

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) TUESDAY, THE 15TH
)
JUSTICE HAINEY) DAY OF OCTOBER, 2019

B&M HANDELMAN INVESTMETNS LIMITED, FLOORDALE HOLDINGS LIMITED, M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS and SHEILACO INVESTMETNS INC.

Applicants

- and -

CHRISTINE DROTOS

Respondents



**DISTRIBUTION ORDER
(October 15, 2019)**

THIS MOTION made by Rosen Goldberg Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”), without security, over the lands and premises registered in the name of the Respondent, Christine Drotos, municipally known as 4 Birchmount Road, Toronto, Ontario (the “**Birchmount Property**”) initially returnable May 2, 2019, for, *inter alia*, advice and directions regarding the distribution of remaining net proceeds from the sale of the Birchmount Property (the “**Surplus Proceeds**”), and an Order approving (i) the activities and proposed activities described in the Receiver’s Fifth Report dated April 29, 2019 (the “**Fifth Report**”), and in the Supplement to its Fourth Report dated November 26, 2018, (ii) the Receiver’s Interim Statement of Receipts and Disbursements for the period from July 9, 2018, to April 29, 2019, as set out in Appendix “S” to the Fifth Report, (iii) the fees and disbursements of the Receiver for the period from November 17, 2018, to March 13, 2019, and the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from November 6, 2018, to April 28, 2019, was heard on September 13 and 20, 2019 at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report of the Receiver dated April 29, 2019, the affidavit of Chad Kopach sworn April 29, 2019, the Affidavit of Brahm Rosen sworn April 23, 2019, the Affidavit of Troy Wilson sworn September 5, 2019, the Affidavit of Alla Pavlovskaja, sworn September 5, 2019 and the Affidavit of Lorraine Barlow affirmed June 26, 2019, and on reading the consent of Lorraine and Gilbert Barlow, World Finance Corporation, Grant Thornton Limited in its capacity as Court-appointed receiver of Money Gate Mortgage Investment Corporation (the “**MGMIC Receiver**”) and the Receiver, no one else appearing although properly served as set out in the affidavits of service of Eric Golden sworn April 30, 2019,

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion originally returnable May 2, 2019 (the “**NOM**”), and related motion material filed by the Receiver in support of that NOM, including the Receiver’s Motion Record dated April 29, 2019, and the Fifth Report (collectively, the “**Motion Material**”), be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that the Supplement to the Receiver’s Fourth Report dated November 26, 2018, and the Fifth Report, and the actions of the Receiver described therein, be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver’s Interim Statement of Receipts and Disbursements for the period from July 19, 2018 to April 29, 2019, as set out in Appendix “S” to the Fifth Report, be and is hereby accepted and approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from November 17, 2018 to March 13, 2019, and the fees and disbursements of Blaneys for the period from November 6, 2018 to April 28, 2019, be and are hereby approved.

5. **THIS COURT ORDERS** that \$1,300,000.00 of the Surplus Proceeds shall be distributed as follows (the “**Distribution**”):

- a. First to Dewart Gleason LLP in trust for Loraine and Gilbert Barlow in the amount of \$365,000 in connection with their mortgage registered against the Birchmount Property; and

b. the balance to Miller Thomson LLP in trust for World Finance Corporation and Chaitons LLP in trust for the MGMIC Receiver, on a 50.50 basis in connection with their mortgage registered against the Birchmount Property, without the requirement of any form of direction from the World Finance Corporation, MoneyGate Investment Corporation, or any other party, parties or person(s).

6. **THIS COURT ORDERS** that approval of the distribution of the Birchmount Proceeds pursuant to paragraph 1 of this Order is not required in the receivership proceeding of Money Gate Mortgage Investment Corporation (Court File No. CV-18-00608086-00CL).

7. **THIS COURT ORDERS** that the remaining Surplus Proceeds following the Distribution, be held by the Receiver as a reserve for the outstanding and estimated future fees and expenses of the Receiver and its independent counsel Blaney McMurtry LLP up to and including the discharge of the Receiver herein.

8. **THIS COURT ORDERS** that following the discharge of the Receiver, any remaining Surplus Proceeds held by the Receiver shall be paid to Miller Thomson LLP in trust for World Finance Corporation and Chaitons LLP in trust for the MGMIC Receiver, on a 50.50 basis in connection with their mortgage registered against the Birchmount Property, without the requirement of any form of direction from the World Finance Corporation, MoneyGate Investment Corporation, or any other party, parties or person(s) (the “**Final Distribution**”).

9. **THIS COURT ORDERS** that approval of any Final Distribution of the Birchmount Proceeds pursuant to paragraph 8 of this Order is not required in the receivership proceeding of Money Gate Mortgage Investment Corporation (Court File No. CV-18-00608086-00CL).

10. **THIS COURT ORDERS** that any and all remaining claims to the Surplus Funds be and are hereby dismissed.

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OCT 15 2019

PER / PAR:



B&M HANDELMAN INVESTMENTS LIMITED, ET AL.

Applicants

and **CHRISTINE DROTOS**

Respondent

Court File No. CV-18-594590-00CL

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

Proceeding commenced at Toronto

**DISTRIBUTION ORDER
(October 15, 2019)**

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