/av

cc: Brendan O'Neill, Goodmans LLP
Christopher Armstrong, Goodmans LLP
Jennifer Linde, Goodmans LLP
Edward Babin, Babin Bessner Spry LLP
Brittany Rabinovitch, Babin Bessner Spry LLP

COMMISSION AGREEMENT

Date : April 3, 2019

Ref. No. : CA-CRC-TheOne/01

China-East Resources Import & Export Co. (hereinafter referred to as **CERIECO**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of **the Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECO-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD1,000,000.00 (Say Canadian Dollars one million only).

Terms of payment:

The total amount of CAD1,000,000.00 (Say Canadian Dollars one million only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO** and the **Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.

Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai

For and on behalf of **CERIECO**



Mr. Kevin Chen

For and on behalf of **the Agent**

COMMISSION AGREEMENT

Date : April 8, 2019

Ref. No. : CA-CCC-TheOne/01

CERIECO CANADA Corporation (hereinafter referred to as **CERIECO CANADA**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of the **Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECOCA-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO CANADA** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO CANADA** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD60,000.00 (Say Canadian Dollars Sixty Thousand only).

Terms of payment:

The total amount of CAD60,000.00 (Say Canadian Dollars Sixty Thousand only only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO CANADA** and **the Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.


Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai



For and on behalf of **CERIECO CANADA**

Mr. Kevin Chen



For and on behalf of **the Agent**

APPENDIX “O”
LETTER FROM GOODMAN TO LENCZNER SLAGHT DATED JANUARY 20, 2024,
AND RELATED CORRESPONDENCE



Barristers & Solicitors

Bay Adelaide Centre, West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: +1 (416) 849-6895
mdunn@goodmans.ca

January 20, 2025

Our File No.: 232285

Delivered via Email (zrosen@litigate.com)

Lenczner Slaght
130 Adelaide St W
Suite 2600
Toronto, ON
Canada M5H 3P5

Attention: Zachary Rosen

Dear Sirs:

Re: "Recirculation Transactions" and 10044890 Canada Corp.

We are counsel to Alvarez & Marsal Canada Inc. (the "**Receiver**") in its capacity as receiver and manager of all the assets, undertakings, and properties of Mizrahi Commercial (the One) LP, Mizrahi Development Group (the One) Inc., and Mizrahi Commercial (the One) GP Inc. (collectively, the "**Debtors**"), including the development project located at 1 Bloor Street West in Toronto, Ontario (the "**Project**"). As will be described further below, we write to request certain information from your client, Bosco Chan (alternatively known as "Ye Chen"), regarding his knowledge of, and relationship with, an entity called 10044890 Canada Corp. ("**890**"). This request is made pursuant to paragraphs 8-10 of the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) dated October 18, 2023.

The CERIECO Advance Discrepancy

As you are aware, CERIECO commenced an action against the Debtors and others, including Mr. Chan, bearing Court File No. CV-22-00681586-00CL (the "**CERIECO Claim**").

During its review of the Debtors' books and records, the Receiver identified certain discrepancies between the quantum alleged to be owing to CERIECO in the CERIECO Claim and the advances from CERIECO to the Project recorded in the Project's QuickBooks records. As will be described further below, this discrepancy amounts to approximately \$18 million dollars.

The Receiver has investigated the cause of this \$18 million dollar discrepancy by, among other things, reviewing the Debtors' books and records and discussing the issues with senior officers and employees of Mizrahi Inc. ("MI") who were also former directors and/or officers of certain of the Debtors. The Receiver has also met with representatives of CERIECO to discuss these issues.

As is described further below, the Receiver requires additional information from Mr. Chan in order to complete its review regarding this discrepancy.

The Recirculation Transactions and the Unrecorded CERIECO Advances

The Receiver's investigation suggests that the \$18 million discrepancy stems from three advances made by CERIECO to the Project that were never properly recorded in the Project's QuickBooks (the "**Unrecorded CERIECO Advances**"). The Unrecorded CERIECO Advances occurred on or about November 7, 2019, December 20, 2019, and January 17, 2020, respectively.

The parties interviewed by the Receiver indicated that the Unrecorded CERIECO Advances were part of a series of transactions referred to internally as the "Recirculation Transactions" that purportedly occurred at CERIECO's request. In each of the Recirculation Transactions, a transfer of cash was made from CERIECO to MI's Scotiabank 618 Account, to the Project's TD 662 account, and, on the same day, transferred back from the Project's TD 662 account to MI's Scotiabank 618 account.

CERIECO has advised the Receiver that it did not authorize, direct or participate (directly or indirectly) in the Recirculation Transactions and that it had no knowledge of such transactions at the time.

Mr. Chan's Relationship with 890

The Receiver's review indicates that the Unrecorded CERIECO Advances were eventually transferred from the Project's TD 662 account to 890. We understand that on March 2, 2020, Mr. Chan was appointed as a director of 890. We have attached 890's corporate profile hereto as Schedule "A".

The parties interviewed by the Receiver have stated that the transfer of the Unrecorded CERIECO Advances to 890 occurred at the direction of Mr. Chan, as well as Richard Yu, who represented that 890 was an entity controlled by CERIECO.

MCLP's Payment of EPC Fees to 890

CERIECO has advised the Receiver that it did not authorize 890 to receive any sums, other than those reflected in certain Commission Agreements between CERIECO and Kevin Chen. The Commission Agreements are attached hereto as Schedule “B”.

However, the Receiver’s records indicate that 890 also received other payments from the Project. Specifically, 890 was the entity that received payment of the Prime Contract Fees (“**EPC Fees**”) owed by Mizrahi Commercial (The One) LP (“**MCLP**”) to CERIECO pursuant to section 5.4 of the Supplier Credit Agreement dated July 11, 2019.

In light of the foregoing, we require information from Mr. Chan with respect to:

- Whether 890 is an affiliate or related entity to CERIECO and, if so, evidence of that relationship;
- Whether Mr. Chan believed that 890 is an affiliate of, or related entity to, CERIECO and the basis for that belief;
- Whether Mr. Chan ever represented to others that 890 was an affiliate or related entity to CERIECO;
- Whether Mr. Chan directed MI to transfer the Unrecorded CERIECO Advances to 890. If so, whether Mr. Chan made this request at CERIECO’s direction;
- Whether Mr. Chan or any of his affiliates or related entities (each a “**Chan Entity**”) owns, controls (directly or indirectly and whether *de jure* or *de facto*), is affiliated or related to and/or is aware of 890;
- Whether Mr. Chan or any Chan Entity authorized, directed or participated (directly or indirectly) in the Recirculation Transactions defined above;
- Whether Mr. Chan or any Chan Entity ever received any of the funds paid to 890 or has any knowledge with respect to how the funds were used;
- Whether, to the best of Mr. Chan’s knowledge, CERIECO or any of its affiliates or related entities ever ultimately received any of the funds paid to 890;
- Whether Mr. Chan has any knowledge whatsoever about why the Unrecorded CERIECO Advances were made to 890;
- Whether Mr. Chan has any knowledge whatsoever about where the funds from the Unrecorded CERIECO Advances are today;

We would be pleased to meet with you and Mr. Chan to discuss these issues, or to receive Mr. Chan's response in writing. Please provide a response by **January 31, 2025.**

The Receiver reserves all rights with respect to these matters, including, without limitation, pursuant to the Receivership Order and otherwise at law.

Yours truly,

Goodmans LLP



Mark Dunn

Partner

MD

1382-4293-4801

A

Corporate Profile / Profil corporatif

| | | |
|---|---------------------|---|
| Date and time of Corporate Profile (YYYY-MM-DD) | 2024-11-06 10:07 AM | (AAAA-MM-JJ) Date et heure du Profil corporatif |
|---|---------------------|---|

CORPORATE INFORMATION**RENSEIGNEMENTS CORPORATIFS****Corporate name****Dénomination**

GHY INVESTMENT INC.

Corporation number

1004489-0

Numéro de société ou d'organisation**Business number**

736131095RC0001

Numéro d'entreprise**Governing legislation****Régime législatif**

Canada Business Corporations Act (CBCA) - 2017-01-02
Loi canadienne sur les sociétés par actions (LCSA) - 2017-01-02

Status**Statut**

Active

Active

REGISTERED OFFICE ADDRESS**ADRESSE DU SIÈGE**

70 Cachet Parkway
Markham ON L6C 1C3
Canada

ANNUAL FILINGS**DÉPÔTS ANNUELS****Anniversary date (MM-DD)**

01-02

(MM-JJ) Date anniversaire**Filing period (MM-DD)**

01-02 to/au 03-03

(MM-JJ) Période de dépôt**Status of annual filings****Statut des dépôts annuels**

| | | |
|-------|------|--------|
| Filed | 2024 | Déposé |
| Filed | 2023 | Déposé |
| Filed | 2022 | Déposé |

Date of last annual meeting (YYYY-MM-DD)

2024-03-25

(AAAA-MM-JJ) Date de la dernière assemblée annuelle**Type****Type**

Non-distributing corporation with 50 or fewer shareholders

Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins

| DIRECTORS | | ADMINISTRATEURS |
|----------------|----|---|
| Minimum number | 1 | Nombre minimal |
| Maximum number | 10 | Nombre maximal |
| Current number | 1 | Nombre actuel |
| Guohua Yu | | 70 Cachet Parkway, Markham ON L6C 1C3, Canada |

| CORPORATE HISTORY | | HISTORIQUE CORPORATIF |
|---|--|---|
| Corporate name history (YYYY-MM-DD) | | (AAAA-MM-JJ) Historique de la dénomination |
| 2017-01-02 to / à 2023-08-21 2023-08-21 to present / à maintenant | | 10044890 CANADA CORPORATION GHY INVESTMENT INC. |
| Certificates issued (YYYY-MM-DD) | | (AAAA-MM-JJ) Certificats émis |
| Certificate of Incorporation | | 2017-01-02 Certificat de constitution en société |
| Certificate of Amendment | | 2023-08-21 Certificat de modification |
| Amendment details: | | Renseignements concernant les modifications aux statuts : |
| Corporate name | | Dénomination sociale |
| Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. | | Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés. |
| Documents filed (YYYY-MM-DD) | | (AAAA-MM-JJ) Documents déposés |

| | |
|---|--|
| The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile. | Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil. |
|---|--|

B

COMMISSION AGREEMENT

Date : April 3, 2019

Ref. No. : CA-CRC-TheOne/01

China-East Resources Import & Export Co. (hereinafter referred to as **CERIECO**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of **the Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECO-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD1,000,000.00 (Say Canadian Dollars one million only).

Terms of payment:

The total amount of CAD1,000,000.00 (Say Canadian Dollars one million only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO** and the **Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.

Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai

For and on behalf of **CERIECO**



Mr. Kevin Chen

For and on behalf of **the Agent**

COMMISSION AGREEMENT

Date : April 8, 2019

Ref. No. : CA-CCC-TheOne/01

CERIECO CANADA Corporation (hereinafter referred to as **CERIECO CANADA**) has authorized 10044890 Canada Corporation (hereinafter referred to as **the Agent**) to be project agent for The One Construction Project for Complex Retail Phase (hereinafter referred to as **the Project**). Under the efficient assistant work of **the Agent**, the **Prime Construction Contract** (No. THE ONE-LP/CERIECOCA-001/2016-PHASE I) for the **Project** has been officially signed and executed between **CERIECO CANADA** and Mizrahi Commercial (The One) LP (hereinafter referred to as **the Employer**), therefore, **CERIECO CANADA** hereby commit to pay commission to **the Agent** as stipulated below :

Total Commission Amount:

CAD60,000.00 (Say Canadian Dollars Sixty Thousand only).

Terms of payment:

The total amount of CAD60,000.00 (Say Canadian Dollars Sixty Thousand only only) would be paid within thirty (30) days after the **Prime Construction Contract** has been official signed between **CERIECO CANADA** and **the Employer**, and the construction work of the **Project** is commenced.

This agreement supersede all the previous agreements or minutes of meeting agreed and signed, if any, concerning with the matter of commission.

Two original copies of this agreement exist, each signed below hold one.

Mr. Wang Long Hai



For and on behalf of **CERIECO CANADA**

Mr. Kevin Chen



For and on behalf of **the Agent**

From: [Tee, Brittni](#)
To: ["zrosen@litigate.com"](mailto:zrosen@litigate.com)
Cc: [Dunn, Mark](#); [O'Neill, Brendan](#); [Linde, Jennifer](#); [Armstrong, Christopher](#)
Subject: RE: Recirculation Transactions" and 10044890 Canada Corp.
Date: Tuesday, March 4, 2025 9:34:43 AM
Attachments: [2025-01-20 - Ltr to Lenczner Slaght.pdf](#)
[231018 Receivership Order granted by Osborne J. - Oct 18 23.pdf](#)

Mr. Rosen,

I am following up again on my correspondence below. Pursuant to paragraphs 8-10 of the Receivership Order dated October 18, 2023, which is attached hereto for your reference, your client is obliged to respond to the Receiver's requests for information. Please provide a response to the Receiver's inquiries by Friday, March 7, failing which the Receiver will either seek an order compelling a response or will ask the court to draw inferences from the fact that no response has been provided. The Receiver reserves all its rights in this matter. Thank you.

Brittni Tee

(She/her)

Associate

Goodmans LLP

416.849-6954

btee@goodmans.ca

goodmans.ca

From: Tee, Brittni
Sent: Monday, February 3, 2025 5:53 PM
To: 'zrosen@litigate.com' <zrosen@litigate.com>
Cc: Dunn, Mark <mdunn@goodmans.ca>; O'Neill, Brendan <boneill@goodmans.ca>; Linde, Jennifer <jlinde@goodmans.ca>; Armstrong, Christopher <carmstrong@goodmans.ca>
Subject: RE: Recirculation Transactions" and 10044890 Canada Corp.

Good evening,

I am following up on my correspondence below. Please advise as to when we can expect a response. Thank you.

Brittni Tee

(She/her)

Associate

Goodmans LLP

416.849-6954

btee@goodmans.ca

goodmans.ca

From: Tee, Brittni
Sent: Monday, January 20, 2025 5:12 PM
To: 'zrosen@litigate.com' <zrosen@litigate.com>
Cc: Dunn, Mark <mdunn@goodmans.ca>; O'Neill, Brendan <boneill@goodmans.ca>; Linde, Jennifer

<jlinde@goodmans.ca>; Armstrong, Christopher <carmstrong@goodmans.ca>

Subject: Recirculation Transactions" and 10044890 Canada Corp.

Hello,

Please see the attached correspondence sent on behalf of Mark Dunn.

Brittni Tee

(She/her)

Associate

Goodmans LLP

416.849.6954

btee@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

**CONFIDENTIAL APPENDIX “1”
LOI SUMMARY**

(CONFIDENTIAL)

IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MIZRAHI DEVELOPMENT GROUP (THE ONE) INC. AND MIZRAHI COMMERCIAL
(THE ONE) GP INC.

KEB HANA BANK as trustee of IGIS GLOBAL
PRIVATE PLACEMENT REAL ESTATE FUND NO.
301 and as trustee of IGIS GLOBAL PRIVATE
PLACEMENT REAL ESTATE FUND NO. 434

Applicant

and

MIZRAHI
COMMERCIAL (THE
ONE) LP, et al.

Respondents

Court File No. CV-25-00740512-00CL

Court File No. CV-23-00707839-00CL

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| | | <p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceeding commenced at Toronto</p> |
| | | <p>JOINT EIGHTH REPORT OF RECEIVER AND PRE-FILING REPORT OF PROPOSED MONITOR APRIL 3, 2025</p> |
| | | <p>GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7</p> <p>Brendan O’Neill LSO# 43331J boneill@goodmans.ca Christopher Armstrong LSO# 55148B carmstrong@goodmans.ca Jennifer Linde LSO# 86996A jlinde@goodmans.ca</p> <p>Tel: (416) 979-2211 Fax: (416) 979-1234</p> <p>Lawyers for Alvarez & Marsal Canada Inc., in its capacity as Receiver and Proposed Monitor</p> |