

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
DIVISION NO.: 01-MONTRÉAL
COURT NO.: 500-11-039401-100
ESTATE NO.: 41-342575

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF:

4425529 CANADA INC., a body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at:
5300 Côte Saint-Luc Blvd.
Montreal, Québec H3X 0A3

Debtor/Bankrupt

-and-

RICHTER ADVISORY GROUP INC.
(Formerly RSM RICHTER INC.)

Receiver

**FINAL RECEIVER'S REPORT ON THE AFFAIRS OF THE DEBTOR/BANKRUPT
(S.246(3))**

Richter Advisory Group Inc. (formerly RSM Richter Inc.) ("Richter"), in its capacity as Receiver to the assets of 4425529 Canada Inc. ("Company" or "Debtor" or "Bankrupt"), an insolvent person, hereby submits its final report concerning the affairs of the Debtor.

As previously reported, the significant facts are summarized as follows:

A) Overview

1. The Company, incorporated in May 2007, is owned 80% by 6743307 Canada Inc., a bankrupt company which was part of the Groupe Melior Inc. corporate structure ("Groupe Melior"), and 20% by 9102-6484 Québec Inc.
2. The Company's principal asset is a residential building for seniors, referred to as Residence Vista, located at 5300 Côte Saint-Luc Blvd., Montreal, Quebec (the "Property").
3. The Property's construction was completed in June 2009.
4. The Property is marketed as a residence for seniors, offering varying levels of services, depending on the mobility and health of the tenants. The Property offers housing to independent/autonomous residents, semi-independent/semi-autonomous residents, as well as long-term care dependent tenants.
5. The Property was initially managed by Groupe Melior, under the direction of Mr. Jean Maynard, until March 31, 2010, when Cogir Management Corporation/Société de Gestion Cogir, s.e.n.c. ("Cogir" or "Property Manager") was retained to manage the Property.

6. The Company was financed by 1397225 Ontario Limited, the mortgage creditor, represented by Trez Capital.

B) Receivership

7. On August 3, 2010, 1397225 Ontario Limited filed a Motion for the Appointment of a Receiver to the assets of the Debtor and, on August 4, 2010, the Court granted an Order appointing Richter as Receiver (the "Receiver Order"), with the powers provided therein.
8. On August 13, 2010, Richter, as Receiver, mailed its Notice and Statement of the Receiver, to all known creditors.
9. Pursuant to the appointment of Richter as Receiver, Cogir's mandate to manage the Property was confirmed. Cogir's responsibilities included overseeing the Property's "in-house" management team and personnel, providing strategic assistance and guidance in the marketing of the residence as well as for maintaining its books and records.
10. The Receiver, as provided in the Receiver Order, took control of the Property and monitored the matters relating to its operations and financial results, based on the information submitted by Cogir. All invoices for current purchases and services provided since the Receiver's appointment have been paid as they come due, as further discussed in Section F of this Report.

C) Bankruptcy

11. On September 20, 2010, as provided for in the Receiver Order, Richter, as Receiver, caused to have 4425529 Canada Inc. file an assignment in bankruptcy in accordance with Article 49 of the Bankruptcy and Insolvency Act and Richter was appointed Trustee to the Bankruptcy ("Trustee").
12. On September 23, 2010, Richter, as Trustee, mailed its Notice of Bankruptcy and First meeting of Creditors to all known creditors.
13. On September 30, 2010, Richter, as Trustee, issued its Trustee's Report which was made available to the creditors present at the First Meeting of Creditors and posted it on its website.
14. On October 5, 2010, the First Meeting of Creditors was held and Richter was confirmed as Trustee.

D) Sale Process

15. In May 2011, the Receiver conducted a sale process. None of the conditional offers received were retained.

E) Voluntary taking in Payment

16. Although all the rights, title and interest in the deed of hypothec were originally held by 1397225 Ontario Limited, they were assigned to 2242226 Ontario Inc. (the "Mortgage Holder").
17. Although over time the Property's performance improved, its occupancy rate was not sufficient to cover the operating costs, interest and charges.
18. The Mortgage Holder issued on April 19, 2012, a Prior Notice of the Exercise of a Hypothecary Right – Taking in Payment.


19. The Mortgage Holder was owed in excess of \$48,000,000 (capital and interest) as at October 17, 2013.
20. On October 18, 2013, the Trustee in bankruptcy executed, with the approval of the inspectors of the Bankrupt Estate, a Voluntary Taking in Payment transaction in favor of the Mortgage Holder.
21. All the assets of the Bankrupt were pledged under the deed of hypothec held by the Mortgage Holder.
22. Consequently, pursuant to the transfer of the Bankrupt's assets under the Voluntary Taking in Payment Transaction, the Receiver ceased to control the Property and to monitor the matters relating to its operations.

F) Statement of Receipts and Disbursements

23. Over the course of the Receivership mandate, the Receiver monitored the operations of the Property, including the review and approval of all invoices and disbursements.
24. The Receiver also insured that all of the outstanding obligations for goods or services received at the Property for the period ended October 18, 2013, were paid.
25. All professional fees incurred for services rendered by Richter relating to the administration of the Receivership and Bankruptcy matters are paid directly by the Mortgage Holder.
26. We refer you to Exhibit "1" for the Receiver's Statement of Receipts and Disbursements for the period from August 4, 2010 to October 31, 2015.
27. Pursuant to the Voluntary Taking in Payment transaction, any remaining funds in the Receiver's accounts are the property of 2242226 Ontario Inc.
28. The Receiver remits, as instructed, the remaining funds to 2242226 Ontario Inc., the Mortgage Holder.

DATED AT MONTRÉAL, this 25th day of November 2015.

Richter Advisory Group Inc.
(Formerly RSM Richter Inc.)
Receiver


Raymond Massi, CPA, CA, CIRP
Administrator

CANADA
 PROVINCE OF QUEBEC
 DISTRICT OF MONTREAL
 DIVISION NO.: 01-MONTREAL
 COURT NO.: 500-11-039401-100
 ESTATE NO.: 41-342575

SUPERIOR COURT
(Commercial Division)
 Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF
 4425529 CANADA INC.
 Of the City of Montreal
 In the Province of Quebec
Final Statement of Receipts and Disbursements

Receipts

| | |
|-------------------------------------|-------------------|
| 1. Cash in bank | \$ 229,226 |
| 2. Rental revenues | 15,035,542 |
| 3. Other Revenues/Refunds | 883,609 |
| 4. Collection of Insurance proceeds | <u>268,104</u> |
| Total Cash Receipts | 16,416,481 |

Disbursements

| | |
|--|-------------------|
| 5. Wages & Levies | 6,192,025 |
| 6. Management Fees | 717,948 |
| 7. Food | 948,951 |
| 8. Realty Taxes | 1,692,691 |
| 9. Utilities | 1,031,133 |
| 10. Insurance | 85,012 |
| 11. Marketing, Commissions and Animation | 609,220 |
| 12. Administration | 999,789 |
| 13. Repairs & Maintenance | 745,062 |
| 14. Service Fees/Referral Fees | 31,179 |
| 15. Professional Fees (Note 1) | |
| a) Richter Advisory Group Inc. | - |
| b) Stikeman Elliott/De Grandpré Chait | - |
| 16. Income Tax - Federal | 18,961 |
| 17. CapEx | <u>611,285</u> |
| Total disbursements before distribution | 13,683,256 |

Distribution

| | |
|--|--------------------|
| 18. Transfer to Mortgage Holder (Note 2) | <u>2,733,225</u> |
| | <u>2,733,225</u> |
| 19. Net funds available | <u>\$ -</u> |

Notes:

- The above statement of receipts and disbursements is before consideration of professional fees for services rendered by the Receiver and legal counsels which were paid directly by the Mortgage Holder.
- Pursuant to the Voluntary Taking in Payment transaction, the various assets of the Debtor were transferred to the Mortgage Holder, 2242226 Ontario Inc..

Richter Advisory Group Inc.
 (Formerly known as RSM Richter Inc.)
 Trustee

November 16, 2015
 Date

(Signed)
 Per: Raymond Massi, CPA, CA, CIRP

Approved by:

(Signed)
 Serge Vallières - Inspector

(Signed)
 Barry Brovender - Inspector

(Signed)
 Ken Lai - Inspector

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-039401-100
ESTATE NO.: 41-342575

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF
4425529 CANADA INC.
Of the City of Montreal
in the Province of Quebec
Final Statement of Receipts and Disbursements

Receipts

| | |
|-------------------------------------|-------------------|
| 1. Cash in bank | \$ 229,228 |
| 2. Rental revenues | 15,035,542 |
| 3. Other Revenues/Refunds | 883,609 |
| 4. Collection of Insurance proceeds | 268,104 |
| Total Cash Receipts | 16,416,481 |

Disbursements

| | |
|--|-------------------|
| 5. Wages & Levies | 6,192,025 |
| 6. Management Fees | 717,948 |
| 7. Food | 948,951 |
| 8. Realty Taxes | 1,692,691 |
| 9. Utilities | 1,031,133 |
| 10. Insurance | 85,012 |
| 11. Marketing, Commissions and Animation | 609,220 |
| 12. Administration | 999,789 |
| 13. Repairs & Maintenance | 745,062 |
| 14. Service Fees/Referral Fees | 31,179 |
| 15. Professional Fees (Note 1) | |
| a) Richter Advisory Group Inc. | - |
| b) Stikeman Elliot/De Grandpré Chait | - |
| 16. Income Tax - Federal | 18,961 |
| 17. CapEx | 611,285 |
| Total disbursements before distribution | 13,683,258 |

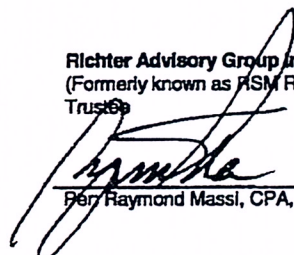
Distribution

| | |
|--|-----------|
| 18. Transfer to Mortgage Holder (Note 2) | 2,733,225 |
| | 2,733,225 |
| 19. Net funds available | \$ - |

Notes:

- The above statement of receipts and disbursements is before consideration of professional fees for services rendered by the Receiver and legal counsels which were paid directly by the Mortgage Holder.
- Pursuant to the Voluntary Taking in Payment transaction, the various assets of the Debtor were transferred to the Mortgage Holder, 2242226 Ontario Inc..

Richter Advisory Group Inc.
(Formerly known as ASM Richter Inc.)
Trustee


Perry Raymond Massi, CPA, CA, CIRP

Nov 16, 2015
Date

Approved by:


Serge Vallières - Inspector

Barry Brovender - Inspector

Ken Lai - Inspector

Exhibit 1

CANADA
 PROVINCE OF QUEBEC
 DISTRICT OF MONTREAL
 DIVISION NO.: 01-MONTREAL
 COURT NO.: 500-11-036401-100
 ESTATE NO.: 41-342678

SUPERIOR COURT
 (Commercial Division)
 Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF
 4426629 CANADA INC.
 Of the City of Montreal
 in the Province of Quebec
Final Statement of Receipts and Disbursements

Receipts

| | |
|-------------------------------------|-------------------|
| 1. Cash in bank | \$ 228,228 |
| 2. Rental revenues | 15,036,542 |
| 3. Other Revenues/Refunds | 883,609 |
| 4. Collection of Insurance proceeds | 268,104 |
| Total Cash Receipts | 16,416,481 |

Disbursements

| | |
|--|-------------------|
| 5. Wages & Levies | 6,182,025 |
| 6. Management Fees | 717,948 |
| 7. Food | 848,881 |
| 8. Realty Taxes | 1,882,691 |
| 9. Utilities | 1,051,133 |
| 10. Insurance | 85,012 |
| 11. Marketing, Commissions and Animation | 609,220 |
| 12. Administration | 989,789 |
| 13. Repairs & Maintenance | 746,082 |
| 14. Service Fees/Referral Fees | 31,179 |
| 15. Professional Fees (Note 1) | - |
| a) Richter Advisory Group Inc. | - |
| b) Stikeman Elliott/De Grandpré Chât | - |
| 16. Income Tax - Federal | 18,981 |
| 17. CapEx | 611,285 |
| Total disbursements before distribution | 13,683,258 |

Distribution

| | |
|--|-------------|
| 18. Transfer to Mortgage Holder (Note 2) | 2,733,225 |
| 19. Net funds available | \$ - |

Notes:

- The above statement of receipts and disbursements is before consideration of professional fees for services rendered by the Receiver and legal counsels which were paid directly by the Mortgage Holder.
- Pursuant to the Voluntary Taking in Payment transaction, the various assets of the Debtor were transferred to the Mortgage Holder, 2242228 Ontario Inc..

Richter Advisory Group Inc.
 (Formerly known as RSM Richter Inc.)
 Trustee

Nov 16, 2015
 Date

Bar Raymond Massé, CPA, CA, CFP

Approved by:

Serge Veillette - Inspector

Barry Brovender - Inspector

Ren Lai - Inspector