

Court File No. CV-17-11697-00CL

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

**IN THE MATTER OF THE WINDING UP OF  
TARN FINANCIAL CORPORATION**

**APPLICATION UNDER SECTIONS 207 AND 248 OF THE  
*BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16**

**FIFTH REPORT OF KPMG INC. in its capacity as  
LIQUIDATOR OF TARN FINANCIAL CORPORATION  
and  
THIRD REPORT OF KPMG INC. in its capacity as  
RECEIVER OF TARN CONSTRUCTION CORPORATION**

**JULY 20, 2018**

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## I. INTRODUCTION AND SUMMARY OF PROCEEDINGS

1. On February 13, 2017, Volkan Basegmez, Cem Bleda Basegmez, Anil Rukan Basegmez, BA&B Capital Inc., Serdar Kocturk and Kaan Holdings Inc. (collectively, the “**Applicants**”) commenced an application (the “**Application**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 seeking an Order winding up Tarn Financial Corporation (“**Tarn Financial**”) and appointing KPMG Inc. (“**KPMG**”) as liquidator for that purpose. The Applicants are shareholders of Tarn Financial and collectively hold 60% of the common shares of Tarn Financial. The remaining 40% of the common shares of Tarn Financial are held by the Respondent, SAMM Capital Holdings Inc. (“**SAMM**”), a company owned by the Respondent, Ali Akman (“**Akman**”).
2. The Application was heard by Justice Lederman on August 11, 2017 and on September 15, 2017, His Honour ordered the winding up of Tarn Financial pursuant to the Winding Up Order dated September 15, 2017 (the “**Winding Up Order**”), and the appointment of KPMG as liquidator for that purpose (in such capacity, the “**Liquidator**”) effective as of September 25, 2017 (the “**Winding Up Proceedings**”). A copy of the Winding Up Order is attached as **Appendix “A”** to this report, which is the Liquidator’s Fifth Report to the Court and the Receiver’s (as defined below) Third Report to the Court (the “**Fifth Report**”).
3. The business and assets of Tarn Financial included the Delta Toronto East Hotel (the “**Hotel**”) and adjoining development lands that were being developed by Tarn Financial, through its wholly-owned subsidiary, Tarn Construction Corporation (“**Tarn Construction**”), as a development known as “The Kennedys” (the “**Development Project**”) located at 2035 Kennedy Rd., Scarborough Ontario (the “**Real Property**”). The assets of Tarn Financial were sold pursuant to the Transaction (as defined below) that closed on June 29, 2018.
4. On October 6, 2017, Akman and SAMM filed a Notice of Appeal with the Divisional Court of the Ontario Superior Court of Justice (the “**Divisional Court**”) appealing the Winding Up Order (the “**Appeal**”). The Appeal was heard on January 30, 2018 by the Divisional Court and on February 6, 2018, the Divisional Court dismissed the Appeal.

5. The Liquidator issued its first report to the Court on November 13, 2017 (the “**First Report**”). On November 16, 2017, the Liquidator issued a first supplemental report to the Court (the “**First Supplemental Report**”) and on November 28, 2017, the Liquidator issued a second supplemental report to the First Report (the “**Second Supplemental Report**”).
6. As detailed in the First Report, the First Supplemental Report and the Second Supplemental Report, the Liquidator brought a motion (the “**Sale Process Motion**”) seeking an Order (the “**Sale Process Order**”), among other things: (a) authorizing the Liquidator to enter into and approving a marketing and listing agreement between the Liquidator and CBRE Limited (“**CBRE**”) dated November 10, 2017; (b) approving the sale process (the “**Sale Process**”); and (c) authorizing, but not obligating, the Liquidator to file a consent to sever the Real Property.
7. The Sale Process Motion was scheduled to be heard before the Court on November 17, 2017. The Sale Process Motion was adjourned on an unopposed basis to November 24, 2017 to allow the Applicants, SAMM and Akman time to formalize a settlement that the parties advised the Liquidator had been reached between them in principle.
8. The settlement was not finalized by November 24, 2017 and the Sale Process Motion was heard on that day and was unopposed except for the Order seeking the approval of a marketing and listing agreement between the Liquidator and CBRE. This aspect of the relief sought was opposed by SAMM and Akman. On November 24, 2017, Justice McEwen declined to grant the Order approving the marketing and listing agreement between the Liquidator and CBRE.
9. Justice McEwen directed the Liquidator to retain another marketing and listing agent and adjourned the Sale Process Motion to allow the Liquidator to do so. Thereafter, on November 29, 2017, Justice McEwen granted the Sale Process Order which, among other things: (a) approved the retention by the Liquidator of Colliers Macaulay Nicolls Inc. (“**Colliers**”) to be the marketing and listing agent; and (b) approved the Sale Process including revisions thereto, in order to address the change in the marketing and listing agent.

10. On December 6, 2017, the Liquidator brought a motion seeking an order (the “**OMB Appeals Order**”) authorizing, but not obligating, the Liquidator to file two Notices of Appeal with the Ontario Municipal Board in respect of the Real Property. Justice McEwen granted the OMB Appeals Order on the same date.
11. The Liquidator issued its second report to the Court on April 9, 2018 (the “**Second Report**”). As detailed in the Second Report, the Liquidator brought a motion returnable on April 13, 2018 seeking:
  - a. An Order (the “**Claims Procedure Order**”) approving and establishing a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “**Claims Process**”);
  - b. An Order (the “**Receivership Order**”) authorizing the appointment of KPMG as receiver and manager over the properties, assets and undertakings of Tarn Construction (in such capacities, the “**Receiver**”) pursuant to section 101 of the *Courts of Justice Act* R.S.O. 1990, c. C.43;
  - c. An Order (the “**Deposit Confirmation Procedure Order**”) approving and establishing a procedure for confirming the Deposits (as defined in the Deposit Confirmation Procedure Order) that have been paid to Tarn Construction by purchasers of the pre-sold, unbuilt condominium units at the Development Project (the “**Deposit Confirmation Procedure**”); and
  - d. An Order (the “**April Ancillary Order**”) (i) authorizing an increase in the maximum principal amount of the Borrowings Charge (as defined in the Winding Up Order) by \$1,000,000 (the “**Increased Borrowing Amount**”) from \$2,000,000 to \$3,000,000 and addressing the priority of the Borrowings Charge in respect of the Increased Borrowing Amount; (ii) approving the fees of the Liquidator and the Liquidator’s legal counsel, Miller Thomson LLP (“**Miller Thomson**”) and Bennett Jones LLP (“**Bennett Jones**”), from the date of the Winding Up Order to December 31, 2017; and (iii) approving the First Supplemental Report, the Second Supplemental Report and the Second Report and the activities and conduct of the Liquidator as set out therein.

12. On April 13, 2018, the Court granted the Claims Procedure Order, the Receivership Order, the Deposit Confirmation Procedure Order and the April Ancillary Order. A copy of the Claims Procedure Order, the Receivership Order, the Deposit Confirmation Procedure Order and the April Ancillary Order are attached as **Appendix “B”**, **Appendix “C”**, **Appendix “D”**, and **Appendix “E”**, respectively, to this Fifth Report.
13. The Liquidator issued its third report to the Court and the Receiver issued its first report to the Court on April 24, 2018 (collectively, the **“Third Report”**). A copy of the Third Report, without appendices, is attached as **Appendix “F”** to this Fifth Report. As detailed in the Third Report, the Liquidator and Receiver brought a motion returnable on May 1, 2018 seeking:
  - a. Advice and directions from the Court regarding the Receiver’s ability to terminate the Agreements of Purchase and Sale (the **“APSS”**) entered into by Tarn Construction with purchasers of proposed condominium units in the contemplated Development Project (the **“Purchasers”**) in accordance with the terms of the APSs and, in particular, the condition contained at Appendix A of Schedule E to the APSs entitled “Tarion Warranty Corporation Statement of Critical Dates and Addendum” which states: “Receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by October 9, 2018” (the **“Construction Financing Early Termination Condition”**);
  - b. An Approval and Vesting Order (the **“Approval and Vesting Order”**), among other things, approving the sale transaction (the **“Transaction”**) contemplated by an asset purchase agreement between Tarn Financial and Sunray Group of Hotels Inc. (**“Sunray”**) date April 20, 2018 (the **“Asset Purchase Agreement”**) and vesting in Sunray Tarn Financial’s right, title and interest in and to the assets described in the Asset Purchase Agreement (the **“Purchased Assets”**);
  - c. An Order (the **“Disputed Deposits Resolution Procedure Order”**), establishing a procedure for the resolution of disputed deposits asserted by Purchasers of proposed condominium units in the contemplated Development Project (the **“Disputed Deposits Resolution Procedure”**); and

- d. An Order (the “**Termination Entitlement Order**”), ordering and declaring, among other things, that the Receiver is entitled to rely upon the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction and that the Receiver is authorized to give notice of termination to terminate the APSs at any time after the granting of the Termination Entitlement Order without damages claims arising thereunder.
14. On May 9, 2018, the Court rendered its endorsement granting the Approval and Vesting Order, the Disputed Deposits Resolution Procedure Order, and the Termination Entitlement Order.
  15. The Liquidator issued its fourth report to the Court and the Receiver issued its second report to the Court on June 8, 2018 (collectively, the “**Fourth Report**”). A copy of the Fourth Report, without appendices, is attached as **Appendix “G”** to this Fifth Report. As detailed in the Fourth Report, the Liquidator and Receiver brought a motion returnable on June 14, 2018 seeking an Order (the “**Deposit Return Procedure Order**”) establishing a procedure for the termination of Purchasers’ APSs and the return of Proven Deposits (as defined in the Disputed Deposits Resolution Procedure Order) to Purchasers of proposed condominium, units in the contemplated Development Project (the “**Deposit Return Procedure**”). The Deposit Return Procedure Order:
    - a. Enabled the Receiver to commence the Deposit Return Procedure in order to return Proven Deposits to Purchasers;
    - b. Enabled the Receiver to terminate Purchasers’ APSs in accordance with their terms, as set out in the Termination Entitlement Order, upon being satisfied with (i) an executed Release Agreement, and (ii) properly completed Certificate(s) of Identity attaching copies of two pieces of valid identification from each Purchaser named on the APS;
    - c. Confirmed that interest is not payable on the Proven Deposits pursuant to the *Condominium Act* and its regulations; and
    - d. Released and discharged the Receiver, the Liquidator, Tarn Construction, Tarn Financial, Bennett Jones, in its capacity as Deposit Trustee (the “**Deposit Trustee**”), The Guarantee Company of North America (“**The Guarantee Company**”) and Tarion



Warranty Corporation (“**Tarion**”) from any Claims relating to the Deposits, including interest thereon.

16. On June 14, 2018, the Court granted the Deposit Return Procedure Order. A copy of the Deposit Return Procedure Order is attached as **Appendix “H”** to this Fifth Report.
17. Capitalized terms not defined herein shall have the meanings set out in the Winding Up Order, the Claims Procedure Order, the Deposit Confirmation Procedure Order and the Deposit Return Procedure Order.

## **II. PURPOSE OF THIS FIFTH REPORT**

18. The purpose of this Fifth Report is to update the Court with respect to:
  - a. The activities of the Liquidator and the Receiver since the Fourth Report, including, but not limited to:
    - (i) activities relating to Tarn Financial and the Hotel operations;
    - (ii) activities relating to Tarn Construction and the Development Project;
    - (iii) activities relating to the Sale Process; and
    - (iv) other activities in relation to the Winding Up Proceedings;
  - b. The Claims Process;
  - c. The Deposit Return Procedure;
  - d. The Liquidator’s statement of receipts and disbursements since the date of its appointment up to and including July 17, 2018;
  - e. The Receiver’s statement of receipts and disbursements since the date of the Receivership Order up to and including July 17, 2018; and
  - f. To provide the Court with the necessary information to support the following relief:
    - (i) An Order (the “**First Distribution Order**”) substantially in the form contained at Tab 3 of the Motion Record dated July 20, 2018 (the “**Motion Record**”) authorizing and directing the Liquidator to make a distribution:

- (A) first to Meridian Credit Union Limited (“**Meridian**”) to repay in full the indebtedness owed by Tarn Financial to Meridian, which is secured by first ranking security;
  - (B) second to Kingsett Mortgage Corporation (“**Kingsett**”) to repay in full the indebtedness owed by Tarn Financial to Kingsett, which is secured by second ranking security; and
  - (C) subject to establishing a reserve with The Guarantee Company and Tarion in accordance with the terms of the Deposit Return Procedure Order, third to repay in full the borrowings made by the Liquidator under the Borrowings Charge granted pursuant to paragraph 18 of the Winding Up Order, as increased by the April Ancillary Order, and as evidenced by the Liquidator’s Certificates dated December 17, 2017, February 5, 2018, and May 17, 2018 (the “**Liquidator’s Borrowings Certificates**”); and
- (ii) An Order substantially in the form contained at Tab 4 of the Motion Record:
- (A) approving the fees of the Liquidator, the Receiver and the Liquidator and Receiver’s legal counsel, Miller Thomson and Bennett Jones, from January 1, 2018 to April 30, 2018; and
  - (B) approving the Third Report, the Fourth Report and the Fifth Report and the activities and conduct of the Liquidator and Receiver as set out therein.
19. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
20. The information contained in this Fifth Report has been obtained from the books and records and other information of Tarn Financial or Tarn Construction. The accuracy and completeness of the financial information contained herein has not been audited or otherwise verified by the Liquidator or the Receiver, and the Liquidator and the Receiver do not express an opinion or provide any other form of assurance with respect to the

information presented herein or relied upon by the Liquidator or the Receiver in preparing this Fifth Report.

21. Future oriented financial information reported or relied on in preparing this Fifth Report is based on Tarn Financial management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

### **III. ACTIVITIES OF THE LIQUIDATOR AND THE RECEIVER SINCE THE FOURTH REPORT**

#### **General Activities**

22. The Liquidator continued to manage the operations of the Hotel up until the closing of the Transaction on June 29, 2018 when ownership of the Purchased Assets transferred to Sunray.
23. The Liquidator and Receiver have continued to:
  - a. Attend at the corporate and administrative offices of Tarn Financial and Tarn Construction located at the Hotel, as required up to, and including, June 29, 2018 (the "**Closing Date**");
  - b. Review and approve all purchase orders up to, but not including, the Closing Date;
  - c. Review and approve all disbursements before they were made up to, but not including, the Closing Date. The Liquidator will continue to review and approve disbursements to be made by Tarn Financial relating to the period prior to the Closing Date;
  - d. Prepare and update 13-week cash flow projections, including analysis of actual versus forecast results;
  - e. Prepare bank reconciliations;
  - f. Work with Richter LLP ("**Richter**") to prepare the 2016 tax returns and to review the tax consequences of the proposed Transaction with a view to optimizing the after-tax proceeds for distribution by the Liquidator;
  - g. Review what monies were transferred in or out of Tarn Financial utilizing the services of KPMG Forensics Inc.;

- h. Have regular discussions with Meridian and Kingsett regarding the Winding Up Proceedings, including, among other things, the status of the Hotel operations and the Development Project up to the Closing Date, discussions with other stakeholders and the Sale Process;
- i. Have regular discussions with the shareholders' counsel regarding the Winding Up Proceedings and respond to inquiries regarding same;
- j. Respond to inquiries from other stakeholders regarding the Winding Up Proceedings;
- k. Post materials relating to the Winding Up Proceedings including the Deposit Return Procedure on its website ([www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn)) (the "Website"); and
- l. Maintain a telephone hotline at (416) 649-7623 or (1-855) 222-8083 and email address at [tarn@kpmg.ca](mailto:tarn@kpmg.ca) for inquiries regarding the Winding Up Proceedings.

#### **Activities Relating to Tarn Financial and the Hotel Operations**

24. In addition to the activities described above, the Liquidator has continued to do the following specifically in respect of the Hotel operations up to the Closing Date:
  - a. Had regular update meetings with Hotel management and staff;
  - b. Coordinated all filings and payments of source deductions, HST, workplace safety insurance and withholding taxes;
  - c. Had regular discussions with representatives of Marriott regarding the status of the Hotel operations and the Sale Process; and
  - d. Continued to work with a third-party accounting firm that is providing bookkeeping assistance in order to input financial entries for Tarn Financial's 2017 fiscal year and prepare its year-end financial statements as at December 31, 2017 due to the lack of general ledger for 2017 at the time of the Liquidator's appointment.

#### **Activities Relating to Tarn Construction and the Development Project**

25. The Liquidator and Receiver have continued to do the following in respect of the Development Project:

- a. Responded to inquiries from consultants as to the status of the Winding Up Proceedings, the Development Project and the Sale Process and the Claims Process;
- b. Responded to inquiries from Purchasers of the proposed condominium units regarding, among other things, the status of their APSs, deposit monies, the Deposit Return Procedure, and the Sale Process;
- c. Had regular discussions with the Deposit Trustee in connection with the deposits made by the Purchasers pursuant to their APSs, regarding, among other things, the status of deposit monies being held in trust, change of addresses of Purchasers, inquiries regarding APSs, and the process for implementing the Deposit Return Procedure including the transfer of all Deposits to the Receiver;
- d. Updated the books and records of Tarn Construction as further invoices were received;
- e. Responded to inquiries from brokers regarding, among other things, the status of the Winding Up Proceedings, their commissions and the Claims Process; and
- f. Had discussions with The Guarantee Company and Tarion regarding the implementation of the Deposit Return Procedure.

#### **Activities Relating to the Sale Process**

26. The Liquidator and its counsel successfully closed the Transaction on June 29, 2018. In accordance with the Sale Process Order and in order to close the Transaction, the Liquidator:
  - a. Attended meetings and teleconferences with Sunray regarding the critical dates under the Asset Purchase Agreement and all issues to prepare for the closing of the Transaction;
  - b. Reviewed all contracts and supplier liabilities and coordinated with Sunray regarding their intentions to either continue with services being provided and assume same or not;
  - c. Reviewed all employee contracts and benefit plans and reviewed employee letters and proposed benefit plans;
  - d. Prepared and compiled information for the initial statement of adjustments;
  - e. Drafted and reviewed closing documents in respect of the Transaction;

- f. Negotiated and entered into a transition services agreement with Sunray, which details the assistance and services Sunray will provide to the Liquidator for the period following the Closing Date, to enable the Liquidator to complete the Winding Up Proceedings and prepare historical financial statements and tax returns;
- g. Assigned, ceased to perform and terminated supplier and customer contracts relating to the Hotel or the Real Property which were in the name of various legal entities and non-existing entities, including in the name of Tarn Financial, Delta Toronto East, S and A Hospitality Corporation, Westmont Hospitality Management Limited (this was the previous owner of the Hotel), Delta Toronto East Hotel, Sann Holding, Kennedy Road Hospitality Operations Toronto Ltd., Kennedy Road Hospitality Operations Inc., Sheraton Toronto East Hotels and Towers, Tarn Financial Services, Toronto East Hotel LP, Toronto East Hotel GP Inc., Delta Hotel, Delta Hotels by Marriott Toronto East, Delta Hotel Toronto East, Delta Hotels Toronto East and Tarn Finance Inc.;
- h. Coordinated the assignment and transfer of various licences and permits including coordinating with the Alcohol and Gaming Commission of Ontario;
- i. Coordinated with Marriott for the termination and release of the franchise agreement upon closing of the Transaction;
- j. Held an employee meeting to advise of the pending Transaction;
- k. Attended inventory and cash float counts prior to the closing of the Transaction;
- l. Returned the deposit to the Back Up Bidder after the closing of the Transaction; and
- m. Paid Colliers in accordance with the terms of the listing and marketing agreement approved by the Court under the Sale Process Order.

**Other Activities in Relation to the Winding Up Proceedings**

- 27. The Liquidator and the Receiver, with the assistance of its counsel, have also done the following in relation to the Winding Up Proceedings:
  - a. Prepared and delivered the Fourth Report;
  - b. Administered the Claims Process, the details of which are described below;
  - c. Undertaken the Deposit Return Procedure, the details of which are described below;

- d. Attended Court on June 14, 2018; and
- e. Prepared this Fifth Report.

**IV. THE CLAMS PROCESS**

- 28. On April 13, 2018, the Court issued the Claims Procedure Order, which approved the Claims Process. Capitalized terms used in this section of the Fifth Report are as defined in the Claims Procedure Order.
- 29. The Third Report and Fourth Report set out in detail the activities of the Liquidator in connection with undertaking the Claims Process.
- 30. The Claims Bar Date was 5:00 PM Eastern Standard Time on June 15, 2018 for all Claimants (other than the Non Arms-Length Claimants) to submit a Proof of Claim in respect of their Claims against Tarn Financial, failing which such Claims shall be forever extinguished and barred. The Non Arms-Length Claims Bar Date was 5:00 PM Eastern Standard Time on June 30, 2018.
- 31. As of the date of this Fifth Report, the Liquidator has received 244 Proofs of Claim in the aggregate amount of \$58,905,433.66, inclusive of Claims filed by the Non Arms-Length Claimants. Also included in the amounts above are three Proofs of Claim that the Liquidator received after the Claims Bar Date which the Liquidator intends to accept as properly filed Claims.
- 32. The following table provides a summary of the Claims received:

<b>Claims Summary</b>			
	<b>Number of Claims</b>	<b>Amount of Claim (\$)</b>	<b>Security/Lien Amount (\$)</b>
Priority Claim (Note 1)	1	1.00	
Secured Creditor Claims (Note 2)	4	23,710,062.63	43,930,000.00
Construction Lien Claims (Note 3)	5	2,791,861.33	2,592,525.65
Other Claims Filed as Secured Claims (Note 4)	8	966,931.13	
Wages and Benefits Claims (Note 5)	42	1,073,700.25	
Unsecured Claims (Note 6)	178	8,400,912.97	
Non Arms-Length Claimant Claims (Note7)	6	21,961,964.35	
<b>Total Claims</b>	<b>244</b>	<b>58,905,433.66</b>	<b>46,522,525.65</b>

Note 1: CRA has submitted a placeholder Claim for priority claims including source deductions, harmonized sales tax (HST) and withholding taxes in respect of Tarn Financial and Tarn Construction. The Liquidator has been in contact with CRA to request that audits be completed in order to determine the amounts owing to CRA. To date, the CRA has not completed any audits in respect of Tarn Financial; however, representatives

of CRA are currently completing an HST examination for the fiscal years 2015 to 2017 and on March 3, 2018 completed a payroll examination for Tarn Construction. The Liquidator will continue to work with CRA in order to complete the necessary audits and allow for the determination of the amount of their Claim.

- Note 2: Secured creditor claims include contingent Claims filed by The Guarantee Company and Tarion which will be addressed pursuant to the Deposit Return Procedure Order.
- Note 3: In the weeks following the granting of the Winding Up Order, five consultants registered a claim for lien against the Real Property pursuant to the Construction Lien Act ("Lien"). The Liquidator consented to the registration and perfection of each of these Liens on the basis that no further steps be taken in respect of the Liens without consent or leave of the Court.
- Note 4: Eight Claimants filed their Proofs of Claim with the Liquidator indicating that their Claims were Secured Claims. Based on the Liquidator's initial review, the Liquidator notes that no security documentation has been provided with respect to these Claims.
- Note 5: 29 Claimants filed their Proofs of Claim with the Liquidator indicating that their Claims were Wages and Benefits Claims. Based on an initial review, none of the Claims are made by employees or former employees of Tarn Financial or Tarn Construction.
- Note 6: The Liquidator has received a large number of Proofs of Claim from Claimants whose contracts are with a contracting party whose name is something other than Tarn Financial. A number of these Claimants have contracts in the name of Tarn Construction. Additionally, a number of the contracting parties are not registered corporations/limited partnerships or business names. The names included are as follows: Delta Toronto East, Samm Holding, Kennedy Road Hospitality Operations Toronto Ltd, Tarn Finance Inc., The Kennedys, SAMM Developments, SAMM Holdings Inc., Delta Toronto East Hotels, Tarn Financial Services, etc. The Liquidator is currently working with its legal counsel to review these Claims.
- Note 7: The Liquidator received Proofs of Claim from each of the three shareholders with respect to their initial advances to Tarn Financial. In addition, SAMM filed three additional Proofs of Claim claiming amounts with respect to cash advances made to Tarn Financial and Tarn Construction, managements fees relating to Tarn Financial and development fees relating to Tarn Construction. All of the Claims filed by SAMM have been filed as Secured Claims.

- 33. Once the Liquidator and its counsel have completed their review of the Claims, the Liquidator will either allow, partially allow/partially disallow or disallow each of the Claims. Additionally, the Liquidator may apply to this Court for advice and directions with respect to the determination of certain Claims.
- 34. Pursuant to the Claims Procedure Order, upon receipt of the Non Arms-Length Claims, the Liquidator delivered the Proofs of Claim to the Applicants and the Respondents. Once the Liquidator is advised by the Applicants and the Respondents whether some or all of the Non Arms-Length Claims are disputed, the Liquidator will coordinate with the Applicants, the Respondents, and the Non Arms-Length Claimants regarding establishing a process for determination of such Claims.

## **V. THE DEPOSIT RETURN PROCEDURE**

- 35. The Receiver has obtained three Orders relating to the Deposits held on behalf of Purchasers of proposed condominium units in the Development Project with the view to determining the amount of Deposits and returning the Deposits to the Purchasers and terminating the APSs. The Receiver sought and obtained the Deposit Confirmation



Procedure Order on April 13, 2018, the Disputed Deposits Resolution Procedure Order on May 9, 2018 and the Deposit Return Procedure Order on June 14, 2018. Capitalized terms used in this section of the Fifth Report are as defined in the Deposit Confirmation Procedure Order or the Deposit Return Procedure Order.

36. In accordance with and in relation to the Deposit Return Procedure Order, the Receiver notified the Deposit Trustee on June 14, 2018 that Purchasers were no longer required to make Additional Deposits under their APSs and that any payments of Additional Deposits made after the date of the Deposit Return Procedure Order were to be returned to Purchasers as soon as practicable.
37. The Receiver received the Deposit Funds from the Deposit Trustee, including post-dated cheques being held by the Deposit Trustee on account of Additional Deposits and the Deposit Trustee's Trust Records relating to Tarn Construction. On June 18, 2018, the Receiver deposited the Deposit Funds into a separate interest bearing bank account held by the Receiver. As of the date of this Fifth Report, the Receiver, with the assistance of the Deposit Trustee, has returned post-dated Additional Deposit cheques to 25 Purchasers.
38. On June 18, 2018, the Receiver delivered to Tarion and The Guarantee Company electronic copies of the Deposit Confirmation Procedure Documentation and provided electronic copies of APSs for all Purchasers that had a Disputed Deposit that were not resolved as at the date of the Deposit Return Procedure Order. The Receiver also provided the Statutory Declaration (Schedule B of the Deposit Return Procedure) from the Receiver to Tarion and The Guarantee Company on the same date.
39. On June 19, 2018, the Receiver received the Statutory Declaration (Schedule A of the Deposit Return Procedure Order) from the Deposit Trustee.
40. The Receiver requested a Statutory Declaration (Schedule C of the Deposit Return Procedure Order) from Ali Akman, the former President of Tarn Financial and Tarn Construction. As of the date of this Fifth Report, the Receiver has not received this Statutory Declaration.

41. The Receiver emailed the fifth communication to Purchasers dated June 19, 2018 (the “**Fifth Communication to Purchasers**”), which is attached to this Fifth Report as **Appendix “I”**.
42. On June 21, 2018, the Receiver mailed the Fifth Communication to Purchasers and packages containing the Release Agreement and the Certificate of Identity to all Purchasers with Proven Deposits (the “**Deposit Return Package**”).
43. After the Deposit Return Packages were sent, the Receiver became aware that certain Deposit Return Packages inadvertently had an error or omission in one or more names of the Purchasers listed on the APS due to the manner in which the records were maintained by the Deposit Trustee. The Receiver corrected these Deposit Return Packages and on June 29, 2018 emailed and mailed by regular mail the amended Deposit Return Packages to affected Purchasers along with an explanation of the error.
44. The Receiver held Proven Deposit return days at the Hotel between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and Saturday July 14, 2018 to allow Purchasers to deliver executed Release Agreements and Certificates of Identity, including two copies of identification, in person in order to receive a cheque in the amount of Purchasers’ Proven Deposits and to facilitate the termination of their APSs.
45. As of July 17, 2018, the Receiver has terminated 551 APSs and returned, either in person or via regular mail, 551 Proven Deposits totaling \$25,963,054.
46. As of July 17, 2018, the Receiver is holding 77 Purchasers’ Proven Deposits totaling \$3,764,194. The Receiver is waiting to receive the appropriate documentation from these Purchasers in order to send, via regular mail, a cheque for their Proven Deposit and to terminate the related APS.
47. As at the date of this Fifth Report, there are four Notices of Dispute of Deposit Statement that are still being reviewed and considered, in consultation with The Guarantee Company and Tarion. All of these are from sales agents that sold the proposed condominium units on behalf of Tam Construction and rather than get paid certain of their commissions they requested that Tam Construction fund Deposits on units that they purchased. The Deposit Trustee did not hold any money with respect to these four Purchasers. These sales agents

have also filed Proofs of Claim for their commissions in the Claims Process. Through counsel, the Receiver and these sales agents have agreed to hold their Disputed Deposits in abeyance until their Proofs of Claim can be determined.

48. Additionally, there were 16 proposed condominium units where no Deposits were received or no APS exists and therefore no Proven Deposits are owing.
49. On July 18, 2018, the Receiver delivered to Tarion and The Guarantee Company the Statutory Declaration (Schedule G of the Deposit Return Procedure Order) including (a) a ledger of the Proven Deposits paid to Purchasers and the Proven Deposits not paid; (b) a current Deposits determination summary outlining the Proven Deposits and Disputed Deposits pursuant to the Orders made in these proceedings (if applicable); and (c) attaching copies of the corresponding Release Agreements and Certificates of Identity.

## **VI. LIQUIDATOR'S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

50. The Liquidator reported on the total receipts and disbursements from the date of the Liquidator's appointment to March 31, 2018 in its Second Report.
51. The following table provides a summary of the total receipts and disbursements from the date of the Liquidator's appointment to July 17, 2018 (the "**R&D Period**"):

<b>Statement of Receipts and Disbursements</b>			
<b>For the period September 25, 2017 to July 17, 2018</b>			
<b>(in CAD)</b>			
	<b>Sep 25, 2017 to Mar 30, 2018</b>	<b>Mar 31, 2018 to July 17, 2018</b>	<b>Sep 25, 2017 to July 17, 2018</b>
<b>Receipts</b>			
Operating receipts	11,461,730	6,353,866	17,815,596
Liquidator's Borrowings	1,977,820	999,985	2,977,805
Net sale proceeds	-	59,303,653	59,303,653
<b>Total receipts</b>	<b>13,439,550</b>	<b>66,657,504</b>	<b>80,097,054</b>
<b>Disbursements</b>			
Operating disbursements	2,495,807	1,070,150	3,565,957
Salaries and wages	3,939,936	2,314,158	6,254,094
Taxes	1,271,097	620,481	1,891,578
Insurance	198,814	51,142	249,956
Utilities	699,760	350,735	1,050,494
Marriott fee	796,937	632,162	1,429,098
Critical Maintenance	239,684	128,362	368,046
<b>Total operating disbursements</b>	<b>9,642,035</b>	<b>5,167,190</b>	<b>14,809,224</b>
<b>Operating cash flow</b>	<b>3,797,515</b>	<b>61,490,314</b>	<b>65,287,830</b>
<b>Loan Facilities and Professional Fees</b>			
Secured lenders - Principal and Interest	1,059,046	745,828	1,804,874
Sales Commission	-	847,500	847,500
Professional fees	1,195,174	1,795,409	2,990,583
<b>Non-operating disbursements</b>	<b>2,254,220</b>	<b>3,388,737</b>	<b>5,642,957</b>
Opening book balance	(70,185)	1,473,111	(70,185)
<b>Net cash flow</b>	<b>1,543,296</b>	<b>58,101,577</b>	<b>59,644,873</b>
<b>Closing book balance</b>	<b>1,473,111</b>	<b>59,574,688</b>	<b>59,574,688</b>

52. Receipts during the R&D Period were \$80,097,054 and consist of: (a) guest room, food and beverage and parking-related revenues of \$17,815,596; (b) funding of \$2,977,805 under the Borrowings Charge; and (c) net sale proceeds of \$59,303,653.
53. Disbursements during the R&D Period total approximately \$20,452,181 and consist of: (a) payroll in the amount of approximately \$6,254,094; (b) operating expenses of \$3,565,957; (c) HST and other tax payments in the amount of \$1,891,578; (d) other expenses, namely insurance, utilities payments to Marriott and maintenance items in the amount of \$3,097,594; (e) principal and interest payments to the Secured Lenders of \$1,804,874, (f) Colliers' commission of \$847,500 and, (g) professional fees and disbursements of \$2,990,583, which consist of the professional fees of the Liquidator and the Receiver, its independent legal counsel, Miller Thomson, and Bennett Jones.

### **Future Disbursements**

54. The Asset Purchase Agreement in section 6.02 contemplates that there will be adjustments made to the estimated amounts in the statement of adjustments after the Closing Date as

necessary within sixty (60) days after the Closing Date. As such, the final amount of the net proceeds from the Transaction is expected to change and will not be known until the expiration of the 60 day period.

55. The Liquidator is responsible for the payment of all goods and/or services rendered to the Hotel between the period September 25, 2018 up to and including June 28, 2018 (the “**Service Period**”). On July 6, 2018, the Liquidator sent a notice to all suppliers requesting that suppliers issue invoices for the Service Period to the Liquidator by no later than August 15, 2018 so that the Liquidator may process these invoices and make payment for all goods and/or services rendered during the Service Period. The final amount owing will not be known until all invoices are received.
56. As detailed in the Liquidator’s previous reports to Court, the Borrowings Charge pursuant to paragraph 18 of the Winding Up Order, as amended by the April Ancillary Order, may not exceed a principal amount of \$3,000,000 at any time. The Property (as defined in the Winding Up Order) of Tam Financial is charged as security for payment of the monies borrowed in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person but subordinate in priority to (a) any valid and enforceable security interest registered against the Property in favour of persons not related to, or not dealing at arm’s length with, Tam Financial; and (b) the Liquidator’s Charge (as defined in the Winding Up Order).
57. The Liquidator has borrowed money from two parties under the Borrowings Charge as evidenced by the Liquidator’s Borrowings Certificates attached hereto as **Appendix “J”**.
58. The initial funding was provided by one of the Applicants, Volkan Basegmez (“**Volkan**”), in two tranches with interest payable at a rate of 12% per annum. The interest is payable as follows: 6% to be cash paid monthly and 6% PIK interest. It was agreed that the first tranche of funding would be provided on or around December 15, 2017 and the second tranche on or around January 15, 2018. As at June 30, 2018, \$2,026,168.90 was owing to Volkan on account of the advances made by him under the Borrowing’s Charge.
59. The Increased Borrowing Amount was provided by another one of the Applicants, KAAN Holdings Inc. (“**KAAN**”), in one tranche on May 1, 2018 with an interest of 12% per

annum which interest is also paid as follows: 6% in cash paid monthly and 6% PIK interest. As at June 30, 2018, \$1,005,095.89 was owing to KAAN.

60. Neither Volkan nor KAAN were required to file a Proof of Claim for the borrowings they advanced under the Liquidator’s Borrowings Certificates. The Liquidator is seeking the ability to repay the amounts owing under the Liquidator’s Borrowings Certificates as discussed below.
61. The Liquidator has been working closely with Richter in order to complete the outstanding tax returns for Tarn Financial and to also estimate the amount of capital gains taxes owing with respect to the Transaction. At this time, it is estimated that up to approximately \$6 million may be owing in respect of capital gains taxes. The exact amount owing to CRA will not be known until the finalization of the 2018 tax position.

**VII. RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

62. The following table provides a summary of the total receipts and disbursements from the date of the appointment of the Receiver on April 13, 2018 to July 17, 2018 in the Receiver’s trust account (the “Receiver’s R&D Period”).

<b>Statement of Receipts and Disbursements</b>	
<b>For the period April 13, 2018 to July 17, 2018</b>	
<b>(in CAD)</b>	
	<b>Apr 13, 2018 to July 17, 2018</b>
<b>Receipts</b>	
Deposit funds received and held in trust	30,094,631
Interest	17,678
<b>Total receipts</b>	<b>30,112,308</b>
<b>Disbursements</b>	
Proven Deposits returned to Purchasers	25,963,056
Bank charges	2
<b>Total disbursements</b>	<b>25,963,057</b>
Opening book balance	-
Net cash flow	4,149,251
<b>Ending book balance</b>	<b>4,149,251</b>

63. Receipts during the Receiver’s R&D Period were \$30,112,308 and consist of (a) Deposit Funds of \$30,094,631 from the Deposit Trustee and (b) interest of \$17,678 earned since the Deposit Funds were deposited into the Receiver’s trust account on June 18, 2018.

64. Disbursements during the Receiver's R&D Period total approximately \$25,963,056 and consist of payments to Purchasers of their Proven Deposits pursuant to the Deposit Return Procedure.

#### VIII. DISTRIBUTION TO SECURED CREDITORS

65. The Liquidator is seeking the First Distribution Order to allow it to repay in full the first and second ranking secured creditors and, subject to establishing a reserve with The Guarantee Company and Tarion in accordance with the terms of the Deposit Return Procedure Order that addresses The Guarantee Company's third ranking secured position, to repay in full the borrowings made by the Liquidator under the Borrowings Charge.
66. Meridian holds, among other security, a first registered charge/mortgage of land in the principal amount of \$19,800,000 and a general security agreement from Tarn Financial (collectively, the "**Meridian Security**").
67. Based on Meridian's Proof of Claim it is owed approximately \$17,603,247.93. The Liquidator has asked for an updated payout statement from Meridian as at July 26, 2018.
68. Kingsett holds, among other security, a third registered charge/mortgage of land in the principal amount of \$11,250,000 (the "**Kingsett Mortgage**") and a general security agreement from Tarn Financial (collectively, the "**Kingsett Security**").
69. Kingsett filed a Proof of Claim in the amount of \$6,079,972.07. The Liquidator has requested and received an updated payout statement from Kingsett indicating that it is owed \$6,297,782.65 as at July 26, 2018 with a per diem of \$1,489.67.
70. The Liquidator has received an opinion from its independent counsel, Miller Thomson that the Meridian Security and the Kingsett Security are valid and enforceable in accordance with their terms. The Kingsett Security has second priority pursuant to an Priority Agreement between, among others, Kingsett and The Guarantee Company dated December 22, 2016 pursuant to which The Guarantee Company agreed to postpone and subordinate its second registered charge/mortgage of land registered June 9, 2016, as amended by an Agreement Amending Charge registered July 15, 2016 in the principal amount of

\$12,880,000 granted by the Borrower to The Guarantee Company to the Kingsett Mortgage.

71. Given that the Liquidator is proposing to make distributions to secured creditors prior to the Liquidator knowing the amount of the CRA's placeholder priority claim or obtaining clearance certificates from CRA and the other taxing authorities, the Liquidator has requested that Meridian and Kingsett enter into a Reimbursement Agreement with the Liquidator to address any claims that rank in priority to the Meridian Security and the Kingsett Security.
72. Subject to this Court's approval and the Liquidator being satisfied that there are arrangements in place to address reimbursement for priority claims with Meridian and Kingsett, the Liquidator anticipates repaying Meridian and Kingsett immediately following Court approval.
73. As set out above, as of June 30, 2018, Volkan is owed \$2,026,168.90 on account of the advances made by him under the Liquidator's Borrowings Certificates he holds. As of June 30, 2018, KAAN is owed \$1,005,095.89 on account of the advances made by it under the Liquidator's Borrowings Certificate it holds.
74. Prior to being in a position to repay the amounts owing under the Liquidator's Borrowings Certificates, the Liquidator has to work with The Guarantee Company and Tarion to establish a reserve in accordance with the terms of the Deposit Return Procedure Order. Once a reserve is established, the Liquidator will request that Volkan and KAAN enter into a Reimbursement Agreement with the Liquidator to address any claims that rank in priority to the Borrowings Charge. Upon the Liquidator being satisfied that there are arrangements in place to address reimbursement for priority claims with Volkan and KAAN and a sufficient reserve in accordance with the Deposit Return Procedure Order has been established, the Liquidator will repay the amounts owing under the Liquidator's Borrowings Certificates to Volkan and KAAN.

**IX. APPROVAL OF PROFESSIONAL FEES TO APRIL 30, 2018**

75. The fees and disbursements of the Liquidator and its legal counsel, Miller Thomson and Bennett Jones, for the period from the date of the Winding Up Order to December 31, 2018



were set out in the Second Report and were approved by the Court in the April Ancillary Order.

76. The Liquidator, the Receiver and the Liquidator's and the Receiver's counsel, Miller Thomson and Bennett Jones, have maintained detailed records of their professional time and costs from January 1, 2018 up to and including April 30, 2018 (the "**Fee Period**"), as detailed in the Fee Affidavit of Anamika Gadia of KPMG sworn July 19, 2018, the Fee Affidavit of Gregory Azeff of Miller Thomson sworn July 19, 2018 and the Fee Affidavit of Andrew Jeanrie of Bennett Jones sworn July 19, 2018 (collectively, the "**Fee Affidavits**"). Copies of the Fee Affidavits are attached as **Appendix "K"**, **Appendix "L"** and **Appendix "M"**, respectively.
77. Pursuant to paragraphs 16 and 17 of the Winding Up Order, the Liquidator and its counsel, shall be paid their reasonable fees and disbursements and shall pass their accounts before this Court. In addition, pursuant to paragraph 15 of the Winding Up Order, the Liquidator and its counsel were granted the Liquidator's Charge as security for their fees and disbursements.
78. Pursuant to paragraphs 16 and 17 of the Receivership Order, the Liquidator is directed to pay the reasonable fees and disbursements of the Receiver and its counsel and KPMG and its legal counsel are not required to maintain separate accounts in their capacity as Receiver and counsel to the Receiver. In addition, pursuant to paragraph 15 of the Receivership Order, the Receiver and its counsel were granted the Receiver's Charge as security for their fees and disbursements.
79. The total fees and disbursements (including Harmonized Sales Tax) of the Liquidator and the Receiver during the Fee Period amount to \$1,151,380.85. The details of the time spent and the services provided by the Liquidator and the Receiver are more particularly described in the Fee Affidavit of Anamika Gadia.
80. The total fees and disbursements (including Harmonized Sales Tax) of Miller Thomson during the Fee Period amount to \$358,531.79. The details of the time spent and the services provided by Miller Thomson are more particularly described in the Fee Affidavit of Gregory Azeff.

81. The total fees and disbursements (including Harmonized Sales Tax) of Bennett Jones during the Fee Period amount to \$18,693.44. The details of the time spent and the services provided by Bennett Jones are more particularly described in the Fee Affidavit of Andrew Jeanrie.
82. The Liquidator and the Receiver have reviewed the accounts of its counsel and believe that the accounts of the Liquidator, the Receiver, Miller Thomson and Bennett Jones are reasonable in the circumstances and respectfully requests that the Court approve the Liquidator's and the Receiver's fees and disbursements and those of its counsel.

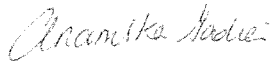
## **X. CONCLUSION**

83. The Liquidator and the Receiver submit this Fifth Report to the Court in support of the Liquidator's and the Receiver's Motion for the relief as set out in the Motion Record and recommends that the Court grant the following relief:
  - a. The First Distribution Order substantially in the form contained at Tab 3 of the Motion Record authorizing and directing the Liquidator to make a distribution:
    - (i) first to Meridian to repay in full the indebtedness owed by Tarn Financial to Meridian, which is secured by first ranking security;
    - (ii) second to Kingsett to repay in full the indebtedness owed by Tarn Financial to Kingsett, which is secured by second ranking security; and
    - (iii) subject to establishing a reserve with The Guarantee Company and Tarion in accordance with the terms of the Deposit Return Procedure Order , third to repay in full the borrowings made by the Liquidator under the Borrowings Charge granted pursuant to paragraph 18 of the Winding Up Order, as increased by the April Ancillary Order, and as evidenced by the Liquidator's Borrowings Certificates; and
  - b. An Order substantially in the form contained at Tab 4 of the Motion Record:
    - (i) approving the fees and disbursements of the Liquidator, the Receiver and the Liquidator's and Receiver's legal counsel, Miller Thomson and Bennett Jones, from January 1, 2018 to April 30, 2018; and

- (ii) approving the Third Report, the Fourth Report and the Fifth Report and the activities and conduct of the Liquidator and Receiver as set out therein.

All of which is respectfully submitted at Toronto, Ontario this 20<sup>th</sup> day of July, 2018.

**KPMG Inc., in its capacity as Court Appointed Liquidator of  
Tarn Financial Corporation and in its capacity as Court Appointed  
Receiver of Tarn Construction Corporation and not in its personal capacity**



Per:

\_\_\_\_\_  
Anamika Gadia  
Senior Vice President

# APPENDIX “A”

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

THE HONOURABLE MR )                      FRIDAY, THE 15<sup>th</sup> DAY  
  )                      )  
JUSTICE LEDERMAN                      )                      OF SEPTEMBER 2017

**BETWEEN:**

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ, BA&B CAPITAL INC., SERDAR KOCTURK and KAAH HOLDINGS INC. **Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC. and TARN FINANCIAL CORPORATION **Respondents**

APPLICATION UNDER sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16.

**ORDER**  
(Winding-up Tarn Financial Corporation)

THIS MOTION made by the Applicants for an Order pursuant to section 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the “**OBCA**”) winding-up Tarn Financial Corporation (“**Tarn**”) appointing KPMG Inc. (“**KPMG**”) as liquidator of Tarn was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavits of Anil Rukan Basegmez sworn 16 March 2017, Serdar Kocturk sworn 19 April 2017, Oliver Fitzgerald sworn 24 April 2017, Ali Akman sworn 27 July 2017, Julian Emmanuel sworn 18 April 2017 and Ted Evangelidis sworn 19 April 2017, the Reports of MNP LLP dated 6 July 2017 and Kanish & Partners LLP dated 27 July 2017, the Mediator’s Report dated 27 June 2017 and the transcripts from the shareholders’ meeting held on 9 June 2017 and the cross-examinations of Anil Rukan Basegmez, Serdar Kocturk, Ali Akman Julian Emmanuel and Edward Asare-Quansah, and on hearing the submissions of counsel for the

Applicants and the Respondents Ali Akman and SAMM Capital Holdings Inc., no one appearing for Tarn Financial,

### **WINDING-UP OF TARN FINANCIAL**

1. **THIS COURT ORDERS** that Tarn Financial be wound-up and for that purpose KPMG be and is hereby appointed as liquidator of the effects and estate of Tarn Financial effective from 25 September 2017 with the powers obligations set forth in Part XVI of the OBCA and this Order. Where there is any inconsistency between the powers provided to KPMG under the OBCA and this Order, the terms of this Order shall govern to the extent that they restrict or limit the powers of KPMG.

### **KPMG'S POWERS**

2. **THIS COURT ORDERS** that KPMG is hereby empowered and authorized, but not obligated, to act at once in respect of the assets property and undertaking of Tarn Financial (the "**Property**") and, without in any way limiting the generality of the foregoing, KPMG is hereby expressly empowered and authorized to do any of the following where KPMG considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate, and carry on the business of Tarn Financial, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Tarn Financial;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, forensic experts, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of KPMG's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of Tarn Financial or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Tarn Financial and to exercise all remedies of Tarn Financial in collecting such monies, including, without limitation, to enforce any security held by Tarn Financial;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in KPMG's name or in the name and on behalf of Tarn Financial, for any purpose pursuant to this Order;
- (h) conduct a review of what monies were transferred in or out of Tarn Financial;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Tarn Financial, the Property or KPMG and the authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding and subject to consent of the shareholders of Tarn Financial or an Order of the Court to settle or compromise any such proceeding;
- (j) to market the Property for sale and, subject to approval of the Court, negotiate such terms and conditions of sale as KPMG in its discretion may deem appropriate;

- (k) to apply to the Court for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as KPMG deems appropriate on all matters relating to the Property and to share information, subject to such terms as to confidentiality as KPMG deems advisable;
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of Tarn Financial;
- (n) to exercise any shareholder, partnership, joint venture or other rights which Tarn Financial may have; and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where KPMG takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including Tarn Financial, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO KPMG**

3. **THIS COURT ORDERS** that (i) Tarn Financial, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise KPMG of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to KPMG, and shall deliver all such Property to KPMG upon KPMG's request.



4. **THIS COURT ORDERS** that all Persons shall forthwith advise KPMG of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Tarn Financial, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to KPMG or permit KPMG to make, retain and take away copies thereof and grant to KPMG unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to KPMG due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
  
5. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to KPMG for the purpose of allowing KPMG to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as KPMG in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of KPMG. Further, for the purposes of this paragraph, all Persons shall provide KPMG with all such assistance in gaining immediate access to the information in the Records as KPMG may in its discretion require including providing KPMG with instructions on the use of any computer or other system and providing KPMG with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST KPMG**

6. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against KPMG except with the written consent of KPMG or with leave of this Court.

## **NO PROCEEDINGS AGAINST TARN FINANCIAL OR THE PROPERTY**

7. **THIS COURT ORDERS** that no Proceeding against or in respect of Tarn Financial or the Property shall be commenced or continued except with the written consent of KPMG or with leave of this Court and any and all Proceedings currently under way against or in respect of Tarn Financial or the Property are hereby stayed and suspended pending further Order of this Court.

## **NO INTERFERENCE WITH KPMG**

8. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Tarn Financial, without written consent of KPMG or leave of this Court.

## **CONTINUATION OF SERVICES**

9. **THIS COURT ORDERS** that all Persons having oral or written agreements with Tarn Financial or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Tarn Financial are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by KPMG, and that KPMG shall be entitled to the continued use of Tarn Financial's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by KPMG in accordance with normal payment practices of Tarn Financial or such other practices as may be agreed upon by the supplier or service provider and KPMG, or as may be ordered by this Court.

## **KPMG TO HOLD FUNDS**

10. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by KPMG from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by KPMG (the "**Liquidator's Accounts**") as required by section 227 of the OBCA and the monies standing to the credit of the Liquidator's Accounts from time to time, net of any disbursements provided for herein, shall be held by KPMG to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

11. **THIS COURT ORDERS** that all employees of Tarn Financial shall remain the employees of Tarn Financial until such time as KPMG, on Tarn Financial's behalf, may terminate the employment of such employees. KPMG shall not be liable for any employee-related liabilities, including any successor employer liabilities other than such amounts as KPMG may specifically agree in writing to pay. Tarn Financial shall make all employee-related remittance from and after the date of this Order.

## **PIPEDA**

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, KPMG shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to KPMG, or in the alternative destroy all such information. The purchaser of any

Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by Tarn Financial, and shall return all other personal information to KPMG, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

13. **THIS COURT ORDERS** that nothing herein contained shall require KPMG to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt KPMG from any duty to report or make disclosure imposed by applicable Environmental Legislation. KPMG shall not, as a result of this Order or anything done in pursuance of KPMG's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE KPMG'S LIABILITY**

14. **THIS COURT ORDERS** that KPMG shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on the part of KPMG.

## **LIQUIDATOR'S ACCOUNTS**

15. **THIS COURT ORDERS** that KPMG and counsel to KPMG shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that KPMG and counsel to KPMG shall be entitled to and are hereby granted a charge (the "**Liquidator's Charge**") on the Property as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Liquidator's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to any valid and enforceable security interests registered against the Property in favour of Persons not related to, or not dealing at arm's length with, Tarn Financial as of the date of this Order.
16. **THIS COURT ORDERS** that KPMG and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of KPMG and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
17. **THIS COURT ORDERS** that prior to the passing of its accounts KPMG shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of KPMG or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF KPMG**

18. **THIS COURT ORDERS** that KPMG be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the

powers and duties conferred upon KPMG by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the " Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to: (i) any valid and enforceable security interests registered against the Property in favour of Persons not related to, or not dealing at arm's length with, Tarn Financial as of the date of this Order; and (ii) the Liquidator's Charge.

19. **THIS COURT ORDERS** that neither the Borrowings Charge nor any other security granted by KPMG in connection with its borrowings under this Order shall be enforced without leave of this Court.

#### **SERVICE AND NOTICE**

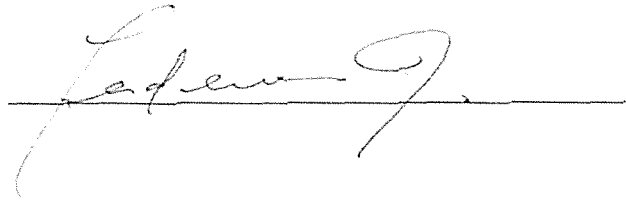
20. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

21. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, KPMG is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to interested parties and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the

next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

22. **THIS COURT ORDERS** that KPMG may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
23. **THIS COURT ORDERS** that the Applicants shall have its costs as either agreed upon by the parties or ordered by the Court.
24. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to KPMG and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



**BETWEEN:**

**BASEGMEZ *et al***  
**- Applicants -**

**AND**

**AKMAN *et al***  
**- Respondents -**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
  
(PROCEEDING COMMENCED AT TORONTO)

**ORDER**

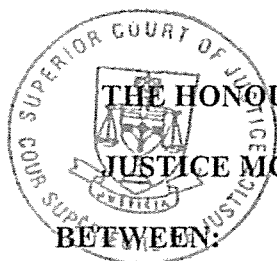
**GOWLING WLG (CANADA) LLP**  
Barristers and Solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, Ontario M5X 1G5  
  
**E. Patrick Shea (LSUC No. 39655K)**  
**Christopher Stanek (LSUC No. 45127K)**  
Telephone: (416) 369-7399 / 862-4369  
Facsimile: (416) 862-7661

LAWYERS FOR THE APPLICANTS



# APPENDIX “B”

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**



THE HONOURABLE )

)

FRIDAY, THE 13<sup>th</sup> DAY

JUSTICE MCEWEN )

)

OF APRIL, 2018

BETWEEN:

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAAN HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

APPLICATION UNDER Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.

**CLAIMS PROCEDURE ORDER**  
**(Re: Tarn Financial Corporation)**

THIS MOTION, made by KPMG Inc., in its capacity as court-appointed liquidator (in such capacity, the “Liquidator”) pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“Tarn Financial”), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “Winding Up Order”), which appointment was effective on September 25, 2017, for an order approving and establishing a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “Claims Process”) was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Liquidator dated April 9, 2018 and on hearing the submissions of counsel for the Liquidator, and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service sworn April 10, 2018, filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion is hereby abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion is hereby dispensed with.

## **DEFINITIONS AND INTERPRETATION**

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

(a) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

(b) **“Claim”** means:

(i) any right or claim of any Person against Tarn Financial, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of Tarn Financial in existence on the Effective Date, and any accrued interest thereon and costs payable in respect thereof to and including the Effective Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is

based in whole or in part on facts which existed prior to the Effective Date, and includes any other claims that would have been claims provable in a bankruptcy had Tarn Financial become bankrupt on the Effective Date, and does not include an Excluded Claim; and

- (ii) a Wages & Benefits Claim;
- (c) “**Claimant**” means a Person who has asserted a Claim or could have asserted a Claim but for the provisions hereof concerning the Claims Bar Date;
- (d) “**Claims Bar Date**” means 5:00 PM Eastern Standard Time on June 15, 2018, or such later date as may be ordered by this Court;
- (e) “**Claims Process Notice**” means the notice of this Order to be published in accordance with paragraph 10 of this Order, substantially in the form attached as **Schedule “A”** to this Order;
- (f) “**Court**” means the Ontario Superior Court of Justice, Commercial List;
- (g) “**Effective Date**” means September 25, 2017;
- (h) “**Excluded Claim**” means, subject to further order of this Court, (a) any claims of the Liquidator or its counsel; (b) any claims for repayment of monies borrowed pursuant to the Borrowings Charge, as defined in the Winding Up Order; and, (c) any claims for amounts due for goods or services actually supplied to Tarn Financial on or after the Effective Date;
- (i) “**Non Arms-Length Claimant**” means any Person who is a shareholder of Tarn Financial as at the Effective Date, and all Persons related to such Non Arms-Length Claimant including but not limited to all companies or other legal entities that such Persons own or control in whole or in part, directly or indirectly;
- (j) “**Non-Arms-Length Claims Bar Date**” means 5:00 PM Eastern Standard Time on June 29, 2018, or such later date as may be ordered by this Court;

- (k) “**Notice of Determination of Claim**” means the notice provided by the Liquidator pursuant to paragraph 24 of this Order, substantially in the form attached as **Schedule “C”** to this Order;
- (l) “**Notice of Objection**” means the notice provided pursuant to paragraph 25 of this Order, substantially in the form attached as **Schedule “D”** to this Order;
- (m) “**OBCA**” means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;
- (n) “**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity;
- (o) “**Proof of Claim**” means the proof of claim referred to herein to be filed by Claimants in connection with any Claim, substantially in the form attached as **Schedule “B”**, which shall include all supporting documentation in respect of such Claim;
- (p) “**Proven Claim**” means a Claim to the extent that it has been finally determined in accordance with the terms of this Order; and
- (q) “**Wages & Benefits Claim**” means any right or claim against Tarn Financial, whether or not asserted, in connection with any outstanding wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, bonus plans, incentive plans, share compensation plans, share allocation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits) vacation pay, commissions, bonuses and other incentive payments, and expenses and reimbursements due as at the Effective Date, and does not include an Excluded Claim.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. Toronto time on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”, and that all references to the singular herein include the plural, the plural include the singular, and that any gender includes all genders.

5. **THIS COURT ORDERS** that for the purposes of this Order, any Claim denominated in any currency other than Canadian dollars shall be converted to and constitute obligations in Canadian dollars, such calculation to be effected by the Liquidator using the Bank of Canada noon spot rate on the Effective Date.

#### **LIQUIDATOR’S ROLE**

6. **THIS COURT ORDERS** that the Liquidator, in addition to its prescribed rights and obligations under the OBCA and the Winding-Up Order, shall administer the Claims Process, including the determination of Claims and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.

7. **THIS COURT ORDERS** that the Liquidator is authorized to enter into settlement negotiations with a Claimant at any stage of the Claims Process and is further authorized to enter into agreements with such Claimant resolving the value of their Claim.

#### **PUBLICATION OF NOTICE**

8. **THIS COURT ORDERS** that the Claims Process Notice is hereby approved. Notwithstanding the foregoing, the Liquidator may from time to time, make minor non-substantive changes to the form of Claims Process Notice as may be necessary or desirable.

9. **THIS COURT ORDERS** that the Liquidator shall cause the Claims Process Notice and Proof of Claim to be posted on the Liquidator’s website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn) no later than five (5) Business Days after the date of this Order.

10. **THIS COURT ORDERS** that the Liquidator shall take all reasonable steps to cause the Claims Process Notice to be published twice in each of the Globe and Mail (National Edition) and the Toronto Star.

11. **THIS COURT ORDERS** that the Liquidator shall, no later than five (5) Business Days after the date of this Order, send the Claims Process Notice and Proof of Claim by ordinary mail, electronic mail, facsimile transmission or courier to:

- (a) Each party that appears on the service list in these proceedings;
- (b) All of the known creditors of Tarn Financial as of the Effective Date as evidenced by its books and records; and
- (c) All Persons who have notified the Liquidator or Tarn Financial of a potential Claim.

12. **THIS COURT ORDERS** that the sending of the Claims Process Notice and the publication of the Claims Process Notice, in accordance with this Order, shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons and no other notice or service need to be given or made.

#### **CLAIMS BAR DATE**

13. **THIS COURT ORDERS** that any Person that intends to assert a Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before the Claims Bar Date or Non Arms-Length Claims Bar Date, as applicable.

14. **THIS COURT ORDERS** that the Claims of all Claimants who do not deliver a Proof of Claim to the Liquidator by the Claims Bar Date or Non Arms-Length Claims Bar Date, as applicable, shall be forever extinguished and barred and all such Claimants shall be deemed to have fully and finally released and discharged all such Claims as against Tarn Financial and the Liquidator.

15. **THIS COURT ORDERS** that, with respect to any Claims which are deemed to have been released and discharged in accordance with paragraph 14 of this Order, Tarn Financial and the Liquidator shall be released and discharged from any and all demands, claims, actions, causes of

action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction or dealing or other occurrence existing or taking place prior to the Effective Date.

#### **COLLECTION OF PROOFS OF CLAIM**

16. **THIS COURT ORDERS** that the Proof of Claim is hereby approved. Notwithstanding the foregoing, the Liquidator may from time to time, make minor non-substantive changes to the form of Proof of Claim as may be necessary or desirable.

17. **THIS COURT ORDERS** that strict compliance with the requirements set out in section 228 of the OBCA are hereby waived.

18. **THIS COURT ORDERS** that the Liquidator is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim are completed and executed and the time in which they are submitted and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order, as to the completion and execution of Proofs of Claim and to request any further documentation from a Claimant that the Liquidator may require in order to enable it to determine the validity of a Claim.

19. **THIS COURT ORDERS** that the Liquidator shall maintain a list of all Proofs of Claim received by it, including the name of the Claimant, the party or parties claimed against, the amount claimed, the nature of the Claim and the status of the Claim.

20. **THIS COURT ORDERS** that any Claimant that has filed a Proof of Claim may request and examine the Proofs of Claim of other Claimants.



## **DETERMINATION OF CLAIMS**

21. **THIS COURT ORDERS** that, following the Claims Bar Date, the Liquidator shall review the Proofs of Claim filed on or before the Claims Bar Date and, with respect to all Claims, the Liquidator shall determine to either allow, partially allow, partially disallow or disallow the Claims.

22. **THIS COURT ORDERS** that the Liquidator, may attempt to consensually resolve the amount of any asserted Claim with the Claimant prior to allowing, partially allowing, partially disallowing or disallowing such Claim.

23. **THIS COURT ORDERS** that for any Claim commenced prior to the Effective Date by the issuance of an originating process (as defined in the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended), or for any Claim commenced after the Effective Date, with the consent of the Liquidator, the Liquidator may choose to have such Claim determined in the context of the proceedings commenced by such originating process and, in such case, the Liquidator shall notify such Claimant of such a decision rather than provide a Notice of Determination of Claim (as defined below). The value and status of such Claimant's Claim shall be as finally determined in such proceedings and shall be deemed to constitute such Claimant's Proven Claim (as defined below) as so finally determined.

24. **THIS COURT ORDERS** that, where a Claim is to be allowed, partially allowed, partially disallowed or disallowed pursuant to the process contained in this Order, the Liquidator shall deliver to the Claimant a written notice of such determination setting out therein the reasons for the determination (a "**Notice of Determination of Claim**") as soon as reasonably practicable.

## **RESOLUTION OF DISPUTES REGARDING CLAIMS**

25. **THIS COURT ORDERS** that in the event that a Claimant objects to the Liquidator's determination of a Claim and intends to contest the Notice of Determination of Claim, such Claimant shall deliver written notice of such party's objection and a brief description of the grounds for such objection (a "**Notice of Objection**") so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination of Claim is deemed to be received.

26. **THIS COURT ORDERS** that any Claimant that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph 25 shall be deemed to have agreed with the Notice of Determination of Claim pertaining to that Claimant's Claim. Any Claim, or any portion thereof, that is disallowed pursuant to a Notice of Determination of Claim and in respect of which no Notice of Objection is received by the Liquidator by the deadline set forth in paragraph 25 hereof shall be forever extinguished, barred, discharged and released as against Tarn Financial and the Liquidator without any further act or notification.

27. **THIS COURT ORDERS** that the Liquidator may attempt to settle the dispute with respect to the Claim and, in the event that a settlement is not achieved, the Liquidator may either direct the dispute to a claims officer (as may be appointed by the Court on application of the Liquidator) or the Liquidator may seek directions from the Court concerning an appropriate process for resolving the disputed Claim.

28. **THIS COURT ORDERS** that where a Claimant who receives a Notice of Determination of Claim agrees to same or where the claim is otherwise determined in accordance with paragraph 27 of this Order, the value and status of such Claimant's Claim shall be deemed to be as set out in the Notice of Determination of Claim or as determined in accordance with paragraph 27 of this Order, as the case may be, and such value and status, if any, shall constitute such Claimant's proven Claim (a "**Proven Claim**").

#### **CLAIMS OF NON ARMS-LENGTH CLAIMANTS**

29. **THIS COURT ORDERS** that, if any Proof of Claim is received by the Liquidator from a Non Arms-Length Claimant prior to the Non-Arms-Length Claims Bar Date, such Claim will not be determined by the Liquidator. Upon receipt of any Proof of Claim by a Non Arms-Length Claimant, the Liquidator shall deliver the Proof of Claim to the Applicants and the Respondents, and shall coordinate with the Applicants, the Respondents, and the Non Arms-Length Claimant, regarding establishing a process for determination of such Claims, if disputed.

30. **THIS COURT ORDERS** that, for greater certainty, the Liquidator shall not be required to issue a Notice of Determination of Claim in respect of any Proof of Claim filed by a Non Arms-

Length Claimant. Any references in this Order to the issuing of such notices by the Liquidator shall be deemed to exclude reference to Proof of Claims filed by the Non Arms-Length Claimants.

#### **NOTICES AND COMMUNICATIONS**

31. **THIS COURT ORDERS** that, except as set out in this Order, any notice or communication (including Notices of Determination of Claims) to be given under this Order by the Liquidator to a Claimant shall be in writing and may be delivered by prepaid ordinary mail, by courier, by delivery, by facsimile transmission or electronic mail to the Claimant to such address, facsimile number or e-mail address, as applicable, for such Claimant as shown on the books of Tarn Financial or as set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

32. **THIS COURT ORDERS** that any document, notice or other communication (including, without limitation, Proofs of Claim) required to be delivered to the Liquidator under this Order shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

KPMG Inc.,  
in its capacity as court-appointed Liquidator  
of Tarn Financial Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

33. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Process is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

34. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.


#### **GENERAL PROVISIONS**

35. **THIS COURT ORDERS** that the Liquidator may from time to time apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order.

36. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Liquidator and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

37. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

  
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ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 13 2018

PER / PAR:



**SCHEDULE A  
CLAIMS PROCESS NOTICE**

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**IN RESPECT OF CLAIMS AGAINST TARN FINANCIAL CORPORATION**

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**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16., AS  
AMENDED**

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***PLEASE TAKE NOTICE*** that this notice is being published pursuant to an Order of Justice McEwen of the Ontario Superior Court of Justice (Commercial List) dated April 13, 2018 (the “**Claims Procedure Order**”). All capitalized terms in this Notice are defined in the Claims Procedure Order, a copy of which can be found on the website of the Liquidator, KPMG Inc., at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

Any Person who believes that it has a Claim against Tarn Financial Corporation should send a Proof of Claim to the Liquidator to be received by the Liquidator by 5:00 p.m. local Toronto time on June 15, 2018 or such other date as ordered by the Court (the “**Claims Bar Date**”).

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER BARRED AND EXTINGUISHED.**

A copy of the Claims Procedure Order providing a full definition of Claims being called for can be found on the Liquidator’s website at: [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

Claimants who require a Proof of Claim form may access the form at the Liquidator’s website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn) or they may contact the Liquidator (**Attention:** Marcel Réthoré, **email:** [tarn@kpmg.ca](mailto:tarn@kpmg.ca)) to obtain a hard copy of the Proof of Claim and/or the Claims Procedure Order.

Claimants should file their Proof of Claim with the Liquidator by mail, facsimile, email, courier or hand delivery, so that the Proof of Claim is actually received by the Liquidator by the Claims Bar Date at the address below.

**Address of the Liquidator**

KPMG Inc.,  
in its capacity as court-appointed Liquidator  
of Tarn Financial Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

**SCHEDULE B**

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**PROOF OF CLAIM IN RESPECT OF CLAIMS AGAINST  
TARN FINANCIAL CORPORATION**

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**1. PARTICULARS OF CLAIMANT**

Full Legal Name of Claimant: \_\_\_\_\_ (the "Claimant")  
*(Full legal or corporate name should be the name of the original Claimant.)*

Full Mailing Address of the Claimant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Claimant: \_\_\_\_\_

Facsimile Number of Claimant: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

Email Address: \_\_\_\_\_

Has the Claim been sold or assigned  
by Claimant to another party?

Yes \_\_\_\_\_ No \_\_\_\_\_ (If yes please complete section D)

**2. PROOF OF CLAIM:**

I, \_\_\_\_\_ [Name of Claimant or Representative of the Claimant], do  
hereby certify :

that I am (please check one):

\_\_\_\_\_ the Claimant; or

\_\_\_\_\_ hold the following position of \_\_\_\_\_ the Claimant and have  
personal knowledge of all the circumstances connected with the Claim described herein.

3. PARTICULARS OF CLAIM:

Amount	Currency	Claim Specification
\$ _____		<input type="checkbox"/> Wages & Benefits Claim
\$ _____		<input type="checkbox"/> Secured Claim
\$ _____		<input type="checkbox"/> Unsecured Claim
<b>Total:</b> \$ _____		

Description of transaction, agreement or event giving rise or relating to the Claim:

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If the Claim includes an amount for any accrued interest thereon and costs payable in respect thereof, state the basis for such interest and/or cost claim, the rate of interest, and provide evidence upon which the claim for interest and/or costs is being made.

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If the Claim is contingent or unliquidated, state the basis and provide evidence upon which the Claim has been valued:

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**IF CLAIMANTS REQUIRE ADDITIONAL SPACE, PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD PROVIDE PARTICULARS OF THE CLAIM AND COPIES OF ALL SUPPORTING DOCUMENTATION, INCLUDING AMOUNT AND DESCRIPTION OF TRANSACTION(S), AGREEMENT(S) OR LEGAL BREACH(ES) GIVING RISE TO THE CLAIM.**



4. PARTICULARS OF ASSIGNEE(S) (IF ANY):

Full Legal Name of Assignee(s) of the Claim *(if all or a portion of the Claim has been sold)*. If there is more than one assignee, please attach separate sheets with the following information (the "Assignee(s)")

---

Amount of Total Claim Assigned	\$	_____
Amount of Total Claim Not Assigned	\$	_____
Total Amount of Claim	\$	_____

(should equal "Total Claim" as entered on Section 2)

Full Mailing Address of the Assignee(s)

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Telephone Number of Assignee: \_\_\_\_\_

Facsimile Number of Assignee: \_\_\_\_\_

Email Address: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

**FILING OF CLAIMS:**

The duly completed Proof of Claim together with supporting documentation must be returned and received by the Liquidator, no later than 5:00 p.m. local Toronto time on **June 15, 2018**, to the email address or address listed below.

**FAILURE TO FILE YOUR PROOF OF CLAIM BY SUCH DATE WILL RESULT IN YOUR CLAIM BEING FOREVER EXTINGUISHED AND BARRED AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST TARN FINANCIAL CORPORATION.**

This Proof of Claim must be delivered by email, facsimile, personal delivery, courier or prepaid mail at the following address:

**Address of the Liquidator:**

KPMG Inc.,  
in its capacity as Court-appointed Liquidator  
of Tarn Financial Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone 1-855-222-8083  
Fax: 416-777-3364  
E-mail: tarn@kpmg.ca

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of individual completing this form)

SCHEDULE C

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NOTICE OF DETERMINATION OF CLAIM

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To: \_\_\_\_\_ (the "Claimant")

Date: \_\_\_\_\_

**IN THE MATTER OF THE WINDING-UP PROCEEDING OF TARN FINANCIAL CORPORATION ("TARN FINANCIAL")**

Take notice that KPMG Inc., in its capacity as court-appointed liquidator (in such capacity, the "Liquidator") pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017, with such appointment effective September 25, 2017, has reviewed the Claim in respect of the above-noted Claimant and has assessed the Claim in accordance with the Claims Procedure Order of the Ontario Superior Court of Justice (Commercial List) dated April 13, 2018 (the "Claims Procedure Order").

All capitalized terms not defined herein have the meaning given to such terms in the Claim Procedure Order.

The Liquidator has reviewed your Claim in accordance with the Claims Procedure Order, and has made the following determination:

**Claim Determination**

- Claim Allowed
- Claim Partially Allowed/ Claim Partially Disallowed
- Claim Disallowed

The Liquidator has made the above-noted determination in respect of your Claim for the following reason(s):

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Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

Name of Claimant	Claim Amount per Proof of Claim	Amount of Claim Allowed (if any)
	\$	\$

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**IF YOU WISH TO DISPUTE THIS NOTICE OF DETERMINATION OF CLAIM AS SET FORTH HEREIN, YOU MUST TAKE THE STEPS OUTLINED BELOW.**

The Claims Procedure Order provides that if you disagree with the determination of your Claim herein, you must deliver to the Liquidator a completed Notice of Objection **before 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination of Claim is deemed to be received.**

If you do not dispute the determination of your Claim herein in accordance with the above instructions and the Claim Procedure Order, the amount of your Claim will be deemed to be accepted and the Claim shall be a Proven Claim in the amount set forth herein.

If you have any questions or concerns regarding the Claims Procedure Order, please contact the Liquidator directly.

DATED the \_\_\_\_\_ day of \_\_\_\_\_ 2018.

**KPMG Inc., solely in its capacity as  
Court-appointed Liquidator of  
Tarn Financial Corporation**

Per: \_\_\_\_\_  
*Anamika Gadia*  
Senior Vice President

SCHEDULE D

NOTICE OF OBJECTION

IN THE MATTER OF THE WINDING-UP PROCEEDING OF TARN FINANCIAL CORPORATION ("TARN FINANCIAL")

To: KPMG Inc., in its capacity as Court-appointed Liquidator of Tarn Financial (the "Liquidator")

Date: \_\_\_\_\_

Claimant: \_\_\_\_\_ (the "Claimant")

Pursuant to the Claims Procedure Order dated April 13, 2018, the Claimant hereby gives notice that it disputes the Notice of Determination of Claim dated \_\_\_\_\_, 2018, issued by the Liquidator.

The Claimant disputes the Claim as partially allowed, partially disallowed or disallowed in the said Notice of Determination of Claim as follows:

Amount of Claim determined by the Liquidator as set out in the Notice of Determination of Claim	Amount of Claim per Claimant
\$ _____	\$ _____
\$ _____	\$ _____

Reason for the dispute (*attach copies of any supporting documentation*)

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Address for service of this Notice of Objection:

KPMG Inc.,  
in its capacity as court-appointed Liquidator  
of Tarn Financial Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

**THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE LIQUIDATOR BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL (IN PDF FORMAT), FACSIMILE OR COURIER TO THE ABOVE-NOTED ADDRESS AND MUST BE RECEIVED BY THE LIQUIDATOR BEFORE 5:00 P.M. ON THE FOURTEENTH (14) CALENDAR DAY AFTER THE DATE THE NOTICE OF DETERMINATION OF CLAIM IS DEEMED TO BE RECEIVED.**

DATED the \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of Claimant)

If the Claimant is not an individual, print name of Claimant, and name and title of authorized signatory:

Per:

\_\_\_\_\_  
(Signature of authorized signatory)

Name:

Title:

I have the authority to bind the corporation

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**CLAIM PROCEDURE ORDER  
(DATED APRIL 13, 2018)**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
Toronto Ontario M5H 3S1

**Kyla Mahar LSO#: 44182G**

Tel: 416.597.4303 / Fax: 416.595.8695

**Stephanie De Caria LSO#: 68055L**

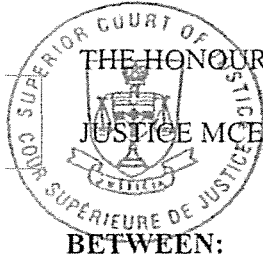
Tel: 416.597.2652 / Fax: 416.595.8695

Lawyers for KPMG Inc., in its capacity as court-appointed Liquidator of Tarn Financial Corporation

# APPENDIX “C”



**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**



THE HONOURABLE MR. )

FRIDAY, THE 13<sup>th</sup>

JUSTICE MCEWEN )

DAY OF APRIL, 2018

)

**BETWEEN:**

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

**APPLICATION UNDER** Sections 207 and 248 of the  
*Business Corporations Act*, R.S.O. 1990, c. B.16.

**MOTION UNDER** Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43

**ORDER**  
**(appointing Receiver)**

**THIS MOTION** made by KPMG Inc. (“KPMG”), in its capacity as court-appointed liquidator (in such capacity, the “**Liquidator**”) pursuant to section 207 of the *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“**Tarn Financial**”) and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “**Winding Up Order**”), which appointment was effective on September 25, 2017, for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KPMG as receiver and manager (in such capacities, the “**Receiver**”) without security,

of all of the assets, undertakings and properties of Tarn Construction Corporation (“**Tarn Construction**”) acquired for, or used in relation to a business carried on by Tarn Construction, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Liquidator dated April 9, 2018 and on hearing the submissions of counsel for the Liquidator, and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service sworn April 10, 2018, filed, and on reading the consent of KPMG to act as the Receiver,

#### **SERVICE**

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

#### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, KPMG is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Tarn Construction acquired for, or used in relation to a business carried on by Tarn Construction, including all proceeds thereof (the “**Property**”).

#### **RECEIVER’S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of Tarn Construction, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Tarn Construction;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of Tarn Construction or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Tarn Construction and to exercise all remedies of Tarn Construction in collecting such monies, including, without limitation, to enforce any security held by Tarn Construction;
- (g) to take steps to commence a process to confirm the deposit amounts being held by Tarn Construction pursuant to Agreements of Purchase and Sale between Tarn Construction as vendor and purchasers for pre-sold condominium units for the contemplated development project known as "The Kennedy's";
- (h) to settle, extend or compromise any indebtedness owing to Tarn Construction;

- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of Tarn Construction, for any purpose pursuant to this Order;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Tarn Construction, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to apply to the Court for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Tarn Construction;
- (n) to exercise any shareholder, partnership, joint venture or other rights which Tarn Construction may have; and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including Tarn Construction, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) Tarn Construction, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Tarn Construction, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST TARN CONSTRUCTION OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of Tarn Construction or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of Tarn Construction or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against Tarn Construction, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or Tarn Construction to carry on any business which Tarn Construction is not lawfully entitled to carry on, (ii) exempt the Receiver or Tarn Construction from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Tarn Construction, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with Tarn Construction or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Tarn Construction are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of Tarn Construction's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of Tarn Construction or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**PIPEDA**

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects

identical to the prior use of such information by Tam Construction, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

13. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

14. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS AND FUNDING OF THE RECEIVERSHIP**

15. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver's Charge**”) on the Property, as



security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

16. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to pay the reasonable fees and disbursements of the Receiver and its counsel, in each case at their standard rates and charges, and the cost of administering Tarn Construction's receivership, all from the effects and estate of Tarn Financial in accordance with the Winding Up Order and when so paid, shall take the benefit of the Receiver's Charge to the extent of such payment.

17. **THIS COURT ORDERS** that KPMG and its legal counsel shall not be obligated to maintain accounts in their capacity as Receiver and counsel to the Receiver, which are separate from the accounts they maintain in their capacity as Liquidator and counsel to the Liquidator, which accounts shall be passed from time to time in accordance with the Winding Up Order.

#### **GENERAL**

18. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Tarn Construction.

20. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 13 2018

PER / PAR:



Volkan Basegmez et al v. Ali Akman, SAMM Capital Holdings Inc. and Tarn Financial Corporation

Court File No.: CV-17-11697-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**RECEIVERSHIP ORDER  
(Re: Tarn Construction Corporation)  
DATED APRIL 13, 2018**

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
Toronto Ontario M5H 3S1

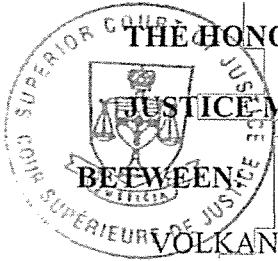
**Kyla Mahar LSO#: 44182G**  
Tel: 416.597.4303 / Fax: 416.595.8695

**Stephanie De Caria LSO#: 68055L**  
Tel: 416.597.2652 / Fax: 416.595.8695

Lawyers for KPMG Inc., in its capacity as Liquidator  
of Tarn Financial Corporation

# APPENDIX “D”

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**



**THE HONOURABLE**

)

**FRIDAY, THE 13<sup>TH</sup> DAY**

**JUSTICE MCEWEN**

)

**OF APRIL, 2018**

**VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.**

**Applicants**

– and –

**ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION**

**Respondents**

**APPLICATION UNDER Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.**

**DEPOSIT CONFIRMATION PROCEDURE ORDER**

**THIS MOTION**, made by KPMG Inc. (“**KPMG**”), in its capacity as court-appointed liquidator (in such capacity, the “**Liquidator**”) pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“**Tarn Financial**”), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “**Winding Up Order**”) which appointment was effective on September 25, 2017, for an order approving and establishing a procedure for confirming deposits, was heard contemporaneously with a motion by the Liquidator seeking to appoint KPMG as receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of Tarn Construction Corporation (“**Tarn Construction**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (“**CJA**”), this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Liquidator dated April 9, 2018 and on hearing the submissions of counsel for the Liquidator, and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service sworn April 10, 2018, filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion is hereby abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion is hereby dispensed with.

## **DEFINITIONS AND INTERPRETATION**

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

- (a) **“Additional Deposit”** means a Deposit paid after March 31, 2018;
- (b) **“Amended and Restated Deposit Statement”** means the document restating the Deposit remitted by a Purchaser up to and including March 31, 2018 and setting out any Additional Deposit remitted by a Purchaser, as prepared by the Receiver, with the assistance of the Deposit Trustee, in the form substantially attached as **Schedule “B”** to this Order;
- (c) **“APS”** means an agreement of purchase and sale between Tarn Construction and a Purchaser for the sale and purchase of a Proposed Unit at the contemplated Development Project;
- (d) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) **“Court”** means the Ontario Superior Court of Justice, Commercial List;

- (f) “**Deposit**” means any monies including, without limitation, deposit monies and monies on account of extras and upgrades paid by a Purchaser pursuant to an APS for a Proposed Unit at the Development Project;
- (g) “**Deposit Confirmation Bar Date**” means 5:00 PM Eastern Standard Time on May 15, 2018 with respect to the Deposits set out on the Deposit Statement and thirty (30) calendar days after the date set out on the Amended and Restated Deposit Statement with respect to the Additional Deposits, or such later date as may be ordered by this Court;
- (h) “**Deposit Confirmation Procedure**” means the procedure outlined in this Order in connection with the confirmation and assertion of Deposits remitted to Tam Construction, as amended or supplemented by further Order of the Court;
- (i) “**Deposit Statement**” means the document setting out the Deposit remitted by a Purchaser up to and including March 31, 2018, as prepared by the Receiver, with the assistance of the Deposit Trustee, in the form substantially attached as **Schedule “A”** to this Order;
- (j) “**Deposit Trustee**” means Bennett Jones LLP;
- (k) “**Development Project**” means the contemplated residential condominium development located at 2035 Kennedy Road, Toronto, Ontario, known as the “The Kennedys”;
- (l) “**Known Additional Deposit**” has the meaning set forth in paragraph 17 of this Order;
- (m) “**Known Deposit**” has the meaning set forth in paragraph 13 of this Order;
- (n) “**Notice of Dispute of Amended and Restated Deposit Statement**” means a notice disputing the Amended and Restated Deposit Statement, substantially in the form attached as **Schedule “D”** to this Order;

- (o) “**Notice of Dispute of Deposit Statement**” means a notice disputing the Deposit Statement, substantially the form attached as **Schedule “C”** to this Order;
- (p) “**Proposed Unit**” means a residential condominium unit at the Development Project;
- (q) “**Purchaser**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity, that has entered into an APS and/or has paid a Deposit, as indicated by the books and records of Tarn Construction and/or the Deposit Trustee;
- (r) “**Receiver**” means KPMG, in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Tarn Construction pursuant to the Receivership Order; and
- (s) “**Receivership Order**” means the Order appointing KPMG as Receiver pursuant to section 101 of the CJA granted on April 13, 2018 by the Court in these proceedings.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. Toronto time on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”, and that all references to the singular herein include the plural, the plural include the singular, and that any gender includes all genders.

5. **THIS COURT ORDERS** that the Deposit Confirmation Procedure and the form of the Deposit Statement, the Amended and Restated Deposit Statement, the Notice of Dispute of Deposit Statement and the Notice of Dispute of Amended and Restated Deposit Statement be and are hereby approved. Notwithstanding the foregoing, the Receiver may from time to time, make minor changes to the forms, in its sole discretion, as may be necessary or desirable.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of this Order as to completion, execution and submission of such forms and to request any further documentation from a Purchaser that the Receiver may require.

7. **THIS COURT ORDERS** that copies of all forms delivered and received hereunder, as applicable, shall be maintained by the Receiver.

#### **ROLE OF THE RECEIVER**

8. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights and obligations under the Receivership Order, shall administer the Deposit Confirmation Procedure provided for herein and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.

#### **NOTICE REQUIREMENTS**

9. **THIS COURT ORDERS** that the Receiver shall, no later than five (5) Business Days after the date of this Order, deliver to each Purchaser a Deposit Statement.

10. **THIS COURT ORDERS** that the Receiver shall, no later than ten (10) Business Days after the Deposit Trustee receives an Additional Deposit from a Purchaser, deliver to such Purchaser an Amended and Restated Deposit Statement.

11. **THIS COURT ORDERS** that the Receiver shall, no later than five (5) Business Days after the date of this Order, post a copy of this Order on the website maintained in respect of these proceedings at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

12. **THIS COURT ORDERS** that the Receiver shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of Tarn Construction and the Deposit Trustee regarding the Purchasers and the Deposits. For greater certainty, the Receiver shall have no liability in respect of the information provided to it or otherwise obtained by it regarding the Purchasers and the Deposits and shall not be required to conduct any independent inquiry and/or investigation with respect to that information.



## **DEPOSIT STATEMENT**

13. **THIS COURT ORDERS** that the Receiver shall deliver a Deposit Statement to each Purchaser pursuant to paragraph 9 of this Order. Such Deposit Statement, as prepared by the Receiver, with the assistance of the Deposit Trustee, based on the books and records of Tarn Construction and the Deposit Trustee, shall be substantially in the form attached hereto as Schedule "A" and shall specify the classification, amount and nature of such Purchaser's Deposit (the "**Known Deposit**").

14. **THIS COURT ORDERS** that any Purchaser who does not dispute the classification, amount or nature of the Known Deposit set forth in the Deposit Statement delivered to such Purchaser is not required to take any further action and the Deposit of such Purchaser shall be deemed to be the Known Deposit.

15. **THIS COURT ORDERS** that any Purchaser who wishes to dispute the classification, amount and/or nature of the Known Deposit set forth in the Deposit Statement delivered to such Purchaser, shall be required to deliver a Notice of Dispute of Deposit Statement to the Receiver so that it is actually received by the Receiver by no later than the Deposit Confirmation Bar Date.

16. **THIS COURT ORDERS** that any Purchaser that does not deliver a Notice of Dispute of Deposit Statement in respect of a Deposit Statement pursuant to paragraph 15, shall be forever barred from disputing the classification, amount or nature of the Known Deposit set forth in the Deposit Statement and any Deposit in excess of the amount specified in the Deposit Statement, except for a Known Additional Deposit, shall be forever barred and extinguished.

## **AMENDED AND RESTATED DEPOSIT STATEMENT**

17. **THIS COURT ORDERS** that, in accordance with paragraph 10 of this Order, the Receiver shall deliver an Amended and Restated Deposit Statement to every Purchaser that pays an Additional Deposit to the Deposit Trustee. Such Amended and Restated Deposit Statement, as prepared by the Receiver, with the assistance of the Deposit Trustee, based on the books and records of Tarn Construction and the Deposit Trustee, shall be substantially in the form attached hereto as Schedule "B" and shall restate the Known Deposit, and specify the classification, amount and nature of such Purchaser's Additional Deposit (the "**Known Additional Deposit**").

18. **THIS COURT ORDERS** that any Purchaser who does not dispute the classification, amount or nature of the Known Additional Deposit set forth in the Amended and Restated Deposit Statement delivered to such Purchaser is not required to take any further action and the Additional Deposit of such Purchaser shall be deemed to be the Known Additional Deposit.

19. **THIS COURT ORDERS** that any Purchaser who wishes to dispute the classification, amount and/or nature of the Known Additional Deposit set forth in the Amended and Restated Deposit Statement delivered to such Purchaser, shall be required to deliver a Notice of Dispute of Amended and Restated Deposit Statement to the Receiver so that it is actually received by the Receiver by no later than the Deposit Confirmation Bar Date.

20. **THIS COURT ORDERS** that any Purchaser that does not deliver a Notice of Dispute of Amended and Restated Deposit Statement in respect of an Amended and Restated Deposit Statement pursuant to paragraph 19, shall be forever barred from disputing the classification, amount or nature of the Known Additional Deposit set forth in the Amended and Restated Deposit Statement and any Deposit in excess of the amount specified in the Amended and Restated Deposit Statement shall be forever barred and extinguished.

#### **DETERMINATION OF DEPOSITS**

21. **THIS COURT ORDERS** that, except as contemplated by paragraphs 14, 16, 18 and 20 of this Order, the applicable procedures for reviewing and determining Deposits shall be established by further Order of the Court.

#### **SERVICE AND NOTICE**

22. **THIS COURT ORDERS** that, except as set out in this Order, any Deposit Statement or Amended and Restated Deposit Statement to be given under this Order by the Receiver to a Purchaser shall be in writing and may be delivered by prepaid ordinary mail, by courier, by delivery, by facsimile transmission or electronic mail to the Purchaser to such address, facsimile number or e-mail address, as applicable, for such Purchaser as shown on the books of Tarn Construction or the Deposit Trustee. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) and the tenth Business

Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

23. **THIS COURT ORDERS** that any Notice of Dispute of Deposit Statement and/or Notice of Dispute of Amended and Restated Deposit Statement required to be delivered to the Receiver under this Order shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

KPMG Inc.,  
in its capacity as court-appointed Receiver and Manager  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

24. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to the Deposit Confirmation Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

25. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.

**GENERAL PROVISIONS**

26. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.



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ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 13 2018

PER / PAR:



SCHEDULE "A"

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DEPOSIT STATEMENT  
IN RESPECT OF A DEPOSIT PAID TO TARN CONSTRUCTION CORPORATION

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**Date:** [Insert Date of Issuance]

**Deposit Reference Number:** [Insert Deposit Reference Number]

**To:** [Insert Name of Purchaser] (the "Purchaser")  
[Insert Address of Purchaser]

**Regarding:** Agreement of Purchase and Sale between Tarn Construction Corporation and the Purchaser dated [Insert signing date of Agreement of Purchase and Sale] (the "APS")

**Proposed Unit:** [Unit [●], Level [●], TSCP, City of Toronto]  
[Suite [●], 2035 Kennedy Road, Toronto, Ontario, MIT 3G2] (the "Proposed Unit")

As you may be aware, on September 15, 2017, the Ontario Superior Court of Justice (the "Court") granted an Order (the "Winding Up Order") pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16., as amended, appointing KPMG Inc. ("KPMG") as liquidator (in such capacity, the "Liquidator") of the effects and estate of Tarn Financial Corporation ("Tarn Financial"), which appointment was effective on September 25, 2017, for the purpose of winding up Tarn Financial and distributing its assets (the "Winding Up Proceedings"). Tarn Financial owns and operates Tarn Construction Corporation ("Tarn Construction") which contemplated the residential condominium development known as 'The Kennedys' (the "Development Project") at the real property owned by Tarn Financial and municipally known as 2035 Kennedy Road, Toronto, Ontario.

On April 13, 2018, the Court granted an Order (the "Receivership Order") pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing KPMG as receiver and manager (in such capacities, the "Receiver") of all of the assets, undertakings and properties of Tarn Construction (the "Receivership"). On April 13, 2018, the Court also granted a Deposit Confirmation Procedure Order approving and establishing a procedure for confirming deposits (the "Deposit Confirmation Procedure Order"). Copies of all Orders and information pertaining to the Winding Up Proceedings and the Receivership can be found at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

Capitalized terms not defined herein have the meanings given to them in the Deposit Confirmation Procedure Order.

YOU ARE RECEIVING THIS DEPOSIT STATEMENT PURSUANT TO THE DEPOSIT CONFIRMATION PROCEDURE ORDER BECAUSE THE RECEIVER HAS IDENTIFIED



If you make an Additional Deposit pursuant to your APS after March 31, 2018, the Receiver will send you an Amended and Restated Deposit Statement in accordance with the Deposit Confirmation Procedure Order. You are not required to do anything in respect of your Additional Deposit until you receive the Amended and Restated Deposit Statement.

**IF YOU FAIL TO DELIVER A NOTICE OF DISPUTE OF DEPOSIT STATEMENT IN RESPECT OF A DEPOSIT STATEMENT BY THE DEPOSIT CONFIRMATION BAR DATE, YOU SHALL BE FOREVER BARRED FROM DISPUTING THE CLASSIFICATION, AMOUNT OR NATURE OF THE KNOWN DEPOSIT SET FORTH IN THE DEPOSIT STATEMENT AND ANY DEPOSIT IN EXCESS OF THE AMOUNT SPECIFIED IN THE DEPOSIT STATEMENT, EXCEPT FOR A KNOWN ADDITIONAL DEPOSIT, SHALL BE FOREVER BARRED AND EXTINGUISHED.**

If you have any questions or concerns about the Deposit Confirmation Procedure Order or this Deposit Statement, please contact the Receiver directly at the following address:

KPMG Inc.,  
in its capacity as court-appointed Receiver and Manager  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

DATED the \_\_\_\_\_ day of \_\_\_\_\_ 2018.

SCHEDULE "B"

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AMENDED AND RESTATED DEPOSIT STATEMENT  
IN RESPECT OF A DEPOSIT PAID TO TARN CONSTRUCTION CORPORATION

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Capitalized terms not defined herein have the meanings given to them in the Deposit Confirmation Procedure Order of the Ontario Superior Court of Justice dated April 13, 2018 (the "Deposit Confirmation Procedure Order") or the Deposit Statement.

**Date:** [Insert Date of Issuance]

**Deposit Reference Number:** [Insert Deposit Reference Number]

**To:** [Insert Name of Purchaser] (the "Purchaser")  
[Insert Address of Purchaser]

**Regarding:** Agreement of Purchase and Sale between Tarn Construction Corporation and the Purchaser dated [Insert signing date of Agreement of Purchase and Sale] (the "APS")

**Proposed Unit:** [Unit [●], Level [●], TSCP, City of Toronto]  
[Suite [●], 2035 Kennedy Road, Toronto, Ontario, M1T 3G2] (the "Proposed Unit")

YOU ARE RECEIVING THIS AMENDED AND RESTATED DEPOSIT STATEMENT PURSUANT TO THE DEPOSIT CONFIRMATION PROCEDURE ORDER BECAUSE THE RECEIVER HAS IDENTIFIED THAT YOU HAVE AN EXECUTED APS FOR THE PURCHASE OF A PROPOSED UNIT AT THE DEVELOPMENT PROJECT AND YOU HAVE MADE AN ADDITIONAL DEPOSIT PURSUANT TO YOUR APS AFTER MARCH 31, 2018.

According to the books and records of the Deposit Trustee, Bennett Jones LLP, the Known Additional Deposit amounts presented below have been received in conjunction with your APS after March 31, 2018, and as of the date of this Amended and Restated Deposit Statement. All amounts are in Canadian dollars unless otherwise stated. If you agree with the amounts presented below in the Known Additional Deposit table, YOU ARE NOT REQUIRED TO DO ANYTHING FURTHER. The Receiver will take your silence on the matter to mean that you are in agreement with the Known Additional Deposit, as defined in the Deposit Confirmation Procedure Order and as set out below.

The Known Deposit set out in the Deposit Statement originally delivered to you is restated below. Please refer to the Deposit Statement for instructions and the deadline for disputing the classification, amount or nature of the Known Deposit restated below.

RESTATED KNOWN DEPOSIT AS AT MARCH 31, 2018





**and Restated Deposit Statement, being [Date to be Inserted] (the “Deposit Confirmation Bar Date”).**

If you have already submitted a Notice of Dispute of Deposit Statement in respect of the Known Deposit restated herein in this Amended and Restated Deposit Statement, then YOU ARE NOT REQUIRED TO RE-SUBMIT a Notice of Dispute of Amended and Restated Deposit Statement in respect of the Known Deposit restated herein.

**IF YOU FAIL TO DELIVER A NOTICE OF DISPUTE OF AMENDED AND RESTATED DEPOSIT STATEMENT IN RESPECT OF AN AMENDED AND RESTATED DEPOSIT STATEMENT BY THE DEPOSIT CONFIRMATION BAR DATE, YOU SHALL BE FOREVER BARRED FROM DISPUTING THE CLASSIFICATION, AMOUNT OR NATURE OF THE ADDITIONAL KNOWN DEPOSIT SET FORTH IN THE AMENDED AND RESTATED DEPOSIT STATEMENT AND ANY DEPOSIT IN EXCESS OF THE AMOUNT SPECIFIED IN THE AMENDED AND RESTATED DEPOSIT STATEMENT SHALL BE FOREVER BARRED AND EXTINGUISHED.**

If you have any questions or concerns about the Deposit Confirmation Procedure Order or this Amended and Restated Deposit Statement, please contact the Receiver directly at the following address:

KPMG Inc.,  
in its capacity as court-appointed Receiver and Manager  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

**DATED** the \_\_\_\_\_ day of \_\_\_\_\_ 2018.

**SCHEDULE "C"**

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**NOTICE OF DISPUTE OF DEPOSIT STATEMENT  
IN RESPECT OF A DEPOSIT PAID TO TARN CONSTRUCTION CORPORATION**

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Capitalized terms not defined herein have the meanings given to them in the Deposit Confirmation Procedure Order of the Ontario Superior Court of Justice dated April 13, 2018 (the "Deposit Confirmation Procedure Order") or the Deposit Statement.

**I. PARTICULARS OF PURCHASER**

**Deposit Reference Number:** [Insert Deposit Reference Number listed on Deposit Statement]

**Full Legal Name of Purchaser** \_\_\_\_\_

**Full Mailing Address of Purchaser** \_\_\_\_\_

**Telephone Number** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**Attention (Contact Person)** \_\_\_\_\_

**II. DISPUTE OF KNOWN DEPOSIT SET OUT IN DEPOSIT STATEMENT**

The Purchaser hereby disputes the classification, amount and/or nature of the Known Deposit set out in the Deposit Statement and asserts the Deposit as set out in the following table.

**KNOWN DEPOSIT AS AT MARCH 31, 2018**

<b>Payment Type</b>	<b>Deposit Date</b>	<b>Deposit Amount</b>	<b>Deposit Classification (APS Deposit or Upgrades)</b>

<b>Total</b>			

**III. REASONS FOR DISPUTE**

Provide full particulars below as to the basis for the Purchaser’s dispute of the Known Deposit as set out in the Deposit Statement and provide supporting documentation. This includes, without limitation, description and copies of agreement(s) giving rise to the Deposit and proof of Deposit dates and amounts (copies of cheques, bank statements or other form of proof from a financial institution to confirm that a deposit was paid by the Purchaser named on the APS). The particulars provided must support the value of the Deposit as stated by the Purchaser in the table above.

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Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Signature of Purchaser or its  
Authorized Signatory

This Notice of Dispute of Deposit Statement **MUST** be delivered to the Receiver at the address below by no later than **5:00 PM Eastern Standard Time on May 15, 2018** (the “**Deposit Confirmation Bar Date**”).

KPMG Inc.,  
in its capacity as court-appointed Receiver and Manager  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

If a completed Notice of Dispute of Deposit Statement in respect of the Known Deposit is not received by the Receiver by the Deposit Confirmation Bar Date, the Purchaser shall be forever barred from disputing the classification, amount or nature of the Known Deposit and any Deposit of a different classification or nature or in excess of the amount specified in the Known Deposit, except for a Known Additional Deposit, shall be forever barred and extinguished.

**IF A NOTICE OF DISPUTE OF DEPOSIT STATEMENT IS NOT RECEIVED BY THE RECEIVER WITHIN THE PRESCRIBED TIME PERIOD, THE KNOWN DEPOSIT AS SET OUT IN THE DEPOSIT STATEMENT WILL BE DEEMED TO BE THE KNOWN DEPOSIT OF THE PURCHASER AND WILL BE FINAL AND BINDING ON THE PURCHASER FOR ALL PURPOSES.**

**SCHEDULE "D"**

**NOTICE OF DISPUTE OF AMENDED AND RESTATED DEPOSIT STATEMENT  
IN RESPECT OF A DEPOSIT PAID TO TARN CONSTRUCTION CORPORATION**

Capitalized terms not defined herein have the meanings given to them in the Deposit Confirmation Procedure Order of the Ontario Superior Court of Justice dated April 13, 2018 (the "**Deposit Confirmation Procedure Order**"), the Deposit Statement or the Amended and Restated Deposit Statement.

**I. PARTICULARS OF PURCHASER**

**Deposit Reference Number:** [Insert Deposit Reference Number listed on the Amended and Restated Deposit Statement]

**Full Legal Name of Purchaser** \_\_\_\_\_

**Full Mailing Address of Purchaser** \_\_\_\_\_

**Telephone Number** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**Attention (Contact Person)** \_\_\_\_\_

**II. DISPUTE OF KNOWN ADDITIONAL DEPOSIT SET OUT IN AMENDED AND RESTATED DEPOSIT STATEMENT**

The Purchaser hereby disputes the classification, amount and/or nature of the Known Additional Deposit set out in the Amended and Restated Deposit Statement and asserts the Additional Deposits as set out in the following table (*see next page*).

**KNOWN ADDITIONAL DEPOSIT MADE AFTER MARCH 31, 2018**

<b>Payment Type</b>	<b>Deposit Date</b>	<b>Deposit Amount</b>	<b>Deposit Classification (<i>APS Deposit or Upgrades</i>)</b>
<b>Total</b>			

**III. REASONS FOR DISPUTE**

Provide full particulars below as to the basis for the Purchaser’s dispute of the Known Additional Deposit as set out in the Amended and Restated Deposit Statement and provide supporting documentation. This includes, without limitation, description and copies of agreement(s) giving rise to the Additional Deposit and proof of Additional Deposit dates and amounts (copies of cheques, bank statements or other form of proof from a financial institution to confirm that a deposit was paid by the Purchaser named on the APS). The particulars provided must support the value of the Additional Deposit as stated by the Purchaser in the table above.

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Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Signature of Purchaser or its  
Authorized Signatory

This Notice of Dispute of Amended and Restated Deposit Statement **MUST** be delivered to the Receiver at the address below by no later than **5:00 PM Eastern Standard Time thirty (30) calendar days after the date set out on the Amended and Restated Deposit Statement** (the “**Deposit Confirmation Bar Date**”).

KPMG Inc.,  
in its capacity as court-appointed Receiver and Manager  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

If a completed Notice of Dispute of Amended and Restated Deposit Statement in respect of the Known Additional Deposit is not received by the Receiver by the Deposit Confirmation Bar Date, the Purchaser shall be forever barred from disputing the classification, amount or nature of the Known Additional Deposit and any Additional Deposit of a different classification or nature or in excess of the amount specified in the Known Additional Deposit shall be forever barred and extinguished.

**IF A NOTICE OF DISPUTE OF AMENDED AND RESTATED DEPOSIT STATEMENT IS NOT RECEIVED BY THE RECEIVER WITHIN THE PRESCRIBED TIME PERIOD, THE KNOWN ADDITIONAL DEPOSIT AS SET OUT IN THE AMENDED AND RESTATED DEPOSIT STATEMENT WILL BE DEEMED TO BE THE KNOWN ADDITIONAL DEPOSIT OF THE PURCHASER AND WILL BE FINAL AND BINDING ON THE PURCHASER FOR ALL PURPOSES.**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**DEPOSIT CONFIRMATION  
PROCEDURE ORDER  
(DATED APRIL 13, 2018)**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
Toronto Ontario M5H 3S1

**Kyla Mahar LSO#: 44182G**

Tel: 416.597.4303 / Fax: 416.595.8695

**Stephanie De Caria LSO#: 68055L**

Tel: 416.597.2652 / Fax: 416.595.8695

Lawyers for KPMG Inc., in its capacity as court-appointed Liquidator of Tarn Financial Corporation

# APPENDIX “E”

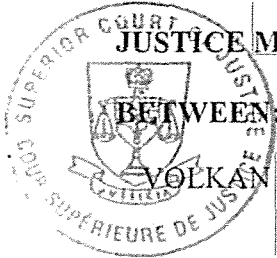
**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**THE HONOURABLE**

**FRIDAY, THE 13<sup>th</sup> DAY**

**JUSTICE MCEWEN**

**OF APRIL, 2018**



**BETWEEN:**

**VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.**

**Applicants**

– and –

**ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION**

**Respondents**

**APPLICATION UNDER Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.**

**ORDER**

**(Re: Authorization to Increase Borrowings Charge, Approval of Fees and Disbursements  
and Approval of Liquidator’s Reports and Conduct)**

**THIS MOTION**, made by KPMG Inc. (“KPMG”), in its capacity as Court-appointed Liquidator (in such capacity, the “Liquidator”) pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“Tarn Financial”), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “Winding Up Order”) which appointment was effective on September 25, 2017, for an order: (a) increasing the Borrowings Charge as set out in paragraph 18 of the Winding Up Order; (b) approving the fees and disbursements of the Liquidator and its counsel up until December

31, 2017; and (c) approving the Supplemental Report of the First Report of the Liquidator dated November 17, 2017 (the “**Supplemental Report**”), the Second Supplemental Report of the First Report of the Liquidator dated November 28, 2017 (the “**Second Supplemental Report**”), and the Second Report of the Liquidator dated April 9, 2018 (the “**Second Report**”) and the activities and conduct of the Liquidator described therein, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report, including the Supplemental Report, the Second Supplemental Report and the Fee Affidavit of Anamika Gadia of KPMG sworn on April 10, 2018, the Fee Affidavit of Gregory Azeff of Miller Thomson LLP sworn April 6, 2018 and the Fee Affidavit of Andrew Jeanrie of Bennett Jones LLP sworn April 6, 2018 (collectively, the “**Fee Affidavits**”) annexed as appendices thereto and on hearing the submissions of counsel for the Liquidator, and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service, sworn April 10, 2018, filed:

#### **SERVICE AND GENERAL**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Winding Up Order.

#### **INCREASE OF BORROWINGS CHARGE**

3. **THIS COURT ORDERS** that the Borrowings Charge set out in paragraph 18 of the Winding Up Order be and is hereby increased by \$1,000,000 (the “**Increased Borrowing Amount**”) from \$2,000,000 to \$3,000,000.
4. **THIS COURT ORDERS** that to the extent that the Liquidator borrows the Increased Borrowing Amount from any one or more of the Applicants or the Respondents, the priority of the

Borrowings Charge in respect of the Increased Borrowing Amount shall be as set out in paragraph 18 of the Winding Up Order.

5. **THIS COURT ORDERS** that to extent that the Increased Borrowing Amount is borrowed from any Person other than any one or more of the Applicants or the Respondents, then the Borrowings Charge in respect of the Increased Borrowing Amount shall rank in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour or any Person.

**APPROVAL OF FEES AND DISBURSEMENTS**

6. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator and its legal counsel, Miller Thomson LLP and Bennett Jones LLP, as disclosed in the Second Report and detailed in the Fee Affidavits be and are hereby approved.

**APPROVAL OF THE LIQUIDATOR'S REPORTS AND ACTIVITIES**

7. **THIS COURT ORDERS** that the Supplemental Report, the Second Supplemental Report and the Second Report and the activities and conduct of the Liquidator described therein be and are hereby approved.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 13 2018

PER / PAR:



*ONTARIO*  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER DATED APRIL 13, 2018**  
**(Re: Authorization to Increase Borrowings Charge, Approval of Fees and Disbursements and Approval of Liquidator's Activities,)**

**MILLER THOMSON LLP**

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Lawyers for KPMG Inc., in its capacity as court-appointed Liquidator of Tarn Financial Corporation

# APPENDIX “F”

Court File No. CV-17-11697-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE WINDING UP OF  
TARN FINANCIAL CORPORATION

APPLICATION UNDER SECTIONS 207 AND 248 OF THE  
*BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16

THIRD REPORT OF KPMG INC. in its capacity as  
LIQUIDATOR OF TARN FINANCIAL CORPORATION  
and  
FIRST REPORT OF KPMG INC. in its capacity as  
RECEIVER OF TARN CONSTRUCTION CORPORATION

APRIL 24, 2018



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## I. INTRODUCTION AND SUMMARY OF PROCEEDINGS

1. On February 13, 2017, Volkan Basegmez, Cem Bleda Basegmez, Anil Rukan Basegmez, BA&B Capital Inc., Serdar Kocturk and Kaan Holdings Inc. (collectively, the “**Applicants**”) commenced an application (the “**Application**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 seeking an Order winding up Tarn Financial Corporation (“**Tarn Financial**”) and appointing KPMG Inc. (“**KPMG**”) as liquidator for that purpose. The Applicants are shareholders of Tarn Financial and collectively hold 60% of the common shares of Tarn Financial. The remaining 40% of the common shares of Tarn Financial are held by the Respondent, SAMM Capital Holdings Inc. (“**SAMM**”), a company owned by the Respondent, Ali Akman (“**Akman**”).
2. The Application was heard by Justice Lederman on August 11, 2017 and on September 15, 2017, His Honour ordered the winding up of Tarn Financial pursuant to the Winding Up Order dated September 15, 2017 (the “**Winding Up Order**”), and the appointment of KPMG as liquidator for that purpose (in such capacity, the “**Liquidator**”) effective as of September 25, 2017 (the “**Winding Up Proceedings**”). A copy of the Winding Up Order is attached as **Appendix “A”** to this report, which is the Liquidator’s Third Report to the Court and the Receiver’s (as defined below) First Report to the Court (the “**Third Report**”).
3. The business and assets of Tarn Financial include the Delta Toronto East Hotel (the “**Hotel**”) and adjoining development lands that were being developed by Tarn Financial, through its wholly-owned subsidiary, Tarn Construction Corporation (“**Tarn Construction**”), as a development known as “The Kennedys” (the “**Development Project**”) located at 2035 Kennedy Rd., Scarborough Ontario (the “**Real Property**”).
4. On October 6, 2017, Akman and SAMM (collectively, the “**Appellants**”) filed a Notice of Appeal (the “**Notice of Appeal**”) with the Divisional Court of the Ontario Superior Court of Justice (the “**Divisional Court**”) appealing the Winding Up Order (the “**Appeal**”). The Appeal was heard on January 30, 2018 by the Divisional Court and on February 6, 2018, the Divisional Court dismissed the Appeal.

5. The Liquidator issued its first report to the Court on November 13, 2017 (the “**First Report**”). On November 16, 2017, the Liquidator issued a first supplemental report to the Court (the “**First Supplemental Report**”) and on November 28, 2017, the Liquidator issued a second supplemental report to the First Report (the “**Second Supplemental Report**”).
6. As detailed in the First Report, the First Supplemental Report and the Second Supplemental Report, the Liquidator brought a motion (the “**Sale Process Motion**”) seeking an Order (the “**Sale Process Order**”), among other things: (a) authorizing the Liquidator to enter into and approving a marketing and listing agreement between the Liquidator and CBRE Limited (“**CBRE**”) dated November 10, 2017; (b) approving the sale process (the “**Sale Process**”); and (c) authorizing, but not obligating, the Liquidator to file a consent to sever the Real Property.
7. The Sale Process Motion was scheduled to be heard before the Court on November 17, 2017. The Sale Process Motion was adjourned on an unopposed basis to November 24, 2017 to allow the Applicants, SAMM and Akman time to formalize a settlement that the parties advised the Liquidator had been reached between them in principle.
8. The settlement was not finalized by November 24, 2017 and the Sale Process Motion was heard on that day and was unopposed except for the Order seeking the approval of a marketing and listing agreement between the Liquidator and CBRE. This aspect of the relief sought was opposed by SAMM and Akman. On November 24, 2017, Justice McEwen declined to grant the Order approving the marketing and listing agreement between the Liquidator and CBRE.
9. Justice McEwen directed the Liquidator to retain another marketing and listing agent and adjourned the Sale Process Motion to allow the Liquidator to do so. Thereafter, on November 29, 2017, Justice McEwen granted the Sale Process Order which, among other things: (a) approved the retention by the Liquidator of Colliers Macaulay Nicolls Inc. (“**Colliers**”) to be the marketing and listing agent; and (b) approved the Sale Process including revisions thereto, in order to address the change in the marketing and listing agent. A copy of the Sale Process Order is attached as **Appendix “B”** to this Third Report.

10. On December 6, 2017, the Liquidator brought a motion seeking an order (the “**OMB Appeals Order**”) authorizing, but not obligating, the Liquidator to file two Notice of Appeals with the Ontario Municipal Board (“**OMB**”) in respect of the Real Property. Justice McEwen granted the OMB Appeals Order on the same date.
11. The Liquidator issued its second report to the Court on April 9, 2018 (the “**Second Report**”). As detailed in the Second Report, the Liquidator brought a motion returnable on April 13, 2018 seeking:
  - a. An Order (the “**Claims Procedure Order**”) approving and establishing a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “**Claims Process**”);
  - b. An Order (the “**Receivership Order**”) authorizing the appointment of KPMG as receiver and manager over the properties, assets and undertakings of Tarn Construction (in such capacities, the “**Receiver**”) pursuant to section 101 of the *Courts of Justice Act* R.S.O. 1990, c. C.43;
  - c. An Order (the “**Deposit Confirmation Procedure Order**”) approving and establishing a procedure for confirming the Deposits (as defined in the Deposit Confirmation Procedure Order) that have been paid to Tarn Construction by purchasers of the pre-sold, unbuilt condominium units at the Development Project (the “**Deposit Confirmation Procedure**”); and
  - d. An Order (the “**April Ancillary Order**”) (i) authorizing an increase in the maximum principal amount of the Borrowings Charge (as defined in the Winding Up Order) by \$1,000,000 (the “**Increased Borrowing Amount**”) from \$2,000,000 to \$3,000,000 and addressing the priority of the Borrowings Charge in respect of the Increased Borrowing Amount; (ii) approving the fees of the Liquidator and the Liquidator’s legal counsel from the date of the Winding Up Order to December 31, 2017; and (iii) approving the First Supplemental Report, the Second Supplemental Report and the Second Report and the activities and conduct of the Liquidator as set out therein.
12. On April 13, 2018, the Court granted the Claims Procedure Order, the Receivership Order, the Deposit Confirmation Procedure Order and the April Ancillary Order. A copy of the

Second Report (without appendices), the Claims Procedure Order, the Receivership Order and the Deposit Confirmation Procedure Order are attached as **Appendix “C”**, **Appendix “D”**, **Appendix “E”** and **Appendix “F”**, respectively, to this Third Report.

13. Capitalized terms not defined herein shall have the meanings set out in the Winding Up Order, the Sale Process Order, the Claims Procedure Order and the Deposit Confirmation Procedure Order.

## **II. PURPOSE OF THIS THIRD REPORT**

14. The purpose of this Third Report is to update this Honourable Court with respect to:
  - a. The outcome of the Sale Process;
  - b. The commencement of the Claims Process;
  - c. The commencement of the Deposit Confirmation Procedure;
  - d. The advice and directions being sought by the Receiver from the Court in accordance with paragraph 18 of the Receivership Order. The Receiver is seeking advice and directions regarding its ability to terminate the Agreements of Purchase and Sale (the “**APs**”) entered into by Tarn Construction with purchasers of proposed condominium units in the contemplated Development Project (the “**Purchasers**”) in accordance with the terms of the APs and, in particular, the condition contained at Appendix A of Schedule E to the APs entitled “Tarion Warranty Corporation Statement of Critical Dates and Addendum” which states: “Receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by October 9, 2018” (the “**Construction Financing Early Termination Condition**”); and
  - e. To provide the Court with the necessary information to support the following relief:
    - (i) an Approval and Vesting Order (the “**Approval and Vesting Order**”) substantially in the form contained at Tab 3 of the Liquidator and Receiver’s Motion Record dated April 24, 2018 (the “**Motion Record**”), among other things, approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement between Tarn Financial and Sunray Group of Hotels Inc. (“**Sunray**”) dated April 20, 2018 (the “**Asset Purchase**”

**Agreement**”) and vesting in Sunray Tarn Financial’s right, title and interest in and to the assets described in the Asset Purchase Agreement (the **“Purchased Assets”**);

- (ii) an Order (the **“Disputed Deposits Resolution Procedure Order”**) substantially in the form contained at Tab 5 of the Motion Record establishing a procedure for the resolution of disputed deposits (**“Disputed Deposits”**) asserted by Purchasers of proposed condominium units in the contemplated Development Project (the **“Disputed Deposits Resolution Procedure”**) ; and
- (iii) an Order (the **“Termination Entitlement Order”**) substantially in the form contained at Tab 6 of the Motion Record ordering and declaring, among other things, that the Receiver is entitled to rely upon the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction and that the Receiver is hereby authorized to give notice of termination to terminate the APSs at any time after the granting of the Termination Entitlement Order without damages claims arising thereunder.

- 15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
- 16. The information contained in this Third Report has been obtained from the books and records and other information of Tarn Financial or Tarn Construction. The accuracy and completeness of the financial information contained herein has not been audited or otherwise verified by the Liquidator or the Receiver, and the Liquidator and the Receiver do not express an opinion or provide any other form of assurance with respect to the information presented herein or relied upon by the Liquidator or the Receiver in preparing this Third Report.
- 17. Future oriented financial information reported or relied on in preparing this Third Report is based on Tarn Financial management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.

### III. OUTCOME OF THE SALE PROCESS

#### Details Relating to the Sale Process

18. As set out in the Second Report, on November 29, 2017, the Liquidator sought and received the Court's approval to retain Colliers as the marketing and listing agent and to implement the Sale Process, which established the process pursuant to which the Liquidator, through Colliers, would market the Assets and determine the Successful Bid(s).
19. Capitalized terms used in this section of the Third Report are as defined in the Sale Process Order attached hereto as Appendix "B", unless otherwise defined herein.
20. The Sale Process contemplated a two-phase process with the following initial key milestones:
  - (i) Phase I Bid Deadline – January 31, 2018
  - (ii) Phase II Bid Deadline – February 23, 2018, and
  - (iii) Anticipated Timing for Sale Hearing – March 23, 2018
21. For the reasons set out in the Second Report, the Sale Process was not commenced until January 3, 2018. In light of the delay in commencing the Sale Process and pursuant to paragraph 4 of Sale Process, the key milestone dates were extended by the Liquidator and Colliers to the following:
  - (i) Phase I Bid Deadline – February 15, 2018
  - (ii) Phase II Bid Deadline – March 9, 2018, and
  - (iii) Anticipated Timing for Sale Hearing – April 9, 2018
22. Prior to commencing the Sale Process, Colliers, in consultation with the Liquidator, prepared a list of potential interested parties that were invited to participate in the Sale Process. Colliers also used its worldwide network to ensure that the opportunity was appropriately publicized. Colliers sent out an electronic blast of the Investment Profile, the form of Confidentiality Agreement and the Sale Process Order (collectively the "Teaser") to approximately 1,350 parties on January 3, 2018. The Teaser was sent for a second time on January 10, 2018 and a third time on January 29, 2018. Information pertaining to the Sale Process was also posted on Colliers and the Liquidator's websites.



23. In the first phase of the Sale Process, 68 Interested Parties met the preliminary participant requirements set out in the Sale Process (the “Phase I Participant Requirements”), which included executing a Confidentiality Agreement and an Acknowledgment of Sale Process. The Interested Parties that met the Phase I Participant Requirements were provided with a Confidential Information Memorandum and access to an electronic data room by Colliers in order to prepare and submit a Phase I Bid by the Phase I Bid Deadline.
24. Commencing on January 9, 2018, the electronic data room was made available to those parties who signed Confidentiality Agreements. In addition, nine Interested Parties requested and were provided with a formal tour of the Hotel with Colliers, the Liquidator and the Hotel general manager and engineer prior to the Phase I Bid Deadline.
25. In order to ensure that all Interested Parties participated in the Sale Process and were provided adequate time to complete their Phase I Bids, following the dismissal of the Appeal that occurred on February 6, 2018, and pursuant to paragraph 4 of the Sale Process, the key milestone dates were further extended by Colliers and the Liquidator. On February 8, 2018, Colliers advised all parties participating in the Sale Process that the milestone dates under the Sale Process were revised as follows:
  - (i) Phase I Bid Deadline – February 28, 2018
  - (ii) Phase II Bid Deadline – March 22, 2018, and
  - (iii) Anticipated Timing for Sale Hearing – April 23, 2018.The revised deadlines were also posted to the Liquidator’s website.
26. The Sale Process provides that a Phase I Bid, being a Non-Binding APA including a mark-up to the Template APA (which was available to Interested Parties in the data room) identifying the proposed changes to the Template APA, had to be submitted by the Phase I Bid Deadline of noon (Eastern time) on February 28, 2018.
27. Pursuant to the Sale Process, it was recommended that Bidders submit a Phase I Bid for all of the Assets. However, the Sale Process allows for a Phase I Bid to be a Portion Bid for the Hotel Assets or the Development Assets.
28. 13 formal Phase I Bids and 1 informal bid were received by the Phase I Bid Deadline. None of the Phase I Bids received were Portion Bids.

29. Following, the Phase I Bid Deadline, the Phase I Bids were reviewed by the Liquidator and Colliers, in consultation with the Secured Lenders, to determine the Qualified Phase I Bidders. 12 Phase I Bidders were deemed to be Qualified Phase I Bidders, and were notified in early March, 2018 of such designation and invited to participate in the second phase of the Sale Process wherein they were given access to an expanded data room by Colliers in order to complete their due diligence prior to submitting a Phase II Bid.
30. Certain Qualified Phase I Bidders who had not previously toured the Hotel also requested and were provided a formal tour of the Hotel with Colliers, the Liquidator and the Hotel general manager and engineer prior to the Phase II Bid Deadline.
31. The Sale Process provides that a Phase II Bid, may not be conditional on obtaining financing, any internal approval or on the outcome or review of due diligence. A Phase II Bid is to include a Binding APA executed by the Qualified Phase I Bidder with a markup showing changes from the Template APA and, among other things, a Good Faith Deposit equal to ten percent of the total purchase price. The Phase II Bids were to be received by the Phase II Bid Deadline of noon (Eastern time) on March 22, 2018.
32. Seven Phase II Bids were received by the Phase II Bid Deadline. The Liquidator and Colliers, in consultation with the Secured Lenders, reviewed the Phase II Bids and the Liquidator and Colliers sought clarification from the Qualified Phase I Bidders on the terms of their Phase II Bids in order to properly consider the value of each Phase II Bid, and to determine the next step in the Sale Process to move towards the selection of a Successful Bid and a Back-Up Bid.
33. The Sale Process provided flexibility in the event that more than one Qualified Phase II Bid was received by the Phase II Bid Deadline, and allowed the Liquidator and Colliers to:
  - a. Conduct an auction amongst the Qualified Phase II Bidders, on terms to be determined by the Liquidator, to determine the Successful Bid and the Back-Up Bid;
  - b. Negotiate with the Qualified Phase II Bidders and determine the Successful Bid and the Back-Up Bid; or
  - c. Determine which of the Qualified Phase II Bids shall be the Successful Bid and which of the Qualified Phase II Bids shall be the Back-Up Bid.

34. Given that multiple Qualified Phase II Bids were received and the value of a number of the Phase II Bids were close in range, in accordance with the Sale Process, Colliers and the Liquidator invited six of the Qualified Phase I Bidders to review their Phase II Bids and provide any final revisions to their submission, including changes to the offer price, terms and supporting documents and to deliver any changes or clarifications to their Phase II Bid in a sealed envelope to Colliers by 3 p.m. (Eastern time) on April 9, 2018 and otherwise to confirm their current Phase II Bid (as clarified or confirmed, a “**Final Phase II Bid**”).
35. By the 3 p.m. deadline on April 9, 2018, Colliers received five sealed envelopes from Qualified Phase I Bidders, which the Liquidator and Colliers opened on the morning of April 10, 2018 to review the Final Phase II Bids. The other Qualified Phase I Bidder that was invited to participate in the final phase of the Sale Process did not submit a revised bid but confirmed its Phase II Bid as its Final Phase II Bid.
36. The Successful Bid under the Sale Process is the highest and/or best Qualified Phase II Bid as determined by the Liquidator and Colliers, taking into account financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the cost, speed and certainty of consummating the proposed sale and the claims likely to be created by such Bid in relation to other Bids.
37. Similarly, the Back-Up Bid under the Sale Process is the next highest and/or best Qualified Phase II Bid as determined by the Liquidator and Colliers, taking into account financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the cost, speed and certainty of consummating the proposed sale and the claims likely to be created by such Bid in relation to other Bids.
38. Following the review of the Final Phase II Bids, the Liquidator and Colliers determined that Sunray is the Successful Bidder and that Pinnacle International One Lands Inc. (“**Pinnacle**”) is the Back-Up Bidder and provided notice to each party on April 13, 2018. A summary of the Bids received in the Sale Process will be provided to the Court as **Confidential Appendix “1”** and a sealing order is being sought by the Liquidator with respect to the Confidential Appendices to this Third Report due to the commercially sensitive information contained within the Confidential Appendices.

39. Prior to issuing this Third Report, the Liquidator advised the Applicants and the Respondents that Sunray was the Successful Bidder. The Liquidator received requests from the shareholders to disclose the purchase price of the Successful Bid to them prior to the Motion. After considering this request, the Liquidator advised the Applicants and the Respondents that the Liquidator would be prepared to provide the information on the basis that it be held in strict confidence until after the closing of the Transaction and that it will remain confidential in the event that the Transaction is not concluded. The Liquidator provided the information to the Respondents after confirming terms of confidentiality. The Applicants declined to receive the information regarding the purchase price to avoid any issues should they wish to participate in a further process in the unlikely event that the Liquidator needed to remarket the Assets.
40. After selection of the Successful Bidder and the Back-Up Bidder, the Liquidator returned the Good Faith Deposits to the other Bidders who submitted a Good Faith Deposit with their Phase II Bids.

#### **The Successful Bid**

41. The Liquidator and Sunray finalized the terms of the Successful Bid and executed the Asset Purchase Agreement on April 20, 2018. A copy of the Asset Purchase Agreement redacted to remove commercially sensitive terms is attached as **Appendix "G"** to this Third Report. An unredacted copy of the Asset Purchase Agreement is **Confidential Appendix "2"** and will be filed with the Court separately.
42. The principal terms of the Asset Purchase Agreement are set out below, however, an interested person should review the Asset Purchase Agreement in its entirety. Capitalized terms not defined in this section of the Third Report shall have the meaning ascribed to them in the Asset Purchase Agreement.
43. Sunray will acquire on an "as is, where is basis", the Purchased Assets set out Section 2.01 of the APA, which include:
  - a. The Real Property;
  - b. All buildings, structures, erections, improvements, appurtenances, fixed machinery, fixed equipment and fixtures situate on or forming part of the Real Property;

- c. All other machinery and equipment and all vehicles, tools, handling equipment, furniture, furnishings, computer hardware and peripheral equipment, supplies and accessories of the Business;
  - d. All Inventories;
  - e. Subject to Section 2.07 regarding the assumption of Liabilities and to the extent not otherwise included in Purchased Assets, the Assigned Contracts;
  - f. Subject to Section 2.08(3) regarding Assigned Contracts, all Permits required to carry on the Business in its usual and ordinary course, including the Permits listed in Exhibit "B" of the Asset Purchase Agreement;
  - g. All Intellectual Property owned by Tarn Financial and belonging to or used in the Business;
  - h. Subject to Section 2.07 regarding the assumption of Liabilities, all Intellectual Property not owned by Tarn Financial but licenced by Tarn Financial and used in the Business;
  - i. The goodwill of the Business;
  - j. All pre-paid expenses and deposits relating to the Purchased Assets (other than deposits paid to suppliers or customers of Tarn Financial) including all pre-paid taxes, local improvement rates and charges, water rates and other operating costs, all pre-paid purchases of gas, oil and hydro, and all pre-paid lease payments;
  - k. All plans and specifications in Tarn Financial's possession or under its control relating to the buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Real Property including all such electrical, mechanical and structural drawings related thereto as are in the possession or under the control of Tarn Financial; and
  - l. The Books and Records.
44. The Excluded Assets are as follows:
- a. The cash and cash equivalents, short-term investments, bank account balances, bank deposits, including any deposits posted in respect of letters of credit, and petty cash of Tarn Financial;

- b. All Accounts Receivable;
  - c. All rights of Tarn Financial to tax refunds, credits, rebates or similar benefits relating to the Purchased Assets or the Business;
  - d. The Excluded Contracts;
  - e. Shares and other interests or capital of Tarn Financial;
  - f. The tax records and insurance policies of Tarn Financial;
  - g. Any Claim of Tarn Financial to reimbursement under any insurance policy applicable to Tarn Financial;
  - h. Books and Records not pertaining primarily to the Purchased Assets;
  - i. All funds or deposits held by suppliers, customers or any other person in trust for or on behalf of Tarn Financial;
  - j. The shares of Tarn Construction and any liabilities in Tarn Construction;
  - k. The Condo Purchase Agreements; and
  - l. Any other assets listed in Exhibit "E" of the Asset Purchase Agreement.
45. Assumed Liabilities are as follows:
- a. All Liabilities relating to Employees addressed in in the Asset Purchase Agreement;
  - b. All Liabilities arising from or in connection with the Assigned Contracts or Permits including any Cure Costs;
  - c. All Liabilities arising from or in connection with any tax, levy, penalty, interest or costs for which Sunray is responsible pursuant to under the Asset Purchase Agreement and any Permitted Encumbrances; and
  - d. All Liabilities relating to or arising from the Purchased Assets under Environmental Laws.
46. The Purchase Price is being satisfied by way of:
- a. Payment of a deposit in the amount of 10% of the cash portion of the Purchase Price (i.e. not taking into account the value of the Assumed Liabilities) which has been paid

to the Liquidator and is being held by the Liquidator in an interest bearing account in accordance with the Sale Process;

- b. Payment of the remainder of the Purchase Price by wire transfer at the Time of Closing of immediately available funds to an account specified by Tarn Financial;
  - c. Paying Adjustments, if any, to the Purchase Price pursuant to the Asset Purchase Agreement, which include, without limitation, adjustments for taxes, utilities, Unopened Food and Beverage Inventory, employee payables and payment of the amount of liquidated damages calculated pursuant to the current Licence Agreement with Delta Hotels Limited; and
  - d. Sunray assuming the Assumed Liabilities.
47. With respect to the Employees of Tarn Financial, Sunray will, among other things:
- a. Effective the opening of business on the Closing Date, offer to employ on and after the Closing Date all of the Employees who are employed by Tarn Financial in the Business who are not Bargaining Unit Employees, on substantially the same terms and conditions of employment as are in effect on the date of the Asset Purchase Agreement;
  - b. In respect of the Bargaining Unit Employees on the Closing Date, be the successor to Tarn Financial pursuant to the provisions of applicable labour legislation and on and after the Closing Date will be bound by and observe all of the terms, conditions, rights and obligations of Tarn Financial to the Bargaining Unit Employees; and
  - c. Effective the opening of business on the Closing Date, assume responsibility, statutory and otherwise, for the rights, obligations and Liabilities relating to or arising out of the employment of the Employees and will recognize all past service of Employees with Tarn Financial for all purposes.
48. The Asset Purchase Agreement is subject to the following condition in favour of Sunray: the Condo Purchase Agreements (or APSs, as they are defined in this Third Report) will have been terminated or Sunray will have confirmation that the Condo Purchase Agreements are Excluded Assets and are vested off the Real Property pursuant to the Approval and Vesting Order.

49. The Asset Purchase Agreement contemplates a Closing Date seven (7) Business Days following the date that the Approval and Vesting Order becomes a final, non-appealable Order of the Court or such other date as agreed between Tarn Financial and Sunray. The Asset Purchase Agreement has an Outside Date of July 31, 2018 or such later date as the parties may determine after which either Tarn Financial or Sunray may terminate the Asset Purchase Agreement.
50. In the Liquidator's view, the Asset Purchase Agreement represents the highest and best outcome from the Sale Process and maximizes value for Tarn Financial's stakeholders. The Liquidator is further of the view that the form of Approval and Vesting Order contained at Tab 3 of the Motion Record is appropriate in the circumstances.

#### **The Back-Up Bid**

51. As set out above, the Sale Process contemplates the selection and approval of a Back-Up Bid being the next highest and/or best Qualified Phase II Bid after the Successful Bid.
52. The Back-Up Bid selected was submitted by Pinnacle. A copy of the Back-Up Bid redacted to remove commercially sensitive terms is attached as **Appendix "H"** to this Third Report. An unredacted copy of the Back-Up Bid is **Confidential Appendix "3"** and will be filed with the Court separately.
53. The Back-Up Bid does not contemplate the purchase of the shares of Tarn Construction or the assumption of the Condominium Purchase Agreements. The Back-Up Bid is conditional upon, among other conditions, the Business and Real Property being sold free of any liabilities associated with Tarn Construction and any Affiliate of Tarn Financial. Specifically, the form of Approval of Vesting Order annexed to the Back-Up Bid contemplates the following claims being expunged from the Real Property:
  - a. All contracts related to Tarn Construction and the Condominium Project contemplated on and in respect of the Development Assets;
  - b. All Condo Purchase Agreements;
  - c. All Claims related to the Condominium Project;
  - d. Any undisclosed claims related to the Condominium Project and or Tarn Construction;



- e. All claims for construction liens and Certificates of Action relating thereto; and
  - f. All registrations not being a Permitted Encumbrance.
54. The Liquidator has received from Pinnacle a deposit in the amount of 10% of the cash portion of the Purchase Price (i.e. not taking into account the value of the Assumed Liabilities), which is being held by the Liquidator in an interest bearing account in accordance with the Sale Process.
55. The Liquidator has not finalized an asset purchase agreement with Pinnacle with respect to the Back-Up Bid given the costs each side would incur negotiating the finalization of same. The Liquidator expects that it would only negotiate the final asset purchase agreement based on the Back-Up Bid in the event that either the Successful Bid is not approved by the Court or the Transaction contemplated by the Asset Purchase Agreement does not close.
56. In the Liquidator's view, the Back-Up Bid represents the second highest and best outcome from the Sale Process. Seeking the Court's approval of the Back-Up Bid in the Approval and Vesting Order is contemplated in the Sale Process and is appropriate in the circumstances.

#### **IV. CLAIMS PROCESS**

57. On April 13, 2018, the Court issued the Claims Procedure Order, which approved the Claims Process. Capitalized terms used in this section of the Third Report are as defined in the Claims Procedure Order.
58. In accordance with the Claims Procedure Order, the Liquidator:
- a. Posted the Claims Process Notice to the Liquidator's website on April 17, 2018;
  - b. Published the Claims Process Notice in the Globe and Mail (National Edition) and the Toronto Star on Wednesday April 18, 2018. The Claims Process Notice is scheduled to be published for a second time in those two newspapers on May 2, 2018;
  - c. Sent the Claims Process Notice and Proof of Claim to:
    - (i) each party on the service list in the Winding Up Proceedings as at April 18, 2018;

- (ii) all known creditors of Tarn Financial as of the Effective Date as evidenced by the Tarn Financial books and records;
- (iii) all Persons who have notified the Liquidator or Tarn Financial of a potential Claim; and
- (iv) all known creditors of Tarn Construction as of the Effective Date as evidenced by the Tarn Construction books and records,

by prepaid ordinary mail on April 17, 2018 to the address shown per the books and records of Tarn Financial or Tarn Construction.

- 59. In addition, the Liquidator prepared and posted to its website 'Frequently Asked Questions' in respect of the Claims Process (the "**Claims Process FAQ**") to assist parties in preparing the necessary documentation for the Claims Process. A copy of the Claims Process FAQ is attached as **Appendix "I"** to this Third Report.
- 60. The Claims Bar Date is 5:00 PM Eastern Standard Time on June 15, 2018 for all Claimants (other than the Non Arms-Length Claimants) to submit a Proof of Claim in respect of their Claims against Tarn Financial, failing which such Claims shall be forever extinguished and barred. The Non Arms-Length Claims Bar Date is 5:00 PM Eastern Standard Time on June 30, 2018. Both dates are subject to such later dates as may be ordered by the Court.
- 61. Pursuant to the Endorsement of Justice McEwen dated April 13, 2018, the Liquidator will address any late Claims at a future attendance before Justice McEwen, if necessary.

#### **V. DEPOSIT CONFIRMATION PROCEDURE**

- 62. On April 13, 2018, the Court issued the Deposit Confirmation Procedure Order, which approved the Deposit Confirmation Procedure. Capitalized terms used in this section of the Third Report are as defined in the Deposit Confirmation Procedure Order.
- 63. The Deposit Confirmation Procedure contemplates confirmation and assertion of Deposits in two stages given that Deposits are continuing to be made by Purchasers pursuant to the terms of their APSs. The first stage relates to Known Deposits remitted by Purchasers up to and including March 31, 2018 pursuant to their APSs. The second stage relates to Additional Deposits, if any, made by Purchasers after March 31, 2018 pursuant to their APSs.

64. In accordance with the Deposit Confirmation Procedure Order, the Receiver:
  - a. Posted the Deposit Confirmation Procedure Order to the website maintained in respect of the Winding Up Proceedings on April 17, 2018;
  - b. Sent all Purchasers a Deposit Statement by prepaid ordinary mail on April 18, 2018 to the address shown per the books and records of Tarn Construction and/or the Deposit Trustee; and
  - c. Sent all Purchasers that have remitted an Additional Deposit to the Deposit Trustee as of April 18, 2018 an Amended and Restated Deposit Statement by prepaid ordinary mail on April 23, 2018 to the address shown per the books and records of Tarn Construction and/or the Deposit Trustee.
65. In addition, the Receiver prepared and posted to the website in respect of the Winding Up Proceedings 'Frequently Asked Questions' in respect of the Deposit Confirmation Procedure (the "**Deposit Confirmation Procedure FAQ**") to assist Purchasers in understanding the Deposit Confirmation Procedure including what steps are necessary if they disagree with the amounts set out in the Deposit Statement and/or Amended and Restated Deposit Statement. The Deposit Confirmation Procedure FAQ was included with the mailing enclosing the Deposit Statement sent on April 18, 2018. A copy of the Deposit Confirmation Procedure FAQ is attached as **Appendix "J"** to this Third Report.
66. The Receiver prepared and issued a third letter to the Purchasers on April 17, 2018 (the "**Third Communication to Purchasers**"), which, among other things, provided notice of the Motion being brought by the Liquidator and the Receiver returnable on May 1, 2018 and set out the relief that would be sought as it related to the APSs. The Third Communication to Purchasers was issued to all of the Purchasers by email on April 17, 2018 and was also included in the mailing enclosing the Deposit Statement sent on April 18, 2018. A copy of the Third Communication to Purchasers is attached as **Appendix "K"** to this Third Report.
67. Purchasers that agree with the amounts of the Known Deposit contained on the Deposit Statement they received and/or the Additional Deposit contained on the Amended and Restated Deposit Statement are not required to take any further action and the Deposit of

the Purchaser shall be deemed a Known Deposit and/or Known Additional Deposit, as applicable.

68. Any Purchaser that wishes to dispute the Known Deposit amount contained on the Deposit Statement is required to deliver a Notice of Dispute of Deposit Statement to the Receiver by no later than the Deposit Confirmation Bar Date, being 5:00 PM Eastern Standard Time on May 15, 2018.
69. Any Purchaser that wishes to dispute the Known Additional Deposit amount contained on the Notice of Amended and Restated Deposit Statement is required to deliver a Notice of Dispute of Amended and Restated Deposit Statement to the Receiver by no later than the Deposit Confirmation Bar Date, being thirty (30) calendar days after the date set out on the Amended and Restated Deposit Statement it received.

#### **VI. DISPUTED DEPOSITS RESOLUTION PROCEDURE**

70. The Deposit Confirmation Procedure Order provides that the applicable procedures for reviewing and determining Deposits after the procedures set out therein have been implemented will be established by further Order of the Court.
71. The Receiver has sought input from Tarion Warranty Corporation (“**Tarion**”) and The Guarantee Company of North America (“**The Guarantee Company**”) regarding the proposed Disputed Deposits Resolution Procedure Order given the Tarion warranty bond and the security held by The Guarantee Company over the Real Property.
72. The Receiver seeks the Court’s approval to allow the Receiver to implement the Disputed Deposits Resolution Procedure set out in the Disputed Deposits Resolution Procedure Order.
73. Capitalized terms used in this section of the Third Report are as defined in Disputed Deposits Resolution Procedure contained at Tab 5 of the Motion Record.
74. A Disputed Deposit is defined under the Disputed Deposits Resolution Procedure as a Deposit that a Purchaser has disputed for any reason by delivering a Notice of Dispute of Deposit Statement or Notice of Dispute of Amended and Restated Deposit Statement, as applicable, to the Receiver in accordance with the Deposit Confirmation Procedure Order.

75. The Disputed Deposits Resolution Procedure contemplates that a Deposit becomes a Proven Deposit, which is finally determined for all purposes, in any one of the following circumstances:
- a. The Receiver has delivered a Deposit Statement or Amended and Restated Deposit Statement to a Purchaser and the applicable time period for filing a Notice of Dispute of Deposit Statement and/or Notice of Dispute of Amended and Restated Deposit Statement under the Deposit Confirmation Procedure Order has expired without such notice being filed by the Purchaser with the Receiver;
  - b. A Disputed Deposit has been reviewed by the Receiver, in consultation with the Deposit Trustee and The Guarantee Company, and then consensually resolved with the Purchaser in accordance with the Disputed Deposit Resolution Procedure Order;
  - c. The Purchaser has failed to bring a motion before the Court, supported by an affidavit setting out the basis for the Purchaser's Disputed Deposit, to be heard no later than 45 calendar days following the applicable Deposit Confirmation Bar Date, to determine the amount and/or validity of a Disputed Deposit that has not been consensually resolved; or
  - d. The Court has made a determination with respect to the amount and/or validity of a Disputed Deposit, and no appeal or application for leave to appeal therefrom has been taken or served, or where such appeal or application for leave to appeal has been dismissed, determined or withdrawn.
76. Subject to the Court granting the Termination Entitlement Order, the Receiver expects to seek a further Order at a date after the Deposit Confirmation Bar Date of May 15, 2018, once it understands the extent to which there are Disputed Deposits, if any, for the return of the Proven Deposits in accordance with the terms of the APSs and the further Order of the Court.
77. The Receiver is of the view that the Disputed Deposit Resolution Procedure Order provides an appropriate procedure to allow for the resolution of Disputed Deposits and the determination of Proven Deposits.

## VII. ENTITLEMENT TO TERMINATE THE APSs WITHOUT DAMAGES

78. In accordance with paragraph 18 of the Receivership Order, the Receiver seeks the Court's advice and direction with respect to: (a) its ability to terminate the APSs in accordance with the terms of the APSs and, in particular, in accordance with the Construction Financing Early Termination Condition; and (b) the timing of its ability to terminate the APSs without damages based upon the Construction Financing Early Termination Condition.
79. For ease of reference, a sample APS (with the Purchaser's name redacted) is attached as **Appendix "L"** to this Third Report.
80. Schedule E to the APS is entitled "Tarion Warranty Corporation Statement of Critical Dates and Addendum" (the "**Tarion Addendum**"). Section 6(a) of the Tarion Addendum provides that Tarn Construction and the Purchaser may include conditions in the APS that, if not satisfied, give rise to early termination of the APS provided that such conditions comply with the Early Termination Conditions listed therein (the "**Early Termination Conditions**"). Section 6(b) of the Tarion Addendum limits the types of Early Termination Conditions to those listed in Schedule A to the Tarion Addendum.
81. Schedule "A" to the Tarion Addendum sets out certain of the permitted Early Termination Conditions. Section 1(b)(ii) of Schedule "A" to the Tarion Addendum provides that Tarn Construction is permitted to make the APS conditional upon "receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by a specified date."
82. Section 6(d) of the Tarion Addendum provides that the obligation of Tarn Construction to complete the purchase and sale transaction under the APSs is subject to satisfaction of the Early Termination Conditions set out in the Appendix A to the Tarion Addendum.
83. The Early Termination Conditions contained in Appendix A to the Tarion Addendum that are attached to each APS include an Early Termination Condition, which states: "Receipt by the Vendor (in this case Tarn Construction) of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by October 9, 2018." which has been defined herein as the Construction Financing Early Termination Condition.

84. In this case, Tarn Construction has no ability to satisfy the Construction Financing Early Termination Condition as of the date of this Third Report and in the Receiver's view it is inevitable and predestined that Tarn Construction will have no ability to satisfy the Construction Financing Early Termination Condition by October 9, 2018 for the following reasons:
- a. Tarn Construction's (being the Vendor under the APSs) parent company, Tarn Financial, is subject to the Winding Up Order;
  - b. Pursuant to the Sale Process, the Liquidator by and on behalf of Tarn Financial is selling its assets including the Real Property where the Development Project was to be built;
  - c. Tarn Construction has significant liabilities and no assets to support financing;
  - d. From the Receiver's experience, no financial institution will finance Tarn Construction that does not have its own assets, while its parent company, Tarn Financial, is in the process of being liquidated and wound up pursuant to the Winding Up Order; and
  - e. The passage of time between the date of this Third Report and October 9, 2018 will not change any of the facts set out herein.
85. Paragraph 25(a) of Schedule "A" (Additional Provisions) to the APS provides that in the event that the APS is terminated pursuant to the Tarion Addendum, within 10 days of such termination Tarn Construction must refund all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, together with interest from the date such monies were paid to Tarn Construction. Interest shall be calculated in accordance with the Condominium Act, 1998 (Ontario).
86. In such circumstances, Tarn Construction's liability to the Purchaser is limited to paying the amounts described above. Paragraph 25(c) of Schedule "A" (Additional Provisions) to the APS provides as follows:

For greater certainty, in no instance shall the Vendor be liable for any other costs or claims or damages whatsoever, including, without limitation, any loss of bargain, relocation costs, loss of use of deposit monies or any other fees, professional or otherwise, expended in relation to this transaction. The Purchaser acknowledges and agrees that the foregoing may be pleaded by the Vendor as an estoppel to any action brought by the Purchaser.

87. In the Receiver's view, the Construction Financing Early Termination Condition cannot be fulfilled as of the date of this Third Report and it is inevitable that the Construction Financing Early Termination Condition will not be able to be fulfilled by Tarn Construction by October 9, 2018. The Receiver is further of the view that waiting to terminate the APSs after October 9, 2018 negatively impacts the Purchasers that would be entitled to the return of their Deposits in accordance with the terms of their APSs.
88. As a result, the Receiver is seeking the advice and directions of the Court to confirm its ability to rely upon the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction without damages (upon the return of deposits in accordance with the terms of the APSs) at any time from the date of the Termination Entitlement Order, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so.
89. The Receiver is further seeking confirmation that termination of the APSs in accordance with the Construction Financing Early Termination Condition only obligates the Receiver thereafter to return Deposits on behalf of Tarn Construction to the Purchasers in accordance with the terms of the APSs and that upon fulfilling such obligation, in no instance thereafter, will Tarn Construction, its parent, Tarn Financial, the Receiver or the Liquidator, be liable to the Purchasers for any other costs or claims or damages whatsoever, including, without limitation, any loss of bargain, relocation costs, loss of use of deposit monies or any other fees, professional or otherwise, expended in relation to the APSs.
90. If the Termination Entitlement Order is granted, the Receiver expects to be in a position to come back to Court a few weeks after the Deposit Confirmation Bar Date to seek an Order to establish a procedure for the return of Proven Deposits in accordance with the APSs.

#### **VIII. CONCLUSION**

91. The Liquidator and Receiver submit this Third Report to the Court in support of the Liquidator's and Receiver's Motion for the relief as set out in the Motion Record and recommends that the Court grant the following relief:
  - a. The Approval and Vesting Order substantially in the form contained at Tab 3 of the Motion Record approving the Transaction contemplated by the Asset Purchase

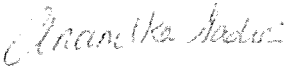


Agreement and vesting in Sunray Tarn Financial's right, title and interest in and to the Purchased Assets;

- b. The Disputed Deposits Resolution Procedure Order substantially in the form contained at Tab 5 of the Motion Record establishing a procedure for the resolution of Disputed Deposits; and
- c. The Termination Entitlement Order substantially in the form contained at Tab 6 of the Motion Record ordering and declaring, among other things, that the Receiver is entitled to rely on the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction and that the Receiver and is hereby authorized to give notice of termination to terminate the APSs at any time after the granting of the Termination Entitlement Order without damages claims arising thereunder.

All of which is respectfully submitted at Toronto, Ontario this 24<sup>th</sup> day of April, 2018.

**KPMG Inc., in its capacity as Court Appointed Liquidator of  
Tarn Financial Corporation and in its capacity as Court Appointed  
Receiver of Tarn Construction Corporation and not in its personal capacity**

Per:   
\_\_\_\_\_  
Anamika Gadia  
Senior Vice President

# APPENDIX “G”

Court File No. CV-17-11697-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE WINDING UP OF  
TARN FINANCIAL CORPORATION

APPLICATION UNDER SECTIONS 207 AND 248 OF THE  
*BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16

FOURTH REPORT OF KPMG INC. in its capacity as  
LIQUIDATOR OF TARN FINANCIAL CORPORATION  
and  
SECOND REPORT OF KPMG INC. in its capacity as  
RECEIVER OF TARN CONSTRUCTION CORPORATION

JUNE 8, 2018

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## I. INTRODUCTION AND SUMMARY OF PROCEEDINGS

1. On February 13, 2017, Volkan Basegmez, Cem Bleda Basegmez, Anil Rukan Basegmez, BA&B Capital Inc., Serdar Kocturk and Kaan Holdings Inc. (collectively, the “**Applicants**”) commenced an application (the “**Application**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 seeking an Order winding up Tarn Financial Corporation (“**Tarn Financial**”) and appointing KPMG Inc. (“**KPMG**”) as liquidator for that purpose. The Applicants are shareholders of Tarn Financial and collectively hold 60% of the common shares of Tarn Financial. The remaining 40% of the common shares of Tarn Financial are held by the Respondent, SAMM Capital Holdings Inc. (“**SAMM**”), a company owned by the Respondent, Ali Akman (“**Akman**”).
2. The Application was heard by Justice Lederman on August 11, 2017 and on September 15, 2017, His Honour ordered the winding up of Tarn Financial pursuant to the Winding Up Order dated September 15, 2017 (the “**Winding Up Order**”), and the appointment of KPMG as liquidator for that purpose (in such capacity, the “**Liquidator**”) effective as of September 25, 2017 (the “**Winding Up Proceedings**”). A copy of the Winding Up Order is attached as **Appendix “A”** to this report, which is the Liquidator’s Fourth Report to the Court and the Receiver’s (as defined below) Second Report to the Court (the “**Fourth Report**”).
3. The business and assets of Tarn Financial include the Delta Toronto East Hotel (the “**Hotel**”) and adjoining development lands that were being developed by Tarn Financial, through its wholly-owned subsidiary, Tarn Construction Corporation (“**Tarn Construction**”), as a development known as “The Kennedys” (the “**Development Project**”) located at 2035 Kennedy Rd., Scarborough Ontario (the “**Real Property**”).
4. On October 6, 2017, Akman and SAMM filed a Notice of Appeal with the Divisional Court of the Ontario Superior Court of Justice (the “**Divisional Court**”) appealing the Winding Up Order (the “**Appeal**”). The Appeal was heard on January 30, 2018 by the Divisional Court and on February 6, 2018, the Divisional Court dismissed the Appeal.
5. The Liquidator issued its first report to the Court on November 13, 2017 (the “**First Report**”). On November 16, 2017, the Liquidator issued a first supplemental report to the

Court (the “**First Supplemental Report**”) and on November 28, 2017, the Liquidator issued a second supplemental report to the First Report (the “**Second Supplemental Report**”).

6. As detailed in the First Report, the First Supplemental Report and the Second Supplemental Report, the Liquidator brought a motion (the “**Sale Process Motion**”) seeking an Order (the “**Sale Process Order**”), among other things: (a) authorizing the Liquidator to enter into and approving a marketing and listing agreement between the Liquidator and CBRE Limited (“**CBRE**”) dated November 10, 2017; (b) approving the sale process (the “**Sale Process**”); and (c) authorizing, but not obligating, the Liquidator to file a consent to sever the Real Property.
7. The Sale Process Motion was scheduled to be heard before the Court on November 17, 2017. The Sale Process Motion was adjourned on an unopposed basis to November 24, 2017 to allow the Applicants, SAMM and Akman time to formalize a settlement that the parties advised the Liquidator had been reached between them in principle.
8. The settlement was not finalized by November 24, 2017 and the Sale Process Motion was heard on that day and was unopposed except for the Order seeking the approval of a marketing and listing agreement between the Liquidator and CBRE. This aspect of the relief sought was opposed by SAMM and Akman. On November 24, 2017, Justice McEwen declined to grant the Order approving the marketing and listing agreement between the Liquidator and CBRE.
9. Justice McEwen directed the Liquidator to retain another marketing and listing agent and adjourned the Sale Process Motion to allow the Liquidator to do so. Thereafter, on November 29, 2017, Justice McEwen granted the Sale Process Order which, among other things: (a) approved the retention by the Liquidator of Colliers Macaulay Nicolls Inc. to be the marketing and listing agent; and (b) approved the Sale Process including revisions thereto, in order to address the change in the marketing and listing agent.
10. On December 6, 2017, the Liquidator brought a motion seeking an order (the “**OMB Appeals Order**”) authorizing, but not obligating, the Liquidator to file two Notices of Appeal with the Ontario Municipal Board (“**OMB**”) in respect of the Real Property. Justice McEwen granted the OMB Appeals Order on the same date.

11. The Liquidator issued its second report to the Court on April 9, 2018 (the “**Second Report**”). As detailed in the Second Report, the Liquidator brought a motion returnable on April 13, 2018 seeking:
  - a. An Order (the “**Claims Procedure Order**”) approving and establishing a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “**Claims Process**”);
  - b. An Order (the “**Receivership Order**”) authorizing the appointment of KPMG as receiver and manager over the properties, assets and undertakings of Tarn Construction (in such capacities, the “**Receiver**”) pursuant to section 101 of the *Courts of Justice Act* R.S.O. 1990, c. C.43;
  - c. An Order (the “**Deposit Confirmation Procedure Order**”) approving and establishing a procedure for confirming the Deposits (as defined in the Deposit Confirmation Procedure Order) that have been paid to Tarn Construction by purchasers of the pre-sold, unbuilt condominium units at the Development Project (the “**Deposit Confirmation Procedure**”); and
  - d. An Order (the “**April Ancillary Order**”) (i) authorizing an increase in the maximum principal amount of the Borrowings Charge (as defined in the Winding Up Order) by \$1,000,000 (the “**Increased Borrowing Amount**”) from \$2,000,000 to \$3,000,000 and addressing the priority of the Borrowings Charge in respect of the Increased Borrowing Amount; (ii) approving the fees of the Liquidator and the Liquidator’s legal counsel from the date of the Winding Up Order to December 31, 2017; and (iii) approving the First Supplemental Report, the Second Supplemental Report and the Second Report and the activities and conduct of the Liquidator as set out therein.
12. On April 13, 2018, the Court granted the Claims Procedure Order, the Receivership Order, the Deposit Confirmation Procedure Order and the April Ancillary Order. A copy of the Receivership Order and the Deposit Confirmation Procedure Order are attached as **Appendix “B”**, and **Appendix “C”**, respectively, to this Fourth Report.



13. The Liquidator issued its third report to the Court and the Receiver issued its first report to the Court on April 24, 2018 (collectively, the “**Third Report**”). As detailed in the Third Report, the Liquidator and Receiver brought a motion returnable on May 1, 2018 seeking:
  - a. Advice and directions from the Court regarding the Receiver’s ability to terminate the Agreements of Purchase and Sale (the “**APSs**”) entered into by Tarn Construction with purchasers of proposed condominium units in the contemplated Development Project (the “**Purchasers**”) in accordance with the terms of the APSs and, in particular, the condition contained at Appendix A of Schedule E to the APSs entitled “Tarion Warranty Corporation Statement of Critical Dates and Addendum” which states: “Receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by October 9, 2018” (the “**Construction Financing Early Termination Condition**”);
  - b. An Approval and Vesting Order (the “**Approval and Vesting Order**”), among other things, approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement between Tarn Financial and Sunray Group of Hotels Inc. (“**Sunray**”) date April 20, 2018 (the “**Asset Purchase Agreement**”) and vesting in Sunray Tarn Financial’s right, title and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”);
  - c. An Order (the “**Disputed Deposits Resolution Procedure Order**”), establishing a procedure for the resolution of disputed deposits asserted by Purchasers of proposed condominium units in the contemplated Development Project (the “**Disputed Deposits Resolution Procedure**”); and
  - d. An Order (the “**Termination Entitlement Order**”), ordering and declaring, among other things, that the Receiver is entitled to rely upon the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction and that the Receiver is authorized to give notice of termination to terminate the APSs at any time after the granting of the Termination Entitlement Order without damages claims arising thereunder.
14. On May 9, 2018, the Court rendered its endorsement (the “**Endorsement**”) granting the Approval and Vesting Order, the Disputed Deposits Resolution Procedure Order, and the

Termination Entitlement Order. A copy of the Disputed Deposits Resolution Procedure Order, the Termination Entitlement Order and the Endorsement are attached as **Appendix “D”, Appendix “E”, and Appendix “F”** respectively, to this Fourth Report.

15. Capitalized terms not defined herein shall have the meanings set out in the Winding Up Order, the Deposit Confirmation Procedure Order and the Disputed Deposits Resolution Procedure Order.

## II. PURPOSE OF THIS FOURTH REPORT

16. The purpose of this Fourth Report is to:
  - a. Update the Court with respect to the activities of the Liquidator since its Second Report and the activities of the Receiver since its appointment, including, but not limited to:
    - (i) activities relating to Tarn Financial and the Hotel operations;
    - (ii) activities relating to Tarn Construction and the Development Project;
    - (iii) activities relating to the Sale Process;
    - (iv) activities relating to the Claims Process;
    - (v) activities relating to the Deposit Confirmation Procedure; and
    - (vi) other activities in relation to the Winding Up Proceedings; and
  - b. Provide the Court with the necessary information to support the granting of an Order (the “**Deposit Return Procedure Order**”) substantially in the form contained at Tab 3 of the Motion Record dated June 7, 2018 (the “**Motion Record**”), establishing a procedure for the termination of Purchasers’ APSs and the return of Proven Deposits (as defined in the Disputed Deposits Resolution Procedure Order) to Purchasers of proposed condominium units in the contemplated Development Project (the “**Deposit Return Procedure**”).
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
18. The information contained in this Fourth Report has been obtained from the books and records and other information of Tarn Financial or Tarn Construction. The accuracy and completeness of the financial information contained herein has not been audited or

otherwise verified by the Liquidator or the Receiver, and the Liquidator and the Receiver do not express an opinion or provide any other form of assurance with respect to the information presented herein or relied upon by the Liquidator or the Receiver in preparing this Fourth Report.

19. Future oriented financial information reported or relied on in preparing this Fourth Report is based on Tarn Financial management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

### **III. ACTIVITIES OF THE LIQUIDATOR SINCE THE SECOND REPORT AND THE RECEIVER SINCE ITS APPOINTMENT**

#### **General Activities**

20. The Liquidator continues to manage the operations of the Hotel and continues to preserve the assets of Tarn Financial.
21. The Liquidator has continued to:
  - a. Attend at the corporate and administrative offices of Tarn Financial and Tarn Construction located at the Hotel, as required;
  - b. Review and approve all purchase orders;
  - c. Review and approve all disbursements before they are made;
  - d. Prepare and update 13-week cash flow projections, including analysis of actual versus forecast results;
  - e. Prepare daily bank reconciliations;
  - f. Work with Richter LLP to prepare the 2016 tax returns and to review the tax consequences of the proposed Transaction with a view to optimizing the after-tax proceeds for distribution by the Liquidator;
  - g. Review what monies were transferred in or out of Tarn Financial utilizing the services of KPMG Forensics Inc.;
  - h. Coordinate receipt of the Increased Borrowing Amount under the Borrowings Charge;

- i. Have regular discussions with Tarn Financial's secured lenders regarding the Winding Up Proceedings, including, among other things, the status of the Hotel operations and the Development Project, discussions with other stakeholders, liquidity requirements, and the Sale Process;
- j. Have regular discussions with the shareholders' counsel regarding the Winding Up Proceedings and respond to inquiries regarding same;
- k. Respond to inquiries from other stakeholders regarding the Winding Up Proceedings;
- l. Post materials relating to the Winding Up Proceedings including the Claims Process and the Deposit Confirmation Procedure on its website ([www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn)) (the "Website"); and
- m. Maintain a telephone hotline at (416) 649-7623 or (1-855) 222-8083 and email address at [tarn@kpmg.ca](mailto:tarn@kpmg.ca) for inquiries regarding the Winding Up Proceedings.

#### **Activities Relating to Tarn Financial and the Hotel Operations**

22. In addition to the activities described above, the Liquidator has continued to do the following specifically in respect of the Hotel operations:
  - a. Had regular update meetings with Hotel management and staff;
  - b. Coordinated all filings and payments of source deductions, HST, workplace safety insurance and withholding taxes;;
  - c. Had regular discussions with representatives of Marriott regarding the status of the Hotel operations and the Sale Process;
  - d. Continued to work with a third-party accounting firm that is providing bookkeeping assistance in order to input financial entries for Tarn Financial's 2017 fiscal year and prepare its year-end financial statements as at December 31, 2017 given the lack of general ledger for 2017 at the time of the Liquidator's appointment;
  - e. Undertaken certain critical maintenance items required at the Hotel and implemented items required to comply with Marriott brand standards; and

- f. Implemented cost reduction options, where possible, in order to reduce the Hotel operating costs and preserve cash, in a fair and efficient manner.

**Activities Relating to Tarn Construction and the Development Project**

- 23. The Liquidator has continued to do and the Receiver has done the following in respect of the Development Project:
  - a. Responded to inquiries from consultants as to the status of the Winding Up Proceedings, the Development Project and the Sale Process and the Claims Process;
  - b. Responded to inquiries from Purchasers of the proposed condominium units regarding, among other things, the status of their APSs, deposit monies, the Deposit Confirmation Procedure, and the Sale Process;
  - c. Had regular discussions with Bennett Jones LLP, which is the Deposit Trustee in connection with the deposits made by the Purchasers pursuant to their APSs (in such capacity, the “**Deposit Trustee**”), regarding, among other things, the status of deposit monies being held in trust, change of addresses of Purchasers, and inquiries regarding APSs;
  - d. Updated the books and records of Tarn Construction as further invoices are received;
  - e. Responded to inquiries from brokers regarding, among other things, the status of the Winding Up Proceedings, their commissions and the Claims Process; and
  - f. Had discussions with The Guarantee Company of North America (“**The Guarantee Company**”) and Tarion Warranty Corporation (“**Tarion**”) regarding the Deposit Confirmation Procedure, the Disputed Deposit Resolution Procedure and the proposed Deposit Return Procedure.

**Activities Relating to the Sale Process**

- 24. In accordance with and in relation to the Sale Process Order, the Liquidator:
  - a. Determined that Sunray is the Successful Bidder and that Pinnacle International One Lands Inc. is the Back-Up Bidder;
  - b. Sought and obtained the Approval and Vesting Order approving the Transaction contemplated by the Asset Purchase Agreement; and;

- c. Attended meetings and teleconferences with Sunray regarding the critical dates under the Asset Purchase Agreement and all issues to prepare for the closing of the Transaction including, without limitation, review of contracts and liabilities that would be assumed by Sunray, review of employee contracts and benefit plans, and the process surrounding the transfer of the Purchased Assets to Sunray.

#### **Activities Relating to the Claims Process**

25. In accordance with and in relation to the Claims Procedure Order, the Liquidator:
  - a. Posted the Claims Procedure Order and the Claims Process Notice to the Liquidator's website on April 17, 2018;
  - b. Published the Claims Process Notice in the Globe and Mail (National Edition) and the Toronto Star on April 18, 2018 and May 2, 2018;
  - d. Mailed the Claims Process Notice and the Proof of Claim (collectively, the "**Claims Package**") on April 17, 2018 to 1,446 parties to the addresses listed in the books and Records of Tarn Financial and/or Tarn Construction;
  - e. Received, as of the date of this Fourth Report, 115 Claims Packages as returned undeliverable mail, of which 56 were re-mailed to new addresses and 59 remain undeliverable, as new addresses have not been identified;
  - f. Prepared and posted to the Website 'Frequently Asked Questions' in respect of the Claims Process to assist parties in preparing the necessary documentation for the Claims Process; and
  - g. Received and responded to approximately 200 email and telephone inquiries regarding the Claims Process from potential claimants.

#### **Activities Relating to the Deposit Confirmation Procedure**

26. In accordance with and in relation to the Deposit Confirmation Procedure, the Receiver:
  - a. Posted the Deposit Confirmation Procedure Order to the Website on April 17, 2018;
  - b. Prepared and issued by email on April 17, 2018 and by mail on April 18, 2018 a third letter to the Purchasers (the "**Third Communication to Purchasers**"), which, among

other things, provided notice of the Motion being brought by the Liquidator and the Receiver returnable on May 1, 2018 and set out the relief that would be sought as it related to the APSs.

- c. Mailed all Purchasers a Deposit Statement on April 18, 2018 to the address listed in the books and records of Tarn Construction and/or the Deposit Trustee;
- d. Prepared and posted to the Website 'Frequently Asked Questions' in respect of the Deposit Confirmation Procedure to assist Purchasers in understanding the Deposit Confirmation Procedure including what steps are necessary if they disagree with the amounts set out in the Deposit Statement and/or Amended and Restated Deposit Statement;
- e. Received eight Deposit Statements as returned undeliverable mail and located new addresses or email addresses for the eight Purchasers whose Deposit Statements were returned and re-sent these Deposit Statements;
- f. Sent Amended and Restated Deposit Statements to 24 Purchasers who remitted an Additional Deposit to the Deposit Trustee as of May 31, 2018;
- g. Prepared and issued by email a fourth letter to the Purchasers on May 11, 2018 (the "Fourth Communication to Purchasers"), a copy of which is attached as Appendix "G", which among other things explained the outcome of the May 1, 2018 motion; and
- h. Received and responded to approximately 450 email and telephone inquiries from Purchasers with respect to the Deposit Confirmation Procedure and the Disputed Deposit Resolution Procedure.

**Other Activities in Relation to the Winding Up Proceedings**

27. The Liquidator and the Receiver, with the assistance of its counsel, has also done the following in relation to the Winding Up Proceedings:
  - a. Prepared and delivered the Third Report of the Liquidator and the First Report of the Receiver; and
  - b. Attended Court appearances on April 13, 2017 and May 1, 2018.

#### IV. DEPOSIT CONFIRMATION PROCEDURE

28. On April 13, 2018, the Court issued the Deposit Confirmation Procedure Order, which approved the Deposit Confirmation Procedure. Capitalized terms used in this section of the Fourth Report are as defined in the Deposit Confirmation Procedure Order.
29. The Deposit Confirmation Procedure contemplates confirmation and assertion of Deposits in two stages given that Deposits are continuing to be made by Purchasers pursuant to the terms of their APSs. The first stage relates to Known Deposits remitted by Purchasers up to and including March 31, 2018 pursuant to their APSs. The second stage relates to Additional Deposits, if any, made by Purchasers after March 31, 2018 pursuant to their APSs.
30. Purchasers that agreed with the amounts of the Known Deposit contained on the Deposit Statement and/or the Additional Deposit contained on the Amended and Restated Deposit Statement they received were not required to take any further action and the Deposit of the Purchaser shall be deemed a Known Deposit and/or Known Additional Deposit, as applicable.
31. Any Purchaser that wished to dispute the Known Deposit amount contained on the Deposit Statement was required to deliver a Notice of Dispute of Deposit Statement to the Receiver by no later than the Deposit Confirmation Bar Date, being 5:00 PM Eastern Standard Time on May 15, 2018.
32. Any Purchaser that wishes to dispute the Known Additional Deposit amount contained on the Notice of Amended and Restated Deposit Statement is required to deliver a Notice of Dispute of Amended and Restated Deposit Statement to the Receiver by no later than the Deposit Confirmation Bar Date, being thirty (30) calendar days after the date set out on the Amended and Restated Deposit Statement it received.
33. In total, the Receiver received 17 Notices of Dispute of Deposit Statement and has not received any Notices of Dispute of Amended and Restated Deposit Statement.
34. The Receiver has been able to resolve 10 Notices of Dispute of Deposit Statement and anticipates to resolve an additional two shortly. The Purchasers that filed these Notices of Dispute of Deposit Statement do not disagree with the amount of Known Deposits being



held by the Deposit Trustee, rather they either make a request for interest (which is not payable pursuant to the terms of the *Condominium Act*) or make a request for their condominium to be built.

35. As at the date of this Fourth Report, there are five Notices of Dispute of Deposit Statement that are still being reviewed and considered, in consultation with the Guarantee Company and Tarion. Four of these are from sales agents that sold the proposed condominium units on behalf of Tarn Construction and rather than get paid certain of their commissions they requested that Tarn Construction fund Deposits on units that they purchased. The Deposit Trustee does not hold any money with respect to these four Purchasers. The Fifth Notice of Dispute of Deposit Statement relates to a condominium that was purchased by a Purchaser from Akman, which the Receiver understands Akman purchased from the original purchaser. The Notice of Dispute of Deposit Statement claims Deposits in the amount of \$119,205 and advises that \$79,305 of the \$119,205 was paid to SAMM. The Deposit Trustee is holding Deposits in the amount of \$39,900 from this Purchaser.
36. The Receiver has provided the five Notices of Dispute of Deposit Statement to The Guarantee Company and Tarion for their review in accordance with the Disputed Deposits Resolution Procedure Order.

#### **V. DEPOSIT RETURN PROCEDURE ORDER**

37. On May 9, 2018, the Court granted the Termination Entitlement Order, which, among other things, ordered and declared that the Receiver is entitled to rely upon the Construction Financing Early Termination Condition to terminate the APSs on behalf of Tarn Construction without damages and that the Receiver may give notice of termination to terminate the APSs at any time from the date of the Termination Entitlement Order, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so.
38. The Receiver has sought input from Tarion and The Guarantee Company regarding the proposed form of Deposit Return Procedure Order given the Tarion warranty bonds and the security held by The Guarantee Company over the Real Property.

39. The Receiver seeks the Court's approval to allow the Receiver to implement the Deposit Return Procedure set out in the proposed Deposit Return Procedure Order.
40. Capitalized terms used in this section of the Fourth Report are as defined in draft Deposit Return Procedure Order contained at Tab 3 of the Motion Record.
41. Given that the Receiver will be terminating the APSs, the proposed Deposit Return Procedure Order provides that Purchasers are hereby no longer required to make Additional Deposits under their APSs. To the extent a payment of an Additional Deposit is received by the Deposit Trustee or the Receiver from and after the date of the Deposit Return Procedure Order, the payment will be returned to the Purchaser as soon as practicable.
42. The proposed Deposit Return Procedure Order confirms that interest is not payable on the Proven Deposits pursuant to the Condominium Act and its regulations. Section 82 of the Condominium Act provides that if a Purchaser is entitled to a return of money paid under an APS upon termination and the APS is terminated, then Tarn Construction shall pay interest at the prescribed rate to the Purchaser on the money returned. However, the prescribed rate of interest under the regulations is calculated at two per cent per annum below the bank rate and the bank rate has been below two per cent during the period the Deposit Trustee has held the Deposits such that no interest is payable on the Proven Deposits.
43. The Deposit Return Procedure contemplates that the Deposit Trustee will deliver the Deposit Funds and the Trust Records to the Receiver within 5 Business Days of the date of the Deposit Return Procedure Order along with a Statutory Declaration confirming same in the form attached as Schedule "A" to the Deposit Return Procedure Order. Upon doing so, the Deposit Trustee will be released and forever discharged from any claims arising in respect of the Deposit Funds, other than in respect of any claims arising from gross negligence or willful misconduct.
44. The Deposit Return Procedure contemplates that the Receiver will provide a Statutory Declaration to Tarion in the form attached as Schedule "B" to the Deposit Return Procedure Order within 5 Business Days of the date of the Deposit Return Procedure Order.

45. The Deposit Return Procedure contemplates that the Receiver will request from Ali Akman, the former President of Tarn Financial and Tarn Construction, a Statutory Declaration in the form attached as Schedule "C" to the Deposit Return Procedure Order as soon as reasonably practicable and in any event no later than 5 Business Days from the date of the Deposit Return Procedure Order. As soon as reasonably practicable following the receipt of such Statutory Declaration and in any event no later than 5 Business Days from the date of such receipt, the Receiver shall provide such Statutory Declaration to Tarion with a copy to The Guarantee Company. The failure of the former President of Tarn Financial and Tarn Construction to provide the aforementioned Statutory Declaration will not prevent payment of Proven Deposits to Purchasers.
46. The Deposit Return Procedure contemplates that the Receiver will issue a Deposit Return Notice to all Purchaser substantially in the form attached as Schedule "D" to the Deposit Return Procedure Order within 5 Business Days of the date of the Deposit Return Procedure Order. The Deposit Return Notice explains to Purchasers that they are required to execute a Release Agreement and complete a Certificate of Identity that includes copies of two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address as more particularly set out in the Certificate of Identity) in order to receive their Proven Deposit.
47. Purchasers will have the ability to deliver the executed Release Agreement and completed Certificate of Identity that includes copies of two pieces of government issued identification to the Receiver either:
  - a. By attending at the Hotel, at their sole expense, between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and on Saturday July 14, 2018; or
  - b. By emailing, mailing, faxing or couriering them to the Receiver at the address set out in the Deposit Return Procedure Order.
48. Upon the Receiver being satisfied with the executed Release Agreement and the completed Certificate of Identity including copies of the two government issued pieces of

identification, the Receiver shall terminate the Purchaser's APS and issue a cheque in the name of the Purchaser in the amount of the Purchaser's Proven Deposit.

49. To the extent that an APS is in the name of more than one Purchaser, each Purchaser named in the APS has to deliver a Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification both in a form satisfactory to the Receiver, prior to the Receiver terminating the Purchasers' APS and issuing a cheque in the name of the Purchasers in the amount of the Purchasers' Proven Deposits.
50. If: (a) a Purchaser does not present two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address) to the Receiver in accordance with this Deposit Return Procedure Order; (b) the Purchaser does not execute a Certificate of Identity or Release Agreement; or (c) for any reason, the Receiver or The Guarantee Company is not satisfied with the identification of a Purchaser, then the Receiver is entitled to refuse to pay a Proven Deposit to the Purchaser and such issue shall be addressed pursuant to a further Order of this Court.
51. Pursuant to the Deposit Return Procedure Order, where the Receiver makes a payment to a Purchaser of its Proven Deposit, the Purchaser (including its heirs, executors and assigns) shall be:
  - a. Deemed to absolutely and unconditionally remise, release, acquit and forever discharge the Receiver, Tarn Construction, Tarn Financial, Tarion and The Guarantee Company for any Claims for return of a Deposit, including interest thereon; and
  - b. Forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit, including interest thereon, against the Receiver, Tarn Construction, Tarn Financial, Tarion and The Guarantee Company and all such claims shall be forever extinguished as against all such parties.
52. To address the Tarion Bonds and the security held by The Guarantee Company, starting on July 18, 2018 and once every two weeks thereafter, upon release of the Proven Deposits, the Receiver shall provide to Tarion and The Guarantee Company the Statutory Declaration in the form attached as Schedule "G" to the Deposit Return Procedure Order. Upon paying

the final Proven Deposit, the Receiver shall issue a final Statutory Declaration confirming same.


53. Upon Tarion being satisfied that its liability to the relevant Purchasers for Claims in respect of their Proven Deposits has been extinguished, Tarion will provide confirmation to The Guarantee Company once every two weeks that the Tarion Bonds are reduced by the amount of the Proven Deposit, as applicable, on a APS by APS basis, to a maximum of \$20,000 for each Proven Deposit; provided, however, that Tarion shall at all times be entitled to retain a sufficient portion of the Tarion Bonds or a reserve (the "Reserve"), as determined by Tarion acting reasonably, to cover Tarion's liabilities in respect of amounts secured by the Tarion Bonds that have not been extinguished to the satisfaction of Tarion at the time of any reduction. Subject to the foregoing and with the Receiver's consent, such a Reserve may be established by the Receiver on terms satisfactory to Tarion, acting reasonably, and upon the establishment of any such Reserve, Tarion will return the Tarion Bonds to The Guarantee Company for cancellation.
54. The Receiver is of the view that the Deposit Return Procedure Order provides an appropriate procedure to allow for the termination of the APSs and the return of the Proven Deposits to the Purchasers.

## VI. CONCLUSION

55. The Liquidator and Receiver submit this Fourth Report to the Court in support of the Liquidator's and the Receiver's Motion for the relief as set out in the Motion Record and recommends that the Court grant the Deposit Return Procedure Order.

All of which is respectfully submitted at Toronto, Ontario this 8<sup>th</sup> day of June, 2018.

**KPMG Inc., in its capacity as Court Appointed Liquidator of  
Tarn Financial Corporation and in its capacity as Court Appointed  
Receiver of Tarn Construction Corporation and not in its personal capacity**

Per:   
Anamika Gadia  
Senior Vice President

# APPENDIX “I”



**KPMG Inc.**  
Bay Adelaide Centre  
333 Bay Street Suite 4600  
Toronto ON M5H 2S5  
Canada

Telephone (416) 777-8500  
Fax (416) 777-3364  
Internet [www.kpmg.ca](http://www.kpmg.ca)

June 19, 2018  
Sent by Email and Regular Mail

To: Purchaser of a condominium unit at "The Kennedys",

**Re: Development project at 2035 Kennedy Road ("The Kennedys")**

As you are aware, KPMG Inc. ("KPMG") was appointed Court-appointed liquidator (in such capacity, the "**Liquidator**") of Tarn Financial Corporation ("**Tarn Financial**") pursuant to the Order (the "**Winding Up Order**") of the Ontario Superior Court of Justice (the "**Court**") dated September 15, 2017, which appointment was effective on September 25, 2017 pursuant to the Ontario *Business Corporations Act* for the purpose of winding up Tarn Financial and distributing its assets (the "**Winding Up Proceedings**"). Tarn owns and operates Tarn Construction Corporation ("**Tarn Construction**"), which was developing the condominium development project known as The Kennedys. The real property municipally known as 2035 Kennedy Road, Toronto that was being developed for The Kennedys was also owned by Tarn Financial (the "**Real Property**"). On April 13, 2018, the Court also granted a Receivership Order pursuant to the Ontario *Courts of Justice Act* appointing KPMG as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Tam Construction acquired for, or used in relation to a business carried on by Tam Construction (the "**Receivership Order**").

A copy of the Winding Up Order, the Receivership Order and information pertaining to the Winding Up Proceedings including all other Orders referenced in this letter and previous letters to the Purchasers are posted on KPMG's website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn) (the "**Website**").

We are writing to you with respect to the condominium unit(s) in The Kennedys that you purchased pursuant to an Agreement of Purchase and Sale (an "**APS**") with the vendor, Tarn Construction. This letter is further to our letters to you dated April 17, 2018 and May 11, 2018 and our email to you on June 11, 2018 advising of the Receiver's motion to address the return of Deposits to the Purchasers, copies of which are posted on the Website.

As set out in the letter to you dated May 11, 2018, the Court confirmed that the Receiver is entitled to terminate the APSs on behalf of Tarn Construction without damages, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so. The Court confirmed that, other than a return of their Deposits, Purchasers cannot pursue any other claims or costs (see paragraph 22 of the Endorsement of Justice McEwen dated May 9, 2018 which can be found on the Website).

The Court granted the Deposit Return Procedure Order on June 14, 2018 to address the termination of Purchasers' APSs and the return of Deposits. This letter is being sent to you pursuant to the Deposit Return Procedure Order to explain what you are required to do in order to get your Proven Deposits returned to you.



**In order for you to receive a cheque in the amount of your Proven Deposits, you must execute the enclosed Release Agreement and fill out and execute the enclosed Certificate of Identity and attach copies of two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address as more particularly set out in the Certificate of Identity) and deliver these documents to the Receiver for review. Once the Receiver has reviewed your documentation and confirmed that the Release Agreement and Certificate of Identity have been properly filled out and executed, the Receiver will deliver a cheque to you in the amount of your Proven Deposits.**

In order to facilitate the delivery of your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, the Receiver will be setting up a Proven Deposits return desk in the former condominium sales office located at the Delta Toronto East Hotel at 2035 Kennedy Road between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and on Saturday July 14, 2018. Purchasers may attend on these dates to deliver your executed Release Agreement and Certificate of Identity including copies of two pieces of government issued identification in person to the Receiver. The Receiver will then review your documentation to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits.

If you cannot attend in person on one of the dates above, you may deliver your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification by sending it by regular mail, courier, email or facsimile to the following:

KPMG Inc.,  
in its capacity as court-appointed Receiver  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

The Receiver will review the Purchaser's documentation received to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits by regular mail.

**To the extent that the APS is in the name of more than one Purchaser, each Purchaser named in the APS is required to deliver a Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, both in a form satisfactory to the Receiver, prior to the Receiver terminating the Purchasers' APS and issuing a cheque in the name of the Purchasers in the amount of the Purchasers' Proven Deposits.**





Page 3

You may obtain independent legal advice in connection with the matters described herein, including, without limitation, with respect to the enclosed Release Agreement. Please contact the Receiver directly at 1-855-222-8083 or at [tarn@kpmg.ca](mailto:tarn@kpmg.ca) if you have any questions or concerns.

Yours truly,

KPMG Inc., solely in its capacity as the Court-appointed Receiver  
of Tarn Construction Corporation

cc: The Guarantee Company of North America  
Tarion Warranty Corporation

# APPENDIX “H”

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**

THE HONOURABLE MR. )

THURSDAY, THE 14<sup>TH</sup> DAY

JUSTICE T. MCEWEN )

OF JUNE, 2018

**BETWEEN:**

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

**APPLICATION UNDER** Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.

**DEPOSIT RETURN PROCEDURE ORDER**

**THIS MOTION**, made by KPMG Inc. (“KPMG”), in its capacity as Court-appointed receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of Tarn Construction Corporation (“**Tarn Construction**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended and appointed pursuant to the Order of Justice McEwen dated April 13, 2018 (the “**Receivership Order**”), upon the application of KPMG in its capacity as Court-appointed liquidator (in such capacity, the “**Liquidator**”) pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“**Tarn Financial**”), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “**Winding Up Order**”), which appointment was effective on September 25, 2017, for an Order: (a) directing that no further deposits be paid by purchasers of proposed condominium units in the contemplated residential

condominium development located at 2035 Kennedy Road, Toronto, Ontario, known as the “The Kennedys” (the “**Development Project**”); (b) declaring that no interest is payable on the Proven Deposits (as defined below) being returned pursuant to this Order; and (c) establishing a procedure for the termination of the agreements of purchase and sale entered into by Tarn Construction in respect of the Development Project and the return of Proven Deposits to purchasers of proposed condominium units in the Development Project was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Fourth Report of the Liquidator and the Second Report of the Receiver dated June 8, 2018 and on hearing the submissions of counsel for the Receiver, and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service sworn June 11, 2018, filed:

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion is hereby abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion is hereby dispensed with.

#### **DEFINITIONS AND INTERPRETATION**

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

- (a) “**Additional Deposit**” means a Deposit paid after March 31, 2018;
- (b) “**Amended and Restated Deposit Statement**” means the document delivered to Purchasers restating the Deposit remitted by a Purchaser up to and including March 31, 2018 and setting out any Additional Deposit remitted by a Purchaser, as prepared by the Receiver, with the assistance of the Deposit Trustee, in the form substantially attached as Schedule “B” to the Deposit Confirmation Procedure Order;

- (c) “**APS**” means an agreement of purchase and sale between Tarn Construction and a Purchaser for the sale and purchase of a Proposed Unit at the contemplated Development Project;
- (d) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) “**Certificate of Identity**” means the Purchaser’s certificate of identity substantially in the form attached as **Schedule “F”** to this Order;
- (f) “**Claim**” or “**Claims**” means all actions, causes of action, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments and demands of any kind whatsoever, both in law and in equity, whether implied or express, direct or indirect, which any Purchaser ever had, now has or can, shall or may have in the future against any of the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion or The Guarantee Company by reason of, arising out of, by virtue of or with respect to or in any way connected with, any act, omission, cause, matter or thing existing up to the present time, including, but without limiting the generality of the foregoing, by reason of, arising out of, by virtue of or with respect to or in any way connected with any act, omission, cause, matter or thing whatsoever connected with, arising out of or being the subject matter of the APS, the Deposit, the Tarion Bonds, the Condominium Act and the Plan Act;
- (g) “**Condominium Act**” means the *Condominium Act* (Ontario), R.S.O. 1998, c. 19, as amended;
- (h) “**Court**” means the Ontario Superior Court of Justice, Commercial List;
- (i) “**Deposit**” means any monies including, without limitation, deposit monies and monies on account of extras and upgrades paid by a Purchaser pursuant to an APS for a Proposed Unit at the Development Project;

- (j) **“Deposit Confirmation Procedure”** means the procedure outlined in the Deposit Confirmation Procedure Order in connection with the confirmation and assertion of Deposits remitted to Tarn Construction, as amended or supplemented by further Order of the Court;
- (k) **“Deposit Confirmation Procedure Documentation”** has the meaning set forth in paragraph 15 of this Order.
- (l) **“Deposit Confirmation Procedure Order”** means the Order approving the Deposit Confirmation Procedure granted on April 13, 2018 by the Court in these proceedings;
- (m) **“Deposit Funds”** means all funds held in trust by the Deposit Trustee in respect of all Deposits received by the Deposit Trustee, including all interest earned thereon;
- (n) **“Deposit Return Notice”** has the meaning set forth in paragraph 19 of this Order;
- (o) **“Deposit Return Procedure”** means the procedure outlined in this Order for returning Proven Deposits to Purchasers;
- (p) **“Deposit Statement”** means the document delivered to Purchasers setting out the Deposit remitted by a Purchaser up to and including March 31, 2018, as prepared by the Receiver, with the assistance of the Deposit Trustee, in the form substantially attached as Schedule “A” to the Deposit Confirmation Procedure Order;
- (q) **“Deposit Trustee”** means Bennett Jones LLP, in its capacity as Deposit Trustee;
- (r) **“Development Project”** has the meaning set forth in the opening paragraph of this Order;
- (s) **“Disputed Deposit”** means a Deposit that a Purchaser has disputed for any reason by delivering a Notice of Dispute of Deposit Statement or a Notice of Dispute of Amended and Restated Deposit Statement, as applicable, to the Receiver in accordance with the Deposit Confirmation Procedure Order;

- (t) **“Disputed Deposit Resolution Procedure”** means the procedure outlined in the Disputed Deposits Resolution Procedure Order for determining Proven Deposits and resolving Disputed Deposits;
- (u) **“Disputed Deposits Resolution Procedure Order”** means the Order approving the Disputed Deposit Resolution Procedure granted on May 9, 2018 by the Court in these proceedings;
- (v) **“Hotel”** means the Delta Toronto East Hotel located at 2035 Kennedy Road, Toronto, Ontario;
- (w) **“Notice of Dispute of Amended and Restated Deposit Statement”** means a notice disputing the Amended and Restated Deposit Statement, substantially in the form attached as “Schedule D” to the Deposit Confirmation Procedure Order;
- (x) **“Notice of Dispute of Deposit Statement”** means a notice disputing the Deposit Statement, substantially in the form attached as Schedule “C” to the Deposit Confirmation Procedure Order;
- (y) **“Plan Act”** means the Ontario *New Home Warranties Plan Act*, R.S.O. 1990, chapter 0.31, any amendments thereto and the regulations thereunder;
- (z) **“Proposed Unit”** means a residential condominium unit at the Development Project;
- (aa) **“Proven Deposit”** means the amount and/or validity of a Deposit as finally determined by the Receiver, in consultation with The Guarantee Company, in accordance with the Disputed Deposits Resolution Procedure Order, and for greater certainty a Proven Deposit will be “finally determined” for the purposes of this definition if any one of the following circumstances applies:
  - (i) the Receiver has delivered a Deposit Statement or Amended and Restated Deposit Statement to a Purchaser and the applicable time period for filing a Notice of Dispute of Deposit Statement and/or a Notice of Dispute of Amended and Restated Deposit Statement under the Deposit Confirmation

Procedure Order has expired without such notice being filed by the Purchaser with the Receiver;

- (ii) a Disputed Deposit has been reviewed by the Receiver, in consultation with the Deposit Trustee and The Guarantee Company, and then consensually resolved with the Purchaser in accordance with the Disputed Deposits Resolution Procedure Order;
  - (iii) the Purchaser has failed to bring a motion in accordance with the timelines set out in paragraph 12 of the Disputed Deposits Resolution Procedure Order to determine the amount and/or validity of a Disputed Deposit that has not been consensually resolved; or
  - (iv) the Court has made a determination with respect to the amount and/or validity of a Disputed Deposit, and no appeal or application for leave to appeal therefrom has been taken or served, or where such appeal or application for leave to appeal has been dismissed, determined or withdrawn;
- (bb) **“Purchaser”** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity, that has entered into an APS and/or has paid a Deposit, as indicated by the books and records of Tarn Construction and/or the Deposit Trustee;
- (cc) **“Release Agreement”** means the Release Agreement to be executed by the Purchaser(s) and delivered to the Receiver substantially in the form attached as **Schedule “E”** to this Order;
- (dd) **“Reserve”** has the meaning set forth in paragraph 28 of this Order
- (ee) **“Tarion”** means the Tarion Warranty Corporation;



- (ff) “**Tarion Bonds**” means the Tarion Bond No. TM5120189 dated June 7, 2016, as amended, and Tarion Bond No. TM5193638 dated July 13, 2016, issued by The Guarantee Company to Tarion on behalf of Tarn Construction;
- (gg) “**Termination Entitlement Order**” means the Order confirming that the Receiver is entitled to terminate the APSs in accordance with the terms of the APSs, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so, granted on May 9, 2018 by the Court in these proceedings;
- (hh) “**The Guarantee Company**” means The Guarantee Company of North America;
- (ii) “**Trust Records**” has the meaning set forth in paragraph 8(b) of this Order; and
- (jj) “**Website**” means [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. Toronto time on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”, and that all references to the singular herein include the plural, the plural include the singular, and that any gender includes all genders.

#### **ROLE OF THE RECEIVER**

5. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights and obligations under the Receivership Order, shall administer the Deposit Return Procedure provided for herein and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.

#### **ADDITIONAL DEPOSITS**

6. **THIS COURT ORDERS AND DIRECTS** that Purchasers are hereby no longer required to make Additional Deposits under their APSs and that to the extent a payment of an Additional

Deposit is received by the Deposit Trustee or the Receiver from and after the date of this Order, the payment shall be returned to the Purchaser as soon as practicable.

**INTEREST NOT PAYABLE ON PROVEN DEPOSITS**

7. **THIS COURT DECLARES** that pursuant to the Condominium Act and its regulations, no interest is payable on the Proven Deposits being returned to Purchasers pursuant to the terms of this Order.

**DEPOSITS HELD BY DEPOSIT TRUSTEE TO BE DELIVERED TO THE RECEIVER**

8. **THIS COURT ORDERS** the Deposit Trustee to deliver to the Receiver:

(a) the Deposit Funds, including without limitation any post-dated cheques being held by the Deposit Trustee on account of Additional Deposits due after the date of this Order; and

(b) all books and records pertaining to the Deposits (the "**Trust Records**"),

within 5 Business Days of the date of this Order.

9. **THIS COURT ORDERS** that the Deposit Trustee shall provide the Statutory Declaration in the form attached as **Schedule "A"** to this Order upon delivery of the Deposit Funds and the Trust Records to the Receiver.

10. **THIS COURT ORDERS** that, upon delivery of the Deposit Funds, the Trust Records and the Statutory Declaration pursuant to paragraph 9 of this Order, the Deposit Trustee shall be released and forever discharged from any Claims arising in respect of the Deposit Funds, other than in respect of any Claims arising from gross negligence or willful misconduct.

11. **THIS COURT ORDERS** that the Receiver shall deposit the Deposit Funds into a separate bank account held by the Receiver, from which it shall fund the return of Proven Deposits to Purchasers in accordance with this Order.

## RETURN OF PROVEN DEPOSITS TO PURCHASERS

12. **THIS COURT ORDERS** that the Deposit Return Procedure and the forms attached to this Order be and are hereby approved. The Receiver is hereby authorized and directed to implement the Deposit Return Procedure, in conjunction with The Guarantee Company. Notwithstanding the foregoing, the Receiver may from time to time, make minor changes to the forms, in its sole discretion, as may be necessary or desirable.

13. **THIS COURT ORDERS** that the Receiver is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of this Order as to completion, execution and submission of such forms and to request any further documentation from a Purchaser that the Receiver may require.

14. **THIS COURT ORDERS** that copies of all forms delivered and received hereunder and all APSs, together with any amendments or letter agreements relating to such APSs, shall be maintained by the Receiver and be made available for inspection by Tarion and The Guarantee Company upon request. Upon the discharge of the Receiver, at the request of Tarion, the Receiver shall provide all APSs, together with any amendments or letter agreements relating to such APSs, to Tarion.

15. **THIS COURT ORDERS** that the Receiver shall provide Tarion and The Guarantee Company with copies of the following documentation in its possession (a) all issued Deposit Statements, Amended and Restated Deposit Statements, Notices of Dispute of Deposit Statement and Notices of Dispute of Amended and Restated Deposit Statement and all related documents and other correspondence with respect to Notices of Dispute of Deposit Statement and Notices of Dispute of Amended and Restated Deposit Statement or ongoing communications with Purchasers regarding Disputed Deposits in accordance with the Orders made in these proceedings; and (b) any and all Deposit determination summaries that have been prepared by the Receiver (all such documents referred to in this paragraph, collectively, the “**Deposit Confirmation Procedure Documentation**”). The Deposit Confirmation Procedure Documentation will be provided as soon

as reasonably practicable in an electronic format and organized on a unit-by-unit basis, where applicable.

16. **THIS COURT ORDERS** that the Receiver shall forthwith provide Tarion and The Guarantee Company with copies of APSs in an electronic format for all Purchasers that have a Disputed Deposit that has not been resolved to become a Proven Deposit as at the date of this Order.

17. **THIS COURT ORDERS** that the Receiver shall provide the Statutory Declaration in the form attached as **Schedule "B"** to this Order to Tarion with a copy to The Guarantee Company, as soon as reasonably practicable and in any event no later than 5 Business Days from the date of this Order.

18. **THIS COURT ORDERS** that the Receiver shall request from Ali Akman, the former President of Tarn Financial and Tarn Construction a Statutory Declaration in the form attached as **Schedule "C"** to the Receiver as soon as reasonably practicable and in any event no later than 5 Business Days from the date of this Order. As soon as reasonably practicable following its receipt of such Statutory Declaration and in any event no later than 5 Business Days from the date of such receipt, the Receiver shall provide such Statutory Declaration to Tarion with a copy to The Guarantee Company. The failure of the former President of Tarn Financial and Tarn Construction to provide the aforementioned Statutory Declaration will not prevent payment of Proven Deposits to Purchasers.

19. **THIS COURT ORDERS** that the Receiver shall send a letter to all Purchasers with Proven Deposits substantially in the form attached as **Schedule "D"** to this Order (the "**Deposit Return Notice**"), which shall enclose a copy of the Release Agreement and the Certificate of Identity that are required to be executed by each Purchaser in order to obtain a return of their Proven Deposit and shall also post a copy of the Deposit Return Notice on the Website within 5 Business Days of the date of this Order.

20. **THIS COURT ORDERS** that upon a Purchaser delivering to the Receiver and the Receiver being satisfied with: (a) an executed Release Agreement, and (b) a properly completed Certificate of Identity attaching copies of two pieces of current (and not expired) government

issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address as more particularly set out in the Certificate of Identity), the Receiver shall terminate the Purchaser's APS in accordance with its terms and shall issue a cheque in the name of the Purchaser in the amount of the Purchaser's Proven Deposit. For greater certainty, to the extent that an APS is in the name of more than one Purchaser, each Purchaser named in the APS shall have delivered a Release Agreement and a Certificate of Identity attaching copies of two pieces of government issued identification both in a form satisfactory to the Receiver, prior to the Receiver terminating the Purchasers' APS and issuing a cheque in the name of the Purchasers in the amount of the Purchasers' Proven Deposit.

21. **THIS COURT ORDERS** that, to facilitate termination of the APSs and payment of the Purchasers' Proven Deposits, the Receiver shall set up a Proven Deposit return desk at the Hotel between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and on Saturday July 14, 2018 to allow Purchasers to deliver their executed Release Agreement and Certificate of Identity in person and receive a cheque in the amount of the Purchasers' Proven Deposits.

22. **THIS COURT ORDERS** that in order to facilitate the termination of their APSs, Purchasers shall either:

- (a) attend at the Hotel, at their sole expense, with an executed copy of the Release Agreement, an executed copy of the Certificate of Identity and copies of two pieces of government issued identification on one of the dates set out in paragraph 21 of this Order; or
- (b) deliver to the Receiver at the address set out in paragraph 31 of this Order an executed Release Agreement, an executed copy of the Certificate of Identity and copies of two pieces of government issued identification.

23. **THIS COURT ORDERS** that the Receiver and The Guarantee Company shall be entitled to assume and rely upon, without independent investigation, confirmation or verification, the accuracy, truth, veracity, authenticity, validity and genuineness of: (a) the identification or any other information provided by a Purchaser to the Receiver pursuant to this Order, and (b) the signatures applied to a Certificate of Identity and/or Release Agreement by a Purchaser.

24. **THIS COURT ORDERS** that: (a) the Receiver, the Liquidator, Tarn Construction, Tarn Financial, Tarion and The Guarantee Company shall have no liability to any person for a payment made to a Purchaser pursuant to a Proven Deposit where the identification provided to the Receiver was bogus, forged, tampered with, altered, falsified or counterfeit, and (b) the Receiver, the Liquidator, Tarn Construction, Tarn Financial, Tarion and The Guarantee Company shall have no liability to any person for a payment made to a Purchaser pursuant to a Proven Deposit where the signature applied to a Certificate of Identity and / or Release Agreement was forged or falsified.

25. **THIS COURT ORDERS** that if (a) a Purchaser does not present copies of two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address) to the Receiver in accordance with this Deposit Return Procedure Order; (b) the Purchaser does not execute a Certificate of Identity or Release Agreement; or (c) for any reason, the Receiver or The Guarantee Company is not satisfied with the identification of a Purchaser, then the Receiver is entitled to refuse to pay a Proven Deposit to the Purchaser and such issue shall be addressed pursuant to a further Order of this Court.

26. **THIS COURT ORDERS** that, in each case where the Receiver makes a payment to a Purchaser of its Proven Deposit, the Purchaser (including its heirs, executors and assigns) shall be:

- (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion and The Guarantee Company for any Claims for return of a Deposit, including interest thereon; and
- (b) forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit, including interest thereon, against the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion and The Guarantee Company and all such Claims shall be forever extinguished as against all such parties.

27. **THIS COURT ORDERS** that, starting on July 18, 2018 and once every two weeks thereafter, upon release of the Proven Deposits, the Receiver shall provide to Tarion and The Guarantee Company the Statutory Declaration in the form attached as **Schedule “G”** to this Order.

28. **THIS COURT ORDERS** that, subject to the compliance by the Receiver with the terms of this Order, upon receipt of the Statutory Declarations referenced in paragraph 27 of this Order and Tarion being satisfied that its liability to the relevant Purchasers for Claims in respect of their Proven Deposits has been extinguished, Tarion will provide confirmation to The Guarantee Company once every two weeks that the Tarion Bonds are reduced by the amount of the Proven Deposit, as applicable, on a APS by APS basis, to a maximum of \$20,000 for each Proven Deposit; provided, however, that Tarion shall at all times be entitled to retain a sufficient portion of the Tarion Bonds or a reserve (the “**Reserve**”), as determined by Tarion acting reasonably, to cover Tarion’s liabilities in respect of amounts secured by the Tarion Bonds that have not been extinguished to the satisfaction of Tarion at the time of any reduction. Subject to the foregoing and with the Receiver’s consent, such a Reserve may be established by the Receiver on terms satisfactory to Tarion, acting reasonably, and upon the establishment of any such Reserve, Tarion will return the Tarion Bonds to The Guarantee Company for cancellation.

29. **THIS COURT ORDERS** that upon being satisfied that its liability in respect of amounts secured by the Tarion Bonds has been extinguished, or upon the establishment of a Reserve pursuant to paragraph 28, Tarion will return the Tarion Bonds to The Guarantee Company for cancellation. Following the establishment of a Reserve or upon the extinguishment of Tarion’s liability in respect of the amounts secured by the Tarion Bonds, the Receiver shall seek a distribution order from the proceeds of sale to The Guarantee Company that provides for a reimbursement of all its reasonable fees, costs and expenses, together with any other amounts that may be claimed by The Guarantee Company, related to the Tarion Bonds and the Indemnity Agreement dated June 7, 2016, among Tarn Construction, Tarn Financial, SAMM Capital Holdings Inc., Ali Akman and The Guarantee Company.

## SERVICE AND NOTICE

30. **THIS COURT ORDERS** that, except as set out in this Order, any notice or document to be given under this Order by the Receiver to a Purchaser shall be in writing and may be delivered by prepaid ordinary mail, by courier, by delivery, by facsimile transmission or electronic mail to the Purchaser to such address, facsimile number or e-mail address, as applicable, for such Purchaser as shown on the books of Tarn Construction or the Deposit Trustee. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

31. **THIS COURT ORDERS** that any document required to be delivered to the Receiver under this Order shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

KPMG Inc.,  
in its capacity as court-appointed Receiver  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Phone: 1-855-222-8083  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

32. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to this Deposit Return Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

33. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of



general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.

**GENERAL PROVISIONS**

34. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order.

35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.



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JUN 14 2018

MS

PER/PAR:

**SCHEDULE "A"**

**STATUTORY DECLARATION**

CANADA	)	IN THE MATTER OF the proposed
	)	development of a condominium project (the
PROVINCE OF ONTARIO	)	<b>"Development Project"</b> ) by Tarn
	)	Construction Corporation (the <b>"Vendor"</b> )
	)	situated in the City of Toronto on those lands
	)	and premises owned by Tarn Financial
	)	Corporation, set out in PINs 06164-0197 (LT)
	)	and 06164-0509 (LT) and located at 2035
	)	Kennedy Road, Toronto, Ontario (the <b>"Real</b>
TO WIT:	)	<b>Property"</b> )
	)	

I, \_\_\_\_\_, of the City of \_\_\_\_\_, DO SOLEMNLY DECLARE THAT:

1. I am a Partner at Bennett Jones LLP, the Deposit Trustee pursuant to a Deposit Trust Agreement among Tarn Construction Corporation, The Guarantee Company of North America and Bennett Jones LLP dated June 7, 2016 relating to the Deposits in respect of Tower A of the Development Project and pursuant to a Deposit Trust Agreement among Tarn Construction Corporation, The Guarantee Company of North America and Bennett Jones LLP dated July 13, 2016 relating to the Deposits in respect of Tower B of the Development Project.
2. All capitalized terms not defined herein have the meaning given to such terms in the Deposit Return Procedure Order.
3. All Deposits paid under APSs to the Deposit Trustee in respect of Proposed Units of the Development Project for both Tower A and Tower B as set out in Schedule "A" hereto including all monies earned on account of interest have been paid to the Receiver.
4. To the best of my knowledge and belief, all Trust Records have been turned over to the Receiver.

**AND I MAKE THIS** solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

**DECLARED BEFORE ME** in City of  
Toronto, in the Province of Ontario, this  
\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
A COMMISSIONER, ETC.

)  
)  
)  
)  
)  
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)  
)  
)  
)  
)

\_\_\_\_\_  
Name:  
Title: Partner

**SCHEDULE "B"**

**STATUTORY DECLARATION**

CANADA	)	IN THE MATTER OF the proposed
	)	development of a condominium project (the
PROVINCE OF ONTARIO	)	<b>"Development Project"</b> ) by Tarn
	)	Construction Corporation (the <b>"Vendor"</b> )
	)	situated in the City of Toronto on those lands
	)	and premises owned by Tarn Financial
	)	Corporation, set out in PINs 06164-0197 (LT)
	)	and 06164-0509 (LT) and located at 2035
	)	Kennedy Road, Toronto, Ontario (the <b>"Real</b>
TO WIT:	)	<b>Property"</b> )
	)	

I, Anamika Gadia, of the City of Toronto, DO SOLEMNLY DECLARE THAT:

1. I am the Senior Vice-President of KPMG Inc. (**"KPMG"**), which has been appointed as Court-appointed receiver and manager of all of the assets, undertakings and properties of the Vendor (in such capacities, the **"Receiver"**) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended and appointed pursuant to the Order of Justice McEwen dated April 13, 2018, upon the application of KPMG, in its capacity as Court appointed liquidator (in such capacity, the **"Liquidator"**) pursuant to section 207 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended of the effects and estate of Tarn Financial Corporation (**"Tarn Financial"**), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017, which appointment was effective on September 25, 2017 (**"Winding Up Proceedings"**).
2. To the best of my knowledge and belief, Tarn Financial owned a 100% beneficial interest in the Real Property prior to it being sold in the Winding Up Proceedings pursuant to the Approval and Vesting Order dated May 9, 2018.
3. To the best of my knowledge and belief, the Vendor is not proceeding with the Development Project known as "The Kennedys" that the Vendor had proposed to construct on the Real Property.

4. To the best of my knowledge and belief: (i) the Vendor entered into six hundred and thirty-six (636) agreements of purchase and sale with respect to proposed residential condominium units in the Development Project (collectively, the “APSs”); and (ii) aside from, and since the time of, the APSs and the agreement pursuant to which the Real Property was sold by the Liquidator, no other agreements of purchase and sale have been entered into in respect of the Development Project or the Real Property.
  
5. Nothing has come to my attention that would suggest that sales of the proposed residential condominium units in the Development Project were agreed to by the Vendor other than pursuant to the APSs.

**AND I MAKE THIS** solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

**DECLARED BEFORE ME** in City of )  
 Toronto, in the Province of Ontario, this )  
 \_\_\_ day of \_\_\_\_\_, 2018. )  
 )  
 )  
 )

\_\_\_\_\_  
 A COMMISSIONER, ETC.

\_\_\_\_\_  
 Name: Anamika Gadia  
 Title: Senior Vice-President

**SCHEDULE "C"**

**STATUTORY DECLARATION**

CANADA	)	IN THE MATTER OF the proposed
	)	development of a condominium project (the
PROVINCE OF ONTARIO	)	<b>"Development Project"</b> ) by Tarn
	)	Construction Corporation (the <b>"Vendor"</b> )
	)	situated in the City of Toronto on those lands
	)	and premises owned by Tarn Financial
	)	Corporation, set out in PINs 06164-0197 (LT)
	)	and 06164-0509 (LT) and located at 2035
	)	Kennedy Road, Toronto, Ontario (the <b>"Real</b>
TO WIT:	)	<b>Property"</b> )
	)	

I, Ali Akman, of the City of \_\_\_\_\_, DO SOLEMNLY DECLARE THAT:

1. I am the former President of the Vendor and Tarn Financial Corporation, and as such have knowledge of the matters hereinafter declared.
2. To the best of my knowledge and belief, the Vendor is not proceeding with the Development Project known as "The Kennedys" that the Vendor had proposed to construct on the Real Property.
3. The Vendor has provided all deposits it received in respect of the sale of proposed residential condominium units in the Development Project to Bennett Jones LLP, the Deposit Trustee for the Vendor.
4. The Vendor entered into only six-hundred and thirty-six (636) agreements of purchase and sale for proposed residential condominium units in the Development Project and did not enter into any other agreements of purchase and sale for the proposed residential condominium units in the Development Project.

AND I MAKE THIS solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

**DECLARED BEFORE ME** in City  
of Toronto, in the Province of Ontario,  
this \_\_\_\_ day of \_\_\_\_\_,  
2018.

\_\_\_\_\_  
Name: Ali Akman

\_\_\_\_\_  
A COMMISSIONER, ETC.

**SCHEDULE "D"**

**[LETTERHEAD OF KPMG]**

June 8, 2018

Sent by Email and Regular Mail

To: Purchaser of a condominium unit at "The Kennedys",

**Re: Development project at 2035 Kennedy Road ("The Kennedys")**

As you are aware, KPMG Inc. ("KPMG") was appointed Court-appointed liquidator (in such capacity, the "**Liquidator**") of Tarn Financial Corporation ("**Tarn Financial**") pursuant to the Order (the "**Winding Up Order**") of the Ontario Superior Court of Justice (the "**Court**") dated September 15, 2017, which appointment was effective on September 25, 2017 pursuant to the Ontario *Business Corporations Act* for the purpose of winding up Tarn Financial and distributing its assets (the "**Winding Up Proceedings**"). Tarn owns and operates Tarn Construction Corporation ("**Tarn Construction**"), which was developing the condominium development project known as The Kennedys. The real property municipally known as 2035 Kennedy Road, Toronto that was being developed for The Kennedys was also owned by Tarn Financial (the "**Real Property**"). On April 13, 2018, the Court also granted a Receivership Order pursuant to the Ontario *Courts of Justice Act* appointing KPMG as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Tam Construction acquired for, or used in relation to a business carried on by Tam Construction (the "**Receivership Order**").

A copy of the Winding Up Order, the Receivership Order and information pertaining to the Winding Up Proceedings including all other Orders referenced in this letter and previous letters to the Purchasers are posted on KPMG's website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn) (the "**Website**").

We are writing to you with respect to the condominium unit(s) in The Kennedys that you purchased pursuant to an Agreement of Purchase and Sale (an "**APS**") with the vendor, Tarn Construction. This letter is further to our letters to you dated April 17, 2018 and May 11, 2018 and our email to you on June 11, 2018 advising of the Receiver's motion to address the return of Deposits to the Purchasers, copies of which are posted on the Website.

As set out in the letter to you dated May 11, 2018, the Court confirmed that the Receiver is entitled to terminate the APSs on behalf of Tarn Construction without damages, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so. The Court confirmed that, other than a return of their Deposits, Purchasers cannot pursue any other claims or costs (see paragraph 22 of the Endorsement of Justice McEwen dated May 9, 2018 which can be found on the Website).

The Court granted the Deposit Return Procedure Order on June 14, 2018 to address the termination of Purchasers' APSs and the return of Deposits. This letter is being sent to you pursuant to the



Deposit Return Procedure Order to explain what you are required to do in order to get your Proven Deposits returned to you.

**In order for you to receive a cheque in the amount of your Proven Deposits, you must execute the enclosed Release Agreement and fill out and execute the enclosed Certificate of Identity and attach copies of two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address as more particularly set out in the Certificate of Identity) and deliver these documents to the Receiver for review. Once the Receiver has reviewed your documentation and confirmed that the Release Agreement and Certificate of Identity have been properly filled out and executed, the Receiver will deliver a cheque to you in the amount of your Proven Deposits.**

In order to facilitate the delivery of your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, the Receiver will be setting up a Proven Deposits return desk in the former condominium sales office located at the Delta Toronto East Hotel at 2035 Kennedy Road between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and on Saturday July 14, 2018. Purchasers may attend on these dates to deliver your executed Release Agreement and Certificate of Identity including copies of two pieces of government issued identification in person to the Receiver. The Receiver will then review your documentation to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits.

If you cannot attend in person on one of the dates above, you may deliver your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification by sending it by regular mail, courier, email or facsimile to the following:

KPMG Inc.,  
in its capacity as court-appointed Receiver  
of Tarn Construction Corporation  
333 Bay Street, Suite 4600  
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré  
Fax: 416-777-3364  
E-mail: [tarn@kpmg.ca](mailto:tarn@kpmg.ca)

The Receiver will review the Purchaser's documentation received to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits by regular mail.

**To the extent that the APS is in the name of more than one Purchaser, each Purchaser named in the APS is required to deliver a Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, both in a form satisfactory to the Receiver, prior to the Receiver terminating the Purchasers' APS and issuing a cheque in the name of the Purchasers in the amount of the Purchasers' Proven Deposits.**

You may obtain independent legal advice in connection with the matters described herein, including, without limitation, with respect to the enclosed Release Agreement. Please contact the Receiver directly at 1-855-222-8083 or at [tarn@kpmg.ca](mailto:tarn@kpmg.ca) if you have any questions or concerns.

Yours truly,

KPMG Inc., solely in its capacity as the Court-appointed Receiver  
of Tarn Construction Corporation

cc: The Guarantee Company of North America  
Tarion Warranty Corporation

**SCHEDULE "E"**  
**RELEASE AGREEMENT**

TO: THE GUARANTEE COMPANY OF NORTH AMERICA (the "Surety")

AND TO: TARION WARRANTY CORPORATION ("Tarion")

AND TO: TARN CONSTRUCTION CORPORATION (the "Vendor")

AND TO: TARN FINANCIAL CORPORATION ("Tarn Financial")

AND TO: KPMG INC., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF TARN CONSTRUCTION CORPORATION (the "Receiver") AND IN ITS CAPACITY AS THE COURT-APPOINTED LIQUIDATOR OF TARN FINANCIAL CORPORATION (the "Liquidator")

AND TO: BENNETT JONES LLP, IN ITS CAPACITY AS DEPOSIT TRUSTEE (the "Deposit Trustee")

AND TO: ● (the "Purchaser")

**PROVEN DEPOSITS AMOUNT: ● (the "Proven Deposits")**

**WHEREAS:**

- (a) The Purchaser and the Vendor entered into an agreement of purchase and sale dated the ● day of ●, ● (as it may have been amended from time to time, the "APS") pertaining to the Purchaser's acquisition from the Vendor of UNIT NO. ●, Level●, Suite ●, together with an undivided interest in the common elements appurtenant thereto (hereinafter referred to as the "Proposed Unit"), in accordance with condominium plan proposed to be registered against those lands and premises situated in the City of Toronto, municipally known as 2035 Kennedy Road and more particularly described in the APS (hereinafter referred to as the "Real Property");
- (b) The Surety issued Tarion Bond No. TM5120189 dated June 7, 2016, as amended, and Tarion Bond No. TM5193638 dated July 13, 2016 (collectively, the "Tarion Bonds") to Tarion on behalf of the Vendor;
- (c) Pursuant to the Deposit Return Procedure Order of Justice McEwen dated June 14, 2018 (the "Deposit Return Procedure Order"), a copy of which has been emailed

to you and is available on the Liquidator's website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn), upon execution of this Release Agreement and completion of a Certificate of Identity, the Purchaser is being returned its Proven Deposits (as defined in the Deposit Return Procedure Order) related to the Proposed Unit by the Receiver ; and

- (d) As a result of the sale of the Real Property, the Receiver will terminate the Purchaser's APS in accordance with its terms upon receiving from the Purchaser, among other things, this Release Agreement (the "**Release Agreement**") that releases the Surety, Tarion, the Receiver, the Liquidator, Tarn Financial, Tarn Construction and the Deposit Trustee and their respective agents, directors, officers, partners, representatives, servants, employees, successors and assigns (the "**Released Parties**") from any and all claims that they may have arisen under (or in connection with) the APS, the Purchaser's Proven Deposits, the Tarion Bonds, the Condominium Act and the Plan Act.

**NOW THEREFORE THESE PRESENTS WITNESSETH** that in consideration of the releases hereinafter set forth, the sum of TEN (\$10.00) DOLLARS of lawful money of Canada now paid to the Purchaser and other good and valid consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the Purchaser hereto hereby covenants and agrees to the following:

1. In this Release Agreement, capitalized terms not otherwise defined herein have the meanings ascribed to them in Schedule "A" of this Release Agreement.
2. The Purchaser represents and warrants that the recitals set out above are true in substance and in fact.
3. The Purchaser covenants, acknowledges, represents and warrants to the Released Parties that the total of Deposits paid to the Vendor or to the Deposit Trustee on behalf of the Vendor in connection with the Proposed Unit is \$●, and that is the total amount of the Proven Deposits payable to the Purchaser.
4. The Purchaser hereby absolutely and unconditionally remise, release, acquit and forever discharge each of the Released Parties from and against any and all Claims.

5. Without restricting the generality of paragraph 4, it is expressly understood and agreed that the Purchaser shall not make or pursue any Claim against any other person who might claim contribution or indemnity (or any claim similar or akin thereto) from any one or more of the Purchaser and Released Parties in connection with the APS.
6. The Purchaser hereby represents and warrants to each of the Released Parties that all Claims being released hereunder have been satisfied and discharged in full by this Release Agreement and that he, she or it (as the case may be) has not sold, transferred, assigned or otherwise disposed of any of the Claims being released hereunder or with respect to which the Purchaser agrees not to make any Claim or take any proceedings. The Purchaser acknowledges and agrees that he, she or it (as the case may be) is executing this Release Agreement freely without compulsion, coercion, duress, inducement or pressure and has either obtained independent legal advice with respect to this Release Agreement or has waived their right to do so.
7. This Release Agreement shall be governed by, and construed and enforced in accordance with, the laws in force in the Province of Ontario. The Purchaser irrevocably submits to the exclusive jurisdiction of the Courts of Ontario with respect to any matter arising hereunder or related hereto.
8. This Release Agreement shall enure to the benefit of and shall be binding upon the Purchaser and the Released Parties.
9. This Release Agreement shall be read and construed with all changes of gender and/or number as may be required by the context, and if more than one individual comprises the Purchaser, then all of the foregoing covenants and agreements of the Purchaser shall be deemed and construed to be joint and several covenants and agreements thereof.

10. This Release Agreement may be transmitted by facsimile or e-mail transmission.

**IN WITNESS WHEREOF**, the undersigned parties have hereunto affixed their hands and seal, or corporate seals, as the case may be this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

SIGNED, SEALED AND DELIVERED

**Purchaser is an individual**

In the presence of:

\_\_\_\_\_  
(Witness)

Name:

Address:

\_\_\_\_\_  
(Purchaser)

Name:

Address:

\_\_\_\_\_  
(Witness)

Name:

Address:

\_\_\_\_\_  
(Purchaser)

Name:

Address:

## Schedule "A"

In this Release Agreement:

- (a) **"Claim"** or **"Claims"** means all actions, causes of action, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments and demands of any kind whatsoever, both in law and in equity, whether implied or express, direct or indirect, which any Purchaser ever had, now has or can, shall or may have in the future against any of the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion or The Guarantee Company by reason of, arising out of, by virtue of or with respect to or in any way connected with, any act, omission, cause, matter or thing existing up to the present time, including, but without limiting the generality of the foregoing, by reason of, arising out of, by virtue of or with respect to or in any way connected with any act, omission, cause, matter or thing whatsoever connected with, arising out of or being the subject matter of the APS, the Deposit, the Tarion Bonds, the Condominium Act and the Plan Act;
- (b) **"Condominium Act"** means the *Condominium Act* (Ontario), R.S.O. 1998, c. 19, as amended;
- (c) **"Deposit"** means any monies including, without limitation, deposit monies and monies on account of extras and upgrades paid by a Purchaser pursuant to an APS for a Proposed Unit at the Development Project; and
- (d) **"Plan Act"** means the Ontario *New Home Warranties Plan Act*, R.S.O., 1990, chapter 0.31, any amendments thereto and the regulations thereunder.

**SCHEDULE "F"**  
**Purchaser's Certificate of Identity**

**TO:** KPMG INC., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF TARN CONSTRUCTION CORPORATION (the "Receiver") AND IN ITS CAPACITY AS THE COURT-APPOINTED LIQUIDATOR OF TARN FINANCIAL CORPORATION (the "Liquidator")

**AND TO:** THE GUARANTEE COMPANY OF NORTH AMERICA ("The Guarantee Company")

**AND TO:** TARION WARRANTY CORPORATION ("Tarion")

**AND TO:** TARN CONSTRUCTION CORPORATION (the "Vendor")

**AND TO:** TARN FINANCIAL CORPORATION ("Tarn Financial")

**RE:** Return of Proven Deposit in the amount of \$ [INSERT AMOUNT] (the "Proven Deposit Monies").

**Purchaser:** [INSERT NAME OF PURCHASER(S)] (the "Purchaser")

**Property:** Unit [INSERT UNIT #], Level [INSERT LEVEL #] being Suite [INSERT SUITE #]

1. I \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2018 did either: (a) attend at the Hotel and provide the following documentation as well as true copies thereof to prove my identity to the Receiver in person; or (b) enclose true copies of the following documentation to prove my identity to the Receiver:

- (a) Insert the information for one piece of government issued photo identification (that is valid, current and not-expired) that has the first name and surname that matches the first name and surname of the Purchaser as contained in the Purchase Agreement:

ID Type: \_\_\_\_\_ ID No. \_\_\_\_\_

Address on ID: \_\_\_\_\_

**AND**

- (b) Insert the information for a second piece of government issued identification (that is valid, current and not expired) that has the first name and surname that matches the first name and surname of the Purchaser as contained in the Purchase Agreement:



ID Type: \_\_\_\_\_ ID No. \_\_\_\_\_

Address on ID: \_\_\_\_\_

**PLEASE NOTE THAT ONE OF THE PIECES OF ID PROVIDED NEEDS TO INCLUDE AN ADDRESS OF THE PURCHASER THAT EITHER MATCHES THE PURCHASER'S ADDRESS ON THE APS OR THE ADDRESS IN THE RECORDS OF THE VENDOR IF THE PURCHASER'S ADDRESS HAS CHANGED.**

2. I confirm that true copies of the above noted pieces of identification are attached to this Certificate.
3. I warrant and represent that the above noted pieces of identification are not bogus, forged, tampered with, altered, falsified or counterfeit and confirm that I am one and the same person that has executed the Release Agreement.
4. This Certificate is delivered pursuant to the Deposit Return Procedure set out in the Order of the Ontario Superior Court of Justice dated June 14, 2018 in Court File No. CV-17-11697-00CL.
5. I understand that, upon receipt of the payment from the Receiver of the amount of the Proven Deposit, the Purchaser (including its heirs, executors and assigns) shall be:
  - (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion and The Guarantee Company in respect of any Claim including, without limitation, for Deposits in respect of the APS; and
  - (b) forever barred, estoppel and enjoined from making, asserting or enforcing any Claim against the Receiver, the Liquidator, Tarn Construction, Tarn Financial, the Deposit Trustee, Tarion or The Guarantee Company and all such Claims shall be forever extinguished as against all such parties.

6. All capitalized terms not defined herein have the meaning given to such terms in the Deposit Return Procedure Order, a copy of which I confirm I received by email from the Receiver or reviewed on the website at: [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

**SIGNED, SEALED AND DELIVERED**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Purchaser's Name (Please Print)

**COPIES OF THE PURCHASER'S IDENTIFICATION REFERENCED IN THIS  
CERTIFICATE OF IDENTITY ARE ATTACHED**

**SCHEDULE "G"**

**STATUTORY DECLARATION**

CANADA	)	IN THE MATTER OF the proposed
PROVINCE OF ONTARIO	)	development of a condominium project (the
	)	<b>"Development Project"</b> ) by Tarn
	)	Construction Corporation (the <b>"Vendor"</b> )
	)	situated in the City of Toronto on those lands
	)	and premises owned by Tarn Financial
	)	Corporation, set out in PINs 06164-0197 (LT)
	)	and 06164-0509 (LT) and located at 2035
	)	Kennedy Road, Toronto, Ontario (the
TO WIT:	)	<b>"Property"</b> )

I, Anamika Gadia, of the City of Toronto, DO SOLEMNLY DECLARE THAT:

1. I am the Senior Vice-President of KPMG Inc. (**"KPMG"**), which has been appointed as Court-appointed receiver and manager of all of the assets, undertakings and properties of the Vendor (in such capacities, the **"Receiver"**) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended and appointed pursuant to the Order of Justice McEwen dated April 13, 2018, upon the application of KPMG, in its capacity as Court appointed liquidator (in such capacity, the **"Liquidator"**) pursuant to section 207 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended of the effects and estate of Tarn Financial Corporation (**"Tarn Financial"**), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017, which appointment was effective on September 25, 2017 (**"Winding Up Proceedings"**).
2. All capitalized terms not defined herein have the meaning given to such terms in the Deposit Return Procedure Order.
3. Schedule "A" hereto includes (a) a ledger of the Proven Deposits paid to Purchasers and the Proven Deposits not paid (if any); and (b) a current Deposits determination summary outlining the Proven Deposits and Disputed Deposits pursuant to the Orders made in these proceedings (if applicable).

4. All Proven Deposits paid under APSs in respect of Proposed Units of the Development Project as set out in Schedule "A" hereto have been refunded to the respective purchasers of such Proposed Units by the Receiver.
5. Attached as Schedule "B" hereto are copies of the corresponding (i) Release Agreements, and (ii) Certificates of Identity.

**AND I MAKE THIS** solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

**DECLARED BEFORE ME** in City of )  
Toronto, in the Province of Ontario, this )  
\_\_\_\_ day of \_\_\_\_\_, 2018. )

\_\_\_\_\_  
A COMMISSIONER, ETC. )

\_\_\_\_\_  
Name: Anamika Gadia  
Title: Senior Vice-President

Volkan Basegmez et al v. Ali Akman, SAMM Capital Holdings Inc. and Tarn Financial Corporation

Court File No.: CV-17-11697-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**DEPOSIT RETURN  
PROCEDURE ORDER  
(DATED JUNE 14 2018)**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
Toronto Ontario M5H 3S1

**Kyla Mahar LSO#: 44182G**

Tel: 416.597.4303 / Fax: 416.595.8695

**Stephanie De Caria LSO#: 68055L**

Tel: 416.597.2652 / Fax: 416.595.8695

Lawyers for KPMG Inc., in its capacity as court-  
appointed Receiver of Tarn Construction  
Corporation

# APPENDIX “J”

## LIQUIDATOR CERTIFICATE

### CERTIFICATE NO. 1

#### AMOUNT CDN\$1,000,000

1. THIS IS TO CERTIFY that KPMG Inc., the liquidator (the “**Liquidator**”) of the assets, property and undertaking of Tarn Financial Corporation (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 15<sup>th</sup> day of September, 2017 (the “**Winding Up Order**”) with effect as of the 25<sup>th</sup> day of September 2017 made in an action having Court File Number CV-17-11697-00CL, has received as such Liquidator from the holder of this certificate being Volkan Basegmez (the “**Lender**”) the principal sum of CDN\$1,000,000 funded by the Lender in U.S. dollars, being fifty (50%) percent of the total principal sum of CDN\$2,000,000 which the Liquidator is currently authorized to borrow under and pursuant to the Winding Up Order. Depending on the funding needs of Tarn Financial Corporation, the Lender has confirmed that it will fund the entire principal amount which the Liquidator is currently authorized to borrow under and pursuant to the Winding Up Order in U.S. dollars in two tranches each equivalent to CDN\$1,000,000 on or about December 15, 2017 and on or about January 15, 2017. This Certificate confirms receipt of the first tranche in the amount of CDN\$1,000,000 on December 15, 2017. The principal amount of the loan will be repaid in U.S. dollars and the interest portion will be paid in Canadian dollars as per paragraph 2 below.

2. The principal sum evidenced by this certificate is payable on demand by the Lender in U.S. dollars equivalent to the Canadian amount outstanding with interest thereon calculated monthly in advance in Canadian dollars on the 1<sup>st</sup> day of each month at 12 percent per annum with fifty (50) percent of the calculated monthly interest being payable in cash to the Lender on the 20<sup>th</sup> day of each month and fifty (50) percent of the calculated monthly interest being accrued and added to the amount of the principal outstanding under this certificate all in Canadian dollars.

3. Such principal sum with interest thereon is, by the terms of the Winding Up Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Winding Up Order or to any further order of the Court, a charge upon the whole of the Property, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to: (i) any valid and enforceable

security interests registered against the Property in favour of Persons not related to, or dealing at arm's length with Tarn Financial Corporation, as of the date of the Winding Up Order and the Liquidator's Charge (as defined in the Winding Up Order), which secures the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. Notwithstanding that the principal sum evidenced by this certificate is payable on demand, the Lender acknowledges that the charge granted under Winding Up Order shall not be enforced without leave of the Court.

5. All sums payable in respect of principal and interest under this certificate are payable to the Lender's legal counsel in trust for the Lender at the Lender's legal counsel's office at Toronto, Ontario.

6. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

7. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Winding Up Order and as authorized by any further or other order of the Court.

8. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Winding Up Order.

DATED the 19<sup>th</sup> day of December, 2017.

KPMG INC., solely in its capacity  
as Liquidator of the Tarn Financial Corporation  
and the Property, and not in its personal capacity

Per:



---

Name: Anamika Gadia

Title: Senior Vice President





## LIQUIDATOR CERTIFICATE

### CERTIFICATE NO. 2

#### AMOUNT CDN\$977,819.66

1. THIS IS TO CERTIFY that KPMG Inc., the liquidator (the “**Liquidator**”) of the assets, property and undertaking of Tarn Financial Corporation (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 15<sup>th</sup> day of September, 2017 (the “**Winding Up Order**”) with effect as of the 25<sup>th</sup> day of September 2017 made in an action having Court File Number CV-17-11697-00CL, has received as such Liquidator from the holder of this certificate being Volkan Basegmez (the “**Lender**”) the principal sum of CDN\$1,977,819.66 funded by the Lender in U.S. dollars of the total principal sum of CDN\$2,000,000 which the Liquidator is currently authorized to borrow under and pursuant to the Winding Up Order. The Lender funded the first tranche in the amount of CDN\$1,000,000 on December 15, 2017. This Certificate confirms receipt of the second tranche in the amount of CDN\$977,819.66 on January 25, 2018. The principal amount of the loan will be repaid in U.S. dollars and the interest portion will be paid in Canadian dollars as per paragraph 2 below.

2. The principal sum evidenced by this certificate is payable on demand by the Lender in U.S. dollars equivalent to the Canadian amount outstanding with interest thereon calculated monthly in advance in Canadian dollars on the 1<sup>st</sup> day of each month at 12 percent per annum with fifty (50) percent of the calculated monthly interest being payable in cash to the Lender on the 20<sup>th</sup> day of each month and fifty (50) percent of the calculated monthly interest being accrued and added to the amount of the principal outstanding under this certificate all in Canadian dollars.

3. Such principal sum with interest thereon is, by the terms of the Winding Up Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Winding Up Order or to any further order of the Court, a charge upon the whole of the Property, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to: (i) any valid and enforceable security interests registered against the Property in favour of Persons not related to, or dealing at arm’s length with Tarn Financial Corporation, as of the date of the Winding Up Order and the

Liquidator's Charge (as defined in the Winding Up Order), which secures the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. Notwithstanding that the principal sum evidenced by this certificate is payable on demand, the Lender acknowledges that the charge granted under Winding Up Order shall not be enforced without leave of the Court.

5. All sums payable in respect of principal and interest under this certificate are payable to the Lender's legal counsel in trust for the Lender at the Lender's legal counsel's office at Toronto, Ontario.

6. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

7. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Winding Up Order and as authorized by any further or other order of the Court.

8. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Winding Up Order.

DATED the 5<sup>th</sup> day of February, 2018.

KPMG INC., solely in its capacity  
as Liquidator of the Tarn Financial Corporation  
and the Property, and not in its personal capacity

Per:



---

Name: Anamika Gadia

Title: Senior Vice President



## LIQUIDATOR CERTIFICATE

### CERTIFICATE NO. 3

#### AMOUNT CDN\$1,000,000

1. THIS IS TO CERTIFY that KPMG Inc., the liquidator (the “**Liquidator**”) of the assets, property and undertaking of Tarn Financial Corporation (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 15<sup>th</sup> day of September, 2017 (the “**Winding Up Order**”) with effect as of the 25<sup>th</sup> day of September 2017 made in an action having Court File Number CV-17-11697-00CL, has received as such Liquidator from the holder of this certificate being Serdar Kocturk (the “**Lender**”) the principal sum of CDN\$1,000,000 of the total principal sum of CDN\$3,000,000 which the Liquidator is currently authorized to borrow under and pursuant to the Winding Up Order, as amended including, without limitation, by the Order of the Court dated April 13, 2018. This Certificate confirms receipt of the funding in the amount of CDN\$1,000,000 on May 1, 2018.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated monthly in advance in Canadian dollars on the 1<sup>st</sup> day of each month at 12 percent per annum with fifty (50) percent of the calculated monthly interest being payable in cash to the Lender on the 20<sup>th</sup> day of each month and fifty (50) percent of the calculated monthly interest being accrued and added to the amount of the principal outstanding under this certificate all in Canadian dollars.

3. Such principal sum with interest thereon is, by the terms of the Winding Up Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Winding Up Order or to any further order of the Court, a charge upon the whole of the Property, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to: (i) any valid and enforceable security interests registered against the Property in favour of Persons not related to, or dealing at arm’s length with Tarn Financial Corporation, as of the date of the Winding Up Order and the Liquidator’s Charge (as defined in the Winding Up Order), which secures the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. Notwithstanding that the principal sum evidenced by this certificate is payable on demand, the Lender acknowledges that the charge granted under Winding Up Order shall not be enforced without leave of the Court.

5. All sums payable in respect of principal and interest under this certificate are payable to the Lender's legal counsel in trust for the Lender at the Lender's legal counsel's office at Toronto, Ontario.

6. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

7. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Winding Up Order and as authorized by any further or other order of the Court.

8. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Winding Up Order.

DATED the 17<sup>th</sup> day of May, 2018.

KPMG INC., solely in its capacity  
as Liquidator of the Tarn Financial Corporation  
and the Property, and not in its personal capacity

Per:



---

Name: Anamika Gadia

Title: Senior Vice President

# APPENDIX “K”

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

**BETWEEN:**

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

**APPLICATION UNDER** Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.

**AFFIDAVIT OF ANAMIKA GADIA  
(SWORN JULY 19, 2018)**

I, **Anamika Gadia**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND  
SAY:**


1. I am a Senior Vice-President of KPMG Inc. (“**KPMG**”), in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) of Tarn Financial Corporation (“**Tarn Financial**”) for purposes of the winding-up of Tarn Financial (the “**Winding Up Proceedings**”) and in its capacity as the Court-appointed Receiver and Manager (the “**Receiver**”) of Tarn Construction Corporation (“**Tarn Construction**”) for purposes of the receivership of Tarn Construction (the “**Receivership Proceedings**”, and collectively with the Winding Up Proceedings, the “**Proceedings**”) , as such, I have knowledge of the matters to which I hereinafter depose.



2. This affidavit (the “**Affidavit**”) is made in support of a motion for, *inter alia*, the approval of the fees and disbursements of KPMG for the period from January 1, 2018 to April 30, 2018 (the “**Fee Period**”).
3. During the period from January 1, 2018 to April 30, 2018, KPMG docketed 2,461.4 hours in respect of the Proceedings, amounting to professional fees in the amount of \$1,010,043.75 and disbursements and other charges in the amount of \$8,877.32 plus Harmonized Sales Tax (“**HST**”) of \$132,459.78. Attached and marked collectively as **Exhibit “A”** to this Affidavit are copies of the accounts rendered by KPMG in connection with the Proceedings during the Fee Period, in the total amount of \$1,151,380.85, which have been redacted to remove confidential information and KPMG’s banking coordinates.
4. Attached as **Exhibit “B”** to this Affidavit is a schedule summarizing each invoice rendered by KPMG and the fees, disbursements, HST and total fees charged for each invoice.
5. Attached as **Exhibit “C”** to this Affidavit is a schedule summarizing the billing rates, hours and total amounts billed by each professional of KPMG that rendered services in respect of the Proceedings during the Fee Period.
6. To the best of my knowledge, the rates charged by KPMG in respect of the Proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar restructuring services. The hours spent on this matter involved the managing of the business and financial affairs of Tarn Financial and Tarn Construction and dealing with a number of other matters related to the Proceedings (as more particularly described in the Liquidator’s and Receiver’s reports issued in the Proceedings) and I believe that the total hours and fees incurred during the Fee Period by KPMG were reasonable and appropriate in the circumstances.

7. KPMG requests that the Court approve its accounts for the period from January 1, 2018 to April 30, 2018.

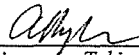
SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario,  
on July 19<sup>th</sup>, 2018.

  
\_\_\_\_\_  
Commission for Taking Affidavits

**Asya Rzhovsky, a  
Commissioner, etc., Province  
of Ontario for KPMG Inc.  
Expires April 13, 2020.**

  
\_\_\_\_\_  
ANAMIKA GADIA

This is Exhibit "A" referred to in the Affidavit of  
Anamika Gadia sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*

**Asya Rzhnevsky, a  
Commissioner, etc., Province  
of Ontario for KPMG Inc.  
Expires April 13, 2020.**



**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Invoice : 8002127290  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during January 1 to 15, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

	Our Fee	\$	111,858.75 CAD
	Disbursements		659.08
		\$	<b>112,517.83 CAD</b>
	HST		14,627.32
	Amount Due	\$	<b>127,145.15 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 8002127290    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 127,145.15 CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation**  
**For the period January 1 to 15, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	34.4	\$ 25,800.00
Joseph Pietrantonio	Partner	\$ 650.00	16.3	\$ 10,562.50
Janine Bradley	Senior Manager	\$ 575.00	24.2	\$ 13,915.00
Cindy Neale	Senior Manager	\$ 550.00	1.3	\$ 687.50
Marcel Réthoré	Manager	\$ 450.00	43.3	\$ 19,485.00
Manoj Oommen	Senior Consultant	\$ 300.00	72.0	\$ 21,600.00
Nate Fennema	Senior Consultant	\$ 300.00	40.6	\$ 12,180.00
Julian Heisz	Senior Consultant	\$ 275.00	2.3	\$ 618.75
Muhammad Niazi	Senior Consultant	\$ 275.00	3.0	\$ 825.00
Paul Brar	Senior Consultant	\$ 275.00	22.0	\$ 6,050.00
Asya Rzhevsky	Technician	\$ 225.00	0.6	\$ 135.00
<b>Total</b>			<b>259.9</b>	<b>\$ 111,858.75</b>

**Expense Summary**  
**For the period January 1 to 15, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation	\$ 659.08
<b>Total</b>	<b>\$ 659.08</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period January 1 to January 15, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>
1/2/2018	4.2
Prepare for and attend internal update call; review the revised teaser and CIM prepared by Colliers; review of emails from A. Jeanrie regarding Notice of Appeal; meeting with K. Mahar regarding the status of the sale process; prepare for and attend call with KPMG Corporate Finance to discuss marketing materials and buyers list; prepare for and attend call with Colliers to discuss sale process materials; emails regarding Avis and work related to the severance application; emails with K. Mahar regarding the CBA; review of emails from Marriott regarding the property improvement plan visit; review of form of confidentiality agreement.	
1/3/2018	3.9
Emails and discussions with K. Mahar regarding firm of confidentiality agreement and sale process milestone dates; review and sign off on teaser and Colliers email blast; call with R. Winegrad regarding Marriott PIP requirements and site visit; update call with S. Syed and J. Bradley; review correspondence from union and emails with K. Mahar and L. Goodfellow regarding same; emails and discussions regarding contents of virtual data room prepared by Colliers; review and discuss cash flow forecast and variance reporting with J. Bradley and M. Réthoré and follow-up emails regarding same; review of emails from counsel to the shareholders regarding the appeal and proposed motion for a stay of proceedings; emails and discussions with K. Mahar regarding same.	
1/4/2018	7.3
Review draft ESA and property condition reports; review emails from A. Jeanrie regarding OMB appeals; calls with K. Mahar regarding sale process, proposed motion for stay of proceedings, OMB appeals and forensic review; attend hotel for PIP site visit with representatives of Marriott; meeting with S. Syed; emails and discussions regarding contents of virtual data room; various update discussions with J. Bradley.	
1/5/2018	3.5
Emails with L. Goodfellow and K. Mahar regarding CBA and correspondence with the union; review emails regarding building condition report and post-tension	

	<p>cables; various discussions with J. Bradley regarding the sale process and next steps; review and provide comments on the CIM, emails and discussions with Miller Thomson and KPMG Corporate Finance regarding same; emails with Marriott regarding statement of account and outstanding invoices; review and discussions regarding contents of virtual data room; numerous calls with T, Chow and S. DeCaria regarding same; internal status meeting with J. Bradley, M. Réthoré, M. Oommen, and N. Fennema; review of correspondence from the union and emails with L. Goodfellow and K. Mahar regarding same.</p>	
1/6/2018	Numerous emails regarding review of virtual data room.	0.3
1/7/2018	Emails with M. Réthoré regarding review of virtual data room; emails with S. DeCaria regarding same and CIM; emails with K. Mahar regarding review of purchasers changes to the form of NDA; call with S. DeCaria and K. Mahar regarding data room and CIM;	1.8
1/8/2018	Review changes to the CIM and emails with S. DeCaria regarding same; attend sales process update call with Colliers, Miller Thomson, J. Bradley, and M. Réthoré; review of various emails regarding CIM and data room; attend call with S. Syed and J. Bradley regarding union; review and sign off on the CIM; emails with S. Konstantin regarding review of NDAs.	3.6
1/9/2018	Call with S. Konstantin regarding comments on NDAs; review of draft letter to the union; review of further correspondence from the union; review emails regarding NDA comments; update discussions with J. Bradley; calls with J. Bradley and M. Réthoré regarding data room; review of emails regarding data room; review of emails regarding the ESA and BCA; review and sign off on data room;	2.4
1/10/2018	Emails regarding ESA; review letter from G. Hall regarding appeal and motion for stay of proceedings; call with K. Mahar regarding same; call with J. Bradley and Miller Thomson regarding draft APA; emails regarding NDAs; review of draft affidavit prepared by McCarthy and call with K. Mahar regarding same;	3.7

1/11/2018	Emails with Colliers regarding template APAs and review of same; emails with S. Konstantin regarding comments on NDAs; update discussion with J. Bradley; discussion with J. Heisz; emails regarding hotel tours and status update.	1.5
1/12/2018	Review of revised template APA and emails with K. Mahar regarding same; call with T. Thambapillai regarding 2017 financial records and information from Richter and emails to Richter regarding same; review of emails from shareholders counsel regarding Divisional Court proceedings and call with K. Mahar regarding same; emails from T. Chow and S. Konstantin regarding NDA changes.	1.3
1/15/2018	Review correspondence from union; attend sale process update call with Colliers and Miller Thomson; update discussion with J. Bradley; review emails from A. Jeanrie regarding severance application; review emails from shareholders counsel regarding Divisional Court proceedings; email to Gowlings regarding funding under the Borrowing Charge.	0.9

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<b>Total</b>		<b>34.4</b>
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<b>Joseph Pietrantonio</b>		<b>Hours</b>
1/2/2018	Various calls with P. Brar to discuss finalization of documents and begin marketing phase, review entire KPMG buyer list.	3.8
1/3/2018	Finalize teaser; begin marketing process and send teaser out to several clients and have discussions.	4.0
1/4/2018	Marketing phasing; various emails to clients and discussions with purchasers; finalize teaser and CIM.	1.4
1/5/2018	Review of CIM and various discussions regarding edits to CIM and data room.	2.5
1/8/2018	Review of data room and call regarding same with C. Neale; update call with Colliers.	1.9
1/9/2018	Review of data room; discussions with P. Brar on data room.	1.0



1/10/2018	Review of data room with team.	0.5
1/15/2018	Colliers update call; follow up calls with C. Neale.	1.2
<b>Total</b>		<b>16.3</b>

**Janine Bradley**

**Hours**

1/2/2018	Review the revised teaser and CIM; prepare for and attend team update call with A. Gadia, M. Réthoré, and M. Oommen; review various emails and correspondences; prepare for and attend update call with KPMG Corporate Finance; prepare for and attend call with Colliers; prepare for and attend call with Corporate Finance, Colliers, and environmental consulting firm regarding building condition report and additional environmental work to be completed.	3.7
1/3/2018	Review Colliers data room; review revised teaser and CIM; review cash flow variance; discuss cash flow and variance reporting with A. Gadia and M. Réthoré; update call with S. Syed and A. Gadia; review various email correspondences; email regarding insurance coverage.	2.8
1/4/2018	Review various correspondences; deal with sale inquiries; deal with human resource matters; review cash positions; various update discussions with A. Gadia; prepare for and attend call with land surveyors; prepare and send email regarding forensic review; various correspondences with Miller Thomson and Bennett Jones regarding development sales.	3.1
1/5/2018	Various discussions with A. Gadia regarding the sale process and next steps; review of data room; discussions with Miller Thomson and KPMG Corporate Finance regarding the same; discussion regarding cash positions; internal status meeting with A. Gadia, M. Réthoré, M. Oommen, and N. Fennema.	2.2
1/8/2018	Review of various correspondences; attend sales process update call with Colliers, Miller Thomson, A. Gadia, and M. Réthoré; attend call with S. Syed and A. Gadia regarding union; review of documents and forward same to Colliers; review of revised CIM.	3.8

1/9/2018	Review of data room; finalize and send letter to the union; update discussions with A. Gadia; review of various correspondences regarding sale process; call with K. Mahar regarding data room; calls with A. Gadia and M. Réthoré regarding data room.	3.1
1/10/2018	Review of various correspondences; review of draft APA; attend conference call with A. Gadia and Miller Thomson regarding draft APA.	3.3
1/11/2018	Review of court materials; review of various correspondences; update discussion with A. Gadia.	1.2
1/15/2018	Attend update call with Colliers; update discussion with A. Gadia; email to Bennett Jones and Miller Thomson regarding severance application.	1.0
<b>Total</b>		<b>24.2</b>

<b>Cindy Neale</b>		<b>Hours</b>
1/8/2018	All hands call regarding data room with J. Pietrantonio.	0.5
1/15/2018	Update call with Colliers; follow up call with J. Pietrantonio.	0.8
<b>Total</b>		<b>1.3</b>

<b>Marcel Réthoré</b>		<b>Hours</b>
1/2/2018	Attend internal status meeting with J. Bradley, A. Gadia and M. Oommen; correspond with condominium purchaser regarding their deposit; update the cash flow variance reporting and commentary for review by lender.	3.1
1/3/2018	Update and circulate the cash flow variance reporting and commentary to A. Gadia and J. Bradley for review; discuss cash flow and variance reporting with A. Gadia and J. Bradley; update the cash flow variance reporting and commentary based on comments from A. Gadia; respond to stakeholder inquires.	3.4
1/4/2018	Respond to stakeholder inquires; correspond to A. Jeanrie of Bennett Jones; update the cash flow variance	3.4

	reporting and commentary based on comments from A. Gadia.	
1/5/2018	Attend internal status meeting with A. Gadia, J. Bradley, M. Oommen and N. Fennema.	0.5
1/6/2018	Review contents of the virtual data room in preparation for the sale process.	3.0
1/7/2018	Attend call with S. De Caria regarding the review of the data room and comments provided to Miller Thomson; review and clear comments regarding the contents of the virtual data room provided by P. Brar, M. Oommen and N. Fennema in preparation for the sale process; consolidate comments from KPMG and Miller Thomson and provide instructions to Colliers for updates to the data room.	7.6
1/8/2018	Attend call with A. Gadia, J. Bradley, Miller Thomson and Colliers representatives to discuss the current status of the sale process; prepare stakeholder correspondence; correspondence regarding a stakeholder inquiry; review all contracts within the virtual data room for counterparties other than Tarn Financial Corporation and Tarn Construction Corporation and flag for removal and redaction.	10.5
1/9/2018	Review contents of the data room to ensure requests made to Colliers were accurately reflected; review and discuss data room with A. Gadia and J. Bradley; update and distribute information to Colliers to post to the virtual data room; correspond with stakeholders.	4.3
1/10/2018	Review the Tarn cheque requisition and discuss with N. Fennema.	0.5
1/11/2018	Review the cash flow actuals; correspondence to Miller Thomson; correspondence to stakeholders (condominium buyers); correspondence with Tarn's banks; attend tour with prospective purchaser and Colliers.	2.6
1/15/2018	Gather documents requested from forensic team; correspondence with stakeholders from Tarn mailbox; review cash flow variance reporting and provide commentary to N. Fennema; draft correspondence regarding the Liquidator's Borrowings.	4.4

<b>Total</b>		<b>43.3</b>
<b>Manoj Oommen</b>		<b>Hours</b>
1/2/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; update cash flow for weekly transactions; internal update call with A. Gadia, J. Bradley, and M. Réthoré; research and analyze HST payment; contact Meridian regarding HST payment; obtain and review cheque requisition; perform analysis over vendor payments.	9.0
1/3/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; update cash flow for weekly transactions; internal meeting regarding cash flow results; respond to emails and phone calls regarding HST payment; internal meeting regarding annual testing of hotel parking garage; assist with hotel tour; obtain, review, and approve various purchase orders; review and approve cheque requisition.	9.0
1/4/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; obtain and review various hotel contracts; internal meeting regarding hotel parking garage; review and respond to various phone calls and voicemails sent to the Tarn inbox; obtain, review and perform analysis over various expenses relating to Tarn Financial; obtain and review Bennett Jones invoices.	7.5
1/5/2018	Internal team meeting with A. Gadia, J. Bradley, M. Réthoré, and N. Fennema; obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; obtain and review batched cheque report and update outstanding cheques list.	5.0
1/7/2018	Obtain and review multiple contracts relating to land development; create tracking sheet with comments of items to be updated prior to uploading to data room.	4.5

1/8/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review cash flow and provide commentary; attend management meeting; fulfill multiple internal team requests; review Tarn inbox and respond to voicemails and emails; perform analysis over flash reports; meet with management regarding flash reports.	7.5
1/9/2018	Obtain and review bank statement balances; review multiple bank accounts and review daily cash report; attend management meeting; meet with management regarding revenue streams; obtain and review quotations provided for repair work to hotel; transition team member to complete cheque requisition request; obtain and review invoices, cheque requisition and accounts payable listing; obtain, review and provide floor plans to vendor; review Tarn inbox and respond to voicemails and emails.	7.5
1/10/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; obtain and review additional cheque and provide it to be signed; review Tarn inbox and respond to voicemails and emails.	5.5
1/11/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; obtain and review additional cheque and provide it to be signed; review Tarn inbox and respond to voicemails and emails; multiple meetings with management regarding upcoming payments and status updates; contact banks to have signing authority updated.	7.5
1/12/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; transition team member to complete various tasks.	5.0
1/15/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review Flash Report; obtain and review information to be	4.0

posted to Creditor Links site and place request with Information Technology.

<b>Total</b>		<b>72.0</b>
<b>Nate Fennema</b>		<b>Hours</b>
1/5/2018	Internal team meeting with A. Gadia, J. Bradley, M. Réthoré, and M. Oommen regarding sale process and various items to be completed in the upcoming weeks.	0.6
1/8/2018	Redact land and other contracts for related party information and employee details; inspect all land contracts within CIM for inappropriate content; update 13 week cash flow for actual values to date.	7.6
1/9/2018	Redact various documents for sales process data room; review and clean up monthly revenue flash reports for 2016 and 2017 for sales process data room; revise 13 week cash flow and update for cheque run; update cash flow for bank transactions; approve invoices for cheque run; perform cash flow analysis and provide to M. Réthoré for review.	8.1
1/10/2018	Email communication regarding monthly revenue reports and bank reconciliations; discuss cheque requisition with M. Réthoré; obtain signed cheques as part of cheque run; update daily cash balance for previous day.	2.4
1/11/2018	Update daily cash balance; revise cash flow forecast and reconcile balances with daily cash balance/outstanding cheques listing; work with Controller to reconcile monthly flash reports for all months in 2017 to be used in data room.	8.2
1/12/2018	Daily cash balance update; reconcile cash flow forecast actuals vs forecast and provide variance analysis to M. Réthoré; discuss future cash needs with maintenance manager and prepare immediate cash requirements listing; reconcile monthly flash reports for 2016 and 2017 with controller to be used in the data room.	8.1
1/15/2018	Prepare and distribute daily cash balance update; update cash flow for actual values to Jan. 12, 2018; update cash flow variance analysis and create variance reporting	5.6

package for bank; email correspondence and phone calls with Controller regarding monthly reporting packages for data room.

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<b>Total</b>		<b>40.6</b>
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<b>Julian Heisz</b>		<b>Hours</b>
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1/11/2018	File extraction; discussion with A. Gadia.	0.8
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1/12/2018	File extraction; Nuix processing.	1.5
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<b>Total</b>		<b>2.3</b>
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<b>Muhammad Niazi</b>		<b>Hours</b>
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1/5/2018	Review Colliers CIMs PowerPoint; recalculate all tables to verify mathematical accuracy; recalculate all percentages to verify accuracy; identify issues and create a summary document.	3.0
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<b>Total</b>		<b>3.0</b>
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<b>Paul Brar</b>		<b>Hours</b>
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1/2/2018	Calls with Colliers and J. Pietrantonio to discuss buyer list; finalized buyer list for Colliers to review.	2.0
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1/3/2018	Review data room; email to KPMG partners who may have interested clients; update and finalize buyer list.	6.0
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1/5/2018	Review updated CIM and provide changes to be made to A. Gadia.	5.0
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1/6/2018	Review Colliers data room to ensure all documents were labelled correctly - no duplicates and no sensitive information was being displayed.	4.0
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1/8/2018	Call with Colliers to discuss updates.	1.0
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1/9/2018	Final review of data room for any additional documents that need to be removed; discussions with J. Pietrantonio on data room.	3.0
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1/15/2018	Weekly update call with Colliers; buyer analysis - analyze the number of hotel vs. development buyers.	1.0
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<b>Total</b>		<b>22.0</b>
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<b>Asya Rzhevsky</b>		<b>Hours</b>
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1/2/2018	Prepare wire to Miller Thomson.	0.3
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1/5/2018	Prepare interbank wire transfer.	0.3
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<b>Total</b>		<b>0.6</b>
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<b>Grand Total</b>		<b>259.9</b>
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**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182350  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during January 16 to 31, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

	Our Fee	\$	81,780.00 CAD
	Disbursements		237.39
		\$	<b>82,017.39 CAD</b>
	HST		10,662.27
	Amount Due	\$	<b>92,679.66 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182350    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 92,679.66 CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation**  
**For the period January 16 to 31, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	18.2	\$ 13,650.00
Colleen Basden	Partner	\$ 700.00	1.0	\$ 700.00
Joseph Pietrantonio	Partner	\$ 650.00	2.8	\$ 1,820.00
Janine Bradley	Senior Manager	\$ 575.00	4.6	\$ 2,645.00
Anna Maria Cicirello	Senior Manager	\$ 575.00	7.2	\$ 4,140.00
Cindy Neale	Senior Manager	\$ 550.00	1.0	\$ 550.00
Marcel Réthoré	Manager	\$ 450.00	35.1	\$ 15,772.50
Manoj Oommen	Senior Consultant	\$ 300.00	37.0	\$ 11,100.00
Nate Fennema	Senior Consultant	\$ 300.00	58.8	\$ 17,640.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	16.5	\$ 4,950.00
Azam Mohiuddin	Senior Consultant	\$ 275.00	1.5	\$ 412.50
Dina Kvezereli	Senior Consultant	\$ 275.00	9.5	\$ 2,612.50
Paul Brar	Senior Consultant	\$ 275.00	5.5	\$ 1,512.50
Asya Rzhevsky	Technician	\$ 225.00	4.0	\$ 900.00
Linh Hang	Technician	\$ 225.00	15.0	\$ 3,375.00
<b>Total</b>			<b>217.7</b>	<b>\$ 81,780.00</b>

**Expense Summary**  
**For the period January 16 to 31, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation	\$ 237.39
<b>Total</b>	<b>\$ 237.39</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period January 16 to January 31, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>
1/16/2018	1.1
<p>Emails to Meridian and Kingsett regarding sale process update; emails regarding Divisional Court proceedings and discussion with K. Mahar regarding same; emails regarding NDAs and comments thereon; emails with Meridian regarding banking matters; review of emails from A. Jeanrie and D. Tang regarding approach and timing of severance application.</p>	
1/17/2018	2.3
<p>Review of correspondence from the union regarding appointment of a conciliation officer; emails and discussions with J. Bradley, L. Goodfellow and K. Mahar regarding same; emails regarding OMB appeals; emails with T. Thambapillai regarding 2017 financial records; update meeting with J. Bradley, M. Réthoré, and K. Mahar regarding various matters related to the proceedings; emails and discussions regarding PIP request form.</p>	
1/18/2018	0.5
<p>Emails regarding union correspondence; email to Marriott with updated PIP request form; emails regarding NDAs.</p>	
1/19/2018	0.7
<p>Email from M. Komurcu regarding funding from shareholders pursuant to the Borrowing Charge; emails with Marriott regarding revised PIP request form and call with M. Nowina regarding same; discussions regarding Tarion bonds and insurance related thereto; emails regarding NDAs; call with A. Pirani regarding the sale process.</p>	
1/22/2018	2.4
<p>Review sale process update memo prepared by Colliers; various calls with J. Pietrantonio to discuss Colliers strategy; call with K. Mahar regarding sale process and other matters; review email from S. DeCaria regarding Tarion bonds and related correspondence; attend call with K. Mahar, S. De Caria and M. Réthoré regarding the Tarion bonds; call with D. Pollack from Kingsett; emails regarding NDAs.</p>	
1/23/2018	1.6
<p>Emails from D. Tang and A. Jeanrie regarding IBI and severance application; call with D. Longland and M. Dellosotritto from the Guarantee Company and M. Réthoré; emails regarding NDAs.</p>	

1/24/2018	Email to R. Winegrad regarding timing of updated PIP from Marriott; call with A. Pirani regarding sale process; call with K. Mahar regarding appeal and sale process; emails regarding NDAs.	0.8
1/25/2018	Review updated PIP from Marriott; attend internal status meeting with M. Réthoré, M. Oommen and N. Fennema; email and discussion with S. Syed regarding management salaries; emails regarding NDAs; email to M. Komurcu regarding shortfall in funding amount.	1.2
1/26/2018	Review documents received from the Guarantee Company; call with Colliers, Miller Thomson and KPMG to discuss template APA; call with G. Azef regarding APA call with C. Basden to discuss privilege document issue; emails regarding employment and other documents to be posted to the data room; call with K. Mahar regarding sale process and various other matters.	2.8
1/29/2018	Emails and call with M. Komurcu regarding shortfall in funding amount; review of IBI fee proposal; emails regarding meeting to discuss severance application; update discussions with J. Bradley and M. Réthoré; call with K. Mahar regarding Divisional Court appeal hearing, funding under the Borrowing Charge and sale process.	1.7
1/30/2018	Emails regarding meeting to discuss severance application; review email from D. Longland and discussions regarding same; review and provide comments on draft letter to the union; emails with L. Goodfellow regarding same; review email from I. Robb in response; update call with J. Bradley and G. Azeff regarding appeal hearing; emails from A. Jeanrie regarding status of site plan; call with A. Pirani regarding the sale process.	1.5
1/31/2018	Discussions regarding BDO book keeping services; discussions with J. Pietrantonio; emails from Bennett Jones regarding status of the site plan; review of sale process update memo provided by Colliers; attend call with Miller Thomson, Colliers and KPMG regarding status of the appeal and sale process.	1.6

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<b>Total</b>		<b>18.2</b>
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**Colleen Basden**

**Hours**

1/24/2018	Planning meeting with J. Thalla-Joel and A. Cicirello.	0.8
1/26/2018	Call with A. Gadia to discuss privilege document issue.	0.2
<b>Total</b>		<b>1.0</b>

<b>Joseph Pietrantonio</b>		<b>Hours</b>
1/17/2018	Discussions regarding file status and next steps.	0.2
1/22/2018	Various calls with A. Gadia to discuss Colliers strategy.	0.5
1/24/2018	Email and phone call with Colliers to discuss update on client.	0.5
1/26/2018	Conference call with Colliers.	0.3
1/29/2018	Discussions regarding purchasers and other updates.	0.3
1/31/2018	Conference call on update; discussions during day with A. Gadia.	1.0
<b>Total</b>		<b>2.8</b>

<b>Janine Bradley</b>		<b>Hours</b>
1/17/2018	Update meeting with A. Gadia, M. Réthoré, and K. Mahar regarding the status of the proceedings.	1.1
1/29/2018	Review of various correspondences; update discussions with M. Réthoré and A. Gadia.	1.2
1/30/2018	Review of various correspondences; update call with A. Gadia and G. Azeff regarding appeal hearing.	1.1
1/31/2018	Review of various correspondences; prepare for and attend group call with Miller Thomson, Colliers and A. Gadia.	1.2
<b>Total</b>		<b>4.6</b>

<b>Anna-Maria Cicirello</b>		<b>Hours</b>
1/16/2018	Call with M. Réthoré to understand documents provided; follow up with bank transactions from online portal; extraction of bank documents from online site; review of Nuix data.	1.6
1/18/2018	Review of Nuix data.	0.5
1/23/2018	Review bank transactions; draft format for XLS review by team; call with M. Réthoré regarding AccPac.	1.5
1/24/2018	Meeting with C. Basden and J. Thalla-Joel; follow up discussion with J. Thalla-Joel; correspond with M. Réthoré regarding process and information inquiries; discussion with L. Hang and D. Kvezereli regarding inputting of bank statements not provided electronically.	1.8
1/25/2018	Update call with M. Réthoré regarding bank transactions; discussions with L. Hang and D. Kvezereli regarding progress on bank statement conversion to XLS.	0.3
1/26/2018	Discussion with D. Kvezereli regarding Visa transaction analysis.	0.8
1/29/2018	Discussion with J. Thalla-Joel regarding top level analysis; review J. Thalla-Joel workbook.	0.3
1/30/2018	Discuss top level analysis with J. Thalla-Joel; provide L. Hang with instructions for cheque payee data entry on electronic bank records.	0.4
<b>Total</b>		<b>7.2</b>

<b>Cindy Neale</b>		<b>Hours</b>
1/24/2018	Review draft APA.	1.0
<b>Total</b>		<b>1.0</b>

<b>Marcel Réthoré</b>		<b>Hours</b>
1/16/2018	Review updated cash flow variance reporting and commentary prepared by N. Fennema; correspondence with	3.1

	stakeholders from Tarn's mailbox; review of documents for the sale process data room prior to posting them to the data room; call with A. Cicirello to understand requested documents.	
1/17/2018	Attend meeting with K. Mahar, A. Gadia and J. Bradley regarding the status of the proceedings; circulate minutes after the meeting; correspondence with Meridian regarding historical bank account information; gather and provide sale process documents to Colliers to be posted to the data room; correspondence to K. Mahar regarding the PIP agreement with Marriott and the status update posted to the Liquidator's website.	4.4
1/18/2018	Provide M. Oommen with updated status to be posted to the website; review daily cash reporting prepared by N. Fennema and transfer funds amongst accounts as needed; correspondence with Colliers regarding information provided for the data room; correspondence with Bennett Jones regarding condominium buyers.	1.5
1/19/2018	Attend call with representative from Tarn Construction's insurance provider and arrange for a meeting the following week; correspondence with a stakeholder of Tarn Construction regarding third party property on the construction site; correspondence with K. Mahar regarding Tarn Construction bond insurance; correspondence with stakeholders from Tarn's mailbox; correspondence with Bennett Jones regarding condominium buyers.	1.8
1/22/2018	Correspondence with condominium buyers and creditors; coordinate payment to suppliers; review Tarion Bonds agreements; attend call with K. Mahar, S. De Caria and A. Gadia regarding the Tarion Bonds; obtain and provide information for the sale process data room.	1.8
1/23/2018	Attend call with D. Longland, M. Dellostritto and A. Gadia regarding the Tarion Bonds and draft correspondence to D. Longland after the call containing an information request; correspondence with creditors of Tarn Construction; correspondence regarding a third party property claim; call with A. Cicirello regarding AccPac; correspondence with condominium buyers.	3.3
1/24/2018	Correspondence with condominium buyers and creditors; review daily cash update and manage cash balances within	3.4

various accounts; review documents provided by TD and provide to Forensics team; correspondence to and from A. Cicirello regarding process and information inquiries; correspondence to P. Morin regarding the Forensics review; review weekly cash flow variance reporting prepared by N. Fennema and provide comments; internal meeting with M. Oommen regarding file status; correspondence to General Manager and Human Resources Manager requesting information for the sale process.

1/25/2018	Discussion with A. Cicirello regarding the Forensics review and specifically bank transactions; correspondence with condominium buyers and creditors; review and discuss information provided for sale process with S. Syed; review information provided by Human Resources Manager; attend internal status meeting with A. Gadia, M. Oommen and N. Fennema; update Tarn proceedings website with information regarding the appeal; review updated variance reporting prepared by N. Fennema; discuss various hotel purchase orders with N. Fennema prior to approval.	3.4
1/26/2018	Attend meeting with Colliers team regarding the draft asset purchase agreement, additional data room requests and general status update; correspondence with condominium buyers and creditors; correspondence regarding data room requests.	4.0
1/29/2018	Correspondence with stakeholders; update discussion with J. Bradley and A. Gadia.	2.4
1/30/2018	Correspondence with condominium stakeholders; review weekly cash flow reporting.	3.2
1/31/2018	Attend multiple property tours with potential purchasers.	2.8
<b>Total</b>		<b>35.1</b>

**Manoj Oommen**

**Hours**

1/16/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review cheque requisition; internal meeting regarding cheque requisition; review TD and Meridian account access;	7.5
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	contact TD and Meridian to have account access updated; perform analysis over purchasers of units and unique names; internal meeting regarding purchasers of units.	
1/17/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review invoices to be paid; perform analysis of insurance; internal meeting of insurance policy to be paid; contact hotel management regarding held cheque; internal meeting regarding held cheque; obtain and review quote to have work performed on parking garage; internal meeting regarding parking garage testing.	5.5
1/18/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review information to be posted to Creditor Links site and place request with Information Technology; meet with TD regarding account authorization; obtain and review account information change form and prepopulate relevant sections; meet with hotel management regarding status updates on various items.	7.5
1/19/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review quotation for work to be completed on the garage.	3.0
1/22/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review monthly flash report; internal meeting regarding transition.	3.0
1/23/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review Tarn inbox and respond to voicemails and emails; obtain and review cheque requisition; internal meeting regarding cheque requisition; internal meeting regarding transition;	7.5

	visit construction site in order to determine the details of trailer; internal meeting regarding trailer details.	
1/24/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; status update meeting with M. Réthoré.	1.5
1/25/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; update meeting with A. Gadia, M. Réthoré, and N. Fennema; review Tarn inbox and respond to voicemails and emails; internal meeting regarding cheque requisition.	1.5
<b>Total</b>		<b>37.0</b>
<b>Nate Fennema</b>		<b>Hours</b>
1/16/2018	Complete the daily cash update; discuss cheque run details with accounting staff; discuss data room items with accounting staff; review and analyze cash flow forecast variance for bank reporting; update cash flow for comments from M. Réthoré; update Tarn bill for December 2017 billings.	7.4
1/17/2018	Complete the daily cash update; forecast near term cash balances and determine balances to be transferred between accounts; update format of bill to for December 2017.	4.2
1/18/2018	Complete the daily cash update; review weekly Purchase Order ('PO') requests with management and discuss potential for cash management/delay of payment; approve and signoff on appropriate PO's; revise cash flow forecast for immediate cash needs.	7.8
1/19/2018	Complete the daily cash update; correspond with Tarn Condominium purchasers regarding their contact information and update accordingly; update cash flow model for immediate cash needs.	3.9
1/22/2018	Complete the daily cash update; review cash flow forecast vs actuals and update some actual values for week completed.	1.6

1/23/2018	Complete the daily cash update; revise cash flow forecast for actual values in prior week and perform analysis over variances to date; discuss variances with Tarn management to determine rationale for differences; update condominium purchasers contact information.	4.4
1/25/2018	Complete daily cash balance update; update meeting with A. Gadia, M. Réthoré, and M. Oommen; revise cash flow analysis for comments from M. Réthoré; review PO listing and discuss purpose of each PO with various Tarn management personnel; discuss with M. Réthoré and approve appropriate PO's; deliver cheque run details to Accounts Payable clerk; discuss accounting for 2016, turnover of accounting staff, and cash management process improvement next steps with Controller.	8.1
1/26/2018	Complete daily cash balance update; review Tarn banking agreement and set up cash deposit via armored car with bank; manipulate Accounts Payable ledger to desired format for data room.	3.3
1/29/2018	Complete daily cash update; update cash flow for prior week's actual values; setup cash deposit via email and phone calls with bank representatives; call condominium purchasers to setup collection of cheques for the final deposit.	5.3
1/30/2018	Complete daily cash update; update cash flow for prior week's actual values; revise cash flow forecast based on updated figures; discuss bills with service provider and discuss cable TV and internet options; call CRA to discuss multiple various items; update construction contact listing; review month-end cheque run, approve of appropriate cheques, and assist with cheque creation; finalize setup of bank cash deposit for.	9.1
1/31/2018	Complete daily cash update; review 2015 and 2016 accounting files to begin bank reconciliations; begin December 2015 bank reconciliation.	3.7

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<b>Total</b>		<b>58.8</b>
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**Jason Thalla-Joel**

**Hours**

1/24/2018	Review previous forensic work done; various planning meetings with C. Basden and A. Cicirello; follow up with A. Cicirello.	2.0
1/25/2018	Perform analysis on Bank Records (first pass).	2.5
1/26/2018	Perform analysis on Bank Records (first pass).	2.0
1/29/2018	Review bank records; update discussion with A. Cicirello regarding top level analysis.	2.5
1/30/2018	Review bank records; update discussion with A. Cicirello regarding top level analysis.	5.0
1/31/2018	Review bank records.	2.5
<b>Total</b>		<b>16.5</b>

**Azam Mohiuddin** **Hours**

1/17/2018	Work on Forensics review and populate USB with documents requested.	1.5
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**Total** **1.5**

**Dina Kvezereli** **Hours**

1/24/2018	Meeting with A. Cicirello and L. Hang regarding inputting bank statements; review bank statement 2015.	1.1
1/25/2018	Complete bank statement layout; discuss project status with A. Cicirello.	5.1
1/26/2018	Complete bank statement payment summary; update discussion with A. Cicirello regarding Visa transaction analysis.	3.3

**Total** **9.5**

**Paul Brar** **Hours**

1/18/2018	Search for any additional buyers that were not included in the list provided by Colliers.	1.0
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1/25/2018	Reviewed APA agreement prior to meeting on Friday.	3.0
1/26/2018	Meeting with Miller Thompson and Colliers regarding APA.	1.0
1/31/2018	Call with Colliers to discuss appeal decision.	0.5
<b>Total</b>		<b>5.5</b>
<b>Asya Rzhevsky</b>		<b>Hours</b>
1/17/2018	Prepare bank reconciliation, prepare wires to Marriott.	0.9
1/18/2018	Prepare interbank wires and wires for professional fees.	0.7
1/22/2018	Prepare wires to Miller Thomson and Marriott.	0.9
1/25/2018	Prepare wires to Marriott.	0.6
1/30/2018	Prepare payment to Miller Thomson and KPMG Inc. regarding fees.	0.6
1/31/2018	Prepare payment to KPMG Inc. regarding fees.	0.3
<b>Total</b>		<b>4.0</b>
<b>Linh Hang</b>		<b>Hours</b>
1/24/2018	Meeting with A. Cicirello and D. Kvezereli regarding inputting of bank statements; input bank statements.	2.8
1/25/2018	Input bank statements.	1.8
1/30/2018	Inputting cheque payables description.	2.4
1/31/2018	Inputting cheque payables description.	8.0
<b>Total</b>		<b>15.0</b>
<b>Grand Total</b>		<b>217.7</b>



**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182351  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during February 1 to 15, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

Our Fee	\$	120,567.50 CAD
Disbursements		154.22
		<b>\$ 120,721.72 CAD</b>
HST		15,693.83
		<b>\$ 136,415.55 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182351    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 136,415.55    CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation**  
**For the period February 1 to 15, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	18.2	\$ 13,650.00
Colleen Basden	Partner	\$ 700.00	2.8	\$ 1,960.00
Joseph Pietrantonio	Partner	\$ 650.00	3.7	\$ 2,405.00
Janine Bradley	Senior Manager	\$ 575.00	15.2	\$ 8,740.00
Anna Maria Cicirello	Senior Manager	\$ 575.00	11.3	\$ 6,497.50
Cindy Neale	Senior Manager	\$ 550.00	0.5	\$ 275.00
Marcel Réthoré	Manager	\$ 450.00	34.8	\$ 15,660.00
Manoj Oommen	Senior Consultant	\$ 300.00	21.0	\$ 6,300.00
Nate Fennema	Senior Consultant	\$ 300.00	69.8	\$ 20,940.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	76.0	\$ 22,800.00
Dina Kvezereli	Senior Consultant	\$ 275.00	29.9	\$ 8,222.50
Jack Ellison	Senior Consultant	\$ 275.00	7.5	\$ 2,062.50
Paul Brar	Senior Consultant	\$ 275.00	1.5	\$ 412.50
Asya Rzhevsky	Technician	\$ 225.00	0.9	\$ 202.50
Linh Hang	Technician	\$ 225.00	46.4	\$ 10,440.00
<b>Total</b>			<b>339.5</b>	<b>\$ 120,567.50</b>

**Expense Summary**  
**For the period February 1 to 15, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation	\$ 154.22
<b>Total</b>	<b>\$ 154.22</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period February 1 to February 15, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>	
2/1/2018	Review emails from A. Jeanrie regarding the sale process; emails regarding use of trademarks; various update discussions with J. Bradley.	0.9
2/2/2018	Emails and discussions with J. Bradley regarding purchaser who paid monies to SAMM; emails to Meridian and Kingsett regarding sale process update and extension of milestone dates due to the appeal; prepare for and attend meeting with IBI, Avis, legal counsel, and J. Bradley regarding severance application.	2.3
2/5/2018	Review email to L. Finegold; update call with S. Syed and J. Bradley regarding employee matters; review of emails regarding severance application; emails regarding NDAs; review of updated draft of template APA; prepare draft borrowing certificate; attend sale process update call with Colliers, Miller Thomson and KPMG.	1.8
2/6/2018	Review emails regarding severance application; emails with K. Mahar regarding borrowing certificate and email to M. Komurcu regarding same; emails regarding comments on NDAs; review sale process update memo prepared by Colliers; emails with Marriott; review decision regarding appeal; call with J. Pietrantonio and P. Brar on strategy to deal with appeal; attend call with Colliers, Miller Thomson and KPMG to discuss appeal decision and sale process milestones.	1.5
2/7/2018	Review emails regarding party seeking to take assignment of the APS; review and provide comments on draft call for offers prepared by Colliers and discussions with K. Mahar regarding same; various discussions with J. Pietrantonio and Colliers.	1.1
2/8/2018	Review emails regarding severance application; review of updated draft of template APA; review of emails regarding questions from interested parties; review email from counsel to SAMM regarding participation in the sale process; emails with Marriott regarding outstanding invoices; emails to Meridian and Kingsett with latest sale process update; follow-up emails with D. Pollack;	1.5



2/9/2018	Review emails to P. Thomson; call with D. Pollack regarding dismissal of appeal and sale process.	0.8
2/10/2018	Review letter from B. Sachdeva and emails with K. Mahar regarding same; review email from P. Thompson regarding template APA and emails with K. Mahar and G. Azeff regarding same.	0.3
2/12/2018	Review email from P. Levine regarding request from Tarion and respond to same; email to A. Slavens regarding same; meeting with K. Mahar to discuss various matters; attend internal status meeting with J. Bradley, M. Réthoré, and N. Fennema; attend sale process update call with Colliers, Miller Thomson and KPMG; review draft response to P. Thompson; emails regarding questions from interested parties.	2.2
2/13/2018	Review emails from A. Jeanrie regarding severance application; call with A. Pirani regarding sale process and meeting with A. Akman; emails regarding information requested by interested parties; update discussion with J. Bradley.	1.7
2/14/2018	Review and discuss cash flow reporting; emails regarding CRA request; prepare for and attend meeting with J. Bradley, M. Réthoré, K. Mahar and S. De Caria regarding court report and call for claims.	2.7
2/15/2018	Review sale process update from Colliers; emails to Meridian and Kingsett to provide sale process update; update discussion with J. Bradley; emails regarding severance application; emails from Marriott regarding SAMM and emails with K. Mahar and G. Azeff regarding same; emails regarding shareholder loans.	1.4
<b>Total</b>		<b>18.2</b>
<b>Colleen Basden</b>		<b>Hours</b>
2/6/2018	Update discussion with A. Cicirello.	0.2
2/8/2018	Review previous auditors report.	1.0

2/9/2018	Team meeting with A. Cicirello and J. Thalla-Joel on status and next steps.	0.5
2/12/2018	Review memo and draft outline for report.	1.1
<b>Total</b>		<b>2.8</b>

<b>Joseph Pietrantonio</b>		<b>Hours</b>
2/1/2018	Discussions with a purchaser on the opportunity.	0.2
2/5/2018	Conference call with P. Brar to discuss update on process and strategy.	1.0
2/6/2018	Update call with A. Gadia and P. Brar on strategy to deal with appeal.	1.0
2/7/2018	Various discussions with A. Gadia and Colliers.	0.5
2/12/2018	Update call with C. Neale, P. Brar, and Colliers.	1.0
<b>Total</b>		<b>3.7</b>

<b>Janine Bradley</b>		<b>Hours</b>
2/1/2018	Various update discussions with A. Gadia.	0.8
2/2/2018	Various discussions with M. Réthoré regarding tax filings and purchaser inquiries; prepare for and attend meeting with various consultants, legal counsel, and A. Gadia regarding severance application.	2.2
2/5/2018	Update call with S. Syed and A. Gadia regarding employee issues; update call with Colliers; review of various correspondences regarding sale; review severance and cash flow calculations.	1.2
2/6/2018	Attend update call with K. Mahar, G. Azeff, S. De Caria, A. Gadia, M. Réthoré, and the Colliers team; update discussion with M. Réthoré.	0.6
2/7/2018	Various discussions with M. Réthoré and N. Fennema regarding cash flow forecast.	1.1

2/12/2018	Review of various correspondences regarding cash flow, maintenance; sale; depositors; review of revised cash flow forecast; attend internal status meeting with A. Gadia, M. Réthoré, and N. Fennema; attend update call with A. Gadia, M. Réthoré, and Colliers team.	4.2
2/13/2018	Various emails regarding the building condition report; various discussions with M. Réthoré regarding cash flow forecast and Colliers questions; update discussion with A. Gadia.	1.2
2/14/2018	Update discussions with M. Réthoré; review of reporting package to Kingsett; prepare for and attend meeting with A. Gadia, M. Réthoré, K. Mahar and S. De Caria regarding court report and call for claims; review of various correspondences.	2.4
2/15/2018	Update discussion with A. Gadia; review of various correspondences; review of revised Kingsett reporting package.	1.5
<b>Total</b>		<b>15.2</b>

<b>Anna-Maria Cicirello</b>		<b>Hours</b>
2/1/2018	Meet with J. Thalla-Joel for an update on source/use review regarding banking documents.	0.5
2/2/2018	Bank statement procedure discussion with D. Kvezereli.	0.5
2/5/2018	Review L. Hang bank statement findings.	0.4
2/6/2018	Review with J. Thalla-Joel for outstanding amounts; follow up on AccPac issues with P. Morin; update discussion with C. Basden.	1.7
2/7/2018	Check in with J. Thalla-Joel regarding status update.	0.4
2/8/2018	Meet with J. Thalla-Joel to review outstanding issues; review L. Hang's findings per bank statements.	0.7
2/9/2018	Draft privilege document plan; meeting with C. Basden and J. Thalla-Joel to discuss progress and next steps.	1.3
2/12/2018	Finalize privilege memo; review AccPac data.	3.5

2/13/2018	Review draft exhibits; meet with J. Thalla-Joel to discuss next steps.	0.8
2/15/2018	Update meeting with J. Thalla-Joel; review various documents for accuracy, completeness, and presentation issues.	1.5
<b>Total</b>		<b>11.3</b>

**Cindy Neale**

**Hours**

2/12/2018	Update call with J. Pietrantonio, P. Brar, and Colliers.	0.5
<b>Total</b>		<b>0.5</b>

**Marcel Réthoré**

**Hours**

2/1/2018	Send correspondence to S. De Caria requesting a trade mark review; review the daily cash report; correspond with stakeholders; review and comment on correspondence for the CRA prepared by N. Fennema.	1.7
2/2/2018	Discuss tax filings and purchaser inquiries with J. Bradley; prepare and mail correspondence to the CRA; review and arrange payment for various invoices; correspond with stakeholders.	3.1
2/5/2018	Correspond with Colliers regarding sale process questions; correspond with stakeholders.	1.1
2/6/2018	Correspond with stakeholders; attend call regarding the sale process with K. Mahar, G. Azeff, S. De Caria, A. Gadia, J. Bradley, and the Colliers team; update discussion with J. Bradley; review recent court materials; update the Tam website.	1.8
2/7/2018	Correspond with stakeholders; review daily cash balance prepared by N. Fennema; attend tour with prospective bidder; attend meeting with T. Thambapillai regarding the hotel's accounting function; correspond with Colliers regarding responses to questions from the tour group; meet and discuss with J. Bradley and N. Fennema regarding cash flow forecast updates.	4.9

2/8/2018	Review the daily cash flow; review the weekly cash actuals and updated forecast prepared by N. Fennema and provide comments; meet with N. Fennema to discuss the updated cash flow forecast; correspondence with stakeholders; correspondence with creditors; correspondence to S. De Caria regarding stakeholder correspondence.	4.1
2/9/2018	Correspond with stakeholders; review and arrange payment of invoices; review and discuss the cash flow forecast with N. Fennema; review sale process questions from Colliers.	1.1
2/12/2018	Correspond with stakeholders; review cash flow actuals reporting and send comments to N. Fennema; review the updated cash flow forecast; review T4 information in order to prepare returns; attend internal status meeting with A. Gadia, J. Bradley and N. Fennema; attend meeting with A. Gadia, J. Bradley and Colliers team; draft correspondence to Miller Thomson.	5.8
2/13/2018	Attend internal status meeting with M. Oommen; review and respond to Forensics data request; correspond with stakeholders; review changes to website; discuss cash flow forecast and Colliers call with J. Bradley; review and update cash flow actuals, variance reporting and commentary, the cash flow forecast, and notes to the forecast.	6.7
2/14/2018	Correspond with stakeholders; review of tax remittances; attend meeting with A. Gadia, J. Bradley, K. Mahar and S. De Caria regarding the claims process; update discussions with J. Bradley.	4.5
<b>Total</b>		<b>34.8</b>

**Manoj Oommen**

**Hours**

2/13/2018	Internal meeting with M. Réthoré regarding status of various items; review various materials, cash flow forecast, and daily cash updates; obtain and review information regarding source deductions for employees of Tarn Construction; review payroll information as well as accounts payable in order to complete T4 slips for employees of Tarn Construction.	7.5
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2/14/2018	Internal meeting with N. Fennema regarding status of various items; review employee payroll information as well as accounts payable in order to complete T4 slips for employees of Tarn Construction; contact tax authority regarding statement of account; review cheques received from Bennett Jones and confirm the unit number and purchaser details; review and discuss transition email from N. Fennema.	7.5
2/15/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and review daily cash report; review email from Bennett Jones and obtain requested APA; obtain and review multiple court documents in order to determine nature of various transactions.	6.0
<b>Total</b>		<b>21.0</b>
<b>Nate Fennema</b>		<b>Hours</b>
2/1/2018	Complete the daily cash update; call CRA regarding arrears interest owing; complete CRA HST rebate form to request revision of payable; email supplier regarding Tarn Construction account balance as well as Tarn Financial Corporation potential account closure; discuss and approve Purchase Order ("PO") requests; obtain and review Tarn Construction records for 2017 for tax authorities.	7.8
2/2/2018	Complete the daily cash update; email communication with condominium purchasers regarding updated contact information; work to reconcile December 2016 bank statements to accounting records.	4.1
2/5/2018	Complete the daily cash update; revise cash flow model for the week ended February 2, 2018 and provide analysis on variance to M. Réthoré for review; review PO's received directly by KPMG to be included in the Tarn PO run for the week; work to reconcile January 2017 bank balances.	6.2
2/6/2018	Complete the daily cash update; pull physical copy of APA for disputed unit within condominium project; discuss and approve POs; discuss and approve cheques; review Licensee invoices for details of each invoice and determine whether or not payable; discussion with T. Thambapillai and S. Syed regarding ongoing payment processing,	9.1

	<p>expectations of next few weeks with respect to cash requirements and bank reconciliations; email vendor regarding licensing contract and new invoice; call and email supplier regarding cancellation of existing contract; request tax clearance certificate; discuss critical maintenance requirements with A. Argyrides; extract Tarn Construction documents from laptop and categorize all files for tax authorities.</p>	
2/7/2018	<p>Complete the daily cash update; meet to discuss cash flow with J. Bradley and M. Réthoré; revise cash flow per notes provided; meet with M. Réthoré to further discuss cash flow; review cheque register and re-create cheque listing from September 25, 2017 to reflect actual cheques written and cashed from the bank accounts; prepare January 2017 bank reconciliations; review Licensee invoice listing for interest vs fees payable.</p>	8.6
2/8/2018	<p>Complete the daily cash update; revise cash flow for notes provided by M. Réthoré; meet with M. Réthoré to discuss updated cash flow forecast; review, discuss, and approve POs for upcoming weeks; review supplier invoice and make changes to the account to prepare for the departure of G. Kabengano; pull requested documents from Tarn Construction records for personal tax information; prepare January bank reconciliation template.</p>	8.1
2/9/2018	<p>Complete the daily cash update; discuss cash flow forecast with M. Réthoré; revise cash flow for notes provided by M. Réthoré and update forecasts for actuals values known to be payable.</p>	4.4
2/12/2018	<p>Complete the daily cash update; revise cash flow for actual values for week ended February 9, 2018 and comments per M. Réthoré; team meeting regarding status update with A. Gadia, J. Bradley, and M. Réthoré; update cash flow for outcome of team meeting; prepare reporting package for lender.</p>	9.2
2/13/2018	<p>Complete the daily cash update; examine accounting records for details of related party invoices; approve PO for garage lighting; pull Tarn Construction files per tax authority request and create schedule of files available; follow up with T. Thambapillai regarding outstanding cheques; follow up with S. Syed regarding CIM questions from bidders; approve cheques to be run.</p>	8.2

2/14/2018	Complete the daily cash update; internal meeting with M. Oommen regarding status update; discuss transition of outstanding requests with M. Oommen; work on January 2017 bank reconciliation.	4.1
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<b>Total</b>		<b>69.8</b>
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<b>Jason Thalla-Joel</b>		<b>Hours</b>
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2/1/2018	As a first level of review, categorize how funds were coming in and out for Tarn Construction Corporation; update discussion with A. Cicirello on source/use review regarding banking documents.	5.5
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2/2/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development.	2.5
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2/5/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development.	7.0
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2/6/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development; review with A. Cicirello regarding outstanding amounts.	8.0
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2/7/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development; status update meeting with A. Cicirello.	7.7
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2/8/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development; review outstanding issues with A. Cicirello.	8.0
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2/9/2018	Review the findings of the second level of review of bank statements; discuss status and next steps with C. Basden and A. Cicirello; re-categorize various items; perform further analysis.	6.0
2/12/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development.	7.0
2/13/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development; meet with A. Cicirello to discuss next steps.	7.5
2/14/2018	As a second level of review for Tarn Financial Corporation's bank accounts, categorize what the funds paid to or received from related to; consider whether it was payments to Hotel Operations, Shareholders, or Development.	8.0
2/15/2018	Based on the findings in the second level review of the TD account, trace various deposits and payments to the company's general ledger (Accpacc) and cheque register; update meeting with A. Cicirello.	8.8

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<b>Total</b>		<b>76.0</b>
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<b>Dina Kvezereli</b>		<b>Hours</b>
2/2/2018	Scan bank statements from 2014 to 2017 and layout in Microsoft Excel format; meet with A. Cicirello for discussion regarding the layout; format bank statement into Microsoft Excel format.	7.2
2/5/2018	Format bank statements to layout in Microsoft Excel.	7.5
2/6/2018	Format bank statements to layout in Microsoft Excel.	6.2
2/7/2018	Format bank statements to layout in Microsoft Excel; review bank statements for accuracy and completeness.	7.5

2/8/2018	Review bank statements with L. Hang for accuracy and completeness.	1.5
<b>Total</b>		<b>29.9</b>
<b>Jack Ellison</b>		<b>Hours</b>
2/14/2018	Analyze the bank statements to understand how payments have been deposited or withdrawn and what operations they relate to.	7.5
<b>Total</b>		<b>7.5</b>
<b>Paul Brar</b>		<b>Hours</b>
2/5/2018	Call with J. Pietrantonio to discuss appeal decision.	0.5
2/6/2018	Call with A. Gadia and J. Pietrantonio for update and decision of appeal.	0.5
2/12/2018	Call with J. Pietrantonio, C. Neale, and Colliers to discuss appeal decision.	0.5
<b>Total</b>		<b>1.5</b>
<b>Asya Rzhevsky</b>		<b>Hours</b>
2/2/2018	Prepare wire to insurance provider.	0.3
2/5/2018	Prepare wire between bank accounts.	0.3
2/16/2018	Prepare wire payments to Hotel Licensee.	0.3
<b>Total</b>		<b>0.9</b>
<b>Linh Hang</b>		<b>Hours</b>
2/1/2018	Input cheque's payee descriptions; prepare list of findings after reviewing cheques and bank statements.	10.0
2/2/2018	Continue to input cheque's payee descriptions; prepare list of findings after reviewing cheques and bank statements.	9.8

2/5/2018	Manually input bank statement details.	8.3
2/6/2018	Manually input bank statements details.	8.7
2/7/2018	Manually input bank statements details; review statements for accuracy and completeness.	8.6
2/8/2018	Review bank statements with D. Kvezereli for accuracy and completeness.	1.0
<b>Total</b>		<b>46.4</b>
<b>Grand Total</b>		<b>339.5</b>



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 Toronto, ON M5H 2S5

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 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182355  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during February 16 to 28, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

Our Fee	\$	83,230.00 CAD
Disbursements		302.53
		\$ 83,532.53 CAD
HST		10,859.23
		\$ 94,391.76 CAD

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182355    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 94,391.76 CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation**  
**For the period February 16 to 28, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	24.4	\$ 18,300.00
Colleen Basden	Partner	\$ 700.00	1.5	\$ 1,050.00
Joseph Pietrantonio	Partner	\$ 650.00	1.3	\$ 845.00
Janine Bradley	Senior Manager	\$ 575.00	23.5	\$ 13,512.50
Anna Maria Cicirello	Senior Manager	\$ 575.00	3.8	\$ 2,185.00
Cindy Neale	Senior Manager	\$ 550.00	0.8	\$ 412.50
Marcel Réthoré	Manager	\$ 450.00	13.9	\$ 6,232.50
Manoj Oommen	Senior Consultant	\$ 300.00	59.5	\$ 17,850.00
Nate Fennema	Senior Consultant	\$ 300.00	13.5	\$ 4,050.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	60.6	\$ 18,180.00
Paul Brar	Senior Consultant	\$ 275.00	1.0	\$ 275.00
Asya Rzhnevsky	Technician	\$ 225.00	1.5	\$ 337.50
<b>Total</b>			<b>205.2</b>	<b>\$ 83,230.00</b>

**Expense Summary**  
**For the period February 16 to 28, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation and miscellaneous	\$ 302.53
<b>Total</b>	<b>\$ 302.53</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period February 16 to February 28, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>
2/16/2018	1.7
Email from A. Slavens regarding Tarion request; call with Bennett Jones, Colliers, Miller Thomson, Avis, IBI and J. Bradley regarding severance application; review letter regarding appointment of a conciliation officer and emails with L. Goodfellow and K. Mahar regarding same; emails with Marriott; emails with Kingsett regarding insurance;	
2/20/2018	2.1
Emails regarding site tour requests; calls with A. Pirani and S. Syed regarding same; emails with L. Goodfellow and K. Mahar regarding follow-up with the union; review of sale process update memo prepare by Colliers; attend sale process update call with Colliers, Miller Thomson and KPMG; call with M. Silverstein of Richter regarding tax and other work to be completed.	
2/21/2018	2.9
Emails regarding interest on Borrowing Charge; emails with M. Silverstein; update discussion with J. Bradley; prepare for and attend call with J. Bradley and A. Cicirello to discuss work completed to date and next steps; emails with K. Mahar regarding CRA request and review of emails to B. Sachedva regarding same; call with K. Mahar regarding claims process related considerations.	
2/22/2018	3.3
Prepare and send cash flow reporting to Meridian and Kingsett; emails regarding post-tension cables work; call with B. Mocha regarding sale process; call with K. Mahar regarding sale process and discussion with D. Pollack.	
2/23/2018	1.4
Emails regarding post-tension cable work; update discussion with J. Bradley regarding Court report; review email from S. Syed regarding Marriott platform; email from M. Nowina regarding sale process and review K. Mahar response to same; review information requests from interested parties; review Court report rider from A. Jeanrie; emails with K. Mahar and S. DeCaria regarding claims process related considerations.	
2/24/2018	1.5
Review emails from Colliers regarding inquiries from interested parties on the template APA; emails with K. Mahar and G. Azeff regarding same; emails from K.	

	Mahar regarding issue of terminating the APS and Tarn Construction and call with K. Mahar regarding same.	
2/25/2018	Emails to K. Mahar regarding Tarn Construction.	0.3
2/26/2018	Attend team update meeting with J. Bradley, M. Réthoré, M. Oommen and N. Fennema; prepare and send to Colliers responses to questions from an interested party; emails and discussions with K. Mahar regarding same; review emails between K. Mahar and P. Shae regarding proposed claims process; prepare for and attend meeting with J. Bradley and Richter; review sale process update memo prepared by Colliers; attend sale process update call with Colliers, Miller Thomson and KPMG; send sale process update to Meridian and Colliers; emails regarding BCA.	4.4
2/27/2018	Review and discussions regarding draft Court Report; emails regarding status of post-tension cable work and BCA; review of various emails related to the sale process; call with A. Pirani regarding same; call with K. Mahar regarding discussions with A. Slavens and P. Shae;	2.5
2/28/2018	Call with R. Watters regarding post-tension cable work; call with K. Mahar regarding cash flow forecast; review of Phase I bids received; various discussions with J. Bradley regarding bids; calls with A. Pirani and K. Mahar regarding Phase I bids received; emails to Marriott regarding GXP upgrade; numerous emails regarding Phase I bids.	4.3
<b>Total</b>		<b>24.4</b>
<b>Colleen Basden</b>		<b>Hours</b>
2/16/2018	Meeting with A. Cicirello and J. Thalla-Joel on status, other issues; finalize memo.	0.8
2/20/2018	Finalize privilege memo and discuss with A. Cicirello.	0.2
2/23/2018	Update meeting with A. Cicirello and J. Thalla-Joel.	0.5
<b>Total</b>		<b>1.5</b>

<b>Joseph Pietrantonio</b>		<b>Hours</b>
2/20/2018	Update call with Colliers, C. Neale, and P. Brar; further discussions regarding environmental report.	1.0
2/28/2018	Update call on Tarn with Colliers, C. Neale, and P. Brar; review of offers and summary.	0.3
<b>Total</b>		<b>1.3</b>

<b>Janine Bradley</b>		<b>Hours</b>
2/16/2018	Call with Bennett Jones, Colliers, Miller Thomson and A. Gadia regarding severance application; calls to Colliers and environmental authority regarding building condition report; meet with M. Oommen to discuss outstanding items; call with environmental authority; email with lender regarding question on insurance coverage.	1.8
2/21/2018	Update discussion with A. Gadia; review of various correspondences regarding sale, daily cash flows, insurance, and inquiries; prepare for and attend call with A. Gadia and A. Cicirello to discuss work completed to date and next steps; update discussion with M. Oommen regarding tax authorities and outstanding critical maintenance items; begin drafting the Liquidator's Second Court report.	7.5
2/23/2018	Review of various correspondences regarding sale, depositors, cash flow, and file admin; review of cash flows; update discussion with A. Gadia; continue drafting court materials.	4.1
2/26/2018	Attend team update meeting with A. Gadia, M. Réthoré, M. Oommen and N. Fennema; review of various correspondences regarding T4s, sale questions, building condition report; continue to draft court report; prepare for and attend meeting with A. Gadia and bookkeeping firm; attend meeting with A. Gadia, M. Réthoré, K. Mahar and the Colliers team.	4.6
2/27/2018	Review of various correspondences; review of analysis of breach of APAs; discussion with N. Fennema and M.	2.1



	Réthoré regarding the same; meet with M. Oommen to discuss outstanding tasks; various discussions regarding call for claims and court report.	
2/28/2018	Call with environmental consultant regarding building condition report; review sale proceeds model; various discussions with N. Fennema and M. Réthoré regarding the same; review of Phase I Bids; various discussions with A. Gadia regarding bids.	3.4
<b>Total</b>		<b>23.5</b>
<b>Anna-Maria Cicirello</b>		<b>Hours</b>
2/16/2018	Review Microsoft Excel documents; meet with C. Basden and J. Thalla-Joel on team status.	1.1
2/20/2018	Review J. Thalla-Joel's findings charts; discuss privilege memo with C. Basden; issue privilege memo.	0.2
2/21/2018	Call with J. Bradley and A. Gadia to discuss work completed and next steps; follow up meeting with J. Thalla-Joel to discuss schedules.	0.7
2/22/2018	Meeting with J. Thalla-Joel to review schedules.	0.6
2/23/2018	Review bank summaries; discuss exhibits and status update with C. Basden and J. Thalla-Joel.	0.6
2/28/2018	Meeting with J. Thalla-Joel to discuss additional schedules and edits to previous classifications.	0.6
<b>Total</b>		<b>3.8</b>
<b>Cindy Neale</b>		<b>Hours</b>
2/20/2018	Weekly update call with Colliers, J. Pietrantonio, and P. Brar.	0.5
2/28/2018	Weekly update call with Colliers, J. Pietrantonio, and P. Brar; send update email internally.	0.3

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<b>Total</b>		<b>0.8</b>
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**Marcel Réthoré**

**Hours**

2/26/2018	Attend internal status meeting with A. Gadia, J. Bradley, M. Oommen and N. Fennema; prepare responses to questions from a potential purchaser; correspond with KPMG Risk Consulting; correspond with vendors; attend a call with A. Gadia, J. Bradley, K. Mahar and the Colliers team; internal meeting with N. Fennema and M. Oommen regarding upcoming tasks.	5.0
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2/27/2018	Correspondence with Bennett Jones regarding a purchaser; correspondence with Tarn's bank regarding an information request; prepare fee affidavits for activities of the liquidator; review deposit summary regarding breach of APA's prepared by N. Fennema and discuss the same with J. Bradley and N. Fennema; correspond with M. Oommen regarding payment to vendors; coordinate workspaces for consultants of the Liquidator; review of time docket for the court report.	4.1
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2/28/2018	Correspondence with T. Thambapillai regarding information requests; review daily cash reconciliation and perform cash management procedures; review weekly cash flow actuals reporting and variance reporting; prepare documents to be posted to the data room; review proceeds model prepared by N. Fennema and discuss with J. Bradley and N. Fennema; provide comments to N. Fennema; coordinate property tours with Colliers.	4.8
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<b>Total</b>		<b>13.9</b>
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**Manoj Oommen**

**Hours**

2/16/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts, prepare and review daily cash report; obtain and review flash report; internal meeting with J. Bradley regarding outstanding items and completion timeline.	4.0
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2/20/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; obtain and review engagement letter and provide to team for their review; obtain and review request to confirm mailing addresses of various purchasers; contact purchasers and update addresses on file; obtain and review various court documents for nature of transactions.	7.5
2/21/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; obtain payment information of contractors of Tarn Construction; review numerous files to ensure completeness of information and prepare tax slips; update discussion with J. Bradley regarding tax authorities and maintenance items; review Tarn inbox and reply to various callers; contact contractors of Tarn Construction for updated mailing address and business numbers; contact bank regarding payment status; meet with external team to confirm start dates for accounting assistance; review and approve cheque requisitions for the week.	7.5
2/22/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; review court materials in order to determine nature of transactions.	7.5
2/23/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; contact tax authorities regarding account access; follow up with employees regarding outstanding items; review and respond to voicemails in Tarn inbox; update cheque listing for batch payments; analyze cash inflows and request that funds be transferred to cover cheque requisition.	7.5
2/26/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; internal meeting with A. Gadia, J. Bradley, M. Réthoré and N. Fennema regarding status of various items; revise tax slip summary to be sent to tax authority and submit for review; prepare mailing of various tax slips; update	7.5

	meeting with M. Réthoré and N. Fennema regarding upcoming items; perform analysis over prior week's cash flow.	
2/27/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; attend management meeting; obtain and perform analysis over cheque requisition; review multiple cheques and approve various payments; meet with J. Bradley regarding outstanding items; discuss payment of vendors with M. Réthoré; review and update room renovation tracking sheet; review Tarn inbox and contact various callers.	10.5
2/28/2018	Obtain and review bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; attend management meeting; obtain capital asset schedule and revise formatting; scan engagement letter from external firm and provided update on start date and first day details; review various tax forms and make multiple attempts to fax forms.	7.5
<b>Total</b>		<b>59.5</b>
<b>Nate Fennema</b>		<b>Hours</b>
2/26/2018	Team status update meeting with A. Gadia, J. Bradley, M. Réthoré, and M. Oommen; prepare cash flow actuals to date in court report format to be included in the next court report; begin calculation of payout from potential sale of hotel and property; prepare a list of all condominium purchasers who have made a late payment; meeting with M. Réthoré and M. Oommen regarding upcoming items.	4.8
2/27/2018	Create model to determine payout options depending on sales process outcomes; calculate the number of units missing payments towards their condominium purchase and discuss with J. Bradley and M. Réthoré.	6.3
2/28/2018	Discuss sale proceeds model with J. Bradley and M. Réthoré; update model to reflect revised assumptions per new information available.	2.4
<b>Total</b>		<b>13.5</b>

<b>Jason Thalla-Joel</b>		<b>Hours</b>
2/16/2018	Based on the findings in the second level review of one bank account, trace various deposits and payments to the company's general ledger (Accpacc) and cheque register; team meeting with C. Basden and A. Cicirello on status, other issues.	7.0
2/20/2018	Build Schedules 1 to 3 of the draft report based on the first and second level review's findings.	8.0
2/21/2018	Build Schedules 4 and 3A-3J, 5 and 6 of the draft report based on the first and second level review's findings; status update meeting with A. Cicirello.	7.5
2/22/2018	Build Schedules 4 and 3A-3J, 5 and 6 of the draft report based on the first and second level review's findings; update discussion meeting for the schedules with A. Cicirello; perform revisions on noted schedules.	8.1
2/23/2018	Review bank transactions which agreed with the shareholder loan and cash holdings account in the general ledger (Accpacc) of Tarn Financial Corporation; team update meeting with C. Basden and A. Cicirello to discuss various revisions.	7.5
2/26/2018	Based on revisions discussed with the team, review bank transactions which agreed with other accounts in the general ledger (Accpacc) of Tarn Financial Corporation in order to address various unknown payments.	7.5
2/27/2018	Based on revisions discussed with the team, review bank transactions which agreed with other accounts in the general ledger (Accpacc) of Tarn Financial Corporation in order to address various unknown payments.	7.5
2/28/2018	Meet with A. Cicirello regarding additional schedules and revisions; based on revisions discussed with the team, continue to develop the various schedules of the report and ensure that the source data agreed to the schedules.	7.5
<b>Total</b>		<b>60.6</b>

<b>Paul Brar</b>		<b>Hours</b>
2/20/2018	Weekly update call with Colliers, J. Pietrantonio, and C. Neale.	0.5
2/28/2018	Weekly update call with Colliers, J. Pietrantonio, and C. Neale.	0.5
<b>Total</b>		<b>1.0</b>
<b>Asya Rzhevsky</b>		<b>Hours</b>
2/16/2018	Prepare wires to Hotel Licensee.	0.5
2/21/2018	Prepare wire to legal counsel; send email to legal counsel; prepare January 2018 bank reconciliation.	0.5
2/28/2018	Prepare wires between various bank accounts.	0.5
<b>Total</b>		<b>1.5</b>
<b>Grand Total</b>		<b>205.2</b>



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July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182358  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during March 1 to 15, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

	Our Fee	\$	149,535.00 CAD
	Disbursements		283.77
			<b>\$ 149,818.77 CAD</b>
	HST		19,476.45
	Amount Due	\$	<b>169,295.22 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182358    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 169,295.22    CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Liquidation  
For the period March 1 to 15, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	27.2	\$ 20,400.00
Colleen Basden	Partner	\$ 700.00	23.7	\$ 16,590.00
Derek Rostant	Partner	\$ 700.00	5.5	\$ 3,850.00
Joseph Pietrantonio	Partner	\$ 650.00	3.3	\$ 2,145.00
Janine Bradley	Senior Manager	\$ 575.00	15.9	\$ 9,142.50
Anna Maria Cicirello	Senior Manager	\$ 575.00	37.3	\$ 21,447.50
Marcel Réthoré	Manager	\$ 450.00	34.0	\$ 15,300.00
Manoj Oommen	Senior Consultant	\$ 300.00	75.0	\$ 22,500.00
Stephanie Ly	Senior Consultant	\$ 300.00	1.0	\$ 300.00
Nate Fennema	Senior Consultant	\$ 300.00	41.3	\$ 12,390.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	82.7	\$ 24,810.00
Paul Brar	Senior Consultant	\$ 275.00	1.5	\$ 412.50
Asya Rzhevsky	Technician	\$ 225.00	1.1	\$ 247.50
<b>Total</b>			<b>349.5</b>	<b>\$ 149,535.00</b>

**Expense Summary  
For the period March 1 to 15, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation and miscellaneous	\$ 283.77
<b>Total</b>	<b>\$ 283.77</b>



**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period March 1 to March 15, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>
3/1/2018	4.5
Internal meeting to review and discuss Phase I bids and sale proceeds analysis; review email from S. Syed regarding hotel incident report; email update from R. Watters regarding post-tension cable work; review of Phase I bid summary prepared by Colliers; review and discuss analysis regarding APAs that are in default; meeting with Colliers, Miller Thomson and KPMG to review and discuss Phase I bids and next steps; call with K. Mahar and L. Gangbar regarding potential issues; review revised Phase I bid summary.	
3/2/2018	4.1
Attend meeting with Kingsett, Colliers and Miller Thomson to review and discuss Phase I bids and next steps; emails and discussions regarding draft Court report and call with K. Mahar regarding same; call with Meridian, Collier and Miller Thomson to review and discuss Phase I bids and next steps; call with K. Mahar and L. Gangbar and subsequent emails with S. Zweig; call with K. Mahar regarding conflict issue; call and emails with A. Başımeç regarding the company vehicle.	
3/3/2018	0.9
Emails and call with K. Mahar and S. Zweig regarding bidder and potential conflict issue; subsequent call with K. Mahar regarding same.	
3/5/2018	0.4
Emails regarding Richter, information requests from bidders and BCA; email from S. Zweig.	
3/6/2018	0.7
Review of Richter engagement letter and emails from M. Silverstein regarding same; emails regarding sale process; emails regarding Meridian facilities and fees.	
3/7/2018	1.8
Call with S. Zweig and K. Mahar regarding potential conflict issue; subsequent call with K. Mahar to discuss Liquidator's position on same; emails regarding Meridian facilities and fees; emails regarding BCA report; emails from Marriott regarding sale process; emails to S. Zweig regarding Liquidator's position on potential conflict issue.	

3/8/2018	Emails regarding sale process and Marriott's discussions with bidders; emails to Marriott regarding sale process; email from L. Gangbar; various emails with K. Mahar.	1.1
3/9/2018	Call regarding sale process with Colliers, Miller Thomson and KPMG; emails regarding call with Marriott; emails regarding Richter information request;	1.2
3/12/2018	Review emails from A. Jeanrie regarding financial severance; numerous calls with K. Mahar regarding Phase II approach; review sale process update memo prepared by Colliers; call with Marriott and Colliers regarding sale process; review Phase II call for offers.	3.5
3/13/2018	Review results of Delta brand standards audit and emails and discussions with S. Syed regarding same; internal update meeting; review email from A. Jeanrie regarding requirement to dewater; various update discussions with J. Bradley; review and provide comments on Phase II call for offers; emails and discussions with K. Mahar regarding Court availability, meeting to discuss proposed claims process, brand standards audit and Phase II of the sale process; review and sign off on Phase II call for offers.	3.1
3/14/2018	Attend team update meeting with J. Bradley and M. Réthoré; correspond with M. Réthoré regarding the Company's financials; emails regarding status of post-tension cables assessment; attend sale process update call with Colliers, Miller Thomson and KPMG; emails and discussions regarding forensic review; call with K. Mahar regarding proposed claims process; review draft claims process.	2.8
3/15/2018	Attend meeting with J. Bradley, M. Réthoré, K. Mahar and S. De Caria regarding the claims process and proposed deposit confirmation procedure; team discussion with J. Bradley, M. Réthoré and N. Fennema regarding call for claims process; review and provide comments on draft claims process and related matters; call with K. Mahar regarding various matters.	3.1
<b>Total</b>		<b>27.2</b>
<b>Colleen Basden</b>		<b>Hours</b>

3/6/2018	Meet to discuss report and observations with A. Cicirello and J. Thalla-Joel.	0.4
3/11/2018	Preliminary review of report.	2.0
3/13/2018	Review schedules to the report with D. Rostant, A. Cicirello, and J. Thalla-Joel.	5.5
3/14/2018	Various reviews of report and schedules and editing; various discussions regarding report with A. Cicirello and J. Thalla-Joel; call with M. Réthoré to discuss project timeline.	9.0
3/15/2018	Review report and supporting schedules; debrief and second person review with D. Rostant and A. Cicirello; finalize draft report and distribute.	6.8
<b>Total</b>		<b>23.7</b>

<b>Derek Rostant</b>		<b>Hours</b>
3/13/2018	Review forensic report; discuss with C. Basden, A. Cicirello, and J. Thalla-Joel.	2.0
3/15/2018	Review forensic report and supporting schedules with C. Basden and A. Cicirello.	3.5
<b>Total</b>		<b>5.5</b>

<b>Joseph Pietrantonio</b>		<b>Hours</b>
3/1/2018	Prepare for meeting regarding review of offers.	2.5
3/9/2018	Update call with Colliers and P. Brar to discuss strategy and status of project.	0.8
<b>Total</b>		<b>3.3</b>

<b>Janine Bradley</b>		<b>Hours</b>
3/1/2018	Team meeting with A. Gadia, M. Réthoré, and N. Fennema regarding the sales process; review revisions to	4.6

	the sale proceeds model; review the non-binding APAs; prepare for and attend meeting with Colliers and Miller Thomson to review the non-binding APAs and to discuss next steps.	
3/6/2018	Review banking information, cash flow actuals and financial reporting; review third party auditor engagement letter and comments regarding the same; review of various correspondences; various discussions with M. Réthoré regarding stakeholders of Tarn, sale process questions, and cash flow matters.	1.1
3/7/2018	Review bank reporting; update discussion with team regarding outstanding items; review of environmental report from environmental surveying agency; review of various correspondences with Miller Thompson.	1.2
3/9/2018	Prepare for and attend call with A. Gadia, M. Réthoré, Colliers, and Miller Thomson regarding an update on the sale process; discuss with M. Réthoré and M. Oommen regarding taxes; review materials for prior year tax returns.	1.8
3/12/2018	Review of various correspondences; review of the 2016 financials with M. Réthoré for posting to the data room.	1.1
3/13/2018	Various update discussions with A. Gadia; review of various correspondences; various emails regarding water systems on constructions site and insurance; review the Company's 2015 financial information and discuss with M. Réthoré.	1.8
3/14/2018	Prepare for and attend team update meeting with A. Gadia and M. Réthoré; prepare for and attend update call with Colliers; review of claims procedure; review of financial statements for Colliers; attend status meeting with A. Gadia, M. Réthoré, Miller Thompson, and Colliers regarding the sale process.	2.2
3/15/2018	Attend meeting with A. Gadia, M. Réthoré, K. Mahar, and S. De Caria regarding call for claims process; review of various correspondences; team discussion with A. Gadia, M. Réthoré and N. Fennema regarding call for claims process; call with M. Oommen to discuss potential bidder contract.	2.1

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<b>Total</b>		<b>15.9</b>
<b>Anna Maria Cicirello</b>		<b>Hours</b>
3/1/2018	Meet with J. Thalla-Joel regarding edits to schedules; review wire details.	1.9
3/2/2018	Call with M. Réthoré regarding review of wire payment details; meet with J. Thalla-Joel to revise schedules.	0.6
3/4/2018	Draft report; organize preliminary schedules.	6.4
3/5/2018	Review report and supporting documents with J. Thalla-Joel.	0.8
3/6/2018	Report review and discuss observations with J. Thalla-Joel and C. Basden.	0.8
3/7/2018	Reword report sections with J. Thalla-Joel and provide guidance for edits to schedule notes.	1.3
3/8/2018	Review outstanding report issues with J. Thalla-Joel; review schedules to revise notes for consistency in assumptions used.	3.0
3/9/2018	Review schedules 2, 3A, 3B, 3C; edit each schedule per review.	3.2
3/10/2018	Review remaining schedules 3D onward; edit each schedule per review.	4.6
3/12/2018	Review C. Basden comments on report; make additional edits to report; send notes to Jason Thalla-Joel; discuss review with M. Réthoré.	3.1
3/13/2018	Discuss and edit report with C. Basden, D. Rostant and J. Thalla-Joel.	3.9
3/14/2018	Discussion and edits to report with C. Basden and J. Thalla-Joel; discuss status of the review with M. Réthoré.	5.5
3/15/2018	Final revisions to report including second person review with C. Basden and D. Rostant.	2.2
<b>Total</b>		<b>37.3</b>

<b>Marcel Réthoré</b>	<b>Hours</b>	
3/1/2018	Attend call with M. Oommen regarding various initiatives; review proceeds model and provide comments to N. Fennema; internal meeting with A. Gadia, J. Bradley, and N. Fennema regarding the sale process; correspond with M. Oommen and Bennett Jones.	6.3
3/2/2018	Correspond with tax authorities and M. Oommen to coordinate a trust account review; coordinate payment to various vendors; attend call with A. Cicirello regarding the Forensics review of wire payment details; correspond with bank account manager regarding Forensic review.	2.4
3/5/2018	Correspond with stakeholders (condominium purchasers); correspond with creditors; correspond to S. De Caria regarding stakeholders of Tarn; correspond with bank.	1.6
3/6/2018	Review cash flow variance reporting package and provide comments to N. Fennema; correspond with third party lender; correspond to Colliers; correspond to M. Oommen and J. Bradley regarding stakeholders of Tarn; various discussions with J. Bradley regarding sale process questions and cash flow matters.	2.4
3/7/2018	Review cash flow variance reporting package and provide comments to N. Fennema; update content on the Liquidator's website; review daily cash flow; coordinate payment of vendors.	3.3
3/8/2018	Review statement of receipts and disbursements for the Second Report of the Liquidator.	2.0
3/9/2018	Attend call with A. Gadia, J. Bradley, Miller Thompson, and Colliers team regarding the sale process; discussion with J. Bradley and M. Oommen regarding taxes; attend call with stakeholder of Tarn; obtain information for an information request and coordinate dissemination of the requested information.	2.3
3/12/2018	Correspond with A. Cicirello regarding the Forensics review; correspond with Tarn's bank; review of the	2.9

statement of receipts and disbursements; review of the Company's 2016 financial information with J. Bradley for posting to the data room.

3/13/2018	Review the Company's financial information in order to post to the data room; correspond with Tarn's bank; correspondence to N. Fennema and M. Oommen regarding various tasks; discuss the Company's 2015 financial information with J. Bradley.	3.0
3/14/2018	Correspond with A. Gadia regarding the Company's financials; attend internal status update meeting with A. Gadia and J. Bradley; review request from a stakeholder regarding the sale process and draft response; attend status meeting with A. Gadia, J. Bradley, Miller Thompson and Colliers regarding the sale process; call with C. Basden to discuss project timeline; correspond with A. Cicirello regarding the status of the Forensics review.	4.0
3/15/2018	Attend meeting with A. Gadia, J. Bradley, K. Mahar and S. De Caria regarding the claims process; draft and circulate meeting minutes and updates to court order; team discussion with A. Gadia, J. Bradley, and N. Fennema regarding call for claims process.	3.8

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**Total** **34.0**

**Manoj Oommen** **Hours**

3/1/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; attend management meeting; calls with Hotel; call with M. Réthoré regarding various tasks; correspond with M. Réthoré and Bennett Jones.	7.5
3/2/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts; complete and review daily cash report; attend management meeting; calls with Hotel; call with M. Réthoré and tax authorities to coordinate trust account review.	8.5

3/5/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; internal meeting regarding external assistance; internal meeting regarding prior year's profit and loss statements; follow up and locate contact information for former employee; coordinate with Hotel IT team to have new computer and access set up; review and respond to multiple phone calls and emails to Tarn inbox.	7.5
3/6/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; review and perform analysis over invoices and cheques to be issued; internal meeting regarding hotel maintenance items; review and respond to multiple phone calls and emails to Tarn inbox; review television contracts and respond to inquiries; correspondence to M. Réthoré regarding stakeholders of Tarn.	11.0
3/7/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; perform reconciliation of profit and loss statements to audited financial statements.	5.5
3/8/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; review and performed analysis over purchase orders; attend meeting regarding multiple insurance policies and follow up items; perform analysis over and reconcile financial statements to audited financial statements.	7.5
3/9/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; discussion with J. Bradley and M. Réthoré regarding taxes.	4.5
3/12/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; call with tax authorities regarding account authorization; compile	5.0



and complete communication package for tax authorities and fax package; obtain and review 2016 Hotel Profit & Loss statements.

3/13/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; call with the tax authorities regarding account authorization; meet with management regarding status of financial statements; review and perform analysis over multiple invoices and approve cheque requisition for the week; review and respond to multiple calls and emails; meeting with management regarding software licenses; call with insurance provider and internal team regarding company vehicles.	8.0
3/14/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; call with the tax authorities regarding account authorization; obtain and review contracts; call with insurance provider and internal team meeting regarding company vehicles; obtain and perform analysis over list of shared network folder access; status update meeting with external team and extension of engagement; meet with management regarding bank account activity.	5.5
3/15/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; obtain and review multiple purchase orders; meet regarding purchase orders; call with tax authority regarding account authorization; call with J. Bradley to discuss potential bidder contract.	4.5

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<b>Total</b>		<b>75.0</b>
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<b>Stephanie Ly</b>		<b>Hours</b>
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3/15/2018	Work on QC report.	1.0
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<b>Total</b>		<b>1.0</b>
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<b>Nate Fennema</b>		<b>Hours</b>
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3/1/2018	Meet with A. Gadia, J. Bradley, and M. Réthoré regarding the sale process; revise model per discussion with team; update condominium deposits reconciliation.	4.4
3/2/2018	Revise sale process model; update condominium deposits reconciliation for February 2018 figures; review January 2018 bill for internal consistency.	3.8
3/5/2018	Prepare lender reporting package; review billing summary for February 2018.	4.1
3/6/2018	Prepare court report summary of receipts and disbursements; review billing summary for February 2018; revise cash flow reporting package per comments from M. Réthoré.	6.4
3/7/2018	Review billing summary for February 2018 for formatting and internal referencing.	1.1
3/8/2018	Review billing summary for September and October 2017 for formatting and internal referencing.	2.8
3/9/2018	Review billing summary for November 2017; begin to calculate total billings September 2017 through February 2018.	2.3
3/12/2018	Update billing descriptions, revise sales proceeds analysis.	1.8
3/13/2018	Update cash flow for actual values for week ended; revise sale proceeds analysis per updated Accounts Payable (“AP”) ledger; review all Tarn invoices to-date to reconcile AP ledger to date; update cash flow for court receipts and disbursements summary; review all time billings dockets and blackline each to indicate any changes; create time and expense summary for full period.	8.3
3/14/2018	Update cash flow for stop payments issued on stale-dated cheques; revise sale proceeds analysis for updated AP balance; review old invoices to ensure they are included in the current AP listing.	2.5
3/15/2018	Revise 2015 and 2016 detailed financial statements to link statements and reconcile with previously provided	3.8

statements; team meeting with A. Gadia, J. Bradley, and M. Réthoré regarding call for claims process.

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<b>Total</b>		<b>41.3</b>
<b>Jason Thalla-Joel</b>		<b>Hours</b>
3/1/2018	Prepare notes to the report schedules; meet with A. Cicirello regarding edits to schedules.	8.0
3/2/2018	Prepare notes to the report schedules, meet with A. Cicirello regarding report revisions.	8.2
3/3/2018	Prepare notes to the report schedules.	8.0
3/5/2018	Review report and supporting schedules with A. Cicirello.	8.5
3/6/2018	Report review and discuss observations with C. Basden and A. Cicirello; edit schedule notes.	9.0
3/7/2018	Reword report sections with A. Cicirello; edit schedule notes.	9.5
3/8/2018	Review outstanding report issues with A. Cicirello; review schedules to revise notes for consistency in assumptions used.	4.0
3/13/2018	Assist team with written portion of the report and the detailed notes on the schedules; discuss and edit report with C. Basden, D. Rostant, and A. Cicirello.	12.3
3/14/2018	Assist team with written portion of the report and the detailed notes on the schedules; discuss and edit report with C. Basden and A. Cicirello; update various notes on the schedules based on partner review.	8.7
3/15/2018	Based on revisions discussed with the team, update the schedules and report; assist the team in overall review of the report.	6.5
<b>Total</b>		<b>82.7</b>
<b>Paul Brar</b>		<b>Hours</b>

3/9/2018	Update call with Colliers and J. Pietrantonio to discuss strategy and status of the project.	1.0
3/14/2018	Weekly call with Colliers.	0.5
<b>Total</b>		<b>1.5</b>
<b>Asya Rzhevsky</b>		<b>Hours</b>
3/7/2018	Prepare bank wires to various suppliers.	1.0
3/12/2018	Prepare February 2018 bank reconciliation.	0.1
<b>Total</b>		<b>1.1</b>
<b>Grand Total</b>		<b>349.5</b>



**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 16, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182359  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during March 16 to 31, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation effective September 25, 2017 pursuant to the Ontario *Business Corporations Act*.

	Our Fee	\$	124,317.50 CAD
	Disbursements		108.83
			<b>124,426.33 CAD</b>
	HST		16,175.43
	Amount Due	\$	<b>140,601.76 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182359    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 140,601.76    CAD

**Professional Fees Summary - Tarn Financial Corporation**  
**For the period March 16 to 31, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	41.4	\$ 31,050.00
Colleen Basden	Partner	\$ 700.00	1.2	\$ 840.00
Derek Rostant	Partner	\$ 700.00	1.0	\$ 700.00
Joseph Pietrantonio	Partner	\$ 650.00	2.6	\$ 1,690.00
Janine Bradley	Senior Manager	\$ 575.00	28.8	\$ 16,560.00
Anna Maria Cicirello	Senior Manager	\$ 575.00	4.8	\$ 2,760.00
Cindy Neale	Senior Manager	\$ 550.00	0.3	\$ 137.50
Marcel Réthoré	Manager	\$ 450.00	43.7	\$ 19,642.50
Manoj Oommen	Senior Consultant	\$ 300.00	73.0	\$ 21,900.00
Nate Fennema	Senior Consultant	\$ 300.00	60.5	\$ 18,150.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	31.2	\$ 9,360.00
Julian Heisz	Senior Consultant	\$ 275.00	0.3	\$ 82.50
Paul Brar	Senior Consultant	\$ 275.00	1.0	\$ 275.00
Asya Rzhhevsky	Technician	\$ 225.00	5.2	\$ 1,170.00
<b>Total</b>			<b>294.9</b>	<b>\$ 124,317.50</b>

**Expense Summary**  
**For the period March 16 to 31, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation and miscellaneous	\$ 108.83
<b>Total</b>	<b>\$ 108.83</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
Summary of Activities for the Period March 16 to March 31, 2018**

<b>Anamika Gadia</b>		<b>Hours</b>
3/16/2018	Emails regarding post-tension cable assessment; call with K. Mahar regarding various matters including meeting with A. Akman's new counsel.	1.1
3/19/2018	Attend call with J. Bradley and Richter regarding tax matters; review draft forensic report and internal meeting regarding same; emails with A. Jeanrie regarding fee affidavit; review post-tension cable assessment report and related covering letter; various update discussions with J. Bradley; emails regarding due diligence requests from bidders; emails with Marriott regarding GXP; call with K. Mahar regarding sale process and Marriott; attend sale process update call with Colliers, Miller Thomson and KPMG.	5.7
3/20/2018	Emails regarding due diligence requests from bidders; review of email from Marriott and discussion with S. Syed regarding same; various discussions with J. Bradley, N. Fennema and M. Oommen; meeting with A. Akman's new counsel, Toplinsky Colson; call with K. Mahar regarding deposit confirmation procedure and involvement of Tarion and the Guarantee Company; emails and discussions regarding the sale process and call with K. Mahar regarding discussions with bidders' counsel.	4.5
3/21/2018	Emails and discussions regarding due diligence requests from bidders; call with K. Mahar regarding same; update discussions with J. Bradley; emails with K. Mahar regarding discussions with counsel to bidders; prepare for and attend call with J. Bradley and legal counsel to Tarion regarding deposit confirmation procedure; review materials provided by A. Slavens; call with Marriott and Colliers regarding the sale process.	5.1
3/22/2018	Review of Phase II bids received; emails and discussions regarding same; internal meeting to review and discuss Phase II bids; emails with various Phase II bidders to confirm deposits; review email from S. Syed regarding response to Marriott; call with A. Pirani	4.7

	regarding Phase II bids; call with K. Mahar regarding Phase II bids.	
3/23/2018	Discussions regarding investment of deposits received; prepare for and attend meeting with Colliers, Miller Thomson and KPMG to review and discuss Phase II bids and next steps; attend meeting with J. Bradley, C. Basden, A. Cicirello, and J. Thalla-Joel regarding forensic review; emails with A. Başığmez regarding the company vehicle; review and discussions regarding Marriott liquidated damages calculation.	3.5
3/26/2018	Emails and discussions regarding inquiries from condominium purchasers and creditors; review tax calculations prepared by Richter; update discussion with J. Bradley; call with K. Mahar regarding response to inquiries from condominium purchasers and creditors; meeting with Kingsett, Colliers and Miller Thomson to review and discuss Phase II bids and next steps; review emails from I. Roher regarding involvement in review of bids and call with K. Mahar regarding same.	2.8
3/27/2018	Emails with K. Mahar regarding calculation of Marriott liquidated damages; discussions with J. Bradley regarding tax calculations prepared by Richter; attend call with the Guarantee Company, Miller Thomson to discuss status of sale process and considerations with respect to the APSs; call with Meridian and Colliers to review and discuss Phase II bids and next steps; review and discussion of sale proceeds analysis; call with K. Mahar regarding same and APSs that are in default; email to R. Winegrad regarding Marriott liquidated damages calculation.	5.3
3/28/2018	Email from R. Winegrad regarding Marriott liquidated damages calculation; call with K. Mahar regarding sale proceeds analysis and capital gain tax analysis; review Phase II bid summary prepared by Miller Thomson; call with K. Mahar regarding meeting with shareholders counsel; attend meeting with Gowlings and K. Mahar to discuss sale process, proposed claims and deposit confirmation processes and receivership of Tarn Construction; internal status meeting with M. Réthoré, N. Fennema, and M. Oommen regarding the claims process.	4.6



3/29/2018	Emails with S. Ho regarding party interested in the sale process; call with A, MacFarlane and K. Mahar regarding status of the proceedings, sale process and other matters; review NDA to be signed by the Guarantee Company; review and discussions regarding items to be clarified in each bid; various update discussions with J. Bradley and M. Réthoré regarding sale process and call for claims.	3.9
3/30/2018	Emails from R. Winegrad and S. Syed regarding GXP implementation.	0.2
<b>Total</b>		<b>41.4</b>
<b>Colleen Basden</b>		<b>Hours</b>
3/23/2018	Status update meeting with A. Gadia, J. Bradley, A. Cicirello, and Jason Thalla-Joel.	1.2
<b>Total</b>		<b>1.2</b>
<b>Derek Rostant</b>		<b>Hours</b>
3/16/2018	Discuss Forensic report with A. Cicirello.	1.0
<b>Total</b>		<b>1.0</b>
<b>Joseph Pietrantonio</b>		<b>Hours</b>
3/23/2018	Discuss offers with team; prepare for offer discussion meeting.	2.5
3/26/2018	Discussions regarding offers.	0.1
<b>Total</b>		<b>2.6</b>
<b>Janine Bradley</b>		<b>Hours</b>
3/19/2018	Review various correspondences; review engineering report; review draft KPMG Forensics report; prepare for and attend call with A. Gadia and Richter regarding financial matters; review Tarn Construction information	7.0

	and forward to Richter; review draft tax letters and comment on the same; review affidavit and forward same to Bennett Jones; prepare for and attend update call with Colliers; call with R. Watters regarding report; review draft statement for call for claims of Tarn Construction; discussion with N. Fennema regarding the same; various update discussions with A. Gadia; review Tarn Construction information and provide same to Richter; review Tarn Construction materials to answer questions from KPMG Forensics.	
3/20/2018	Review environmental report; email correspondence regarding the same; review answers to Colliers questions prepared by company; forward responses to Colliers; review various correspondences; respond to inquiries from third party; review and update vendor listings; various discussions with A, Gadia, N. Fennema and M. Oommen regarding the same.	3.5
3/21/2018	Review vendor listings and provide to Colliers; review various information requests from Colliers and provide required information; update discussion with A. Gadia; prepare for and attend call with A. Gadia and legal counsel to Tarion regarding call for claims; prepare for and attend meeting with M. Réthoré and N. Fennema regarding call for claims and forensic review; prepare for and attend update meeting with M. Réthoré and M. Oommen regarding cash flow and operations; review of various correspondences; prepare materials for call for claims.	4.5
3/22/2018	Sale process update meeting with A. Gadia, M. Réthoré, and N. Fennema; review of Phase II bids; meet with M. Réthoré regarding call for claim forms; meet with A. Gadia to discuss Phase II bids.	4.2
3/23/2018	Review of Tarn Construction statement and revisions to the same; prepare for and attend meeting with A. Gadia, M. Réthoré, K. Mahar, G. Azeff and Colliers regarding the sales process; status update meeting with A. Gadia, C. Basden, A. Cicirello, and J. Thalla-Joel.	3.1
3/26/2018	Update discussion with A. Gadia; review of various correspondences.	1.0

3/27/2018	Review third party tax schedule; attend a call with M. Réthoré, A. Cicirello and J. Thalla-Joel regarding the exhibits to the Forensics report and new information request; attend a call with M. Réthoré and third party tax team to discuss the implications of taxes due on the sale transaction; update discussion with A. Gadia; discussion regarding deposit insurance and proceeds analysis; revisions to proceeds analysis.	2.1
3/28/2018	Review various correspondences; call with third party regarding taxes; review Miller Thomson's analysis of the Phase II bids.	2.2
3/29/2018	Various update discussions with A. Gadia and M. Réthoré regarding sale process and call for claims; review of various correspondences; deal with reinvestment of short term GICs.	1.2
<b>Total</b>		<b>28.8</b>

<b>Anna Maria Cicirello</b>		<b>Hours</b>
3/16/2018	Discuss report and schedules with D. Rostant; review schedule revisions by J. Thalla-Joel.	0.4
3/21/2018	Meeting with J. Thalla-Joel to review outstanding documentation list.	1.2
3/22/2018	Meeting with J. Thalla-Joel to review document references in report and reconcile equity balance to General Ledger; call with M. Réthoré regarding report.	0.5
3/23/2018	Status update meeting with A. Gadia, J. Bradley, C. Basden and Jason Thalla-Joel.	0.7
3/26/2018	Discuss schedule edits with J. Thalla-Joel.	0.2
3/27/2018	Attend a call with J. Bradley, M. Réthoré, and J. Thalla-Joel regarding the exhibits to the Forensics report and new information request; correspond with M. Réthoré regarding meeting follow-up points.	1.6
3/28/2018	Review specific payment details with J. Thalla-Joel.	0.2
<b>Total</b>		<b>4.8</b>

<b>Cindy Neale</b>		<b>Hours</b>
3/19/2018	Update call with Colliers.	0.3
<b>Total</b>		<b>0.3</b>

<b>Marcel Réthoré</b>		<b>Hours</b>
3/16/2018	Correspondence to N. Fennema and M. Oommen regarding various tasks; review the Company's financials for posting to the data room; draft and circulate email outlining the status of various tasks; draft letters to the tax authorities; draft correspondence to Bennett Jones.	3.0
3/21/2018	Correspondence to M. Oommen and N. Fennema regarding various tasks; review draft Forensics report; attend meeting with J. Bradley and N. Fennema regarding the Forensics report and claims process; attend meeting with J. Bradley and M. Oommen regarding cash flow and hotel operations.	4.8
3/22/2018	Review the Forensics report and attend call with A. Cicirello regarding the report; attend internal meeting regarding sales process with A. Gadia, J. Bradley, and N. Fennema; correspond with M. Oommen; research deposit holder claims process and draft a claims procedure form for deposit holders and meet to discuss with J. Bradley; correspond with a stakeholder regarding required reporting to a governmental agency.	7.3
3/23/2018	Correspond with a stakeholder regarding required reporting to a governmental agency; send a status update email to A. Gadia and J. Bradley regarding various items; attend a meeting with A. Gadia, J. Bradley, K. Mahar, G. Azeff and Colliers regarding the sales process.	3.5
3/26/2018	Correspond with stakeholders (condominium purchasers and creditors); draft correspondence addressed to Hotel Licensee and provide to A. Gadia to review; correspond with A. Gadia regarding recent inquiries on the Tarn	7.5

	voicemail box; determine action plan for Forensic requests with N. Fennema.	
3/27/2018	Correspond with stakeholders; correspond with K. Mahar regarding an inquiry from a stakeholder; review exhibits to the Forensics report; attend a call with J. Bradley, A. Cicirello and J. Thalla-Joel regarding the exhibits to the Forensics report and new information request; attend a call with A. Gadia, K. Mahar and representatives from an insurance company; attend a call with J. Bradley and third party tax team to discuss the implications of taxes due on the sale transaction; correspond with N. Fennema regarding the proceeds analysis; correspond with A. Cicirello regarding meeting follow-up points.	5.5
3/28/2018	Internal meeting with N. Fennema and M. Oommen to discuss the status of various tasks; review time dockets to be included in the Liquidator's Report to the Court; internal status meeting with A. Gadia, N. Fennema, and M. Oommen regarding the claims process; review of cash flow actuals reporting.	5.1
3/29/2018	Correspond with N. Fennema and M. Oommen regarding the status of various tasks; internal meetings with A. Gadia and J. Bradley regarding status of sale process and call for claims; correspond with J. Thalla-Joel clarifying additional requests; review and update a memo summarizing Phase II bids and necessary follow-up items.	7.0
<b>Total</b>		<b>43.7</b>
<b>Manoj Oommen</b>		<b>Hours</b>
3/16/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; multiple calls with car dealership in order to understand lease process and next steps.	3.0
3/19/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review Tarn Financial and Tarn Construction files for	7.5

	<p>prior year tax returns and notices of assessment; multiple calls with tax authorities regarding account access; create and send information package to tax authorities; follow up with management for profit and loss statements, review profit and loss statements and provide to team members.</p>	
3/20/2018	<p>Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; obtain, review and perform analysis over weekly cheque requisition; follow up with management regarding various cheques; obtain and review information to fulfill Colliers' request; obtain and review cheque details for vendor; perform reconciliation of Accounts Payable balance for Tarn Construction and Tarn Financial; internal meeting regarding Accounts Payable reconciliation; respond to calls and emails sent to Tarn inbox; various discussions with A. Gadia, J. Bradley, and N. Fennema regarding vendor listings.</p>	14.0
3/21/2018	<p>Review and obtain bank statement balances; obtain and review information relating to cash flow; correspond with M. Réthoré regarding various tasks; review multiple bank accounts and complete daily cash report; meet with J. Bradley and M. Réthoré regarding cash flow and hotel operations.</p>	5.5
3/22/2018	<p>Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; respond to calls and emails sent to Tarn inbox; review outstanding cheque list and issue stop payment on outstanding cheque; meet with management regarding requested items; review and perform analysis over purchase orders; follow up with management regarding purchase orders; draft and send email correspondence to car financiers in order to determine remaining payments; correspond with M. Réthoré.</p>	7.5
3/23/2018	<p>Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; obtain and review information provided by vehicle</p>	5.5

	financier; multiple calls to tax authorities regarding on-line account access.	
3/26/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review and perform analysis over purchase orders.	7.5
3/27/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; obtain, review and perform analysis over weekly cheque requisition; respond to calls and emails sent to Tarn inbox.	7.5
3/28/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; internal meeting with N. Fennema and M. Réthoré to discuss the status of various tasks; internal status meeting with A. Gadia, N. Fennema, and M. Réthoré regarding the claims process.	7.5
3/29/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; correspond with M. Réthoré regarding status of various tasks.	7.5

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<b>Total</b>		<b>73.0</b>
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<b>Nate Fennema</b>		<b>Hours</b>
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3/16/2018	Revise 2015 and 2016 detailed financial statements to format documents in line with totals per statements previously provided; prepare template detail statement to send to condo purchasers; revise January 2018 financial statements for formatting and data linkage to provide to potential buyers.	5.9
3/19/2018	Update cash flow for actual values to week ended March 16, 2018; prepare template claim letter for condo purchasers; revise claim template and prepare merged excel document including condo purchaser contact information as well as payment received information;	6.1

	discussion with J. Bradley regarding call for claims letter.	
3/20/2018	Review, link, and format February 2018 financial statements to be provided to potential buyers; review payment details of Tarn Construction for unique payment; create report regarding payments made; revise condo purchaser claims template to merge contact information and payments received information; review all invoices received to date per Tarn inbox and match details to Tarn Financial Accounts Payable and Tarn Construction Accounts Payable listing details; add any unmatched invoices to the Accounts Payable listing; various discussions with A. Gadia, J. Bradley, and M. Oommen regarding vendor listings.	12.7
3/21/2018	Review all broker invoices received per Tarn email inbox and match to the current Tarn Construction outstanding invoices listing; add any outstanding first instalment commission amounts due; finalize the Tarn Financial and Tarn Construction Accounts Payable listings as of March 20, 2018 for distribution to bidders; meeting with J. Bradley and M. Réthoré regarding call for claims and forensic review, forensics work to be done, and claims process preparation; begin preparing the Tarn Financial Accounts Payable vendor detail listing for claims process.	8.1
3/22/2018	Revise Tarn vendor listing for Tarn Financial Accounts Payable, Tarn Financial Employees, Tarn Construction Accounts Payable, and Tarn Construction Employees; complete various requests regarding Hotel Licensee charges to Tarn Financial; read each Phase II bid and update sales proceeds analysis for specifics of each bid; team meeting regarding sales process with A. Gadia, J. Bradley, and M. Réthoré; revise sales proceeds analysis.	8.3
3/23/2018	Revise vendor listing for claims process; revise sales proceeds calculation and print format entire workbook; prepare documents for meeting with KPMG, Colliers, and Miller Thompson to discuss Phase II bids.	4.3
3/26/2018	Revise condo purchaser listing for claims process; review KPMG Forensic team listing of information required and determine action plan with M. Réthoré.	2.1



3/27/2018	Revise condo purchaser listing for claims process; review sales proceeds analysis for taxes payable information obtained; review and compile deposit insurance agreements; correspond with M. Réthoré regarding sale proceeds analysis.	3.2
3/28/2018	Revise condo purchaser listing for claims process; internal meeting with M. Réthoré and M. Oommen to discuss the status of various tasks; update cash flow forecast for actual values for week ending March 23, 2018; meet with A. Gadia, M. Réthoré, and M. Oommen regarding claims process; prepare summary of issues noted per Phase II bids.	5.7
3/29/2018	Revise Phase II bid summary of issues noted; revise cash flow for new information obtained from client; revise sale proceeds analysis for tax issues noted by A. Gadia; correspond with M. Réthoré regarding status of various tasks.	4.1
<b>Total</b>		<b>60.5</b>

**Jason Thalla-Joel**

**Hours**

3/16/2018	Tie out and reference the draft report so that each number is referenced to the appropriate source.	5.0
3/19/2018	Tie out and reference the draft report so that each number is referenced to the appropriate source.	5.0
3/20/2018	Review general ledger details to understand the nature of payments and receipts.	3.0
3/21/2018	Meeting with A. Cicirello to review outstanding documentation list.	1.0
3/22/2018	Meeting with A. Cicirello to review document references in report and reconcile equity balance to General Ledger.	3.0
3/23/2018	Status update meeting with A. Gadia, J. Bradley, C. Basden and A. Cicirello.	4.5

3/26/2018	Discuss schedule edits with A. Cicirello; based on discussions with the team, revise a list of transactions which require further evidence.	2.5
3/27/2018	Discuss with the team regarding schedules, review general ledger details to understand the nature of the payments and receipts; attend a call with J. Bradley, M. Réthoré, and A. Cicirello regarding the exhibits to the Forensics report and new information request.	4.0
3/28/2018	Review the general ledger to understand the flow of transactions regarding Tarn's company cars; review specific payment details with A. Cicirello.	2.0
3/29/2018	Respond to team inquiries on various transactions which require further details from the bank; correspond with M. Réthoré clarifying additional requests.	1.2
<b>Total</b>		<b>31.2</b>

<b>Julian Heisz</b>		<b>Hours</b>
3/22/2018	Create shared folder between the AccPac Virtual Monitor and the host machine.	0.3
<b>Total</b>		<b>0.3</b>

<b>Paul Brar</b>		<b>Hours</b>
3/22/2018	Perform analysis of Phase II bids.	1.0
<b>Total</b>		<b>1.0</b>

<b>Asya Rzhevsky</b>		<b>Hours</b>
3/19/2018	Prepare wire to legal counsel.	0.3
3/20/2018	Prepare wire to Hotel Licensee; email and telephone bank to request indication of interest rates on GIC's.	0.6
3/21/2018	Prepare payment for liquidator's fees; courier payment to accounting.	0.3

3/22/2018	Monitor bank account for wires; email and phone calls to bank and purchasers.	0.4
3/23/2018	Telephone and emails to/from bank regarding incoming wires; prepare letter to request purchase of six new investments; prepare wire between bank accounts.	1.1
3/26/2018	Set up six GIC's in Ascend.	1.0
3/27/2018	Prepare forms for six new GIC's and mail to bank; prepare wire to service provider.	0.8
3/28/2018	Prepare wire to service provider.	0.3
3/29/2018	Prepare letter to bank to change instructions for the investments.	0.4
<b>Total</b>		<b>5.2</b>
<b>Grand Total</b>		<b>294.9</b>



**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 17, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182529  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during April 1 to 15, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation and Court-appointed Receiver of Tarn Construction Corporation.

	Our Fee	\$	167,680.00 CAD
	Disbursements		480.16
		\$	168,160.16 CAD
	HST		21,860.83
	Amount Due	\$	190,020.99 CAD

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182529    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 190,020.99 CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation and Tarn Construction Corporation  
For the period April 1 to 15, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	65.9	\$ 49,425.00
Joseph Pietrantonio	Partner	\$ 650.00	1.8	\$ 1,170.00
Janine Bradley	Senior Manager	\$ 575.00	41.3	\$ 23,747.50
Anna Maria Cicirello	Senior Manager	\$ 575.00	4.5	\$ 2,587.50
Marcel Réthoré	Manager	\$ 450.00	74.2	\$ 33,390.00
Manoj Oommen	Senior Consultant	\$ 300.00	68.5	\$ 20,550.00
Nate Fennema	Senior Consultant	\$ 300.00	70.8	\$ 21,240.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	42.0	\$ 12,600.00
Asya Rzhovsky	Technician	\$ 225.00	2.2	\$ 495.00
Linh Hang	Technician	\$ 225.00	11.0	\$ 2,475.00
<b>Total</b>			<b>382.2</b>	<b>\$ 167,680.00</b>

**Expense Summary  
For the period April 1 to 15, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation and meals	\$ 480.16
<b>Total</b>	<b>\$ 480.16</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
and Court-appointed Receiver of Tarn Construction Corporation  
Summary of Activities for the Period April 1 to April 15, 2018**

<b>Anamika Gadia</b>	<b>Hours</b>
4/1/2018	0.3
Emails with K. Mahar; emails with Colliers, A. Slavens and A. MacFarlane.	
4/2/2018	8.2
Call with K. Mahar regarding clarifying Phase II bids received, proposed deposit confirmation procedure and upcoming chambers attendance; review bid clarification summary and related questions; prepare for and attend call with Colliers, Miller Thomson, J. Bradley, M. Réthoré regarding sale process next steps and bid clarification process; emails with Marriott regarding GPX implementation; emails with S. Syed regarding new contracts; emails regarding a company vehicle, NDA for the Guarantee Company and tax analysis; call with A. Slavens, A. MacFarlane and K. Mahar to discuss proposed deposit confirmation procedure; review and amend second report to Court; call with J. Bradley and M. Réthoré to discuss same; call with K. Mahar regarding various matters related to sale process bid clarification process and materials for upcoming motion.	
4/3/2018	5.9
Emails regarding Tarn Construction information for the draft receivership order; call with K. Mahar regarding bid clarification process; call with P. Thomson regarding clarification of bid; review and provide comments on updated draft of claims process; review tax analysis prepared by Richter; review draft statement of receipts and disbursements; update call with J. Bradley and M. Réthoré regarding file status and court materials; numerous calls with K. Mahar regarding considerations relating to upcoming motion and materials for same.	
4/4/2018	3.5
Call with K. Mahar regarding chambers attendance and proposed relief to be sought; call with K. Mahar and J. Bradley to discuss outcome of chambers attendance; review email from M. Nowina regarding Marriott liquidated damages; call with Colliers and K. Mahar to discuss approach for final phase of the sale process; numerous calls with K. Mahar regarding considerations	

relating to request from I. Roher and upcoming motion and materials for same discussion with J. Bradley regarding Court report, tax analysis and sale proceeds analysis.

4/5/2018	Brief call with M. Réthoré regarding file status; numerous emails with K. Mahar regarding final phase of the sale process; emails with Colliers and K. Mahar regarding discussions with bidders regarding clarification items and final phase of the sale process; review sale proceeds analysis; review email from M. Nowina; numerous call with K. Mahar to discuss same, draft orders, email to I. Roher, and Colliers' discussions with bidders; review and provide comments on draft receivership order; call with J. Bradley regarding draft receivership order; discussion with J. Bradley and M. Réthoré regarding sale proceeds analysis; prepare for and attend call with Miller Thomson, J. Bradley and M. Réthoré regarding draft receivership order and sale process related matters; calls with K. Mahar regarding relief to be sought, materials for upcoming motion, emails with I. Roher and call with P. Shae; further call with J. Bradley and M. Réthoré regarding fee affidavits, court materials and sale proceeds analysis; review and provide comments on draft deposit confirmation procedure order; review email to Miller Thomson with comments on draft claims process order; extensive call with J. Bradley and M. Réthoré regarding draft deposit confirmation procedure order; review email to Miller Thomson with comments.	7.7
4/6/2018	Internal update call regarding materials for upcoming motion and related matters; emails with Colliers regarding discussions with bidders; call with Miller Thomson, J. Bradley and M. Réthoré to discuss proposed deposit confirmation procedure; review emails from P. Thomson and I. Roher; call with K. Mahar to discuss same; calls with J. Bradley and M. Réthoré regarding matters relating to the claims process, deposit confirmation procedure and fee affidavits; call with K. Mahar regarding a number of matters relating to the motion, Court report and motion materials;	5.3
4/7/2018	Review and provide comments on draft claims procedure order, receivership order, deposit	6.2

	confirmation procedure order and ancillary order; emails regarding second report and discussions regarding same.	
4/8/2018	Review and provide comments on further drafts of the claims procedure order, receivership order, deposit confirmation procedure order and ancillary order; emails regarding second report and discussions regarding same; call with K. Mahar regarding court materials and second report; review and provide comments on draft of second report; review KPMG, Miller Thomson and Bennett Jones fee affidavits and provide comments.	4.8
4/9/2018	Review and provide comments on second report; numerous calls with K. Mahar, J. Bradley and M. Réthoré regarding same; review and finalize KPMG fee affidavit.	5.5
4/10/2018	Attend meeting with J. Bradley and Colliers to open and review final round bids; call with J. Pietrantonio to discuss same; team update discussion with J. Bradley and M. Réthoré; prepare for and attend call with Richter, J. Bradley, and M. Réthoré regarding taxes; prepare for and attend call with J. Bradley, Colliers and Miller Thomson to discuss Phase III bids; prepare for and attend update call with Bennett Jones, J. Bradley, and M. Réthoré regarding deposit confirmation procedure; call with K. Mahar to discuss tax matters; emails to D. Pollack regarding final bids received.	4.6
4/11/2018	Emails to Meridian and Kingsett with latest sale process update; emails with A. Başgömez regarding the company vehicle; prepare for and attend meeting with J. Bradley, M. Réthoré and Miller Thomson regarding preparation for call for claims, deposit confirmation procedure, tax matters, next steps in the sale process; call with K. Mahar and I. Roher regarding second report; call with K. Mahar regarding calls with Sunray and its financing party; internal discussions regarding preparation for call for claims and deposit confirmation procedure.	4.4
4/12/2018	Review updated tax analysis prepared by Richter; discuss vendor listing with M. Réthoré; numerous emails and discussions regarding claims process and related documents; call with K. Mahar and I. Roher regarding wording for endorsement; review subsequent	3.8



email exchange regarding same; emails with Y. Yan regarding tax analysis; emails with Marriott regarding sale process; emails with Colliers; call with D. Pollack regarding motion and related matters.

4/13/2018	Prepare for and attend Court hearing; call with K. Mahar and K. Gibson; numerous discussions regarding claims process and related documents.	5.1
4/14/2018	Emails with R. Winegrad regarding sale process.	0.2
4/15/2018	Emails and review materials related to the claims process.	0.4
<b>Total</b>		<b>65.9</b>

<b>Joseph Pietrantonio</b>		<b>Hours</b>
4/2/2018	Attend conference call.	0.8
4/10/2018	Attend conference call and follow up discussion with A. Gadia.	1.0
<b>Total</b>		<b>1.8</b>

<b>Janine Bradley</b>		<b>Hours</b>
4/2/2018	Review of various correspondences; prepare for and attend call with Colliers, Miller Thomson, A. Gadia, M. Réthoré regarding review of draft court report; attend conference call with A. Gadia and M. Réthoré regarding the same; various emails with third party accounting firm regarding taxes; discuss sale of vehicle with M. Réthoré and M. Oommen.	3.8
4/3/2018	Review of draft claims process order and comment on the same; make revisions to court report; review of draft Receipts and Disbursements (“R&D”) summary; review of various correspondences; review of revised tax accounting by third party accounting firm; update call with A. Gadia and M. Réthoré regarding file status and court materials.	5.1
4/4/2018	Prepare for and attend court; review various correspondences; update discussion with A. Gadia;	4.2

	various discussions with M. Réthoré regarding waterfall calculations; review of draft receivership order; prepare for attend call with third party accounting firm and M. Réthoré regarding capital tax calculations.	
4/5/2018	Call with A. Gadia regarding Draft Receivership order; discussion with A. Gadia and M. Réthoré regarding waterfall calculation; review of various correspondences; prepare for and attend call with Miller Thomson, A Gadia and M. Réthoré regarding draft receivership order and update on sale matters; further update call with A. Gadia and M. Réthoré regarding fee affidavits, court proceedings and waterfall calculation; review of draft Deposit Claim Confirmation Order; extensive call with A. Gadia and M. Réthoré regarding the same; prepare emails to Miller Thomson regarding Tarn Construction.	5.8
4/6/2018	Attend team update meeting; update call with A. Gadia; various discussions regarding call for claims and deposit confirmation; review of various correspondences; review of draft affidavits for Bennett Jones, KPMG, and Miller Thomson; review of mailing lists for call for claims; review of revised call for claims order; internal status meeting with M. Réthoré, M. Oommen, and N. Fennema.	4.1
4/7/2018	Review of various correspondences regarding court orders and draft report; review and comment on Auxiliary order, claims order, receivership order, deposit confirmation order; preparation of R&D section of the court report.	3.1
4/8/2018	Review and comment on the draft court report; various email correspondence regarding the same.	2.1
4/9/2018	Finalization of court report and fee affidavits; various correspondences regarding the same; discussion with N. Fennema regarding deposit statements; various calls with K. Mahar; review and revise time dockets.	4.6
4/10/2018	Prepare for and attend meeting with A. Gadia and Colliers to open and review Phase III bids; team update discussion with A. Gadia and M. Réthoré; meeting with M. Réthoré and N. Fennema regarding call for claims mailing; prepare for and attend call with third party	5.1

accounting firm, A. Gadia, and M. Réthoré regarding taxes; prepare for and attend call with A. Gadia, Colliers and Miller Thomson to discuss Phase III bids; prepare for and attend update call with Bennett Jones, A. Gadia, and M. Réthoré regarding deposit confirmation procedure; discussion with M. Réthoré regarding 2017 financial statements.

4/11/2018	Prepare for and attend meeting with A. Gadia, M. Réthoré and Miller Thomson regarding call for claims, Phase III bids, sale approval motion; discussion with N. Fennema regarding fee affidavits for next passing; deposit confirmation statements and mailing for call for claims; discussion with M. Oommen regarding call for claims; review of various correspondences; discussion with M. Réthoré regarding Web-site update.	3.4
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<b>Total</b>		<b>41.3</b>
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<b>Anna Maria Cicirello</b>		<b>Hours</b>
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4/2/2018	Review new bank details from M. Réthoré.	0.1
4/3/2018	Call with J. Thalla Joel regarding boxes of data received; discuss plan regarding team allocations.	0.5
4/4/2018	Discussion with J. Thalla-Joel regarding document reviews; call with M. Réthoré regarding outstanding documents and timeline.	0.8
4/5/2018	Review email from M. Réthoré.	0.3
4/9/2018	Meeting with M. Réthoré; update with J. Thalla-Joel.	0.8
4/10/2018	Update with J. Thalla-Joel regarding document review.	0.2
4/11/2018	Meeting with J. Thalla-Joel and L. Hang regarding division of work; review bank statements regarding additional cheques.	0.6
4/13/2018	Update call with M. Réthoré; review updated schedules to see changes to report regarding new information.	1.2

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<b>Total</b>		<b>4.5</b>
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Marcel Réthoré	Hours	
4/2/2018	Review information request from A. Cicirello and draft and send correspondence to banks regarding the information request; prepare for and attend call with Colliers, Miller Thomson, A. Gadia, and J. Bradley regarding review of draft court report; discuss sale of vehicle with J. Bradley and M. Oommen; review the prior year audit report as it relates to the Forensics financial review; review the cash flow forecast and send comments to N. Fennema; attend internal meeting with A. Gadia and J. Bradley regarding draft court report; begin drafting summary of Sale Process offers.	6.9
4/3/2018	Discuss various tasks with N. Fennema; review various documents related to the Motion Materials and the Second Report of the Liquidator and give comments to N. Fennema; review the Summary of Receipts and Disbursements to be included in the Second Report of the Liquidator and send to J. Bradley for review; update draft of the summary of Sale Process offers; attend update call with A. Gadia and J. Bradley regarding file status and court materials.	6.7
4/4/2018	Discuss various tasks with N. Fennema and M. Oommen; review Proceeds Analysis and send comments to N. Fennema; update Proceeds Analysis and notes; correspondence to Bennett Jones regarding stakeholder (condominium purchaser) inquiry; call with A. Cicirello regarding outstanding documents and timeline; review pre-filing balance outstanding to Marriott; attend call with third party accounting firm and J. Bradley regarding tax on a sale transaction; various discussions with J. Bradley regarding waterfall calculations.	6.1
4/5/2018	Update the cash flow forecast and variance analysis; attend brief call with A. Gadia regarding file status; update Proceeds Analysis; review court materials including the Receivership Order, Deposit Confirmation Procedure Order; attend call with A. Gadia, J. Bradley and Miller Thomson regarding the draft receivership order and sale matters; further update call with A. Gadia and J. Bradley regarding fee affidavits, court proceedings and waterfall calculation; brief phone call with bank account manager regarding the Forensic	9.0

	financial review information request; extensive call with A. Gadia and J. Bradley regarding Deposit Claim Confirmation Order.	
4/6/2018	Attend call with A. Gadia, K. Mahar and S. De Caria regarding the Deposit Confirmation Procedure Order and process; discuss various tasks with M. Oommen and N. Fennema; attend call with bank account manager regarding the Forensic financial review information request; internal status meeting with J. Bradley, M. Oommen and N. Fennema; update, review and finalize the appendices to the Second Report of the Liquidator, including the fee affidavit; review court materials including the Claims Procedure Order and the Deposit Confirmation Procedure Order and send comments to A. Gadia.	7.4
4/8/2018	Review the Second Report of the Liquidator and send comments to internal team and Miller Thomson.	0.6
4/9/2018	Update, review and finalize the appendices to the Second Report of the Liquidator; meeting with A. Cicirello.	8.4
4/10/2018	Review and update the appendices to the Second Report of the Liquidator; internal status meeting with A. Gadia and J. Bradley; call with M. Oommen regarding 2017 financials; discussion with J. Bradley regarding 2017 financial statements; attend a sale process update call with Colliers, Miller Thomson, A. Gadia and J. Bradley; attend call with third party accounting firm, A. Gadia, and J. Bradley regarding taxes; attend call with Bennett Jones, A. Gadia and J. Bradley regarding a status update and the Deposit Confirmation Procedure; meeting with J. Bradley and N. Fennema regarding call for claims mailing.	6.8
4/11/2018	Correspondence to and call with contractors regarding the development property fence; correspondence to Miller Thomson regarding the development property fence; draft update for the Liquidator's website and discussion with J. Bradley regarding the same; attend meeting with Miller Thomson, A. Gadia and J. Bradley regarding file call for claims, Phase III bids, sale approval motion; call with S. Shen (Bennett Jones)	6.1

	regarding the Deposit Confirmation Procedure; call with Tarn management regarding various payroll matters.	
4/12/2018	Draft update for the website; update the website with various motion materials; discussion with M. Oommen regarding hotel maintenance; review and update the claims listing; correspondence to Miller Thomson regarding the claims listing; review the cash flow forecast; discuss vendor listing with A. Gadia.	7.0
4/13/2018	Review vendor listing and provide comments to N. Fennema; review and update the mailing document; discuss the cash flow with N. Fennema; draft correspondence to S. De Caria regarding the claims process; update call with A. Cicirello; discuss mailing logistics with A. Rzhevsky; prepare documents for and assist with mailing; correspondence to Miller Thomson regarding newspaper advertisements; review the Claims Procedure 'Frequently Asked Questions' document.	6.3
4/14/2018	Review the Claims Procedure and Deposit Confirmation Procedure 'Frequently Asked Questions' documents;	0.7
4/15/2018	Review and update the variance reporting, cash flow forecast and accompanying notes.	2.2
<b>Total</b>		<b>74.2</b>

**Manoj Oommen**

**Hours**

4/2/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review and resolved email regarding Tarn Construction employee and tax inquiry; draft letter to authorities regarding water taking activities for 2017; obtain contact information for environmental authorities and provide letter by email and fax; perform analysis over used vehicle market value and provide update to internal team; obtain online access to tax authority my business account and pull historical T2 Income Tax returns; discuss sale of vehicle with J. Bradley and M. Réthoré.	7.5
4/3/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review	7.5

	multiple bank accounts and complete daily cash report; attended management meeting; follow up with Meridian regarding transaction on daily bank statement; meet with management to confirm details of previous room renovations; obtain and perform analysis over cheque requisitions for the week; follow up with management regarding various cheques.	
4/4/2018	Discuss various tasks with M. Réthoré and N. Fennema; review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; obtain and review Bennett Jones' request to determine status of a real estate agent's request; obtain and review invoice from third party accounting firm and follow up regarding payee information.	4.0
4/5/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; submit nil returns for payroll source deductions and GST/ HST returns for Tarn Construction for the first quarter in 2018; meet with management regarding KPMG Forensics information request; search through accounting storage office in order to locate documents relating to KPMG Forensics information request.	7.5
4/6/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; catalogue documents obtain from accounting storage office and index the documents to KPMG Forensics request; discuss various tasks with M. Réthoré and N. Fennema; internal status meeting with J. Bradley, M. Réthoré, and N. Fennema.	4.0
4/9/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review time docket; obtain and review draft Claims Process Notice; reformat Claims Process Notice and locate appropriate personnel at newspaper publications; internal meeting regarding Claims Process Notice.	5.5

4/10/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; receive cheque requisition and follow up with management regarding various cheques; meet with management regarding various maintenance projects and fence surrounding construction site; review and responded to multiple calls and emails to Tarn inbox; review proof provided by newspaper publications and recommend changes.	8.0
4/11/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; discussion with J. Bradley regarding call for claims; review multiple bank accounts and complete daily cash report; contact shareholder to have company vehicle inspected by dealership; follow up with management in order to have pictures of fence provide to vendor; obtain and review amended Claims Process Notice proof; internal meeting regarding Claims Process Notice and contacted KPMG Marketing in order to determine if approval is required.	5.0
4/12/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; obtain and review purchase orders for the week; meet with management regarding various purchase orders; attend dealership in order to have company vehicle inspected; discussion with M. Réthoré regarding hotel maintenance; internal meeting regarding Tarn Financial vendor listing; review and provide vendor listing and license information to team member; meeting with accounting department regarding 2018 property tax information; review property tax information provide and forward to team members; review and respond to multiple calls and emails to Tarn inbox.	8.0
4/13/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; provide construction site keys to management in order to have the damaged fence fixed; meet with management regarding court materials posted to Tarn	4.0



	Financial website; review and respond to multiple calls and emails to Tarn inbox.	
4/16/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review time docket; obtain and review draft Claims Process Notice; reformat Claims Process Notice and locate appropriate personnel at newspaper publications; internal meeting regarding Claims Process Notice; contact KPMG IT to have Creditor Link website updated for recent changes; review Master Claims list to verify completeness; internal meeting regarding Master Claims list.	7.5
<b>Total</b>		<b>68.5</b>
<b>Nate Fennema</b>		<b>Hours</b>
4/2/2018	Update cash flow forecast for actual values for week ended March 30, 2018; revise cash flow and generate receipts and disbursements summary for second court report; create summary of time billed to date by invoice and by employee for second court report.	8.1
4/3/2018	Discuss various tasks with M. Réthoré; revise cash flow for edits received from M. Réthoré; revise sale proceeds analysis for comments from M. Réthoré; complete summary of time billed to date by invoice and employee for second court report; prepare condominium purchaser claims summary for distribution.	7.8
4/4/2018	Revise sale proceeds analysis for comments from M. Réthoré and A. Gadia; discuss various tasks with M. Réthoré and M. Oommen; revise condominium purchaser template; compile Tarn Financial Corporation and Tarn Construction Corporation Vendor listing contact details in preparation of claims process.	8.3
4/5/2018	Revise sale proceeds analysis for comments from M. Réthoré; update Tarn vendor listing for all employees per Hotel records; search through physical financial records for KPMG Forensic team requests; compile requested documents and create document index.	7.6

4/6/2018	Revise sale proceeds analysis for comments from M. Réthoré; revise vendor listing for comments from J. Bradley; team update meeting with J. Bradley, M. Réthoré, and M. Oommen; revise vendor listing to include condominium brokers' information; recalculate Bennett Jones affidavit details to exclude pre-filing details and details after court reporting period; revise KPMG affidavit details for second court report and prepare schedules as exhibits.	7.7
4/9/2018	Review and edit time dockets for second court report; review and edit exhibits for second court report; update condominium purchaser deposit confirmation form for edits provided by Miller Thompson; prepare mail merge for condominium purchaser deposit confirmations; update cash flow for actual values to April 6, 2018.	8.9
4/10/2018	Update cash flow for actual values to April 6, 2018 and provide variance analysis to M. Réthoré; update vendor listing for claims process for legislative vendors; post motion materials to the Tarn KPMG website; circulate updated cash flow and sale proceeds and answer various related questions regarding methodology of each; meeting with J. Bradley and M. Réthoré regarding call for claims mailing.	4.3
4/11/2018	Update vendor listing for claims process for noted incorrect vendor address; post materials to Tarn KPMG website; discussion with J. Bradley regarding fee affidavits for next passing; meeting with M. Réthoré and M. Oommen to discuss sales process and claims process; update cash flow for required reporting to secured creditor.	3.8
4/12/2018	Revise time description details for January and February 2018; update cash flow for required reporting to secured creditor; revise claims process vendor listing for employee addresses determined via manual search; revise time dockets for January through March 2018 based on WIP to date.	7.2
4/13/2018	Revise time descriptions and hour details for billings in March 2018; discuss the cash flow with M. Réthoré; revise cash flow per comments from M. Réthoré; update vendor listing for claims process; update condominium	7.1

purchaser deposit statement form for comments from M. Réthoré and S. Shen (Bennett Jones).

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<b>Total</b>		<b>70.8</b>
<b>Jason Thalla-Joel</b>		<b>Hours</b>
4/2/2018	Review information received from bank, perform research on potential related parties and revise the source and use analysis in accordance with new information gathered.	4.0
4/3/2018	Call with A. Cicirello regarding boxes of data received; revise the source and use analysis in accordance with new information gathered.	3.5
4/4/2018	Revise the source and use analysis and report schedules in accordance with new information gathered; discussion with A. Cicirello regarding document reviews.	3.0
4/9/2018	Review additional documents received from Tarn Financial Corporation; update the source and use working papers with additional information provided; updated discussion with A. Cicirello.	5.0
4/10/2018	Review additional documents received from Tarn Financial Corporation; update with A. Cicirello regarding document review; update the source and use working papers with additional information provided; create a working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.	7.3
4/11/2018	Review of additional documents received from Tarn Financial Corporation; update the source and use working papers with additional information provided; meeting with A. Cicirello and L. Hang regarding division of work; continue the analysis of expenses charged through Tarn Financial Corporation credit cards.	8.0
4/12/2018	Review of additional documents received from Tarn Financial Corporation; update the source and use working papers with additional information provided;	6.7

create a working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.

4/13/2018	Review of additional documents received from Tarn Financial Corporation; update the source and use working papers with additional information provided; create a working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards; review documents received and prepare an outstanding list of documents requested by KPMG.	4.5
<b>Total</b>		<b>42.0</b>
<b>Asya Rzhevsky</b>		<b>Hours</b>
4/6/2018	Prepare payment for liquidator's fees for December 2017; courier details to accounting.	0.5
4/9/2018	Photocopy professional fees invoices paid through bank account for HST reporting; prepare bank reconciliation.	1.0
4/12/2018	Renew six investments.	0.3
4/13/2018	Renew investments and update R&D; discuss mailing logistics with M. Réthoré.	0.4
<b>Total</b>		<b>2.2</b>
<b>Linh Hang</b>		<b>Hours</b>
4/11/2018	Meeting with A. Cicirello and J. Thalla-Joel regarding division of work; input cheque details.	2.5
4/12/2018	Input cheque details.	8.5
<b>Total</b>		<b>11.0</b>
<b>Grand Total</b>		<b>382.2</b>



**KPMG Inc.**  
 Suite 4600 Bay Adelaide Centre  
 333 Bay Street  
 Toronto, ON M5H 2S5

**Payment Address:**  
 KPMG LLP, T4348  
 P.O. Box 4348, Station A  
 Toronto, ON M5W 7A6

July 18, 2018

Tarn Financial Corporation  
 2035 Kennedy Road  
 Toronto, ON M1T 3G2

Consolidated Invoice : 7000182700  
 Reference : 2000720698  
 Client : 1002437530  
 Contact : Anamika Gadia  
 Telephone : (416) 777-3842  
 Email : agadia@kpmg.ca

For professional services rendered for the period during April 16 to 30, 2018, in our capacity as Court appointed Liquidator of Tarn Financial Corporation and Court appointed Receiver of Tarn Construction Corporation.

Our Fee	\$	171,075.00 CAD
Disbursements		6,651.34
		<b>\$ 177,726.34 CAD</b>
HST		23,104.42
		<b>\$ 200,830.76 CAD</b>

Payment is due upon receipt

**CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6**  
 Please return remittance advice with cheque.

**CAD Wire Payments: Beneficiary: KPMG LLP**

**Invoice No:** 7000182700    **Reference:** 2000720698    **Client:** 1002437530    **Amount:** \$ 200,830.76    CAD

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Professional Fees Summary - Tarn Financial Corporation and Tarn Construction Corporation  
For the period April 16 to 30, 2018**

<b>Name</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	60.4	\$ 45,300.00
Steven Hurowitz	Partner	\$ 950.00	4.0	\$ 3,800.00
Joseph Pietrantonio	Partner	\$ 650.00	0.7	\$ 455.00
Janine Bradley	Senior Manager	\$ 575.00	37.5	\$ 21,562.50
Anna Maria Cicirello	Senior Manager	\$ 575.00	3.2	\$ 1,840.00
Marcel Réthoré	Manager	\$ 450.00	60.9	\$ 27,382.50
Manoj Oommen	Senior Consultant	\$ 300.00	78.0	\$ 23,400.00
Nate Fennema	Senior Consultant	\$ 300.00	69.1	\$ 20,730.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	47.0	\$ 14,100.00
Jack Ellison	Staff Accountant	\$ 275.00	17.0	\$ 4,675.00
Asya Rzhovsky	Technician	\$ 225.00	18.4	\$ 4,140.00
Linh Hang	Technician	\$ 225.00	16.4	\$ 3,690.00
<b>Total</b>			<b>412.6</b>	<b>\$ 171,075.00</b>

**Expense Summary  
For the period April 16 to 30, 2018**

<b>Type</b>	<b>Amount (\$)</b>
Transportation and meals	\$ 215.18
Miscellaneous call for claims	\$ 6,436.16
<b>Total</b>	<b>\$ 6,651.34</b>

**KPMG Inc. in its capacity as Court-appointed Liquidator of Tarn Financial Corporation  
and Court-appointed Receiver of Tarn Construction Corporation  
Summary of Activities for the Period April 16 to April 30, 2018**

<b>Anamika Gadia</b>		<b>Hours</b>
4/16/2018	Review of and emails regarding materials for claims process mailing; calls with M. Réthoré regarding same and status of mailing; review of and emails regarding materials for deposit confirmation process; emails and discussions regarding deposits to be returned to bidders; emails and calls with S. Syed regarding leak at the hotel; calls with A. Pirani regarding same and scheduled hotel tour; review and provide comments on update for website; review and provide comments on claims process FAQs; call with J. Pietrantonio regarding sale process; call with A. Pirani regarding discussion with back-up bidder; subsequent call with K. Mahar regarding same; emails with K. Mahar and A. Pirani regarding back-up bidder; emails to bidders regarding the return of their deposits; call with K. Mahar regarding May 1 motion to seek authorization to terminate APAs; review and provide comments on deposit confirmation FAQs; call with K. Mahar on a number of matters.	5.2
4/17/2018	Call with A. Pirani regarding update from Sunray tour; emails and discussions regarding Mercedes; emails from Colliers regarding inquiries from Sunray; internal meetings to discuss claims process and deposit confirmation procedure; call with A. Slavens and A. MacFarlane regarding termination of APSs; review and provide comments on updated draft of deposit confirmation process FAQs; review and provide comments on draft letter to purchasers regarding termination of their APSs; call with K. Mahar regarding same; review of updated draft of purchaser letter and discussion with K. Mahar regarding same; emails regarding return of bidders deposits and emails to bidders regarding same.	3.9
4/18/2018	Internal meeting to discuss claims process and deposit confirmation procedure and inquiries from creditors and purchasers regarding same; call with S. Syed, T. Thambapillai, J. Bradley and M. Réthoré; tax meeting with S. Hurowitz and J. Bradley; review of Tarn construction trial balances and financial statements and	4.7

	discussion with J. Bradley regarding the same; emails regarding Mercedes and repairs due to water damage; review email from N. Aycan and call with K. Mahar regarding same; emails with M. Komurcu regarding funding under the Borrowings Charge; call with K. Mahar regarding a number of matters including discussions with Sunray, funding under the borrowing charge and emails from the shareholders' counsel; email to the shareholders' counsel regarding the successful bidder; call with D. Pollack regarding the sale process;	
4/19/2018	Emails regarding purchasers interested in attending May 1 motion; prepare for and attend call with J. Bradley and Richter regarding tax matters; meeting with M. Réthoré and N. Fennema regarding the fee affidavit for the third report; emails and discussions regarding APSs that are in default; call with J. Pietrantonio regarding request from shareholders' counsel; call with K. Mahar regarding changes to the Sunray APA; review and provide comments on letters to individual purchasers; review letter from Toplinksy Colson; call with K. Mahar regarding same; call with I. Roher and K. Mahar regarding same; review draft Sunray APA and call with K. Mahar regarding same.	3.7
4/20/2018	Emails regarding status of 2017 financials; review and provide comments on draft Sunray APA; call with K. Mahar regarding same; call with K. Gibson regarding APA and request for meeting; call with A. Jeanrie regarding meeting with Sunray; internal meeting with J. Bradley and M. Réthoré regarding various matters; discussions and review of confidential bid summary; call with I. Roher and subsequent calls to consider issue; review and provide comments on a further updated draft of APA; call with K. Mahar regarding Marriott liquidated damages; review email to shareholders' counsel regarding disclosure of the purchase price; review emails from P. Shae and I. Roher and call with K. Mahar regarding issues raised.	4.5
4/21/2018	Emails with Pinnacle regarding increased deposit; review of contract listing and emails regarding same; review and amend draft of confidential bid summary; review and amend draft riders for the Court report; emails and calls with K. Mahar regarding upcoming motion and related relief.	3.6



4/22/2018	Numerous call with K. Mahar regarding the ability to terminate the APSs and the related precedents; emails regarding the payment of interest on the deposits to be returned; review email from I. Roher; review of termination analysis prepared by G. Azeff and calls with K. Mahar regarding same.	2.8
4/23/2018	Review and provide comments on draft approval and vesting order, draft APS termination entitlement order and draft disputed deposits resolution procedure order; internal meeting with J. Bradley and M. Réthoré to discuss court materials; emails with S. Syed and S. Oake regarding employee meeting; review emails from I. Roher; emails with Richter regarding tax analysis; review emails regarding Sunray due diligence requests; review and discussions regarding confidential bid summary; review email from P. Shae; call with K. Mahar regarding emails from shareholders' counsel; review and provide comments on draft Court report; meeting with A. Jeanrie and Sunray regarding status of development related matters; numerous calls with K. Mahar regarding motion materials and relief being sought; emails with K. Mahar regarding proposed response to I. Roher.	10.2
4/24/2018	Discussion with J. Bradley and M. Réthoré regarding the Liquidator's third report; review and provide comments on draft Court report; numerous calls with K. Mahar to discuss approach for certain sections of the report and entitlement to terminate provisions; review and provide comments on draft APS termination entitlement order, approval and vesting order and disputed deposits resolution procedure order; prepare for and attend tax call with J. Bradley and Richter; discussion with J. Bradley and M. Réthoré regarding financial statements; review and provide comment on notice of motion; numerous calls with K. Mahar regarding matters related to the motion materials; review of letter from J. Kulathungam and call with K. Mahar regarding same; review email response to same; review and finalize Court report.	7.1
4/25/2018	Call with K. Mahar to discuss response to Toplinsky Colson and discussion with P. Shae; attend internal status meeting with J. Bradley and M. Réthoré regarding	4.6

	<p>2017 financials and general status of hotel operations; emails regarding Mercedes; attend employee meeting at the hotel to advise of the transaction with Sunray; meeting with S. Syed, T. Thambapillai and L. Boyden regarding various matters related to the transaction that will need to be completed prior to closing; emails regarding inquiries from purchasers and review of response to same; review draft letter to Toplinsky Colson and call with K. Mahar to discuss comments; emails regarding purchasers intending on attending the motion; review updated tax analysis prepared by Richter;</p>	
4/26/2018	<p>Emails with Y. Yan regarding tax analysis; emails regarding purchasers intending on attending May 1 motion; discussions and review of confidential bid summary; review and provide comments on draft factum; review and provide comments on draft email to purchasers; emails regarding units with no APSs, number of inquiries regarding claims process and deposit confirmation procedure; emails regarding claims process; emails from A. Slavens regarding motion materials.</p>	3.1
4/27/2018	<p>Review email from A. Jeanrie regarding call from city councilor's office; review letter from I. Roher and calls with K. Mahar to consider same; calls with J. Bradley regarding information requested by I. Roher</p>	1.5
4/28/2018	<p>Emails regarding purchasers intending on attending motion; emails regarding inquiries from purchasers; emails regarding information requested by I. Roher; call with K. Mahar regarding upcoming motion and letter from I. Roher.</p>	0.7
4/29/2018	<p>Review and provide comments on confidential bid summary; emails with K. Mahar regarding same.</p>	0.6
4/30/2018	<p>Review and provide comments on confidential bid summary; numerous calls with K. Mahar regarding same; emails regarding APSs and purchasers intending on attending the motion; update call with J. Bradley; review and provide comments on draft response to I. Roher; call with K. Mahar regarding same; review email from J. Kulathungam and call with K. Mahar regarding same; emails regarding APSs in the name of SAMM;</p>	4.2

<b>Total</b>		<b>60.4</b>
<b>Steven Hurowitz</b>		<b>Hours</b>
4/18/2018	Tax meeting with A. Gadia and J. Bradley.	1.0
4/19/2018	Call with third party accounting firm and look at schedules.	1.0
4/24/2018	Review tax calculations and call with third party accounting firm.	1.0
4/27/2018	Constitution review model and send comments.	1.0
<b>Total</b>		<b>4.0</b>
<b>Joseph Pietrantonio</b>		<b>Hours</b>
4/16/2018	Call with A. Gadia.	0.5
4/27/2018	Update on file.	0.2
<b>Total</b>		<b>0.7</b>
<b>Janine Bradley</b>		<b>Hours</b>
4/17/2018	Review of various email correspondences; review of Milborne reconciliation; update discussion with M. Réthoré regarding review of FAQs and letters for the call for claims and deposit confirmation; various team update discussions regarding call for claims mailing, letters and FAQs.	4.2
4/18/2018	Team update meeting; update call with S. Syed, T. Thambapillai, and A. Gadia; attend call with A. Cicirello, J. Thalla-Joel, and M. Réthoré regarding the Forensic financial review; tax meeting with A Gadia and S. Hurowitz; call with Bennett Jones regarding outstanding invoices and trust monies; review of Tarn Construction trial balances and financial statements and discussion with A. Gadia regarding the same; analysis of tax implications from Tarn construction liabilities;	7.5

	status meeting with A. Gadia, M. Réthoré, N. Fennema and M. Oommen to discuss mailing, claims process and other items; meeting with Tarn management, A. Gadia, and M. Réthoré regarding sale process, claims process and 2017 financials.	
4/19/2018	Review of Tarn Construction outstanding invoices and financials; prepare for and attend call with A. Gadia and third party accounting firm regarding taxes; review of various correspondences.	2.6
4/20/2018	Review and comment on APA; various discussions regarding final mailings of creditor packages; discussion with M. Réthoré regarding file status; internal meeting with A. Gadia and M. Réthoré regarding file status.	1.8
4/23/2018	Review of various correspondences; team meeting with A. Gadia and M. Réthoré to discuss court materials; review and comment on draft disputed deposits resolution order; APS termination Order; Approval and vesting order; draft third report; review and comment on bid summary for the court.	5.8
4/24/2018	Review and comment on revised third report; discussion with A. Gadia regarding the same; review of various correspondences; review of insurance policy; prepare for and attend tax call with A. Gadia and third party accounting firm; discussion with M. Réthoré and A. Gadia regarding financial statements.	5.1
4/25/2018	Team update discussion; review of various correspondences; meeting with N. Fennema to discuss Tarn Construction payments; travel to/from hotel for employee meeting; attend hotel for employee meeting; attend internal status meeting with A. Gadia and M. Réthoré regarding 2017 financials and general status of hotel operations.	5.2
4/26/2018	Team update meeting; review of various correspondences; review and comment on draft factum.	2.1
4/30/2018	Review of various correspondences; review of confidential appendices for court report; update call with A. Gadia; various discussions with M. Réthoré and N. Fennema regarding purchasers APAs.	3.2

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<b>Total</b>		<b>37.5</b>
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<b>Anna Maria Cicirello</b>		<b>Hours</b>
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4/17/2018	Review progress of XLS updates regarding new documents with J. Thalla-Joel; follow up discussion regarding update.	1.0
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4/18/2018	Attend call with J. Thalla-Joel, J. Bradley, and M. Réthoré regarding the Forensic financial review; update discussion with J. Thalla-Joel regarding additional work required.	0.8
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4/19/2018	Review payroll documents sent by M. Réthoré.	0.6
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4/20/2018	WIP review; payroll follow up with J. Thalla-Joel.	0.8
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<b>Total</b>		<b>3.2</b>
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<b>Marcel Réthoré</b>		<b>Hours</b>
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4/16/2018	Coordinate mailing with A. Rzhovsky; review and update various schedules for mailing; attend call with A. Gadia regarding the mailing; attend call with A. Gadia regarding a status update; correspondence to A. Gadia regarding the claims process; review and finalize the newspaper ad and provide to M. Oommen to publish; correspondence to Miller Thomson regarding various purchaser inquiries; correspondence to Bennett Jones regarding various purchaser inquiries.	4.0
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4/17/2018	Correspondence to N. Fennema and M. Oommen regarding various file tasks; review and summarize units that are in default of APS, distribute summary to J. Bradley; discussion with a shareholder to Tarn Financial regarding the company vehicle; draft correspondence to shareholder of Tarn Financial regarding a transfer of ownership of the company vehicle; update discussion with J. Bradley regarding review of FAQs and letters for the call for claims and deposit confirmation; update the Liquidator's website; correspondence with bank account manager regarding Forensic financial review status request; correspondence to Tarn management regarding property tours; finalize documents for Deposit	6.1
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	Confirmation Procedure mailing; circulate Third Communication to Purchasers via email.	
4/18/2018	Review Purchaser records and confirm mailing address of a purchaser to Miller Thomson (as it relates to a purchaser inquiry); update the 'Frequently Asked Questions' document; update the Liquidator's website; review mailbox for updated Purchaser addresses and coordinate with mailing; status meeting with A. Gadia, J. Bradley, N. Fennema and M. Oommen to discuss mailing, claims process and other items; meeting with Tarn management, A. Gadia, and J. Bradley regarding sale process, claims process and 2017 financials; correspondence to Colliers regarding due diligence requests; draft correspondence for documenting claims and disputes and circulate internally; attend call with A. Cicirello; J. Thalla-Joel and J. Bradley regarding the Forensics financial review; draft affidavit of mailing for A. Rzhovsky; draft correspondence to Miller Thomson regarding purchaser inquiries.	7.7
4/19/2018	Correspondence to A. Rzhovsky and N. Fennema regarding the Deposit Statement mailing; correspondence to M. Oommen regarding insurance; correspondence to A. Rzhovsky regarding various vendor invoices to be paid and cash management; meeting with A. Gadia and N. Fennema regarding the fee affidavit for the third report; meeting with T. Thambapillai regarding 2017 financials; meeting with HR manager regarding Forensics financial review requests; review materials for fee affidavit.	5.5
4/20/2018	Discussion with N. Fennema regarding Deposit Statements; discussion with T. Thambapillai regarding AccPac; attend call with T. Thambapillai, M. Oommen and third party accounting firm regarding status of certain accounting work being performed by third party accounting firm; discussion with J. Bradley regarding file status; prepare second mailing for Claims Process packages; prepare a summary of contracts held by Tarn Financial, circulate internally, to Miller Thomson and Tarn management for review; internal meeting with A. Gadia, J. Bradley regarding file status.	4.4
4/21/2018	Review and update the Sale Process confidential offer summary; draft the claims process and deposit	2.8

	confirmation procedure sections of the Liquidator's third report.	
4/22/2018	Review and update the Sale Process confidential offer summary.	1.0
4/23/2018	Call with bank account manager regarding credit card statements; review court materials in advance of service; review and update the Sale Process confidential offer summary; review Amended and Restated Deposit Statements in advance of mailing; review and send a due diligence request to Colliers; team meeting with A. Gadia and J. Bradley to discuss court materials.	7.2
4/24/2018	Review agreements between insurance company and Tarn Construction and related provincial legislation and provide summary to Miller Thomson; review materials for upcoming fee affidavit; update the Third Report of the Liquidator; discussion with A. Gadia and J. Bradley regarding financial statements.	3.4
4/25/2018	Correspondence to Bennett Jones regarding Additional Deposits; correspondence with bank regarding requests for the Forensics financial review; correspondence to A. Cicirello regarding the Forensics financial review; correspondence with vehicle financier regarding the purchase of Tarn's company vehicle by a shareholder; review materials for an upcoming fee affidavit; attend internal status meeting with A. Gadia and J. Bradley regarding 2017 financials and general status of hotel operations; attend call with a shareholder regarding transferring a Tarn owned vehicle to them; update the Liquidator's website; review and respond to various correspondence from Miller Thomson; correspondence to Miller Thomson regarding stakeholder inquiries; attend call with third party accounting firm, T. Thambapillai and M. Oommen regarding the 2017 financials.	3.8
4/26/2018	Correspondence to stakeholders; discussions with M. Oommen regarding Purchasers attending Court on May 1; correspondence to Miller Thomson regarding same; update the offer summary for Phase I bids and shareholder's offer.	4.7

4/27/2018	Correspondence with stakeholders (condominium purchasers); update the website.	1.4
4/28/2018	Review Tarn Financial and Tarn Construction liability schedules and provide to Miller Thomson; correspondence to Miller Thomson regarding stakeholders inquiries; correspondence to stakeholders (condominium purchasers) regarding May 1st motion.	1.8
4/30/2018	Correspondence with stakeholders (condominium purchasers) regarding Deposit Statements and Court date; correspondence to Miller Thomson regarding various requests, including certain supporting materials for the May 1 Court hearing; discussions with N. Fennema and M. Oommen regarding requested materials; correspondence to Miller Thomson regarding various APSs; call with Miller Thomson regarding various Purchasers planning to attend May 1st motion; attend call with third party accounting firm regarding the 2017 financials; attend call with T. Thambapillai regarding the 2017 financials; internal meeting with M. Oommen regarding the Claims Process and claims received to date; attend call with shareholder to transfer ownership of vehicle from Tarn to shareholder; various discussions with J. Bradley and N. Fennema regarding purchasers APAs.	7.1

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<b>Total</b>		<b>60.9</b>
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<b>Manoj Oommen</b>		<b>Hours</b>
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4/16/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review time dockets; obtain and review draft Claims Process Notice; reformat Claims Process Notice and locate appropriate personnel at Toronto Star and Globe and Mail; internal meeting regarding Claims Process Notice; contact KPMG IT to have Creditor Link website updated for recent changes; review Master Claims list to verify completeness; internal meeting regarding Master Claims list.	7.5
4/17/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review	7.5



multiple bank accounts and complete daily cash report; attend management meeting; receive cheque requisition and follow up with management regarding various cheques; meeting with management regarding various maintenance projects; review and respond to multiple calls and emails in Tarn inbox; review proof provided by local newspapers and recommend changes; contact vehicle dealerships in order to obtain understanding of lease payment transfer; internal meeting regarding lease payment transfer; obtain and review APS list, obtain noted APS and provide update to team; contact auto insurance provider to determine if insurance can be extended for stub period; correspondence M. Réthoré regarding various file tasks.

4/18/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; contact newspaper companies in order to have tear sheet provided; internal meeting regarding status update; review and respond to multiple calls and emails in Tarn inbox; contact auto insurance provider to determine if insurance can be extended for stub period; status meeting with A. Gadia, J. Bradley, M. Réthoré, and N. Fennema to discuss mailing, claims process and other items.	7.5
4/19/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; obtain and review purchase orders for the week; review and respond to multiple calls and emails in Tarn inbox.	7.5
4/20/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; internal meeting with third party accounting firm regarding status update; review and respond to multiple calls and emails in Tarn inbox.	4.0
4/23/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review Tarn Financial credit cards' usage; obtain and	7.5

	review revenue segmentation and modify presentation; respond to phone calls and emails in Tarn Inbox.	
4/24/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; receive cheque requisition and follow up with management regarding various cheques; respond to phone calls and emails in Tarn inbox and update records based on emails received; provide deposit statements as requested by purchasers of units; follow up with management and vendors regarding accounting system; meeting with management regarding vendors.	7.5
4/25/2018	Attend call with third party accounting firm, T. Thambapillai and M. Réthoré regarding the 2017 financials; review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; respond to phone calls and emails in Tarn inbox and update records based on emails received; provide deposit statements as requested by purchasers of units; request that Tarn Website be updated for recent documents and review accordingly; revise proof for Call for Claims newspaper advertisement and review accordingly; delivered deposit cheques to Bennett Jones; call with third party accounting firm to discuss project; follow up with management and vendors regarding accounting system.	10.0
4/26/2018	Discussions with M. Réthoré regarding Purchasers attending Court on May 1; review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; attend management meeting; receive purchase orders and follow up with management; respond to phone calls and emails in Tarn inbox and update records based on emails received; provide deposit statements as requested by purchasers of units; update call with third party accounting firm and management regarding project; review claims received; draft letter to bank regarding business credit cards.	6.5
4/27/2018	Review and obtain bank statement balances; obtain and review information relating to cash flow; review	5.0

multiple bank accounts and complete daily cash report; review and respond to phone calls and emails in Tarn inbox and update records based on emails received; provide deposit statements as requested by purchasers of units; review received claims notices; obtain multiple APS' and return records to KPMG office.

4/30/2018	Discussion with M. Réthoré regarding request materials; internal meeting with M. Réthoré regarding the Claims Process and claims receive to date; review and obtain bank statement balances; obtain and review information relating to cash flow; review multiple bank accounts and complete daily cash report; review and respond to phone calls and emails in Tarn inbox and update records based on emails received; provide deposit statements as requested by purchasers of units; review received claims notices; obtain multiple APS' and return records to KPMG office; review received claims.	7.5
<b>Total</b>		<b>78.0</b>

<b>Nate Fennema</b>		<b>Hours</b>
4/16/2018	Update vendor listing for claims process; manage printing of claims process forms; reconcile all condominium purchasers per Bennett Jones to all units to be built; revise time descriptions for billings in January through March 2018 and reference internally for invoicing.	8.3
4/17/2018	Prepare schedule of nil deposit makers per Bennett Jones listing for legal counsel; correspondence to M. Réthoré regarding various file tasks.	1.3
4/18/2018	Prepare condominium deposit confirmation forms to be mailed; update forms and master listings for updated addresses noted; team meeting with A. Gadia, J. Bradley, M. Réthoré, and M. Oommen regarding claims process and other items; reconcile and summarize 2015-2017 Tarn Construction expenses for tax evaluation.	7.6
4/19/2018	Update Tarn time dockets for January to March 2018 and prepare a summary to date; prepare Tarn Financial vendor listing and Tarn Construction Condominium purchaser listing for software upload; prepare revised	8.1

	Tarn Construction condominium purchaser deposit claim forms for updated addresses provided; update cash flow for actual values to 4/13/2018; meeting with A. Gadia and M. Réthoré regarding the fee affidavit for the third report.	
4/20/2018	Update deposit confirmation schedules for updated addresses; prepare Tarn Financial Vendor claim statements for non-employees per HR manager's review; prepare vendor contact listing for software upload; prepare restated known deposit forms for deposits received after April 1, 2018 to be sent out; discussion with M. Réthoré regarding deposit statements.	4.1
4/23/2018	Read all contracts for Tarn for Term and Termination details and prepare summary including fees associated with Contract Termination; prepare and send out amended deposit statements for purchasers who made deposits after 3/31/2018; prepare and send out revised deposit confirmation statements for purchasers who advised of updated addresses.	8.3
4/24/2018	Read all contracts for Tarn for Term and Termination details and prepare summary including fees associated with Contract Termination; prepare and send out revised deposit confirmation statements for purchasers who advised of updated addresses.	8.4
4/25/2018	Read all contracts for Tarn for Term and Termination details and prepare summary including fees associated with Contract Termination; update Tarn Construction financial information for data pulled from AccPacc for 2014-2017; update cash flow forecast for actual values to 4/20/2018; meeting with J. Bradley to discuss Tarn Construction payments.	7.6
4/26/2018	Update Tarn Deposit confirmation details for updated addresses received and coordinate mailing of revised confirmation letters; update January 2018 invoices for internal consistency; update purchaser deposit confirmations for revised addresses and prepare summary of changes.	6.1

4/27/2018	Pull deposit confirmation details for specific purchasers; re-run mail merge documents for updated addresses of purchasers.	1.1
4/30/2018	Review each condominium purchaser sales agreement for termination clause and original vendor name; summarize details of findings per review and send report to M. Réthoré and J. Bradley; pull specific APA's and provide to Miller Thompson; various discussions with J. Bradley and M. Réthoré regarding purchasers APAs; discussion with M. Réthoré regarding requested materials.	8.2
<b>Total</b>		<b>69.1</b>

**Jason Thalla-Joel**

**Hours**

4/16/2018	Continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.	8.0
4/17/2018	Continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards; review progress of workbook; update regarding new documents with A. Cicirello.	7.5
4/18/2018	From listing of cheque payee's, determine payments which were for Hotel Operations; continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards; attend call with A. Cicirello, J. Bradley, and M. Réthoré regarding the financial review; update discussion with A. Cicirello regarding additional work required; discussion with L. Hang.	8.5
4/19/2018	From listing of cheque payee's, determine payments which were for Hotel Operations; continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.	6.5
4/20/2018	From listing of cheque payee's, determine payments which were for Hotel Operations; continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards; payroll follow up with A. Cicirello.	7.5

4/21/2018	Continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.	2.0
4/23/2018	Continue updating working paper for the analysis of expenses charged through Tarn Financial Corporation credit cards.	7.0

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<b>Total</b>		<b>47.0</b>
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<b>Jack Ellison</b>		<b>Hours</b>
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4/17/2018	Review of credit card statements.	4.5
4/23/2018	Review of credit card statements.	6.0
4/24/2018	Determine whether or not individuals are on payroll register.	2.5
4/25/2018	Review of credit card statements.	4.0

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<b>Total</b>		<b>17.0</b>
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<b>Asya Rzhevsky</b>		<b>Hours</b>
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4/16/2018	Mail claims process notices, prepare wires to bidders.	5.8
4/17/2018	Mailing to AP creditors; return of deposits; prepare affidavit of mailing.	5.4
4/18/2018	Mail notices to condominium purchasers.	3.9
4/19/2018	Renew investments; prepare various wires from bank account; wire between bank accounts; prepare wire to legal counsel.	2.2
4/30/2018	Renew and record investment; prepare wire to creditor.	1.1


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<b>Total</b>		<b>18.4</b>
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<b>Linh Hang</b>		<b>Hours</b>
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4/16/2018	Input cheque descriptions.	8.9
4/17/2018	Input cheque descriptions; prepare notes and emails to A. Cicirello and copy J. Thalla-Joel on findings from cheque inputting.	7.3
4/18/2018	Discussion with J. Thalla-Joel.	0.2
<hr/> <b>Total</b>		<b>16.4</b>
<hr/> <b>Grand Total</b>		<b>412.6</b>

This is Exhibit "B" referred to in the Affidavit of Anamika Gadia sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*

**Asya Rzhovsky, a  
Commissioner, etc., Province  
of Ontario for KPERG Inc.  
Expires April 13, 2020.**



Exhibit B

Professional Fees Summary - Tarn Financial Corporation and Tarn Construction Corporation  
For the period January 1, 2018 to April 30, 2018

Invoice Number	Period beginning	Period end	Total Fees	Total Expenses	HST due	Total Due
8002127290	1/1/2018	1/15/2018	\$ 111,858.75	\$ 659.08	\$ 14,627.32	\$ 127,145.15
7000182350	1/16/2018	1/31/2018	81,780.00	237.39	10,662.27	92,679.66
7000182351	2/1/2018	2/15/2018	120,567.50	154.22	15,693.83	136,415.55
7000182355	2/16/2018	2/28/2018	83,230.00	302.53	10,859.23	94,391.76
7000182358	3/1/2018	3/15/2018	149,535.00	283.77	19,476.45	169,295.22
7000182359	3/16/2018	3/31/2018	124,317.50	108.83	16,175.43	140,601.76
7000182529	4/1/2018	4/15/2018	167,680.00	480.16	21,860.83	190,020.99
7000182700	4/16/2018	4/30/2018	171,075.00	6,651.34	23,104.42	200,830.76
<b>Total</b>			<b>\$ 1,010,043.75</b>	<b>\$ 8,877.32</b>	<b>\$ 132,459.78</b>	<b>\$ 1,151,380.85</b>

This is Exhibit "C" referred to in the Affidavit of Anamika Gadia sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*

**Asya Rzhovsky, a  
Commissioner, etc., Province  
of Ontario for KPMG Inc.  
Expires April 13, 2020.**

**Exhibit C**

**Professional Fees Summary - Tarn Financial Corporation and Tarn Construction Corporation  
For the period January 1, 2018 to April 30, 2018**

<b>Name</b>	<b>Position</b>	<b>Hourly Rate</b>	<b>Hours</b>	<b>Fee (\$)</b>
Anamika Gadia	Partner	\$ 750.00	290.1	\$ 217,575.00
Steven Hurowitz	Partner	\$ 950.00	4.0	3,800.00
Colleen Basden	Partner	\$ 700.00	30.2	21,140.00
Derek Rostant	Partner	\$ 700.00	6.5	4,550.00
Joseph Pietrantonio	Partner	\$ 650.00	32.5	21,092.50
Janine Bradley	Senior Manager	\$ 575.00	191.0	109,825.00
Anna Maria Cicirello	Senior Manager	\$ 575.00	72.1	41,457.50
Cindy Neale	Senior Manager	\$ 550.00	3.8	2,062.50
Marcel Réthoré	Manager	\$ 450.00	339.7	152,865.00
Manoj Oommen	Senior Consultant	\$ 300.00	484.0	145,200.00
Nate Fennema	Senior Consultant	\$ 300.00	424.4	127,320.00
Jason Thalla-Joel	Senior Consultant	\$ 300.00	356.0	106,800.00
Stephanie Ly	Senior Consultant	\$ 300.00	1.0	300.00
Dina Kvezereli	Senior Consultant	\$ 275.00	39.4	10,835.00
Paul Brar	Senior Consultant	\$ 275.00	32.5	8,937.50
Jack Ellison	Senior Consultant	\$ 275.00	24.5	6,737.50
Muhammad Niazi	Senior Consultant	\$ 275.00	3.0	825.00
Julian Heisz	Senior Consultant	\$ 275.00	2.6	701.25
Azam Mohiuddin	Senior Consultant	\$ 275.00	1.5	412.50
Linh Hang	Technician	\$ 225.00	88.8	19,980.00
Asya Rzhevsky	Technician	\$ 225.00	33.9	7,627.50
<b>Total</b>			<b>2,461.4</b>	<b>\$ 1,010,043.75</b>

# APPENDIX “L”

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

BETWEEN:

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAAN HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

**APPLICATION UNDER** Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.

**AFFIDAVIT OF GREGORY R. AZEFF  
(Sworn July 19, 2018)**

I, **Gregory R. Azeff**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND  
SAY:**

1. I am a partner at the law firm Miller Thomson LLP (“**MT**”) lawyers for KPMG Inc., in its capacity as Court-appointed Liquidator of Tarn Financial Corporation, and as such, have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit “A”** is a true copy of the invoices issued to the Liquidator by MT for fees and disbursements incurred by MT in the course of proceedings between January 1, 2018 and April 30, 2018. The total fees charged by MT during that period were \$317,081.50 plus disbursements of \$182.80 plus Harmonized Sales Tax (“**HST**”) in the amount of \$41,267.39 for a total of \$358,531.79.

3. Accordingly, I verily believe that the total fees, disbursements and HST as at April 30, 2018 are \$358,531.79.
4. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
5. Attached hereto as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each of the lawyers at MT who acted for the Liquidator.
6. To the best of my knowledge, the rates charged by MT throughout the course of this proceeding are comparable to those charged by other law firms in Toronto for the provision of similar services.
7. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by MT for services rendered in similar proceedings.
8. I make the affidavit in support of a motion by the Liquidator for, among other things, approval of the fees and disbursements of the Liquidator's counsel.

SWORN BEFORE ME at the City of Toronto  
this 19<sup>th</sup> day of July, 2018.

  
A Commissioner for taking Affidavits (or as may be)

  
GREGORY R. AZEFF

This is Exhibit "A" referred to in the Affidavit of  
Gregory R. Azeff sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*



**MILLER THOMSON**  
AVOCATS | LAWYERS

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**MILLERTHOMSON.COM**

**May 31, 2018**

KPMG Inc.  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5

To Professional Services Rendered in connection with the following matter(s) from January 1, 2018 to April 15, 2018 including:

**Re: Tarn Financial Corporation**  
**Our File No. 0224731.0001**

<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
01/02/2018	DT	Follow up with KPMG and R. Avis to further severance application;	0.10
01/02/2018	KEMM	Email from A. Jeanrie enclosing Notice of Appeal re: OMB appeal; meeting with A. Gadia regarding commencement of sale process of current issues; email exchange with G. Hall regarding update as to timing of appeal of Liquidation Order; emails regarding service agreement for Avis to allow discussion on severance application; email from A. Gadia regarding expiry of CBA; emails regarding Marriott completing new PIP; email from L. Finegold's office enclosing Notice of Disallowance; email signing off on teaser; emails with M. Hosseinian regarding corporate associate to review comments on confidentiality agreements;	1.60
01/03/2018	KS	Meeting with K. Mahar; review correspondence and documents;	0.60
01/03/2018	SDC	Review email from A. Jeanrie regarding Milborne Unit and deposit ledger; reporting email to K Mahar regarding Milborne Unit and response letter to Milborne;	0.30
01/03/2018	LG	Emails from and to K. Mahar regarding union trusteeship;	0.20

Invoices 3189575 and Invoice 3201202 were merged to create this invoice for the purposes of maintaining chronological order of all dockets entered. Each of the invoices is broken down in Schedule "B" attached to the Affidavit of Gregory Azeff.





<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
01/03/2018	GRA	Review and consider sale process order; Discussion with K. Mahar regarding sale process; Drafting template asset purchase agreement;	2.60
01/03/2018	MH	Meet with K. Mahar regarding transaction;	0.40
01/03/2018	KEMM	Email from A. Gadia enclosing final teaser, form of confidentiality agreement and proposed blast prepared by colliers; review NDA and provide final comments; email exchange with A. Gadia regarding amending milestone dates given delay in commencing sale process; emails between shareholders counsel regarding attendance to re-expedite appeal; telephone call with A. Gadia regarding amending milestone dates; review correspondence from Union; emails with colliers and KPMG regarding commencing sale process and materials for same; emails exchange with C. Stanek regarding Reports filed in proceeding to date; email exchange with S. De Caria regarding reviewing current version of CIM; emails regarding unit purportedly purchased by Milborne which BJ has no documents for; meeting with K. Starostin regarding review of NDA comments and sale process; email exchange with L. Goodfellow regarding letter from Union; email exchange with A. Gadia regarding exchange between shareholders' counsel and proposed motion for a stay of proceedings; discussion with G. Azeff regarding review of sale process and preparing asset purchase agreement template;	2.80
01/04/2018	SDC	review email correspondence from Bennett Jones regarding deposits, APS and Milborne units; review email from Andrew Jeanrie regarding Milborne units; phone calls with K. Mahar and A. Gadia regarding CIM and Data Room review; meeting with K. Mahar regarding Data Room; review Data Room documents and prepare summary of confidential documents and improper documents;	5.20
01/04/2018	LG	Emails from and to R. Nathan's counsel and J. Bradley regarding confirmation of employment letter; review CBA termination provisions;	0.50
01/04/2018	GRA	Drafting asset purchase agreement; Review collective agreement; Review sale process order; Draft language for website update; Review appeal materials;	3.60



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
01/04/2018	DT	Review OMB appeal acknowledgement letter and reply and review various emails on timing of prehearing;	0.30
01/04/2018	MH	Review CIM and court order;	0.70
01/04/2018	KEMM	Email from A. Jeanrie enclosing OMB Acknowledgment regarding appeals; emails regarding Milborne units and no deposits; consider test for stay of Liquidation Order and Court motion to be brought to obtain stay; telephone call from and to A. Gadia regarding sale process, proposed motion for stay of proceedings; emails regarding timing of OMB appeals and timeline for sale process; email enclosing notice of disallowance re The Fence People Lien Claim Action; meeting with S. De Caria regarding reviewing data room for, among other things, commercially sensitive information and information relating to entities that are not part of proceedings; numerous calls with KPMG and S. De Caria to discuss data room and CIM review; meeting with G. Azeff regarding drafting Asset Purchase Agreement and views regarding same and also preparation of update for website; emails from G. Azeff regarding same; emails with S. De Caria regarding documents included in data room and need for extensive clean up;	3.50
01/05/2018	SDC	continued review Data Room documents and prepare summary of confidential documents and improper documents; discuss Data Room with K. Mahar; various phone calls with A. Gadia and J. Bradley regarding Data Room; phone calls and email exchanges with A. Gadia regarding Data Room; phone call with T. Chow regarding Data Room; draft instruction email to T. Chow regarding Data Room; various phone calls and email to T. Chow regarding Data Room instructions and CIM access; email exchange with K. Mahar regarding Notice of Discontinuance in Fence People Lien Claim; reporting email to A. Gadia and J. Bradley regarding Notice of Discontinuance; discuss CIM with K. Mahar; review CIM and draft comments; email exchange with A. Gadia regarding SIM	5.50
01/05/2018	GRA	Review and revise sections of template APA;	0.80
01/05/2018	DT	Review and respond to J. Bradley email and further	0.20



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
01/05/2018	LG	emails on site plan resubmission package for sales; Emails to K. Mahar and A. Gadia regarding collective bargaining issues;	0.70
01/05/2018	KEMM	Email from L. Goodfellow regarding automatic renewal under CBA; email from Colliers confirming shareholders were included in blast; meeting with S. De Caria to discuss need for proper disclaimer and confidentiality notice and timetable form sale process to be included in CIM; email to A. Gadia regarding updating website; emails coordinating call with Colliers and KPMG to discuss data room, CIM and sale process; emails from S. De Caria regarding amendments to be made to data room; further correspondence from Union; emails regarding sending letter to union regarding CBA not automatically extending and delaying negotiations until a purchaser is identified; emails regarding coordinating call with KPMG to compile comments on CIM and data room for Colliers; email from Avis Surveying regarding preparation of information for potential severance application; email from L. Gangbar regarding purchaser asking if APS can be terminated;	1.60
01/06/2018	KEMM	Review initial draft Template APA;	1.30
01/07/2018	SDC	Review CIM and prepare for call re CIM with A. Gadia; review OMB appeals; review Starbucks License Agreement; email exchange with A. Gadia; telephone calls with M. Rethore regarding Data Room; email exchanges with M. Rethore regarding Data Room; email exchanges and telephone conference with K. Mahar and A. Gadia regarding Data Room and CIM; revise and draft CIM provisions; draft, review updated Data Room; review KPMG comments regarding Data Room; revise and update summary of Data Room deficiencies and instructions to Colliers regarding Data Room; instructions list to Colliers regarding Data Room;	10.20
01/07/2018	GRA	Continue drafting APA; Discussion with K. Mahar regarding structure of offers;	1.40
01/07/2018	KEMM	Emails regarding data room comments and need for review to be focused on confidential and privileged information; meeting with S. De Caria regarding review	1.70



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		of CIM and data room; email to a. Gadia regarding review of NDA changes; email from K. Starostin regarding same; conference call with KPMG and S. De Caria to compile comments; emails enclosing revised pages for CIM and comments and review same;	
01/08/2018	SDC	Review email from A. Gadia and comments to CIM; revise comments to CIM; email exchange with A. Gadia regarding CIM revisions and finalize comments to Colliers; email to T. Chow regarding comments to CIM; review email from T. Chow regarding update; conference call with KPMG, Colliers and K. Mahar regarding status of sale process, Data Room and CIM; email to D. Tang regarding review of CIM; various email exchanges with KPMG and Colliers regarding CIM and Data Room; review list of contracts to be removed from Data Room; review updated CIM; email to T. Chow regarding additional comments and revisions to CIM; review finalized CIM and email regarding same; telephone call with M. Rethore regarding final Data Room review; review M. Rethore comments to Data Room; final review of Data Room and draft response to M. Rethore comments and requests; email to M. Rethore and telephone call to M. Rethore regarding Data Room;	2.80
01/08/2018	KS	Review confidentiality agreements; draft correspondence;	1.30
01/08/2018	LG	Emails from J. Bradley; draft notice to bargain and proposal for delay to union and email to same;	1.20
01/08/2018	DT	Numerous emails; review CIM provisions and comment to S. De Caria; various emails on data room contents; seek appeal documentation for data room; emails on S. Ho's recommendation about working drawings with J. Bradley;	1.10
01/08/2018	GRA	Discussion with K. Mahar regarding purchase price allocation issue; Review and respond to correspondence; Further revisions to draft APA; Meet with K. Mahar to do page flip of draft APA template; Review notes and prepare for call with KPMG to review draft;	2.90
01/08/2018	KEMM	Review KPMG comments and email to S. De Caria regarding same; email exchange with L. Finegold	2.70



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		regarding status of litigation; emails regarding D. Tang reviewing relevant section of CIM; review update from Colliers; conference call re: CIM review; email exchange with A. Iqbal regarding sale process; telephone call with A. Gadia regarding construction contracts and counter party to contracts for data room; emails from A. Jeanrie enclosing information for data room; emails finalizing CIM; meeting with G. Azeff on APA template; conference call with KPMG and colliers regarding status of sale process; emails regarding union; emails regarding executed NDAs;	
01/09/2018	KS	Telephone call with A. Gadia; correspondence with Colliers;	0.60
01/09/2018	SDC	Review emails and Data Room updates and instructions from M. Rethore;	0.30
01/09/2018	DT	Review Teaser; emails on status of working drawings; review data room index; obtain Council minutes approving zoning in principle; advice to J. Bradley on including minutes and May 2017 staff report in highlighted entry;	0.70
01/09/2018	GRA	Review and respond to correspondence; Finalize draft APA template; Consider various issues regarding working capital adjustment and inventory issue; Consider severance and portion bid issues; Further revisions to draft APA; Multiple discussions with K. Mahar regarding various issues;	3.50
01/09/2018	KEMM	Emails with A. Gadia regarding turning draft template APA; emails re: NDAs; email from J. Bradley re: Notice to Bargain; correspondence re: union; emails with J. Bradley and telephone call with J. Bradley regarding data room and references in contracts; email from G. Azeff circulating draft APA and coordinating call to review with A. Gadia;	0.90
01/10/2018	KEMM	Correspondence from G. Hall regarding motion to stay action if appeal is not expedited; conference call with A. Gadia regarding test for stay of proceedings and impact on commencement of sale process and likelihood of success; further letter from G. Hall; prepare for and participate on conference call regarding APA template with client; email to G. Hall regarding providing draft materials to extent their	5.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		materials to Divisional Court purport to give evidence on the Liquidation Proceedings; Receive final teaser issued; email from G. Hall; email including second blast sent by Colliers re: Sale Process; email counsel to shareholders with email blast regarding commencement of sale process; emails with confidentiality agreements; email from A. Goldenberg enclosing draft Affidavit; circulate to client; review same; conference call with A. Gadia regarding draft Affidavit; provide comments to A. Goldenberg regarding information in draft Affidavit; email from G. Hall regarding same;	
01/10/2018	GRA	Prepare for and attend conference call regarding APA template; Research regarding hotel sale structures; Review and respond to correspondence; Multiple discussions with K. Mahar regarding APA;	2.00
01/10/2018	KS	Review correspondence and documents from T. Chow;	0.30
01/11/2018	KEMM	Emails with G. Hall regarding not including share purchase agreement and settlement agreement as exhibits given concerns; receive template hotel APAs for review; receive correspondence from S. Shub Professional Corporation; receive and review motion record to Divisional Court filed by counsel to shareholder; email from S. De Caria regarding preparing response to S. Shub letter; draft update for website and circulate same to A. Gadia; emails from G. Azeff enclosing revised template APA; brief review of blackline; circulate to client; email from S. De Caria regarding message from purchaser of condo unit;	1.30
01/11/2018	KS	Review agreements; correspondence with A. Gadia;	0.70
01/11/2018	GRA	Review template APAs regarding hotel sales provided by KPMG; Consider structure of transaction; Review and revise template APA; Review and respond to correspondence; Multiple discussions with K. Mahar regarding various issues in transaction; Review sales process and Order; Further revisions to APA template;	4.90
01/12/2018	KEMM	Emails with A. Gadia regarding revised template APA and timing of review; review of emails among shareholders counsel regarding timing of materials for Divisional Court; telephone call from and to D. Pollack;	1.10



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		email to P. Shea regarding motion to adduce fresh evidence; email from M. Valente and forward same to A. Gadia; telephone call with A. Gadia regarding divisional court proceedings, first week of sale process and template APA; receive and review response to S. Shub professional corporation;	
01/12/2018	SDC	Review letter from counsel to purchasers regarding status of proceeding and deposits; review Deposit Trust Ledger and deposits under units; draft response letter to counsel; email to clients;	0.80
01/12/2018	KS	Comments and correspondence re NDA;	0.40
01/15/2018	KEMM	Emails re: NDAs; email exchange with A. Goldenberg regarding not attending motion if relief is unopposed or on consent; receive and review marketing update #1; email to M. Valente;	0.40
01/15/2018	KS	Correspondence with K. Mahar; compile documents; review comments on NDA;	0.20
01/15/2018	DT	Review various emails regarding meeting with IBI to setup severance applications and comment on approach and need to begin process;	0.40
01/16/2018	KEMM	Email exchange with A. Gadia regarding providing updates to secured creditors on sale process; emails with S. De Caria regarding issuing letter; email from M. Valente; email from J. Bradley regarding details of purchasers of condos; email exchange with A. Goldenberg regarding update from Divisional Court attendance; telephone call with A. Gadia; emails on severance application;	0.60
01/16/2018	SDC	Review email from M. Rethore; email to K. Mahar regarding correspondence; update and finalize letter to M. Zammitt regarding purchasers inquiry; phone call to M. Zammit's office; email to M. Zammit;	0.30
01/16/2018	KS	Review confidentiality agreements; correspondence with team;	0.70
01/16/2018	DT	Emails with A. Jeanrie on timing and approach to severance application;	0.20
01/17/2018	KEMM	Emails coordinating meeting with KPMG to discuss various issues; email from A. Goldenberg enclosing Order expediting appeal; emails regarding asking	2.40



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		OMB board for dates; email enclosing letter from union; email regarding conciliation officer; email regarding minute book; meeting with KPMG; email from M. Rethore providing summary of meeting take aways; emails with M. Rethore regarding updated language for Liquidator's Website sand comments on same; email exchange with M. Rethore regarding PIP form; email to L. Goodfellow; further email from Unite;	
01/17/2018	LG	Emails from and to J. Bradley regarding Request for Appointment of Conciliation Officer;	0.20
01/17/2018	DT	Emails on timing of OMB hearing;	0.10
01/18/2018	KEMM	Email regarding local union withdrawing opposition to international; email from A. Gadia circulating PIP request form to update PIP for sale process;	0.10
01/18/2018	LG	Review materials from union and email to J. Bradley regarding same;	0.30
01/19/2018	KEMM	Emails with A. Gadia regarding second tranche of funding under borrowing certificate to be received; emails regarding Lederman Order being issued and entered; email from Marriott with revised form to be executed for PIP update; emails with A. Gadia regarding discussion s with Marriott; emails coordinating call for Jan 22nd regarding Tarion Bonds and Insurance;	0.50
01/19/2018	SDC	Review email from M. Rethore regarding Tarion bonds and discuss with K. Mahar;	0.20
01/19/2018	KS	Review and compile documents;	0.40
01/21/2018	KEMM	Review information regarding The Guarantee Company security and bonds including premiums to be paid thereunder in advance of conference call to discuss same;	1.00
01/21/2018	SDC	Review correspondence regarding Tarion bonds and insurance in preparation for conference call with clients;	0.20
01/22/2018	KEMM	Meeting with S. De Caria to discuss Tarion Bonds and amendments to commitment letters in advance of conference call; email from Colliers enclosing marketing update and review same; telephone call with A. Gadia regarding various issues; email from S.	2.80

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<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		De Caria regarding letters from The Guarantee Company setting out fees and premiums; email enclosing executed PIP request and confirmation of payment of PIP fee; conference call with clients regarding Bond premiums; email from client circulating draft APS to broader team for review and comment; telephone call from and to D. Pollack regarding status of matter and concerns of Kingsett and extension of sale process given appeal not heard yet; emails coordinating APS review call; emails regarding NDAs;	
01/22/2018	SDC	Review Tarion Bonds, executed letters, commitment letters and amending letters; discuss Tarion Bonds with K. Mahar; email to M. Rethore regarding Tarion Bonds; prepare for telephone call; telephone call with clients regarding Tarion Bond premium;	1.00
01/22/2018	GRA	Review and respond to email;	0.10
01/23/2018	KEMM	Email and request divisional court materials from Gowlings; receive and circulate same to A. Gadia; correspondence regarding status of deposits; email to S. De Caria regarding preparing response; emails enclosing NDAs; review motion for fresh evidence;	0.70
01/23/2018	SDC	Review letter from purchaser's counsel regarding deposits; discuss response with K. Mahar;	0.10
01/23/2018	KS	Review correspondence and new confidentiality agreements;	0.20
01/23/2018	DT	Follow-up on IBI retainer;	0.10
01/24/2018	KEMM	Telephone call with A. Gadia regarding operations, appeal and sale process; emails changing time of call regarding form of template APS; emails regarding NDAs;	0.60
01/24/2018	GRA	Review draft APA to prepare for conference call; Review and respond to correspondence;	0.40
01/24/2018	KS	Review correspondence and new agreements;	0.20
01/25/2018	KEMM	Email from A. Gadia, enclosing updated PIO and review for call; email enclosing NDAs;	1.00
01/25/2018	KS	Review correspondence and new NDAs;	0.20
01/25/2018	GRA	Review draft APA to prepare for conference call; Review dates in sale process order;	0.30

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01/26/2018	KEMM	Email enclosing NDA; email regarding updating service list; review sale process timetable and consider impact of appeal date; prepare for and attend conference call with Colliers and Liquidator regarding sale process and form of template APS; meeting with G. Azeff regarding various issues; email from M. Rethore regarding deposit trust agreements and commitment letters from The Guarantee Company; brief review of same for purposes of sale process; office conference with L. Goodfellow; telephone call with A. Gadia; email from S. De Caria enclosing draft letter; review and revise same; emails regarding other information to be posted to data room;	2.50
01/26/2018	SDC	Review letter from counsel to purchasers; review buyers correspondence; draft response letter to counsel regarding deposits; reporting email to K. Mahar regarding response to counsel; review email from M. Rethore and documents for Data Room; email response to M. Rethore regarding Data Room;	0.50
01/26/2018	GRA	Prepare for and attend conference call regarding draft APA and other issues; Telephone call with A. Gadia; Meet with K. Mahar regarding various issues;	1.60
01/26/2018	LG	Office conference with K. Mahar; emails from and to M. Rethore regarding union documents for data room;	0.30
01/29/2018	KEMM	Email from S. De Caria enclosing correspondence for review; email from A. Gadia regarding Borrowing Charge funds; telephone call from and to A. Gadia regarding divisional court hearing, borrowings under Borrowing Charge and sale process; emails regarding indemnities under Tarion Bond; emails with counsel for shareholders regarding location of divisional court hearing; email to L. Goodfellow regarding follow up letter to union; discussion with G. Azeff regarding attending appeal to be in a position to address relief proposed by McCarthy's if granted and how it would impact current mandate of KPMG; forward respondents in appeal materials to secured creditors as requested;	1.10
01/29/2018	SDC	Email to K. Mahar regarding buyer's correspondence;	0.10
01/29/2018	GRA	Review and revise draft agreement; Research	1.30

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<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		regarding inventory treatment in hotel sales; Review materials for appeal;	
01/29/2018	DT	Numerous emails regarding Kennedy severance and proceeding with A. Gadia, J. Bradley, A. Jeanrie, D. Miret;	0.20
01/30/2018	KEMM	Emails regarding meeting on severance; email from L. Goodfellow enclosing letter to union regarding request to delay collective bargaining given sale process; discussion with G. Azeff regarding appeal hearing outcome; emails with A. Gadia regarding same; review final letter to union; email from I. Robb, union counsel, regarding response;	0.70
01/30/2018	SDC	Telephone call with G. Azeff and clients regarding update on appeal attendance at Divisional Court;	0.30
01/30/2018	GRA	Prepare for, travel to and attend appeal in Divisional Court; Meet with K. Mahar regarding appeal; Telephone call with A. Gadia and J. Bradley;	3.60
01/30/2018	LG	Draft letter to union regarding proposal to delay bargaining; email same to A. Gadia; emails from and to A. Gadia; revise letter;	0.80
01/30/2018	DT	Various emails with IBI, A. Gadia and others; email D. Miret; set up meeting;	0.30
01/31/2018	KEMM	Emails with S. De Caria and G. Azeff regarding moving call with Colliers and KPMG given Divisional Court reserved decision; emails with A. Gadia regarding same and desire to have brief update call in any event; email exchange with R. Thomson regarding outcome of divisional court hearing; emails with G. Azeff and A. Gadia regarding APS template; email marketing update 3 to G. Azeff; conference call re: sale process and timing of extending phase 1 given reserve; emails regarding information relating to severance;	1.20
01/31/2018	SDC	Internal email exchanges regarding Appeal Decision and phone call; email to M. Rethore regarding phone conference; review email from A. Gadia regarding Appeal Decision and next steps regarding Sale Process; conference call with KPMG, Colliers and G. Azeff and K. Mahar regarding Sale Process and Appeal; conference call with A. Gadia regarding	0.90



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Appeal and call summary;	
01/31/2018	GRA	Review and revise APA; Review and respond to correspondence; Review bid summary; Conference call with KPMG re status;	1.30
02/01/2018	KEMM	Email from A. Jeanrie re: sale process; email from L. Finegold;	0.10
02/01/2018	SDC	Email exchange with M. Rethore regarding Trademark names; review Trademark search results and reporting email to M. Rethore;	0.10
02/01/2018	AC	Conduct Trademark search for The Kennedy's and provide search results to S. de Caria;	0.10
02/01/2018	AC	Conduct Trademark search for The Kennedys and provide search results to S. de Caria;	0.10
02/01/2018	DT	Email from A. Jeanrie;	0.10
02/02/2018	KEMM	Telephone call with A. Gadia re outcome of severance meetings and status of matters;	0.20
02/02/2018	DT	Meeting with KPMG, A. Jeanrie, D. Miret, C. Li, A. Gadia and J. Bradley;	1.70
02/04/2018	KEMM	Respond to email from L. Finegold; discussion with G. Azeff regarding APA	0.20
02/04/2018	GRA	Consider amendments to APA; Discussion with K. Mahar regarding APA; Multiple discussions and meeting with S. De Caria regarding research and other issues;	0.60
02/05/2018	KEMM	Telephone call from and to A. Gadia; email from A. Gadia enclosing draft Liquidator's Certificate for second advance; emails regarding severance issue and brief review of same; emails enclosing NDAs; email exchange with A. Gadia regarding final review of template APA; email to shareholder requesting copy of decision from Divisional Court upon release;	0.40
02/05/2018	KS	Review non-disclosure agreement for GFI; draft correspondence;	0.50
02/05/2018	GRA	Review and respond to correspondence; Discussion with K. Mahar regarding sale process and other next steps; Consider form of sale process and timing; Review APA to prepare for conference call and review	0.50



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		with K. Mahar;	
02/05/2018	DT	Review C. Li's emails and drawings; emails commenting on severance parcels; emails with A. Jeanrie;	0.40
02/06/2018	KEMM	Review Liquidator's Borrowing Certificate and provide copies; emails regarding severance application preparation; emails re: NDAs; receive and review marketing update; review template APA and discuss changes with G. Azeff; review blacklined template APA; conference call on sale process; receive and review decision of Divisional Court and impact on sale process timelines discuss on conference call; emails regarding Phase 1 Bid deadline; emails regarding NDAs; email from M. Rethore regarding website update;	1.50
02/06/2018	KS	Correspondence re NDA revisions;	0.30
02/06/2018	SDC	Attention to emails regarding sale process and Appeal;	0.20
02/06/2018	DT	Emails with A. Jeanrie on timing;	0.10
02/06/2018	GRA	Review APA and prepare for conference call; Conference call regarding sales process; Review Reasons for Judgment issued by Divisional Court;	2.00
02/07/2018	KEMM	Emails with Liquidator regarding phase 1 Bid Deadline; emails with Liquidator regarding party seeking to take assignment of APSs; emails from and to interested parties seeking decision of Divisional Court; receive and review sale process notice; discussion with G. Azeff regarding sale process and impact of decision of timing; provide comments to Colliers; provide comments on website update;	0.60
02/07/2018	DT	Review C. Li email and revised severance plan and provide comments;	0.20
02/07/2018	GRA	Review and consider call for claims; Discussion with K. Mahar regarding sale process and extension; Consider appeal decision and effect on sale process; Discussion with S. De Caria;	0.50
02/08/2018	KEMM	Emails on severance issue; circulate final template APA; email confirming bid notice issues; email from Liquidator signing off on template APA and sending to Colliers to be posted to data room; emails regarding	0.30

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		NDA's and participation of SAMM Capital Holdings in sale process;	
02/08/2018	DT	Review of C Li's revisions; review A. Jeanrie's comments; emails on perfecting financing severance; emails with A. Jeanrie on structuring severances and creation of easements in favor of developer to allow for approach to Planning;	0.50
02/08/2018	GRA	Review, consider and respond to correspondence regarding sale process and APA; Review and respond to correspondence from Detective Graff;	0.30
02/09/2018	KEMM	Emails regarding Sale Process; email from P. Thomson regarding questions from review of template APA; correspondence from B. Sachdeva regarding amounts claimed by his client;	0.30
02/10/2018	KEMM	Emails with G. Azeff and A. Gadia;	0.20
02/10/2018	GRA	Review and consider correspondence from counsel to shareholder; Review and respond to correspondence; Consider questions from counsel to potential purchaser; Review APA; Email discussion with K. Mahar;	1.10
02/11/2018	KEMM	Emails with A. Gadia regarding whether invoices exist for amounts claimed under letter from B. Sachdeva;	0.10
02/12/2018	KEMM	Email to P. Thomson; email to G. Azeff regarding preparing response; received and review marketing update; receive and review proposed answers to questions raised on sale process; Meeting with A. Gadia to discuss number of issues; email re unit assigned to Nazarali; email with A. Gadia regarding potential purchaser meetings; email from M. Rethore regarding party requesting ability to seek assignments of APSs; email exchange regarding questions about Marriott damages; respond to P. Thomson questions;	1.00
02/12/2018	GRA	Telephone call with Detective Derek Graff regarding investigation into counterfeit cheques; Review and respond to correspondence; Prepare draft responses to email inquiries from counsel to potential purchaser;	1.00
02/13/2018	KEMM	Emails from A. Jeanrie; emails from S. De Caria regarding various issues and discussions with her regarding same; emails regarding coordinating call on	0.90



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		severance application and sale process; discussion with S. De Caria regarding pulling claims processes from other liquidation proceedings to consider for meeting; emails with Liquidator on various issues; telephone call with G. Azeff regarding sale process and questions posed by various purchaser;	
02/13/2018	SDC	Attention to emails from clients; review emails from M. Rethore;, correspondence from purchasers and invoice from creditors; draft letters to real estate agent regarding deposits; draft letter to creditor regarding invoice; phone call with M. Rethore regarding creditor and invoice; email exchanges with client regarding draft letters; discuss draft letters with K. Mahar; review comments from M. Rethore and reporting email to K. Mahar; conduct research on claims procedures in liquidation proceedings and reporting email to K. Mahar;	2.00
02/13/2018	GRA	Review, consider and respond to correspondence; Discussion with K. Mahar regarding sale process;	0.30
02/13/2018	DT	Review emails from A. Jeanrie providing updates on severance pre-consultation with City;	0.30
02/14/2018	KEMM	Review and discuss issues with S. De Caria; review claims procedures and consider deposit return procedure; prepare for and attend meeting with Liquidator team, G. Azeff and S. De Caria; email from M. Rethore regarding CRA and Tarn Construction; follow up call to B. Sachdeva regarding same;	1.70
02/14/2018	SDC	finalize letters; email exchanges regarding proposed letters; review claims procedure orders; meeting with K. Mahar, G. Azeff, M. Rethore, A. Gadia and J. Bradley regarding proposed claims process and deposit claim procedure; email to clients regarding letter to purchasers;	1.70
02/14/2018	GRA	Discussion with S. De Caria; Review documents collected by S. De Caria regarding sale process; Attend meeting with KPMG; Review and consider Assignments & Preferences Act; Discussion with K. Mahar;	1.70
02/15/2018	KEMM	Emails to coordinate severance discussion; email from and to P. Thomson regarding information provided by	1.20

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<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		shareholder; emails regarding unsecured shareholder loans and consider whether any issues; telephone call with A. Gadia regarding email from P. Thomson and integrity of sale process; emails with G. Azeff regarding various issues; email from J. Bradley forwarding from 4s sent to Purchasers of units; discussion with S. De Caria regarding commencing draft deposit procedure;	
02/15/2018	SDC	Attention to emails from J. Bradley; review email exchanges; review email from J. Bradley and review deposit trust confirmation; email to J. Bradley; review claim order and internal emails regarding claim order;	0.40
02/15/2018	GRA	Review and consider Tudor case; Review and respond to correspondence; Email discussion with K. Mahar regarding Tudor case;	0.60
02/15/2018	GRA	Research regarding wind up of parent and effect on subsidiary; Consider whether parent can be compelled to pay debts of subsidiary during wind up;	0.80
02/16/2018	KEMM	Conference call with Liquidator and advisors; email from A. Gadia regarding conciliation officer and emails with L. Goodfellow regarding same; review marketing update;	0.90
02/16/2018	KS	Review and organize NDA;	0.10
02/16/2018	GRA	Review and respond to correspondence; Discussion with S. De Caria regarding sale process; Review Divisional Court Judgment;	0.30
02/16/2018	LG	Emails from and to A. Gadia regarding Appointment of Conciliation Officer;	0.10
02/19/2018	GRA	Review, consider and respond to correspondence; Telephone discussion with S. De Caria regarding various issues;	0.40
02/20/2018	KEMM	Emails regarding site tours; review marketing update; meeting with S. De Caria and G. Azeff regarding claims process and consideration of same; attend conference call with Colliers and Liquidator regarding sale process status; emails and meeting with S. De Caria regarding terms of order and erroneous use of section 23-25 of Assignments and preferences Act in OBCA section; email from L. Goodfellow regarding	1.30

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02/20/2018	SDC	Conciliation Officer; further discussion with S. De Caria regarding research; Review OBCA and Assignment and Preferences Act regarding proving claims; meeting with G. Azeff and K. Mahar regarding claims procedure and law; review precedents orders, factums and application records; draft Claims Procedure Order, draft Proof of Claim and Notice to Claimants; meeting with K. Mahar to discuss terms of Order; continued drafting of Claims Procedure Order; discuss status of next steps and research with K. Mahar;	4.70
02/20/2018	LG	Emails from and to K. Mahar regarding Conciliation Officer;	0.10
02/20/2018	GRA	Review and respond to correspondence; Discussion with S. De Caria regarding sale process; Review Assignments & Preferences Act and consider provisions; Meet with S. De Caria and K. Mahar; Review precedent sale process documents from S. De Caria; Review research regarding Fund of Funds Ltd. case; Consider impact on proposed sale process;	1.30
02/21/2018	KEMM	Email with A. Gadia regarding Tarn Construction and CRA; email exchange with B. Sachdeva regarding same and coordinating call; emails with S. De Caria regarding research of subsidiaries within company being wound up under OBCA; emails with G. Azeff and S. De Caria regarding issues to be considered; telephone call with A. Gadia;	0.70
02/21/2018	SDC	Continued drafting of Claims Procedure Order; review and revise Claims Procedure Order; edit Claims Procedure Order; internal emails regarding research and Claims Procedure Order; Reporting email to K. Mahar and G. Azeff regarding Claims Procedure Order and points of discussion;	2.10
02/21/2018	GRA	Review, consider and respond to correspondence; Discussion with S. De Caria regarding sale process and Tarn Construction;	0.40
02/22/2018	KEMM	Telephone call withy B. Sacheva; email to B. Sachdeva enclosing CRA documentation; discussion with A. Gadia; telephone call from and to D. Pollack regarding sale process;	1.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
02/22/2018	SDC	Review Meeting preparation notes; Meeting with G. Azeff to discuss Claims Procedure Order and issues related to Claims Procedure;	0.40
02/22/2018	GRA	Review and revise draft Order and sale process document; Meet with S. De Caria to discuss Order and proposed sale process; Consider mechanisms for dealing with Tarn Construction; Review OBCA wind up provisions;	1.20
02/23/2018	KEMM	Emails with A. Gadia regarding coordinating meetings with secured creditors to review phase 1 bids; review initial draft claims process; meeting with S. De Caria and G. Azeff; discussion regarding non-arm's length claims process; email from and M. Nowina requested update after bid deadline and explaining extended deadline due to appeal; email enclosing questions from potential bidder; consider whether D&O process should be run; emails regarding whether D&O insurance exists;	1.90
02/23/2018	SDC	Meeting with G. Azeff to discuss OBCA and claim procedure; discuss claim procedure with K. Mahar; review non-arm's length claims process; review OBCA and review research findings; revise and update claim procedure order; meeting with K. Mahar and G. Azeff to discuss claim procedure strategy and instructions on revisions to claim procedure; email to clients regarding insurance;	2.60
02/23/2018	GRA	Review research including Dupont case; Meet with S. De Caria to discuss disposition of Tarn Construction shares following wind up of Tarn Financial; Meet with K. Mahar and S. De Caria regarding claims process; Review and respond to correspondence;	1.90
02/23/2018	DT	Review various emails regarding land severance;	0.10
02/24/2018	KEMM	Consider issue of terminating APAs and status of Tarn Construction; email to A. Gadia to discuss same; emails from Colliers regarding questions relating to phase 1 bids; email to and from G. Azeff regarding same; emails confirming bids by email is sufficient for phase 1; email from G. Azeff revising template to address concern raised; email from S. De Caria enclosing draft Claims Procedure Order; email from S.	1.20



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		De Caria regarding information on Mariott agreement and management agreement; telephone call with Liquidator regarding mechanism necessary to terminate APSs should that become necessary given bidders feedback to date;	
02/24/2018	SDC	Review Management Agreement and review provisions of Delta Licence Agreement; reporting email to K. Mahar and G. Azeff regarding review of Agreements; review revisions, meeting notes and comments to Claims Procedure; review OBCA; revise and turn Claims Procedure Order; continued drafting of sections of Claims Procedure Order; draft forms; cover email to K. Mahar and G. Azeff regarding Claims Procedure Order;	4.10
02/24/2018	GRA	Review and respond to correspondence; Review and revise Asset Purchase Agreement; Circulate revised APA; Respond to question from Colliers;	0.60
02/25/2018	KEMM	Emails from A. Gadia enclosing summary of amounts owing by Tarn Construction; review same and consider claims process and Tarn Construction; emails to S. De Caria and G. Azeff regarding not calling for claims for Tarn Construction when not appointed over it; emails regarding coordinating meetings with secured creditors; email to Colliers with updated APS;	1.00
02/25/2018	SDC	conduct legal research on winding up proceedings, distributions and subsidiary corporations; review process on termination of APS;	1.50
02/25/2018	GRA	Review and consider email regarding plan for Tarn Construction;	0.30
02/26/2018	KEMM	Email exchange with A. Gadia regarding responses to bidder; email confirming no D&O insurance; email to S. De Caria regarding amending claim process; emails with A. Slavens to discuss matter; email with P. Shea regarding proposed claims process and coordinating call; review marketing report; email from A. Gadia with responses to Colliers and provide comments on same; email from S. De Caria enclosing draft Claims process; emails regarding Marriott amendment to licence agreement; participate on call with Colliers and	1.50



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
02/26/2018	SDC	KPMG re sale process update; Discuss instructions on revisions to Claims Procedure Order with K. Mahar; review emails regarding D&O insurance; revise and update Claim Procedure Order; draft Claim Procedure Order regarding Tarn Financial only; revise and update Forms; email to K. Mahar and G. Azeff regarding revised drafts; meeting with K. Mahar to discuss Tarn Construction, Claim Procedure Order, Delta Licence Agreement and next steps;	2.10
02/26/2018	GRA	Review revised drafts of sale process and Order; Multiple discussions with S. De Caria regarding Tarn Construction and proposed receivership; Review and respond to correspondence;	1.10
02/27/2018	KEMM	Emails regarding responses sent to bidders; conference call with A. Slavens regarding liquidation process and sale process; telephone call with P. Shea regarding claims process and proposed treatment of related party claims;	0.90
02/27/2018	SDC	Discuss Delta Licence Agreement with K. Mahar and email to client regarding amending agreement;	0.10
02/27/2018	GRA	Research regarding escheatment issue; Research regarding potential receivership of Tarn Construction;	0.60
02/28/2018	KEMM	Receive and review cash flow; numerous emails from phase 1 bidders; email coordinating compilation of bids; telephone call with A. Gadia regarding phase 1 bids received;	0.60
02/28/2018	SDC	Review email correspondence exchange from clients regarding Delta Licence Agreement; review letter and email to M. Rethore regarding Amendment; phone call with K. Mahar and Tarion regarding status of Liquidation, Appeals, Deposits and Tarn Construction;	0.60
02/28/2018	GRA	Review bids; Multiple discussions with K. Mahar regarding sale process; Discussion with S. De Caria regarding various issues;	1.30
03/01/2018	SDC	Review Phase 1 Bid Summary in preparation for meeting; attend at KPMG with Colliers for meeting to review Phase 1 Bids; review OBCA; discuss claim process with K. Mahar; revise and update Claim Process Orders; email to A. Gadia regarding Claim	4.20



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Process Orders;	
03/01/2018	KEMM	Review Phase 1 Bids and summary prepared by Colliers; prepare for meeting with KPMG and Colliers; attend meeting with KPMG and Colliers regarding Phase 1 Bids; telephone call A. Gadia and L. Gangbar regarding potential issue; review revised summary of Phase 1 Bids; emails regarding claims; discussion with S. De Caria regarding claims process and draft Order;	3.70
03/01/2018	GRA	Meet with K. Mahar regarding various issues and offers; Discussion with S. De Caria regarding various issues; Review offers received and consider; Review and respond to correspondence;	0.80
03/02/2018	SDC	Review email from client regarding condo purchaser; responding email to M. Rethore regarding condo purchaser and claim; Review Deposit Trust Agreement provisions; Discuss Deposit Trust Provisions with G. Azeff; reporting email to K. Mahar and G. Azeff regarding Deposit Trust Agreement; email exchange regarding Deposit Trust Agreement; review Delta Licence Agreement and discuss termination with K. Mahar; internal emails regarding research; phone call with Bennett Jones LLP and K. Mahar;	1.00
03/02/2018	GRA	Review and respond to correspondence; Multiple discussions with S. De Caria regarding conflict issue; Review various offers including Pinnacle;	0.60
03/02/2018	KEMM	Attend meeting with Kingsett, Colliers and KPMG to review phase 1 bids; telephone call with A. Gadia regarding draft Report; email from A. Gadia enclosing draft Report; emails regarding Bennett Jones; conference call with Meridian, Colliers and KPMG regarding phase 1 bids; telephone call with L. Gangbar and A. Gadia; emails with S. Zweig and A. Gadia coordinating further call; emails regarding purchaser raising issue of damages;	3.30
03/03/2018	KEMM	Emails and conference call with S. Zweig regarding potential bidder and its counsel for sale process; telephone call with A. Gadia regarding position of Liquidator in respect of sale process; email to B. Sachdeva enclosing current service list; discussion with g. Azeff regarding documents and materials	1.40



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		required over next week;	
03/03/2018	GRA	Discussion with K. Mahar regarding documents and other materials required over next week; Telephone discussion with S. De Caria;	0.20
03/05/2018	KEMM	Email enclosing Notice of Change of Lawyer re: A. Akman et al; email from S. Zweig regarding discussions; meeting with G. Azeff on various issues including sale process and bidders attempting to jump into phase 2;	0.40
03/05/2018	SDC	Review correspondence to counsel and Notice of Change of Lawyer's; review email from M. Rethore regarding purchaser inquiry;	0.10
03/05/2018	GRA	Meet with K. Mahar regarding various issues including sale process;	0.30
03/06/2018	KEMM	Emails regarding sale process with Liquidator and Colliers; email to S. Zweig to coordinate call; emails regarding Meridian fees;	0.40
03/06/2018	SDC	Review research findings from library regarding Franchise Agreements and duty to mitigate;	0.10
03/07/2018	KEMM	Conference call with S. Zweig and A. Gadia; further call with A. Gadia and consider interest of Liquidator and sale process; emails regarding meridian paying its fees and accruing interest; discussion with g. Azeff on conflict issue; email from A. Gadia on position regarding Bennett Jones;	1.30
03/08/2018	KEMM	Emails with Marriott regarding discussions with bidders email from S. De Caria enclosing analysis on Marriott termination and liquidated damages; review and consider same; email from L Gangbar and from bidder; emails with A. Gadia regarding report on money flow;	0.90
03/08/2018	SDC	Review Delta License Agreement, review research on termination provisions of franchise agreements; draft Memo to K. Mahar regarding Termination Provisions, Liquidated Damages, Term and calculation method; email to K. Mahar regarding memo; internal emails regarding research instructions on liquidated damages;	1.90



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
03/08/2018	GRA	Review memorandum from S. De Caria regarding Delta agreement; Discussion with K. Mahar;	0.50
03/09/2018	KEMM	Sale process update call with Liquidator and Colliers;	0.80
03/11/2018	KEMM	Review of Phase 1 Bids and consider conditions and additional terms set out in same prior to confirming phase 2 participation; consider impact of no partial bids being received;	3.80
03/12/2018	KEMM	Telephone call with A. Gadia regarding moving parties into Phase 2 of bid process; receive and review marketing update from Colliers; review Phase II Call for offers; further telephone call with A. Gadia regarding sale process and phase 2;	1.00
03/12/2018	GRA	Review marketing update memorandum from Colliers;	0.40
03/13/2018	KEMM	Email signing off on Phase II call for offers; emails with commercial list office regarding Justice McEwen availability; review result of brand standard audit; emails with client coordinating time for discussion on claims process timing and terms; email from Colliers with final notice; email to A. Gadia regarding Justice McEwen's availability to coordinate chambers attendance;	0.40
03/14/2018	KEMM	Telephone call with Colliers and KPMG regarding status update regarding sale process; further telephone call with A. Gadia regarding claims process and court availability;	1.00
03/15/2018	KEMM	Review draft claims process order and prepare for meeting; meeting with Liquidator regarding claims process and separate deposit confirmation process; telephone call from A. Pirani coordinating call to discuss bidders questions and timing of information; telephone call with A. Gadia; email from > Rethore enclosing comments on claims process order based on meeting; review same;	2.50
03/15/2018	SDC	Review Claims Process and prepare for meeting at KPMG regarding Claims Process and discussion points; attend at Meeting at KPMG regarding Claims Process and Procedure; review email from M. Rethore;	2.50
03/15/2018	GRA	Review and consider Colliers marketing report / bid	0.40

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		summary;	
03/16/2018	KEMM	Email exchange with J. Kulathungam regarding coordinating meeting; telephone call with A. Gadia regarding various issues; further email to J. Kulathungam;	0.40
03/17/2018	KEMM	Email from S. De Caria enclosing revised Claims Procedure Order and additional schedules; review same;	1.00
03/17/2018	SDC	Review email from M. Rethore regarding Claim Procedure Order and meeting minutes; Review revised Claim Procedure Order and blackline to previous version; review meeting notes and draft notes to Claim Procedure Order; continued drafting and revisions to Claim Procedure Order; Draft Notice of Determination of Claim; Draft Notice of Objection; review and edit Claim Procedure Order; email to K. Mahar regarding Claim Procedure Order;	2.00
03/17/2018	GRA	Review and consider revised Claims Procedure Order; Discussion with K. Mahar regarding claims procedure;	0.50
03/19/2018	KEMM	Emails with new counsel to shareholder; emails with Colliers regarding calls with bidders counsel; telephone call with bidders counsel; telephone call with A. Gadia regarding sale process, phase 2 bid deadline and various issues; emails coordinating meeting with Colliers to review phase 2 bids; emails regarding issue raised by Marriott; consider whether interim solution possible;	1.50
03/19/2018	GRA	Discussion with K. Mahar regarding various issues including sale process and claims procedure; Review draft Order regarding claims procedure;	0.50
03/20/2018	KEMM	Emails and call with phase 2 bidder's counsel regarding expectations for phase 2 bid deadline; emails with Colliers and Liquidator preparing for phase 2 bids and responding to inquiries; numerous calls with different phase 2 bidder's counsel regarding phase 2 bid, approval and vesting order and process; emails setting up meetings with secured creditors to review phase 2 bids; review marketing update; email with P. Thomson regarding questions relating to information in data room and phase 2 bid deadline;	4.80





<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		meeting with shareholder's new counsel with A. Gadia; email to and from A. Slavens to coordinate call to discuss deposit confirmation procedure to be undertaken; telephone call from and to further phase 2 bidder regarding pending phase 2 bid deadline and expectations; emails with Colliers confirming discussions with various bidders' counsel; telephone call with commercial list office regarding time before Justice McEwen; emails and discussions with A. Gadia regarding Tarn Construction and outstanding invoices; emails with phase 2 bidder's counsel scheduling further call; emails and discussion with A. Gadia regarding The Guarantee Company becoming involved in deposit process; meeting with S. Kotsopoulos to discuss review of phase 2 bids from real estate perspective; email to counsel for SAMM/Akman enclosing CRA notice;	
03/20/2018	SK	Initial meeting with Kyla Mahar to receive instructions; preliminary title consideration as to hotel property.	0.80
03/20/2018	GRA	Review multiple Colliers marketing reports; Review correspondence from P. Thompson and response from K. Mahar;	0.70
03/21/2018	KEMM	Email from A. Gadia; telephone call from A. Gadia regarding concerns relating to posting to data room and ensure information has been posted for phase 2 bidders; emails from Colliers regarding same; conference call with S. Grossman, counsel for phase 2 bidder; email client to provide update; coordinate update of service list; discussion with A. Gadia regarding further responses to P. Thomson, counsel for phase 2 bidder; conference call with A. Slavens and Liquidator regarding commencing deposit claim procedure and Tarion's view on type of process; email to counsel for shareholder providing information setting out Marriott defaults; email from A. Slavens regarding potential process;	2.40
03/21/2018	GRA	Review and respond to correspondence; Discussion with K. Mahar regarding claims process and anticipated timing;	0.40
03/21/2018	SK	Review draft purchase agreement; review CIM; engaged in familiarization with title and title	1.60



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		documents;	
03/22/2018	KEMM	Numerous emails from phase 2 bidders regarding information requests and delivery of phase 2 bids; telephone calls with phase 2 bidders' counsel; conference call with A. Gadia in preparation for meeting to review bids with Colliers; numerous emails confirming deposits initiated and received; emails with commercial list office regarding availability of Justice McEwen to book motions; discussion with G. Azeff regarding claim process and deposit confirmation/claims process; commence review of bids	5.00
03/22/2018	GRA	Discussion with K. Mahar regarding claims process; Review and consider draft Claims Process Order; Review previous reports regarding creditor pool; Consider structure of claims process and amendments to draft Order;	0.80
03/23/2018	KEMM	Emails regarding procedures for deposit return used in other proceedings; receive and review bid summary prepared by Colliers; receive mark up from Colliers on APS of one bidder - high level review of same prior to meeting; discussion of summary with S. De Caria and need for expansive bid summary; prepare for and attend meeting at KPMG regarding bids submitted and next steps; receive and review marketing update; forward same to S. Kotsopoulos;	3.40
03/23/2018	SDC	Telephone call and email exchange with M. Rethore regarding bids summary form; discuss bid summary form with K. Mahar; internal emails regarding bid summary;	0.30
03/23/2018	GRA	Review and respond to correspondence; Review and consider bid summary; Prepare for and attend meeting at KPMG regarding bidding process and bids submitted;	2.70
03/25/2018	KEMM	Emails with team regarding bid review and summary and template APA and amendments proposed in bids regarding same; further emails with S. Kotsopoulos to meet regarding findings; email from colleague enclosing bid summary and review same;	2.00
03/25/2018	SDC	Various email exchanges with G. Azeff, K. Mahar and S. Kotsopolous regarding template APA and bid	0.50

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		summary; review bid summary and discuss with S. Kotsopolous;	
03/25/2018	GRA	Review and respond to correspondence; Review draft Asset Purchase Agreement; Review, revise and forward correct APA to S. De Caria;	0.60
03/25/2018	SK	Reviewing each of the 6 Phase II bid document and undertaking summary of key provisions of these bids; review sale bid process order; and all related correspondence.	6.90
03/26/2018	KEMM	Emails regarding summary for Meridian call; emails with A. Gadia regarding creditors of Tarn construction making inquiries and proposed response; telephone call with A. Gadia regarding responding to purchasers of units and real estate brokers; emails with D. Pollack regarding meeting location; meeting with Kingsett regarding bid review and next steps; email from and to I. Roher regarding requesting review of bids; email to S. De Caria regarding commencing preparation of deposit claims process order; telephone call with A. Gadia regarding request from I. Roher and concerns with integrity of sale process to have bidder involved in review;	2.50
03/26/2018	JC	Conduct PPSA searches against Tarn Financial Corporation and Tarn Construction Corporation; arrange for PPSA certificates to be picked up and forwarded to Ms. Crisp;	0.20
03/26/2018	GRA	Discussion with K. Mahar regarding claims process and timeline; Discussion with S. De Caria regarding claims process and status of order;	0.20
03/27/2018	KEMM	Emails with A. Gadia regarding calculation of liquidated damages and emails to Marriott; review calculation of same; review creditor inquiry; email from S. Kotsopoulos enclosing schedule to consider for permitted encumbrances; conference call with The Guarantee Company regarding process and expectations if APS' assigned and if terminated; email to commercial list office regarding coordinating date for chambers attendance and motions; emails regarding timing; telephone call to I. Roher; email enclosing Tarion agreements; emails coordinating meeting with Gowlings; telephone call with A. Gadia to	3.30



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		obtain update on call with Meridian regarding bid review; email enclosing initial draft of sale proceeds analysis depending on bid accepted; review and consider same; discussion with Liquidator regarding considering how many APSs are in default due to non-payment; email coordinating call on analysis of bids from sale proceeds and liabilities standpoint; email from Liquidator enclosing analysis of defaulting APSs;	
03/27/2018	SDC	Review email from K. Mahar regarding Orders; conduct research of deposit trust claim orders and internal emails regarding same;	0.20
03/27/2018	GRA	Discussion with K. Mahar regarding various issues and next steps; Discussion with S. De Caria regarding negative claims process re condo purchasers;	0.30
03/27/2018	SCL	Attend at a Central Production and Verification Services Branch, pick-up PPSA certificate(s) for 1. Tarn Financial Corporation and 2. Tarn Construction Corporation, scan and provide same to Jessie Chau;	0.20
03/28/2018	KEMM	Email from Marriott regarding calculation of liquidated damages; telephone call with A. Gadia regarding sale proceeds analysis and capital gains tax analysis; emails moving meeting with shareholders' counsel; email from A. Jeanrie regarding OMB process; review documents; drafting proposed update for service list; email draft bid analysis to KPMG to prepare clarification questions for each bidder; review commercial list forms; telephone call with Liquidator to prepare for meeting; attend meeting with shareholders' counsel to update on issues other shareholder updated on including proposed claims process, deposit process, timing of sale process and receivership relating to Tarn Construction; telephone call from A. MacFarlane and emails regarding being retained by The Guarantee Company and coordinating call; emails with A. Slavens regarding coordinating call to discuss views of The Guarantee Company, sale process and deposit determination process; email from commercial list office confirming matters scheduled;	4.10
03/28/2018	DT	Email from A. Jeanrie;	0.10



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
03/29/2018	KEMM	Conference call with A. MacFarlane and A. Gadia regarding state of proceedings, sale process, next steps and anticipate relief to be sought by court; draft NDA for The Guarantee Company; circulate to A. MacFarlane for review; email from M. Rethore enclosing list of items to be clarified in each bid; email to Bidders' counsel to coordinate calls to clarify bids; email to Liquidator regarding providing draft to Colliers subject to further input from counsel; responses from counsel to coordinate calls;	2.10
03/30/2018	GRA	Research regarding termination of condominium purchase agreements;	1.30
03/31/2018	GRA	Review and respond to correspondence; Review Word version of Order forwarded by S. De Caria;	0.40
04/01/2018	KEMM	Emails with A. Gadia; emails coordinating calls with Colliers and calls with Tarion and The Guarantee Company;	0.30
04/01/2018	GRA	Review and respond to correspondence;	0.10
04/02/2018	KEMM	Telephone call with A. Gadia regarding sale process, bid clarification, deposit process and upcoming chambers attendance; review and consider bids and questions of clarifications in advance of call; conference call with Colliers and Liquidator regarding sale process and bid clarification process; emails with S. De Caria regarding creditor inquiry; receive and review comments on NDA ; meeting with G. Azeff regarding reviewing disclosure statement and APSs for condo units to consider termination provisions and rights; email documents to G. Azeff for review; review preliminary memo and provide copy to G. Azeff; review APS; emails with A. MacFarlane regarding finalizing same; discussion with S. De Caria regarding preparation of receivership for Tarn Construction; review draft receivership order and notes to draft; email from a. Gadia enclosing second report; email from A. MacFarlane providing executed NDA so they can participate as secured creditor in review of sale process and bids; circulate second report team; meeting with S. De Caria regarding comments on Receivership Order and notes to draft; email to bidders' counsel to coordinate calls; discussion with G.	5.80



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Azeff regarding timing of motions; emails with Liquidator regarding disclosure to The Guarantee Company; email to A. MacFarlane regarding same; review and drafting claims process order and circulate to Liquidator; telephone call with A. Gadia regarding damages analysis to consider bid analysis; email from S. De Caria circulating revised receivership order with blackline to model and review and proved further comment; review further draft; review and consider content for Liquidator's Report; consider bifurcating relief sought;	
04/02/2018	SDC	Discuss receivership of Tarn Construction with K. Mahar and instructions on receivership order; review template APS and PINS; draft Receivership Order and compare with Model Order; email to K. Mahar regarding draft Receivership Order and discussion points; review comments from K. Mahar; email to M. Rethore and review response; draft and revise Receivership Order and compare with Model Order; edit Receivership Order draft; email to K. Mahar regarding Receivership Order; meeting with K. Mahar to discuss Receivership Order and provisions; continued drafting and revisions to Receivership Order; email to K. Mahar;	3.60
04/02/2018	GRA	Prepare for and attend conference call regarding sale process; Review notes from call; Review and consider disclosure statement; Review and consider two forms of condominium purchase agreements; Review and consider memorandum regarding termination of purchase agreements; Review and respond to correspondence; Research regarding termination of purchase agreements; Review condominium documents including Tarion agreements; Research regarding various legal issues; Draft sections regarding termination of purchase agreements; Discussion with K. Mahar regarding preparation of motion materials and timing;	5.70
04/03/2018	KEMM	Emails regarding Tarn Construction; review further draft of Receivership Order; emails with commercial list office regarding time before Justice McEwen; emails with A. Gadia regarding following up with counsel for bidders that we haven't had response	5.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		from; email to service list regarding chambers attendance to schedule motions; call with Commercial List Office; email with S. De Caria regarding preparing deposit confirmation process as a reverse claims process; emails with s. De Caria regarding factum for APS relief; emails regarding termination provisions in APSs; discussion with G. Azeff on legal arguments relating to termination including frustration and anticipatory breach; emails with bidders' counsel to coordinate clarification call; email to service list; conference call regarding clarification of bid terms; give instructions on updates to service list; email from Liquidator with draft analysis and review same; emails with Liquidator regarding proposed changes to analysis after clarifications of bids; meeting with S. De Caria regarding drafting language relating to termination of APSs given current analysis; review proposed deposit confirmation from and circulate to S. De Caria; telephone call with A. Macfarlane providing views on sale process; email to A. Gadia providing update; email from S. De Caria regarding evidence for termination in Terrasan;	
04/03/2018	SDC	Email exchange with K. Mahar regarding receivership motion; research reverse claim process; meet to discuss reverse claim process order and instructions with K. Mahar; review Confirmation of Deposit Schedule; phone call with Alex Macfarlane and K. Mahar regarding claim process; prepare template of Order; email exchange with K. Mahar and G. Azeff regarding termination provision in deposit claim procedure;	0.90
04/03/2018	GRA	Review and revise memorandum; Multiple discussion with S. De Caria regarding form of claims procedure order; Discussion with K. Mahar regarding sections regarding termination of agreements and damage claims; Review Condominium Act and consider impact on position on motion re termination of purchase agreements; Continue drafting section regarding termination of purchase agreements and damages; Research regarding contractual frustration and application to liquidation proceeding; Discussion with K. Mahar regarding frustration;	3.10



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
04/04/2018	KEMM	Call with A. Gadia regarding relief to be sought and submissions in chambers; meet with J. Bradley for Chambers Appointment; attend Chambers Appointment before Justice McEwen; discussions with I. Roher; Call with A. Gadia updating on outcome of attendance and discussions with I. Roher; letter from M. Nowina regarding Marriott Liquidated damages; email to service list enclosing endorsement and confirming motion dates; email to Colliers and Liquidator to discuss final and best round under sale process; consider sale process; several meetings throughout day with S. De Caria regarding drafting of Orders; emails with M. Nowina regarding motions being brought; emails with M. Valente regarding motions being brought; email from and to L. Finegold; conference call with Colliers and Liquidator to review final and best process; review draft of Receivership Order and circulate to Liquidator for review; emails with A. Pirani regarding coordinating calls with lenders of borrowers to confirm whether any concerns from lenders perspective; coordinating time for calls; email from S. De Caria enclosing further draft of Claims Process Order; emails regarding whether notice necessary in Deposit Confirmation Process; email from and to I. Roher regarding sale process; revise Receivership Order further and circulate further draft; meeting with S. De Caria regarding changes to proposed Deposit Confirmation Form; email from S. De Caria enclosing reverse deposit confirmation process and commence review of same;	7.20
04/04/2018	SDC	Attend at Chambers Attendance before Justice McEwan; meetings and discussions with K. Mahar regarding proposed language of draft Receivership Order; various meetings and discussions with K. Mahar regarding reverse claim process and Tarn Construction; continued review and revisions to Claim Procedure Order and Schedules; finalize draft Claim Procedure Order and Schedules; email to K. Mahar regarding updated Claim Procedure Order; continued drafting of Reverse Claim Process; continued review and revisions of Reverse Claim Process; review form prepared by client; draft Reverse Claim Process Schedules and Forms; review and revise forms and	7.50





<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		schedules; review and finalize draft Reverse Claim Process and schedules and email to K. Mahar regarding same; review draft Fee Affidavit; revisions to Fee Affidavit and email to K. Mahar regarding revisions;	
04/05/2018	KEMM	Numerous emails with A. Gadia regarding various issues relating to sale process; final and best process and participation of bidders; email from counsel to bidder with further responses to clarifications; emails same to Colliers and Liquidator; further emails regarding responses received; email from M. Nowina; review reverse deposit confirmation process and discuss with S. De Caria; consider other processes from other proceedings; emails regarding final and best bid clarification process; telephone call with A. Gadia regarding receivership and draft Order; email to I. Roher regarding additional information from client on Tarn Construction; update from Colliers on discussions with Bidders; telephone call with A. Gadia regarding further response to I. Roher and Colliers update; email to I. Roher; receive and review AP listing; consider further response from I. Roher; email to Colliers regarding written instruction to bidders; email to bidder's counsel confirming that Colliers reached out on next stage of process; telephone call with A. Pirsani regarding feedback from bidders; email from S. De Caria enclosing deposit confirmation procedure to client subject to my review; circulate draft Claims Procedure Order to shareholders' counsel to allow for comments on non-arm's length claimants process; email to S. De Caria regarding drafting sections for Report; receive further email from I. Roher; emails regarding fee affidavit; discussion with A. Gadia regarding relief; review BC case with respect to disclaimer of presale APS for real estate development; telephone call from P. Shea; emails with Liquidator regarding confirming accurate facts to respond to shareholder's counsel; emails from Liquidator regarding same; receive comments from Liquidator and consider same; email to Liquidator regarding views on big picture comments; email to P. Thomson requesting confirmation of invoice; review mark up and consider changes; email coordinating call	6.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		with Liquidator to review further;	
04/05/2018	SDC	Email exchange with K. Mahar and clients regarding Receivership Order; email exchange with K. Mahar regarding reverse claim process; continued revisions and drafting of reverse call for claims; conference call with A. Gadia, M. Rethore, J. Bradley and K. Mahar regarding receivership proceeding and comments to draft Receivership Order; further turn of Receivership Order; review updated and revised fee affidavit; email to M. Rethore regarding fee affidavit; review Second Report of Liquidator; continued drafting of Second Report of Liquidator regarding claim processes; review email from A. Gadia regarding fee affidavit; email to K. Mahar regarding fee affidavit; email exchange with K. Mahar regarding Liquidator's Report; review email from M. Rethore regarding general comments to claim process; review email exchange clients and review email from K. Mahar regarding comments; review blackline version of claim process;	3.70
04/05/2018	GRA	Discussion with S. De Caria regarding claims process order; Review and consider draft order; Review correspondence and consider order and deposit issue;	0.90
04/06/2018	KEMM	Emails regarding fees being claimed; email providing liquidated damages to Colliers; emails with S. De Caria; conference call with Liquidator and S. De Caria regarding Deposit Confirmation Process; email from P. Thomson providing 4 invoices; email from A. Pirani regarding input from bidders in final round; email to and from bidder's counsel regarding timing of outstanding responses to clarification questions; discussion with S. De Caria regarding amending Order; telephone call with A. Gadia regarding bidder's counsel response and preparation of response to I. Roher; emails from Colliers confirming receipt of sealed bids; receive revised draft of Order; review same and provide markup to s. De Caria; telephone call with P. Shea regarding other claimants being entitled to review claims; amend claims process order; circulate to Liquidator; emails regarding fee affidavits; discussion with S. De Caria regarding drafting section on additional deposits; circulate revise Deposit Confirmation Process to Liquidator; email enclosing	8.50



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Bennett Jones fee affidavit; commence drafting Second Report; email to A. Slavens and A. MacFarlane circulating draft Deposit Confirmation Order; email from S. De Caria enclosing draft Ancillary Order; final review of Claims Procedure Order and circulate final revisions to Liquidator; revise Ancillary Order and circulate to Liquidator; further call with A. Gadia regarding various issues and second report;	
04/06/2018	SDC	Telephone conference call with K. Mahar, M. Rethore and A. Gadia regarding Deposit Confirmation Procedure Order and comments to same; continued drafting and various turns, edits, and revisions to Deposit Confirmation Procedure Order; various email exchanges and meetings with K. Mahar regarding strategy and terms of Order; draft additional schedules; further turns of additional schedules and revisions to same; finalize draft Deposit Confirmation Procedure Order, prepare blacklines and discuss with K. Mahar; discuss forms with K. Mahar; review and revise Fee Affidavit of G. Azeff; continued revisions and finalize Fee Affidavit; email exchanges with K. Mahar and clients regarding Fee Affidavit; review Fee Affidavit of Deposit Trustee; review Claim Procedure Order and further revisions and edit to Claim Procedure Order; email to K. Mahar regarding Claim Procedure Order; review Winding Up Order, Supplemental Report, Second Supplemental Report and Borrowings Charge terms; meetings with K. Mahar regarding Borrowing Charge terms; draft Ancillary Order; revise and further turns of Ancillary Order and emails to K. Mahar regarding same; meeting with K. Mahar regarding instructions on Notice of Motion and Second Report;	8.50
04/06/2018	GRA	Consider deposit issue; Discussion with S. De Caria regarding claims process order; Review and consider Tarion agreement; Research regarding claim against parent company; Review and revise sections regarding termination; Discussion with K. Mahar regarding various issues;	1.50
04/06/2018	GRA	Meet with K. Mahar regarding various issues; Discussion with S. De Caria regarding timing of motion for claims process order and other issues; Review,	0.40



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		consider and respond to correspondence; Review and revise sections for materials;	
04/07/2018	SDC	Review emails from clients regarding draft Orders and comments to draft Orders; review comments to Deposit Confirmation Procedure Order; email to K. Mahar regarding comments to client comments and additions and proposed drafting; review email exchange from K. Mahar to clients regarding advice on Orders; Review revised and turned Deposit Confirmation Procedure Order, Claims Procedure Order and Ancillary Order; draft Second Report sections regarding receivership, Deposit Confirmation Procedure and Claims Process; discuss Second Report and Orders with K. Mahar; prepare blackline for Motion Record; draft notice of motion; continued review and revisions to draft notice of motion; discuss notice of motion with K. Mahar; email to K. Mahar regarding notice of motion;	6.20
04/07/2018	KEMM	Review comments on Claims Procedure Order, Receivership Order, Deposit Confirmation Order and Ancillary Order; revise Orders and recirculate same to clients; drafting Second Report; review of emails and correspondence; numerous emails with clients regarding various sections of Report and information needed;	7.00
04/08/2018	KEMM	Drafting Second Report; circulating same to clients; review comments and revise Second Report; telephone call with A. Gadia regarding motion materials; emails regarding review of sealed submissions from Bidders; further review of Second Report and circulate further draft to Clients; receive and review Notice of Motion and provide comments;	5.20
04/08/2018	SDC	Review turned Second Report; review J. Bradley revisions and comments to turned Second Report; email to K. Mahar regarding revisions and comments to Second Report; continued revisions and further turn of Notice of Motion; revise and edit Notice of Motion; email to K. Mahar regarding Notice of Motion;	1.80
04/09/2018	KEMM	Emails regarding court materials; Revising and finalizing motion materials; telephone call with A. Gadia; telephone calls with J. Bradley regarding fee	3.80



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		affidavits and redacting of accounts given sale process; review redactions to MT accounts; review final motion record and email to service list; email exchange with I. Roher regarding timing of service of motion materials; coordinate service of motion materials; emails with Colliers and client regarding timing for opening of envelopes re Bids; emails coordinating call with Colliers and KPMG to discuss same; receive and review marketing update # 12;	
04/09/2018	SDC	Review email exchanges regarding Second Report and comments and revisions to Second Report; review Second Report; prepare Receiver's Consent to Act; email to K. Mahar regarding Receiver's Consent to Act;	0.30
04/09/2018	GRA	Discussion with K. Mahar regarding preparation of motion materials; Review and respond to correspondence; Discussion with S. De Caria regarding motion and factum;	0.40
04/10/2018	KEMM	Emails regarding sealed bids and opening process; email from M. Rethore enclosing fee affidavit; email from a. MacFarlane confirming no comments on deposit confirmation process; emails from and to secured creditor; telephone call with Liquidator and Colliers regarding final and best process; email from A. Pirani regarding parties seeking deposit back; consider timing of return of deposits; coordinate service of fee affidavit; emails to schedule meeting with Liquidator regarding next steps; telephone call and emails with A. Gadia regarding call with tax advisors regarding capital gains analysis of top bids;	1.40
04/10/2018	SDC	Review sworn fee affidavit of KPMG; email exchange with clients regarding status meeting;	0.10
04/10/2018	GRA	Meet with K. Mahar regarding status of bid process and revised / improved offers;	0.30
04/11/2018	SDC	Review email from M. Rethore regarding The Fence People, review letter and quotes regarding The Fence People and discuss with K. Mahar; meeting with K. Mahar, A. Gadia, J. Bradley and M. Rethore regarding status of winding up proceedings, proposed receivership, sale process and claims process; review email from M. Rethore regarding status on The Fence	2.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		People; review and finalize Receiver's Consent to Act; Email to service list regarding	
04/11/2018	KEMM	Review Sunray mark up of APA and consider impact on Bid price; review financing letter; prepare for call with M. Kay and A. Pirani regarding increased purchase price and financing for Sunray; telephone call with A. Pirani regarding Sunray receiving call about confidential aspects of sale process and update regarding telephone call from P. Thomson; prepare for meeting with KPMG; meeting with KPMG regarding preparation for Claims Procedure and Deposition Confirmation Procedure, tax implications of transactions and work being undertaken by Richters, next steps in sale process;; creation of Q&A for claims process and deposit confirmation process, updates and notice to buyers and May 1st motion; telephone call with I. Roher and A. Gadia regarding whether there were any questions regarding Liquidator's Report; conference call with A. Pirani and representative of Sunray regarding clarifications to points contained in APA markup; telephone call with A. Gadia providing update on call;	4.90
04/11/2018	GRA	Email to K. Mahar;	0.10
04/12/2018	SDC	Review emails from M. Rethore regarding Phase III Bids; review email exchange between service list regarding Liquidator's motion; review revised and updated Claim Procedure Order and discuss with K. Mahar;	0.20
04/12/2018	GRA	Review and consider revised bids; Discussion with K. Mahar regarding new counsel for shareholder; Consider issues; Prepare for conference call with shareholder's new counsel; Review motion materials for claims process order;	1.50
04/13/2018	SDC	Prepare for Motion; attend at Motion before Justice McEwen for Receivership Order, Claims Procedure Order, Deposit Confirmation Order and Ancillary Order; issue and enter Orders with the Court; email to Service List serving Orders; review buyers correspondence and discuss updated correspondence with K. Mahar; revise and updated third buyer's correspondence regarding Deposit Confirmation	7.00



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Order, continued deposits and update on status of Winding Up Proceedings; email draft to K. Mahar; review email from M. Rethore regarding Second Report; email response to M. Rethore regarding Second Report and issued Order; internal email exchange regarding corporation profile report; review updated profile report and email to M. Rethore; email exchange with M. Rethore regarding FAQs for Claims Procedure and Deposit Confirmation Procedure; conduct research on FAQs; review Claims Procedure Order and Second Report and draft FAQs for Claims Procedure Order; email to M. Rethore regarding FAQs; review comments and email exchange with M. Rethore;	
04/13/2018	JC	Conduct corporate search; email corporation profile report to S. De Caria;	0.10
04/13/2018	GRA	Meet with S. De Caria regarding motion and outcome; Discussion with K. Mahar regarding motion;	0.20
04/14/2018	SDC	Review email from M. Rethore regarding comments to FAQs for Claim Procedure Order; review and revise FAQs for Claim Procedure Order; continued revisions and final turn of Claims Procedure Order; review Deposit Confirmation Procedure and Second Report; review draft Q&A; draft FAQs for Deposit Confirmation Procedure; email to M. Rethore regarding draft FAQs for Deposit Confirmation Procedure; review email comments and blackline from M. Rethore; continued revisions and final turn of FAQs for Deposit Confirmation Procedure; email exchange with M. Rethore regarding FAQs; email to A. Gadia and K. Mahar regarding FAQs and comments;	3.00
04/15/2018	SDC	Review email responses from A. Gadia and K. Mahar; attention to emails regarding newspaper notice; review newspaper notice; review email regarding Milborne letter and deposit confirmations; review various emails regarding Milborne units and unit listing;	0.50
		<b>Total Hours</b>	<b>381.00</b>



**Our Fee: 224,077.00**

TK ID	Initials	Name	Title	Rate	Hours	Amount
00977	DT	D. Tang	Partner	\$765.00	7.20	\$5,508.00
00990	KEMM	K. Mahar	Partner	\$715.00	167.30	\$119,619.50
00991	GRA	G. Azeff	Partner	\$680.00	74.90	\$50,932.00
00884	LG	L. Goodfellow	Partner	\$665.00	4.40	\$2,926.00
00888	SK	S. Kotsopoulos	Partner	\$655.00	9.30	\$6,091.50
00980	MH	M. Hosseinian	Partner	\$465.00	1.10	\$511.50
02479	KS	K. Starostin	Associate	\$335.00	6.70	\$2,244.50
00994	SDC	S. De Caria	Associate	\$330.00	109.40	\$36,102.00
01510	JC	J. Chau	Paraprofession al	\$260.00	0.30	\$78.00
05948	AC	A. Chornaby	Paraprofession al	\$175.00	0.20	\$35.00
00241	SCL	S. Solutions Corp.	MT, Clerk	\$145.00	0.20	\$29.00

**Taxable Disbursements**

Land Registry Office Searches	243.80
Corporate or Securities file Searches	20.00
PPSA Search - Ontario	16.00

Total Taxable Disbursements 279.80 \$279.80

**Non-Taxable Disbursements**

Filing Fee	(337.00)
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Total Non-Taxable Disbursements (337.00) \$(337.00)

**Total Fees and Disbursements \$224,019.80**

**Ontario HST 13% (R119440766)**

On Fees \$29,130.02

On Disbursements \$36.37

**Total Amount Due \$253,186.19**

E.&O.E.







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**July 19, 2018**

Invoice Number 3210086

KPMG Inc.  
 333 Bay Street, Suite 4600  
 Toronto, ON M5H 2S5

To Professional Services Rendered in connection with the following matter(s) from April 11, 2018 to April 30, 2018 including:

**Re: Tarn Financial Corporation**  
**Our File No. 0224731.0001**

<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
04/11/2018	CM	Attendance at Commercial List office to file Motion Record;	0.50
04/12/2018	KEMM	Emails with counsel for Meridian regarding motion; telephone call with lead Bidder to negotiate terms of APA; emails with counsel for shareholder; discussion with G. Azeff regarding preparation for hearing and participation on call with shareholder's counsel; telephone call with A. Gadia regarding issues raised by shareholder; conference call with I. Roher, client and G. Azeff regarding concerns over relief sought and proposed endorsement; emails with counsel for Kingsett; emails and call regarding preparation of claim packages for mailing; review phase III bids; emails with I. Roher proposing language for endorsement; further call with client; email confirming position of Liquidator regarding proposed endorsement; emails with counsel for other shareholders regarding proposed endorsement; email regarding information requests to Kingsett; review orders and update for hearing; review tax analysis and consider potential analysis regarding sale proceeds; amend Claims Procedure order and circulate to service list to account for shareholder's requested changes; emails regarding receiving increased	5.40



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		deposits; revising lead bidder's APA and circulate draft for consideration; discussion with S. De Caria regarding motion;	
04/13/2018	KEMM	Prepare for motion; meeting with A. Gadia; attend motion before justice McEwen for Receivership Order, Deposit Confirmation Procedure Order; Claims Procedure Order and Ancillary Order; emails with lead bidder to coordinate call to discuss draft APA;; call with A. Gadia and lead Bidder; numerous calls and emails regarding claims process and deposit confirmation process and related documents to be populated; review further mark up of APA;; call with client regarding finalizing APA; emails regarding return of deposits; emails with S. De Caria regarding preparing Q&As for Claims Process and Deposit Confirmation Process and drafting correspondence to condo purchasers; emails regarding newspaper ad; conference call regarding advising successful bidder; calls and emails regarding same; correspondence from condo purchaser;	6.40
04/14/2018	KEMM	Emails with S. De Caria regarding drafts of FAQs;	0.10
04/15/2018	GRA	Review and respond to correspondence; Preparing sections for factum and court materials regarding termination of APSs;	0.90
04/15/2018	KEMM	Consider parties that require notice of deposit process; emails regarding deposit confirmation forms to parties that take position they purchased units; review and revise update for website; provide comments on advertisement; emails with S. Kotsopoulos regarding reviewing final APA;	0.70
04/16/2018	SDC	Review email correspondence regarding newspaper ad; review FAQs and drafts; review K. Mahar comments to draft FAQs on Claim Procedure; email to K. Mahar regarding comments to FAQs; review instruction email regarding motion materials; review K. Mahar comments and emails; review A. Gadia comments to FAQs; revisions and final turn of FAQs for Claims Process; review email from A. Gadia regarding updated buyers correspondence and next steps regarding website; review K. Mahar comments	2.30

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be

32763239.1 charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		to Deposit Confirmation Order FAQs; review email from M. Rethore and email correspondence exchange with purchaser of condo regarding deposit; review email from M. Rethore regarding Milborne deposit; review correspondence from counsel to Milborne;; review email exchange regarding Milborne units; review correspondence and review of APSs regarding Milborne; telephone call with M. Rethore regarding Milborne units; email to client and K. Mahar regarding units; review email and spreadsheet regarding nil deposits;	
04/16/2018	GRA	Review correspondence regarding purchaser letter;	0.10
04/16/2018	GRA	Multiple discussions with S. De Caria and K. Mahar regarding termination of APSs; Consider acceleration issue; Review Condominium Act;	0.70
04/16/2018	KEMM	Numerous emails regarding claims process; review final ad; emails regarding sale process, return of deposits of unsuccessful bidders and back up bidder; conference calls with A. Pirani and A. Gadia regarding back up bidder; review and revise FAQ for Claims Procedure; receive comments from client and review same; review and provide comments on FAQs for Deposit Confirmation Procedure; emails regarding condos with nil deposits; telephone call with A. Gadia regarding numerous issues; emails with counsel to Tarion and The Guarantee Company; review comments from A. Gadia on FAQs for Deposit Confirmation Procedure; further review and circulate FAQs; draft letter to Purchasers and circulate same; discussions with G. Azeff regarding issue of terminating APSs; telephone call with A. Gadia regarding motion to terminate APSs;	5.50
04/17/2018	SDC	Review email exchange regarding purchaser's letter and deposit confirmation procedure FAQs; review finalized FAQs; Review final Buyer's Correspondence; review emails from Bennett Jones regarding APSs for Milborne Units; review email from J. Bradley regarding Milborne Units and amounts outstanding and review of records; meeting with K. Mahar regarding deposit dispute resolution procedure; review email	1.70

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Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be

32763239.1 charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		correspondence from purchaser regarding inquiry on APSs; draft letter response to purchaser and discuss with K. Mahar; revisions to draft response letter and email to client; review second inquiry from purchaser regarding APSs and deposits; draft email response to purchaser; email to M. Rethore regarding address for purchaser; finalize draft response letter and email to client; review emails from M. Rethore and N. Fennema regarding address for service and email exchange regarding same;	
04/17/2018	DS	Receipt of instruction; Obtaining updated Parcel Registers;	0.50
04/17/2018	SK	Meeting with Kyla Mahar regarding status of file and to review draft of agreement.	0.60
04/17/2018	AB	Reviewing purchase agreement; e-mails re: same.	2.20
04/17/2018	GRA	Discussion with K. Mahar regarding termination of agreements; Review and revise draft letter to purchasers;	0.60
04/17/2018	KEMM	Emails and meeting with S. Kotsopolous regarding review APA;; forward purchaser's letter to G. Azeff and discussion with G. Azeff regarding relief being sought relating to terminating the APSs; emails relating to sale process; telephone call with A. Gadia; conference call with A. Slavens, A. MacFarlane and A. Gadia regarding termination of APS; emails from bidders counsel regarding return of deposits; receive and review final comments on FAQs from client; review process undertaken in proceedings suggested by Tarion's counsel; receive comments on Purchaser letter and review same; finalize letter; emails with I. Roher and telephone call with I. Roher regarding sale process; emails regarding Milbourne; meeting with S. De Caria regarding deposit dispute resolution procedure and preparing draft Order; discussions with S. De Caria regarding responding to various purchaser inquiries; email to M. Nowina regarding request for legal fee payments;	3.60
04/18/2018	RC	Reviewing asset purchase agreement and blackline; Providing tax comments; Prior discussion with S.	1.60



Date	Initials	Description	Hours
		Kotopoulos;	
04/18/2018	AB	reviewing revised agreement; e-mail re: same	0.70
04/18/2018	GRA	Review final form of purchaser letter;	0.20
04/18/2018	SDC	Review email from M. Rethore regarding address for service on purchaser; Review Deposit Confirmation Procedure Order; review Statutory Declarations and Releases and Tarn Construction documents; draft Deposit Claims Procedure Order; draft schedules of forms, statutory declarations, notices and releases; continued drafting and editing of Deposit Claims Procedure Order; email exchanges with K. Mahar regarding provisions of Deposit Claims Procedure Order; review emails from M. Rethore regarding purchaser inquiries and email response from K. Mahar regarding responses to inquiries;	5.60
04/18/2018	SK	Review purchase agreement and all schedules thereto; providing comments thereto.	1.90
04/18/2018	KEMM	Emails regarding review of final APA; emails regarding borrowing under increased Charge; telephone call from and to K. Gibson regarding terms of APA; telephone call with A. Gadia regarding numerous issues including sale process; discussions and emails with S. De Caria regarding deposit procedure; consider comments on APA; ; consider deposit procedure;	2.80
04/19/2018	SDC	continued review of documents and continued drafting of Deposit Claims Procedure Order; revise and edit Deposit Claims Procedure Order; finalize Deposit Claims Procedure Order draft and reporting email to K. Mahar regarding Order; continued drafting of forms, statutory declarations, notices and releases; review emails from A. Gadia regarding response letters to purchasers; review A. Gadia comments; email response to A. Gadia regarding comments to letters; revise and finalize response letters to purchasers; internal email regarding instructions on preparation of response packages to purchasers;	3.40
04/19/2018	GRA	Research regarding various issues for factum; Consider cases regarding early termination;	1.20



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
04/19/2018	KEMM	Numerous emails regarding responding to Purchasers; letter from I. Roher; call with A. Gadia regarding same; email to I. Roher to coordinate call; conference call with shareholders counsel and A. Gadia; revise APA and circulate to Sunray for review; email from S. De Caria enclosing draft of deposit procedure order; commence review of same;	2.30
04/20/2018	GRA	Review and respond to correspondence;	0.10
04/20/2018	SDC	Review email from K. Mahar to counsel regarding APS and Successful Bid; review responding email from I. Roher regarding clarification and P. Shea; discuss with K. Mahar	0.30
04/20/2018	KEMM	Email to A. Pirani enclosing turn of Sunray APA; email exchange with Commercial List Officer regarding availability of Justice McEwen; telephone call with A. Gadia regarding proposal to shareholders; email from Sunray enclosing executed agreement; conference call with A. Gadia regarding further comments on APA; email from A. Pirani regarding call to Sunray prior to Sunray being named Successful Bidder; draft proposed email to shareholders; email to client for review; email to I. Roher regarding responding to letter dated April 19, 2018 by end of day regarding purchase price of successful bid; review final comments on APA; revise APA and draft final version of same; numerous emails with A. Gadia regarding same; circulate executed version of APA; telephone call with A. Gadia regarding discussions with Sunray; email from Sunray confirming signoff and execution of APA; email from A. Gadia enclosing executed signature page for APA; finalize and send email to shareholders regarding disclosure of purchase price and terms relating to same; email exchange with I. Roher regarding same; email exchange with P. Shea regarding same; telephone call with A. Gadia regarding same;	5.60
04/21/2018	SDC	Review Tarion Bonds and Tarion Documents; review Successful Bid APA and review property PINS; further turn and update to Deposit Claim Procedure Order; further edit to Order; email exchange with M. Rethore regarding APSs and Deposit Statements; email to K.	1.50



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Mahar regarding Deposit Claim Procedure Order; review email from K. Mahar and case summary; review internal email exchange regarding case; conference call with G. Azeff regarding case law and next steps;	
04/21/2018	GRA	Review and respond to correspondence; Telephone discussions with S. De Caria regarding factum and research; Further research regarding termination clause; Research regarding condition precedent and acceleration of termination issues;	1.60
04/21/2018	KEMM	Commence drafting Third Report; receiver and review draft Order regarding disputed deposit claims and return of deposits; review processes in Tarrasan and Textbook as requested by Tarion and The Guarantee Company and consider same; emails form A. Gadia enclosing sections of report relating to commencement of Claims Process and Deposit Confirmation Procedure; review and consider same; revising approval and vesting order; review other approval and vesting orders dealing with sale of real property without condominium agreements; review urbancorp decision; consider schedules to Approval and Vesting Order further and email to S. Kotsopoulos regarding same;	5.10
04/22/2018	SDC	Email exchanges with K. Mahar and G. Azeff regarding case law, analysis and motion; review case law and summary; reporting email to K. Mahar and G. Azeff regarding legal analysis for motion; various conference calls with G. Azeff regarding research and analysis; conference call with G. Azeff and K. Mahar regarding motion and research; review agreement of purchase and sale, Tarion addendums G. Azeff memo regarding APSs, and conduct legal research on various provisions; reporting email to K. Mahar and G. Azeff summarizing research and analysis; review email response from K. Mahar and conduct further additional research; reporting email to K. Mahar and G. Azeff regarding legal analysis and next steps; discuss with G. Azeff; internal email to students regarding research instructions; review emails regarding interest rate and application; review	10.30





<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Condominium Act and regulations and reporting emails regarding interest; email to G. Azeff and K. Mahar regarding interest provisions;	
04/22/2018	GRA	Review, consider and respond to correspondence; Lengthy telephone discussion with S. De Caria regarding scope of research; Conference call with K. Mahar and S. De Caria regarding various issues; Research regarding termination clauses in Tarion agreement and other sources; Research regarding interest payable under Condominium Act; Further discussions with S. De Caria; Review Dispute Resolution Order; Review Third Report; Review Orders and Endorsements; Consider issues for factum;	3.10
04/22/2018	KEMM	Drafting Approval and Vesting Order; numerous emails and telephone calls with G. Azeff and S. De Caria regarding research to confirm legal basis for relief to be sought; consider Disputed Deposits process and timing of termination of APSs; telephone calls with A. Gadia regarding same; drafting Disputed Deposits Resolution Procedure Order; review APSs terms and Tarion Addendum; consider Early Termination provision; drafting Liquidator's and Receiver's Report; consider motion for advice and directions; drafting same; further calls and emails with Client; circulate draft orders to client; circulate sections of draft Report to client;	13.10
04/23/2018	EE	Determine if rule 14.08 of the rules of civil procedure applies to applications for S. De Caria;	0.50
04/23/2018	SDC	Review email from articling student regarding legal research on service; review notices of application and reporting emails to K. Mahar and G. Azeff regarding service and status of notices of application and next steps; meeting with K. Mahar and G. Azeff regarding research and factum; review Third Report and review Orders; conduct legal research; review comments to Third Report; continued drafting of factum and edit factum; email to G. Azeff; discuss Notice of Motion with K. Mahar;	4.40
04/23/2018	GRA	Review comments from client regarding draft Order;	4.10



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Review and consider Pabla and Scanlan decisions; Review SCC decision forwarded by S. De Caria; Compile APA references; Drafting factum; Multiple meetings and discussions with K. Mahar and S. De Caria; Review draft Notice of Motion and Orders; Review draft Report of Liquidator; Research regarding Soundair issue;	
04/23/2018	KEMM	Receive comments from client on Approval and Vesting Order; APS termination order; draft disputed deposit resolution order; review case law on termination issue and consider conditions; discussion with G. Azeff and S. De Caria regarding preparation of factum; revising orders; circulate disputed deposits order to A. Slavens and A. MacFarlane; emails with I. Roher; telephone call with A. Gadia regarding response to shareholders counsel; telephone call with A. Pirani; drafting third report and circulate further draft to client; telephone call with back up bidder's counsel; email draft approval and vesting order to back up bidder's counsel for review; emails with S. De Caria regarding motion materials and factum; email from P. Shea regarding not requesting purchase price; receive comments on third report; revising third report; receive draft of bid summary; numerous emails with A. Gadia;	8.10
04/24/2018	SDC	Discuss Notice of Motion with K. Mahar and Confidential Bid Summary with K. Mahar; Review email exchanges regarding turned Orders and Report; review Report and Orders; Draft Notice of Motion and discuss with K. Mahar; review and edit draft Notice of Motion and email to K. Mahar; discuss factum with K. Mahar; review G. Azeff comments to factum; revise and continued drafting of factum; discuss confidential bid summary with K. Mahar; review final Report; review finalized Orders; review turned Notice of Motion and comments to Notice of Motion and discuss with K. Mahar; review email correspondence between I. Roher and K. Mahar and review letter from A. Ackman's counsel regarding sale; continued drafting of Factum; continue conducting legal research for factum and update law sections; final review of Orders and revise	5.60



Date	Initials	Description	Hours
		and edit factum; prepare schedules to factum; email to K. Mahar and G. Azeff regarding draft factum; internal emails regarding Book of Authorities and schedules; Review email from M. Rethore regarding purchaser inquiry; discuss revisions to factum with K. Mahar; further turn of factum; review final motion record; email to K. Mahar and G. Azeff regarding factum; email to K. Mahar regarding Bid Summary;	
04/24/2018	PW	Receive instructions; pull copies of two (2) construction lien instruments that are registered; e-mail copies to A. Stoica, as requested.	0.20
04/24/2018	LG	Draft letter to union regarding collective bargaining; email same to K. Mahar;	0.30
04/24/2018	GRA	Review and revise draft factum; Review draft Third Report and consider comments from KPMG; Review and consider revised draft of factum; Review and respond to correspondence; Discussion with S. De Caria regarding factum and new law section; Multiple discussions with K. Mahar regarding various issues;	3.20
04/24/2018	KEMM	Discussion with S. De Caria regarding preparation of Notice of Motion; draft additional paragraphs for Third Report and circulate to client; numerous calls throughout day with A. Gadia regarding Third Report and various issues; review and provide comments on Notice of Motion; receive comments on Third Report; revising order regarding advice and directions and circulate same; emails regarding Tarion and the Guarantee Company security and process; finalize motion materials; letter from J. Kulathungam;; coordinate service of motion; telephone call with A. Gadia regarding shareholder letter; circulate letter from shareholder's counsel to other shareholders' counsel; email from S. De Caria enclosing draft factum; discussion with S. De Caria regarding updating factum;; email from S. De Caria enclosing updated factum; email to shareholder's counsel;	5.60
04/25/2018	SDC	Review and sidebar cases; internal email correspondence regarding case law, factum and book of authorities; review proposed response to purchaser inquiry; review email from M. Rethore regarding	0.80



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		minute book request; telephone call to M. Rethore regarding minute book and closing documentation; review minute book and reporting email to M. Rethore regarding closing transaction and document request; review email from M. Rethore regarding purchasers request and attendance at May 1, 2018 hearing and proposed response to K. Mahar;	
04/25/2018	CM	Attendance at Commercial List office to file Motion Record;	0.50
04/25/2018	GRA	Review and respond to correspondence; Review and revise draft factum; Multiple discussions with S. De Caria regarding factum; Multiple discussions with K. Mahar regarding motion;	0.90
04/25/2018	KEMM	Telephone call with A. Gadia regarding response to shareholder's counsel; Review factum and cases to be relied upon; responding to letter from purchaser's counsel; prepare responses to inquiries from condo purchasers and circulate to client; draft responding letter to shareholder's counsel and circulate draft to client for review; telephone all with A. Gadia regarding comments on draft letter; finalize and issue letter; revise factum; circulate to client for review; telephone call from Commercial List office; email to Commercial List Office regarding parties expected to attend motion;	4.10
04/26/2018	SDC	Review updated and revised factum; review Book of Authorities; review email exchange regarding factum; finalize book of authorities; email exchanges with K. Mahar regarding factum and revisions; email to A. Gadia; review A. Gadia comments to factum; revise, update and finalize factum; prepare factum blackline and email to A. Gadia regarding proposed and accepted changes; prepare factum for service; review email from counsel to The Fence People; review Construction Liens; responding email to counsel to The Fence People; review correspondence to purchasers dated April 26 2018 regarding motion and purchaser's attendance; review email from K. Mahar regarding purchasers attendance and email response to K. Mahar; review email from M. Rethore regarding	2.40



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		expected purchaser's attendance; review various emails from M. Rethore regarding purchaser inquiries, condominium units and forensic reviews; review of summarized bids and email from M. Rethore; attention to various emails regarding deposits and condo units; review email from K. Mahar regarding correspondence to customers and vendors and contract inquiry; email response to K. Mahar; telephone call with K. Mahar regarding motion; review motion record and orders contained in motion record; review email from A. Slavens and discuss with K. Mahar; voicemail to A. Slavens; email exchange with K. Mahar and A. Slavens regarding Orders and Motion Record;	
04/26/2018	GRA	Review client comments on draft factum; Discussion with K. Mahar regarding factum; Review and consider final draft of factum;	0.70
04/26/2018	KEMM	Telephone calls with shareholder's counsel; telephone calls with A. Gadia regarding issues raised by shareholder's counsel and motion; emails regarding finalizing factum; review final factum; email to A. Gadia regarding units with nil deposits and/or no APSs; emails with counsel for Marriott; telephone call to A. Gadia regarding issuing further communication to condo purchasers regarding May 1st motion; numerous emails regarding purchasers attending motion; purchasers inquiries etc.; email to shareholder's counsel regarding units without APSs; emails with counsel for Tarion regarding motion;	2.50
04/27/2018	SDC	Review Motion Record and Order; email exchange with A. Slavens regarding Motion Record and Order; review email from K. Mahar regarding Motion Record; email to Service List regarding Motion Record and Order; email exchange with counsel to The Fence People regarding Motion Record and Service List; internal email exchange regarding Motion Record; email exchange with K. Mahar and A. Gadia regarding Motion Record; review letter from counsel to purchaser; review previous correspondence and previous demands from purchaser; draft response letter to counsel to Purchaser regarding Deposit Confirmation Procedure; email to K. Mahar regarding	1.50



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		draft response letter to Purchaser; review email from K. Mahar to Commercial List regarding May 1 motion and review response;	
04/27/2018	CM	Attendance at Commercial List office to file Factum and Book of Authorities;	0.50
04/27/2018	KEMM	Emails to Commercial List Officer regarding expected parties attending motion; review emails from S. De Caria; receive and review letter from I. Roher; consider position set out in letter as it relates to motion; call with A. Gadia to consider same; emails with stakeholders regarding motion; telephone call with counsel for Marriott regarding motion; telephone call with A. Gadia regarding preparation of confidential offer summary; email letter to P. Shea;	1.50
04/28/2018	KEMM	Emails regarding Purchasers intending to attend motion; telephone call with A. Gadia regarding motion and various parties' positions; emails regarding amount held in trust with BJ; email from back up bidder's counsel regarding approval and vesting order; review phase 1 summary; drafting and revising confidential phase 2 summary; circulate same to client for review;	2.00
04/29/2018	KEMM	Emails from client enclosing deposit statements for purchasers attending motion; emails with A. Gadia regarding confidential summary;	0.20
04/30/2018	SDC	Various phone calls and meetings with K. Mahar regarding motion, response to correspondence, APSs and purchasers correspondence; review all purchasers correspondence and corresponding APSs; review positions of purchasers at motion; various telephone calls and email exchanges with M. Rethore regarding motion, purchasers correspondence and APSs; review Tarion Addendums; draft Summary of Purchasers Attendance and Positions; continued revisions and updating to Summary; emails to clients regarding summary; prepare summary briefs for motion; prepare summary brief for court; meeting with K. Mahar to discuss APS and units; review emails from I. Roher regarding APSs and purchasers; review APSs and discuss and advise K. Mahar; review emails from M.	7.80



<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
		Rethore regarding purchasers; email to clients regarding APS and Deposit Statement and Trust Ledger; continued preparation for motion and finalize materials; review email from M. Rethore regarding purchaser response and responding email regarding summary;	
04/30/2018	JF	Attend to delivery of documents to 330 Court House at the request of Ms. Stoica;	0.90
04/30/2018	GRA	Discussion with K. Mahar regarding motion; Discussion with K. Mahar regarding letter from Akman's counsel and proposed response;	0.50
04/30/2018	KEMM	Drafting confidential summary of bids; emails with A. Gadia and comments from A. Gadia regarding same; meetings with S. De Caria regarding preparation for motion; email from shareholder's counsel regarding condo purchasers' communications; emails and calls with stakeholders regarding motion; draft response and send to client for review; finalize confidential appendices and coordinate deliver to Judge; telephone call with The Guarantee Company's counsel; draft letter to shareholder's counsel; circulate to A. Gadia and receive comments; prepare submissions for motion;	8.30
<b>Total Hours</b>			<b>159.30</b>
<b>Our Fee:</b>			<b>93,004.50</b>



TK ID	Initials	Name	Title	Rate	Hours	Amount
00947	RC	R. Choudhury	Partner	\$810.00	1.60	\$1,296.00
00990	KEMM	K. Mahar	Partner	\$715.00	82.90	\$59,273.50
00991	GRA	G. Azeff	Partner	\$680.00	17.90	\$12,172.00
00910	AB	A. Balinsky	Partner	\$685.00	2.90	\$1,986.50
00884	LG	L. Goodfellow	Partner	\$665.00	0.30	\$199.50
00888	SK	S. Kotsopoulos	Partner	\$655.00	2.50	\$1,637.50
00994	SDC	S. De Caria	Associate	\$330.00	47.60	\$15,708.00
02600	EE	E. Elias	Articling Student	\$195.00	0.50	\$97.50
02599	JF	J. Forman	Articling Student	\$195.00	0.90	\$175.50
02043	DS	D. Sparrow	Paraprofession al	\$240.00	0.50	\$120.00
00233	CM	C. Martino Pera	Paraprofession al	\$205.00	1.50	\$307.50
02560	PW	P. Watson	Paraprofession al	\$155.00	0.20	\$31.00

**Taxable Disbursements**

Land Registry Office Searches	80.10	
Total Taxable Disbursements	80.10	\$80.10

**Non-Taxable Disbursements**

Filing Fee	160.00	
Total Non-Taxable Disbursements	160.00	\$160.00

**Total Fees and Disbursements** **\$93,244.60**

**Ontario HST 13% (R119440766)**

On Fees		\$12,090.59
On Disbursements		\$10.41

**Total Amount Due** **\$105,345.60**

E.&O.E.



This is Exhibit "B" referred to in the Affidavit of  
Gregory R. Azeff sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*

**SUMMARY OF FEES  
FOR THE PERIOD JANUARY 1, 2018 AND APRIL 30, 2018**

<b>Period</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Hours</b>	<b>Average Hourly Rate</b>	<b>Total</b>
01/01/2018 - 04/15/2018	\$224,077.00	\$-57.20	\$29,166.39	381.00	\$588.13	\$253,186.
04/11/2018 - 04/30/2018	\$93,004.50	\$240.00	\$12,101.00	159.30	\$583.83	\$105,345.0
<b>TOTAL</b>	<b>\$317,081.50</b>	<b>\$240.00</b>	<b>\$41,267.39</b>	<b>540.30</b>	<b>\$585.98586.86</b>	<b>\$358,531.0</b>

This is Exhibit "C" referred to in the Affidavit of  
Gregory R. Azeff sworn July 19, 2018



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*Commissioner for Taking Affidavits (or as may be)*

**BILLING RATES OF MILLER THOMPSON LLP  
FOR THE PERIOD JANUARY 1, 2018 AND APRIL 30, 2018**

<b>TIMEKEEPER</b>	<b>HOURLY RATE</b>	<b>YEAR OF CALL</b>
Ron Choudhury	\$810.00	2002
David Tang	\$765.00	1990
Kyla Mahar	\$715.00	2001
Anna Balinsky	\$685.00	2002
Gregory Azeff	\$680.00	2002
Lisa Goodfellow	\$665.00	1993
Savvas Kotsopoulos	\$655.00	2003
Mack Hosseinian	\$465.00	2011
Konstantin Starostin	\$335.00	2016
Stephanie De Caria	\$330.00	2015
Sakina Fazel	\$310.00	2014
Erin Elias	\$195.00	Articling Student
John Forman	\$195.00	Articling Student
Debbie Sparrow	\$240.00	Paraprofessional
Patricia Watson	\$155.00	Paraprofessional
Jessie Chau	\$260.00	Paraprofessional
Ashley Chornaby	\$175.00	Paraprofessional
S. Solutions Corp.	\$145.00	MT Clerk



# APPENDIX “M”

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

**BETWEEN:**

VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,  
BA&B CAPITAL INC., SERDAR KOCTURK  
and KAAH HOLDINGS INC.

**Applicants**

– and –

ALI AKMAN, SAMM CAPITAL HOLDINGS INC.  
and TARN FINANCIAL CORPORATION

**Respondents**

**APPLICATION UNDER** Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990,  
c. B.16.

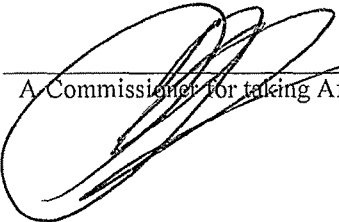
**AFFIDAVIT OF ANDRE L. JEANRIE  
(Sworn July 19, 2018)**


I, **Andre L. Jeanrie**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND  
SAY:**

1. I am a Partner in the law firm Bennett Jones LLP (“**Bennett Jones**”), counsel for KPMG Inc. (“KPMG”), in its capacity as Court-appointed Liquidator of Tarn Financial Corporation, and as such, have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit "A"** is a true copy of the invoices issued to the Liquidator by Bennett Jones for fees and disbursements incurred by Bennett Jones in the course of proceedings between January 1, 2018 and April 30, 2018. The total fees charged by Bennett Jones during that period were \$16,164.25, plus disbursements of \$380.64, plus Harmonized Sales Tax (HST) in the amount of \$2,148.55, for a total of \$18,693.44.

- 3. Accordingly, I verily believe that the total fees, disbursements and HST as at April 30 2018 are \$18,693.44.
- 4. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in Exhibit "A", and the total of fees, disbursements and HST charged for each invoice.
- 5. Attached hereto as **Exhibit "C"** is a schedule summarizing the billing rates and total amounts billed with respect to each member of Bennett Jones that rendered services in the Winding-Up Proceedings from January 1, 2018 to April 30, 2018.
- 6. To the best of my knowledge, the rates charged by Bennett Jones throughout the course of this proceeding are comparable to those charged by other law firms in Toronto for the provision of similar services.
- 7. The hourly billing rates outlined in **Exhibit "C"** to this affidavit are comparable to the hourly rates charged by Bennett Jones for services rendered in similar proceedings.
- 8. I make the affidavit in support of a motion by the Liquidator for, among other things, approval of the fees and disbursements of the Liquidator's counsel.

SWORN BEFORE ME at the City of Toronto  
this 19<sup>th</sup> day of July, 2018.

  
\_\_\_\_\_  
A Commissioner for taking Affidavits (or as may be)

  
\_\_\_\_\_  
ANDRE L. JEANRIE

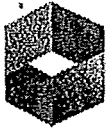


This is Exhibit "A" referred to in the  
Affidavit of Andre Jeanrie  
Sworn before me, this 19<sup>th</sup> day of July, 2018.



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A COMMISSIONER FOR TAKING AFFIDAVITS



Bennett Jones

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: February 5, 2018  
Invoice: 1209804

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	2,682.50
Less Discount		<u>(257.15)</u>
Total Professional Services	\$	2,425.35
Total Due before GST/HST	\$	<u>2,425.35</u>
GST/HST	\$	315.30
TOTAL Due in CAD	\$	<u><u>2,740.65</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.  
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com) or contact our Privacy Officer  
by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757



02/01/18	A. L. Jeanrie	Notice in from OMB regarding appeal; correspondence to KPMG; review notice package in from City of Toronto;	0.30	\$	208.50
04/01/18	A. L. Jeanrie	Review notice in from OMB; telephone call to OMB; correspondence to KPMG updating OMB appeal; correspondence to/from D. Tang;	0.30		208.50
08/01/18	A. L. Jeanrie	Correspondence to/from D. Tang regarding OMB appeal; instructions to A. Kovalev; review OMB appeal materials; correspondence to/from K. Mahar;	0.50		347.50
09/01/18	A. L. Jeanrie	Correspondence in from Colliers regarding data site posting;	0.20		139.00
15/01/18	A. L. Jeanrie	Correspondence to/from J. Bradley regarding potential consent application; consider options for consent application; correspondence to IBI regarding consent application; correspondence in from D. Tang;	0.50		347.50
16/01/18	A. L. Jeanrie	Correspondence in from C. Li, regarding severance plan; telephone call to S. Chan, OMB regarding hearing dates; correspondence to/from KPMG regarding consent application;	0.40		278.00
17/01/18	A. L. Jeanrie	Telephone call with S. Chan, OMB regarding scheduling; coordinating with S. Chan and M. Crawford; correspondence to/from K. Mahar; correspondence to/from KPMG regarding record books;	0.40		278.00
22/01/18	A. L. Jeanrie	Correspondence to/from C. Li regarding consent plan;	0.10		69.50
23/01/18	A. L. Jeanrie	Correspondence to/From D. Tang;	0.10		69.50
29/01/18	A. L. Jeanrie	Correspondence to/from C. Li regarding consent; telephone calls in from City of Toronto; correspondence to/from G. Anamika;	0.40		278.00
30/01/18	A. L. Jeanrie	Correspondence to/from S. Ho regarding site plan approval; instructions to A. Kovalev;	0.20		139.00
31/01/18	A. L. Jeanrie	Correspondence to/from C. Li; correspondence to/from S. Ho;	0.30		208.50
31/01/18	A. V. Kovalev	Reviewing and providing materials related to site plan approval submission to various parties	0.30		111.00
Total Hours and Professional Services			4.00	\$	2,682.50



Bennett Jones

February 5, 2018  
Page 3

Client: 075532.00001  
Invoice No.: 1209804

Less Discount	(257.15)
Total Professional Services	<u>\$ 2,425.35</u>

GST/HST \$ 315.30

TOTAL DUE \$ 2,740.65



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: February 5, 2018  
Invoice: 1209804

### Remittance Statement

Professional Services	\$	2,682.50
Less Discount		<u>(257.15)</u>
Total Professional Services		\$2,425.35
Total Due before GST/HST	\$	<u>2,425.35</u>
GST/HST	\$	315.30
TOTAL Due in CAD	\$	<u><u>2,740.65</u></u>

**Remit by Wire Transfer to:**

Beneficiary Account Name: Bennett Jones LLP  
Beneficiary Address: 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
Beneficiary Bank: Royal Bank of Canada  
Bank Address: 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
Account Details: Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

Please include the invoice number on the wire.  
Email notification may be sent to: [bennettjoneseft@bennettjones.com](mailto:bennettjoneseft@bennettjones.com)

Remit by Credit Card (Visa or MasterCard):  
Call an Accounts Receivable Specialist at  
(403) 298-3137 or (403) 298-3164 with  
your credit card number, expiry date, and  
email address.

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by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346767



Bennett Jones

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: March 7, 2018  
Invoice: 1213387

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**PROFESSIONAL SERVICES RENDERED** in conjunction with the above noted matter:

Professional Services	\$	5,522.50
Less Discount		<u>(493.45)</u>
Total Professional Services	\$	5,029.05
Other Charges		1.50
Total Due before GST/HST	\$	<u>5,030.55</u>
GST/HST	\$	653.98
TOTAL Due in CAD	\$	<u><u>5,684.53</u></u>

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GST/HST Number: 119346757



Date	Lawyer	Description	Hours	Amount
23/10/17	S. Mohamad	Receiving email from D. Varela regarding status of transaction and title policy	0.10	\$ 24.50
06/11/17	S. Mohamad	Sending follow up email to S. Varela regarding title policy	0.10	24.50
05/01/18	S. Mohamad	Corresponding via telephone with D. Varela regarding title policy ordered but not finalized; Emailing direction to D. Varela to cancel policy until such time when the transaction is ready to proceed	0.20	50.00
01/02/18	A. L. Jeanrie	Correspondence to/from D. Tang; telephone call to/from Linda in Councillor's office;	0.30	208.50
02/02/18	A. L. Jeanrie	Telephone call with Councillor's office; meeting with project team at Miller Thomson regarding consent;	2.20	1,529.00
05/02/18	A. L. Jeanrie	Review proposed plan in from C. Li; correspondence to/from D. Tang;	0.30	208.50
06/02/18	A. L. Jeanrie	Correspondence to/from D. Tang regarding consent application; correspondence to KPMG regarding consent application;	0.20	139.00
07/02/18	A. L. Jeanrie	Correspondence to/from S. Ho regarding Development Charges;	0.20	139.00
08/02/18	A. L. Jeanrie	Correspondence to/from C. Li; review and comment on revised consent plan; correspondence in from D. Tang; review correspondence in from J. Bradley relating to consent; review and comment on further revised consent plan; finalize material to satisfy financing consent; finalize consent strategy for severance of property;	1.10	764.50
13/02/18	A. L. Jeanrie	Correspondence to/from S. Ho regarding affordable housing; telephone call with D. Muirhead, City Planning; telephone call with S. Chan, OMB scheduling; correspondence to project team;	1.10	764.50
14/02/18	A. L. Jeanrie	Various correspondence to/from project team regarding consent;	0.20	139.00
15/02/18	A. L. Jeanrie	Correspondence to/from G. Anamika regarding consent; correspondence to/from S. Ho regarding consent;	0.30	208.50



Date	Lawyer	Description	Hours	Amount
16/02/18	A. L. Jeanrie	Correspondence to/from D. Miret regarding consent; conference call with project team regarding consent; instructions to L. Stacey regarding Certificate of Official; correspondence to/from S. Mohammad regarding certificate of official;	0.80	556.00
16/02/18	L. Stacey	Meeting with S. Mohamad to review approved severance plans and create legal description of severed portion for certificate of official; Emails to and from A. Jeanrie	0.40	164.00
16/02/18	S. Mohamad	Meeting with L. Stacey to review plan and legal description for certificate of official; Preparing certificate of official and meeting with A. Jeanrie to confirm description	1.30	325.00
20/02/18	A. L. Jeanrie	Preparation of submission for Certificate of Official;	0.10	69.50
23/02/18	A. L. Jeanrie	Correspondence to/from J. Bradley regarding consent status and court summary;	0.30	208.50
Total Hours and Professional Services			9.20	\$ 5,522.50
			Less Discount	(493.45)
			Total Professional Services	\$ 5,029.05

**Other Charges**

Printing Charges	\$ 1.50
Total Other Charges	\$ 1.50

GST/HST \$ 653.98

**TOTAL DUE \$ 5,684.53**





Bennett Jones

TARN CONSTRUCTION CORPORATION  
 C/O KPMG INC.  
 BAY ADELAIDE CENTRE  
 333 BAY STREET, SUITE 4600  
 TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
 SENIOR VICE-PRESIDENT

Re: THE KENNEDYS PLANNING APPROVAL  
 Our File Number: 075532.00001

Date: March 7, 2018  
 Invoice: 1213387

### Remittance Statement

Professional Services	\$	5,522.50
Less Discount		<u>(493.45)</u>
Total Professional Services		\$5,029.05
Other Charges		1.50
Total Due before GST/HST	\$	<u>5,030.55</u>
GST/HST	\$	653.98
TOTAL Due in CAD	\$	<u><u>5,684.53</u></u>

**Remit by Wire Transfer to:**

Beneficiary Account Name: Bennett Jones LLP  
 Beneficiary Address: 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
 Beneficiary Bank: Royal Bank of Canada  
 Bank Address: 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
 Account Details: Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
 SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York  
 ABA: 021000021, SWIFT Code: CHASUS33

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 by visiting our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119348757



Bennett Jones

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Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC,  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: April 13, 2018  
Invoice: 1218216

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	903.50
Less 10% Discount		<u>(90.35)</u>
Total Professional Services	\$	813.15
Other Charges		9.75
Disbursements		36.00
Disbursements Incurred As Your Agent (Non-taxable)		17.69
Total Due before GST/HST	\$	<u>876.59</u>
GST/HST	\$	111.66
TOTAL Due in CAD	\$	<u><u>988.25</u></u>

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GST/HST Number: 119346757



11/03/18	A. L. Jeanrie	Review and amend application for Certificate of Official;	0.20	\$	139.00
12/03/18	A. L. Jeanrie	Correspondence to/from Avis regarding consent plan; telephone call with L. Bowerman, City of Toronto; correspondence to/from J. Bradley;	0.30		208.50
13/03/18	A. L. Jeanrie	Correspondence in from D. Mlret; send correspondence to CoA; correspondence to/from J. Bradley regarding de-watering;	0.40		278.00
27/03/18	A. L. Jeanrie	Correspondence to OMB regarding pre-hearing date;	0.10		69.50
28/03/18	A. L. Jeanrie	Correspondence in from OMB; review notice of pre-hearing conference; correspondence to KPMG;	0.30		208.50
Total Hours and Professional Services			1.30	\$	903.50
				Less 10% Discount	(90.35)
				Total Professional Services	\$ 813.15

A. L. Jeanrie	Partner	695.00	1.30	\$	903.50	\$	903.50
Discount							-90.35

Printing Charges					\$	6.50
Photocopy Charges						3.25
				Total Other Charges	\$	9.75

13/03/2018	Courier Charges to COMMITTEE OF ADJUSTMENT				\$	36.00
				Total Disbursements	\$	36.00

18/02/2018	Soundpath Legal Conferencing re: for the period ending Feb 17, 2018				\$	17.69
				Total Disbursements Incurred As Your Agent	\$	17.69

	GST/HST	\$	111.66
	<b>TOTAL DUE</b>	\$	<b>988.25</b>



Bennett Jones

**Remit by Wire Transfer to:**

**Beneficiary Account Name:** Bennett Jones LLP  
**Beneficiary Address:** 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
**Beneficiary Bank:** Royal Bank of Canada  
**Bank Address:** 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
**Account Details:** Bank 003, Translt 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
**SWIFT Code:** ROYCCAT2

**Intermediary bank:** JP Morgan Chase Bank, New York  
**ABA:** 021000021, **SWIFT Code:** CHASUS33

**Please include the invoice number on the wire.**  
**Email notification may be sent to:** [bennettjonesoft@bennettjones.com](mailto:bennettjonesoft@bennettjones.com)

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GST/HST Number: 119346757



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: April 13, 2018  
Invoice: 1218216

### Remittance Statement

Professional Services	\$	903.50
Less 10% Discount		(90.35)
Total Professional Services		\$813.15
Other Charges		9.75
Disbursements		36.00
Disbursements Incurred As Your Agent (Non-taxable)		17.69
Total Due before GST/HST	\$	876.59
GST/HST	\$	111.66
TOTAL Due in CAD	\$	988.25

**Remit by Wire Transfer to:**

Beneficiary Account Name: Bennett Jones LLP  
Beneficiary Address: 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
Beneficiary Bank: Royal Bank of Canada  
Bank Address: 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
Account Details: Bank 003, Translt 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York  
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GST/HST Number: 119348757



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Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: THE GUARANTEE COMPANY - BONDING AND DTA FACILITY  
Our File Number: 075532.00004

PHASE 1A

Date: March 23, 2018  
Invoice: 1215880

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	525.00
Other Charges		68.25
Disbursements		33.60
Total Due before GST/HST	\$	<u>626.85</u>
GST/HST	\$	81.49
TOTAL Due in CAD	\$	<u><u>708.34</u></u>

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by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757



To escrow agency arrangement for the above matter during the period from January 1, 2018 to February 28, 2018; specifically, to maintenance of the escrow account during the said period, and to reporting to The Guarantee Company of North America and you; To verifying amounts held with respect to the trust deposits and interest; To correspondence to The Guarantee Company of North America and you in connection therewith;

TO OUR FEE: \$150.00 per month x 2 months - \$300.00

3 NSF Cheques @ \$75.00 each: (Suite 519 - January 1, 2018 Suite 1812 - January 1, 2018 Suite 2801 - January 1, 2018)

OUR FEE: \$225.00

Total Professional Services \$ 525.00

Printing Charges	\$ 63.25
Photocopy Charges	5.00
Total Other Charges	<u>\$ 68.25</u>

Postage / Registered Mail	<u>\$ 33.60</u>
Total Disbursements	<u>33.60</u>

GST/HST \$ 81.49

TOTAL DUE \$ 708.34



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT

Re: THE GUARANTEE COMPANY - BONDING AND DTA FACILITY  
Our File Number: 075532.00004

Date: March 23, 2018  
Invoice: 1215880

### Remittance Statement

Professional Services	\$	525.00
Other Charges		68.25
Disbursements		33.60
Total Due before GST/HST	\$	<u>626.85</u>
GST/HST	\$	81.49
TOTAL Due in CAD	\$	<u><u>708.34</u></u>

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Beneficiary Bank: Royal Bank of Canada  
Bank Address: 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
Account Details: Bank 003, Translt 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

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GST/HST Number: 119346757





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Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: GUARANTEE COMPANY OF NA - BONDING FACILITY PHASE  
1B  
Our File Number: 075532.00007

Date: March 23, 2018  
Invoice: 1215881

PHASE 1B

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	375.00
Other Charges		2.00
Total Due before GST/HST	\$	<u>377.00</u>
GST/HST	\$	49.01
TOTAL Due in CAD	\$	<u><u>426.01</u></u>

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GST/HST Number: 119346767



To escrow agency arrangement for the above matter during the period from January 1, 2018 to February 28, 2018; specifically, to maintenance of the escrow account during the said period, and to reporting to The Guarantee Company of North America and you; To verifying amounts held with respect to the trust deposits and interest; To correspondence to The Guarantee Company of North America and you in connection therewith;

TO OUR FEE: \$150.00 per month x 2 months - \$300.00

1 NSF Cheque @ \$75.00 each: (Suite 2602E - January 19, 2018)

OUR FEE: \$75.00

Total Professional Services \$ 375.00

Photocopy Charges

\$ 2.00

Total Other Charges \$ 2.00

GST/HST \$ 49.01

TOTAL DUE \$ 426.01



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: GUARANTEE COMPANY OF NA - BONDING FACILITY PHASE  
IB  
Our File Number: 075532.00007

Date: March 23, 2018  
Invoice: 1215881

---

### Remittance Statement

Professional Services	\$	375.00
Other Charges		2.00
Total Due before GST/HST	\$	<u>377.00</u>
GST/HST	\$	49.01
TOTAL Due in CAD	\$	<u><u>426.01</u></u>

**Remit by Wire Transfer to:**

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Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada  
Beneficiary Bank: Royal Bank of Canada  
Bank Address: 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada  
Account Details: Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

Please include the Invoice number on the wire.  
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GST/HST Number: 119346767



Bennett Jones

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TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

*Showing April, 2015 Time Only*

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: June 25, 2018  
Invoice: 1225693

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services - ALJ Rate Reduced by 10%	\$	<del>9,340.95</del> 2,752.20
Disbursements	\$	27.00
Other Charges	\$	3.75
Total Due before GST/HST	\$	<del>9,371.70</del> 2,782.95
GST/HST	\$	<del>1,218.32</del> 361.78
<b>Total Due in CAD</b>	<b>\$</b>	<b><del>10,590.02</del></b> <b><u>\$ 3,144.73</u></b>

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Date	Name	Description	Hours		Amount
03/04/18	Andrew Jeanrie	Coordinate matters relating to OMB appeals and proposed hearing date;.	0.40	\$	250.20
06/04/18	Andrew Jeanrie	Correspondence to/from J. Bradley;.	0.10	\$	62.55
10/04/18	Andrew Jeanrie	Telephone call with KPMG regarding current status and next steps;.	0.50	\$	312.75
18/04/18	Andrew Jeanrie	Telephone call with J. Bradley; discussion with C. Li regarding existing application;.	0.30	\$	187.65
20/04/18	Andrew Jeanrie	Telephone call with A. Gadla; review correspondence in from A. Gadla;.	0.30	\$	187.65
23/04/18	Andrew Jeanrie	Telephone call with K. Gibson; correspondence in from G. Shapiro; meeting with KPMG and Sunray group; preparation for meeting;.	2.10	\$	1,313.55
27/04/18	Andrew Jeanrie	Correspondence to/from project team; correspondence to/from Councillor's office; registration on lobbyist Registry.	0.50	\$	312.75
30/04/18	Andrew Jeanrie	Instructions to A. Kovalev regarding notice and consent;.	0.20	\$	125.10
<del>01/05/18</del>	<del>Andrew Jeanrie</del>	<del>Correspondence in from lobbyist registry regarding expiry;.</del>	<del>0.10</del>	<del>\$</del>	<del>62.55</del>
02/05/18	Andrew Jeanrie	Correspondence to KPMG regarding next steps for pre-hearing; update registration with City of Toronto; correspondence in from K. Mahar regarding court decision; instructions to A. Kovalev regarding notice of hearing;.	0.60	\$	375.30
04/05/18	Andrew Jeanrie	Discussion A. Kovalev regarding notice; correspondence to/from K. Gibson;.	0.20	\$	125.10
07/05/18	Andrew Jeanrie	Correspondence in from CoA; instructions to a. Kovalev; telephone call with K. Gibson, Sunray Group;.	0.80	\$	500.40
08/05/18	Andrew Jeanrie	Various correspondence to/from A. Gadla;.	0.20	\$	125.10
11/05/18	Andrew Jeanrie	Telephone call with K. Gibson; correspondence in from K. Mahar;.	0.20	\$	125.10
14/05/18	Andrew Jeanrie	Meeting with KPMG and Sunray;.	1.00	\$	625.50
15/05/18	Andrew Jeanrie	Correspondence to/from K. Mahar; correspondence to/from M. Rethore;.	0.20	\$	125.10
16/05/18	Andrew Jeanrie	Telephone call with K. Mahar; discussion with J. Van Gent';.	0.40	\$	250.20
17/05/18	Andrew Jeanrie	Call in from Councillor's office; correspondence to KPMG; telephone call to K. Mahar; review notice given to purchasers; telephone call with K.	1.10	\$	688.05



Date	Name	Description	Hours	Amount
<del>18/05/18</del>	<del>Andrew Jeanrie</del>	<del>Maha and A. Gadia;</del> Correspondence to CoA regarding consent;	<del>0.10</del>	<del>\$ 62.55</del>
<del>23/05/18</del>	<del>Andrew Jeanrie</del>	<del>Telephone call with J. Bradley;</del>	<del>0.10</del>	<del>\$ 62.55</del>
<del>24/05/18</del>	<del>Mike O'Grady</del>	<del>Reviewing notice and direction re: pre-hearing conference for A. Jeanrie; Coordinating receipt of information required to complete notice requirements.</del>	<del>1.50</del>	<del>\$ 360.00</del>
<del>25/05/18</del>	<del>Mike O'Grady</del>	<del>Coordinating receipt of information required to complete notice requirements for A. Jeanrie; Drafting a summary of the proposed by-law for A. Jeanrie.</del>	<del>2.40</del>	<del>\$ 576.00</del>
<del>25/05/18</del>	<del>Jing Xu</del>	<del>Reviewing assessment rolls at Toronto City Hall to find and note down registered owners of relevant properties on Kennedy Road to send Notice of Prehearing.</del>	<del>2.80</del>	<del>\$ 630.00</del>
<del>28/05/18</del>	<del>Jing Xu</del>	<del>Completing chart of registered property owners in preparation of putting together notice package for Ontario Municipal Board pre-hearing conference.</del>	<del>1.30</del>	<del>\$ 292.50</del>
<del>28/05/18</del>	<del>Andrew Jeanrie</del>	<del>Review certificate of official; correspondence to KPMG; discussion with M. O'Grady regarding public notice of OMB;</del>	<del>0.50</del>	<del>\$ 312.75</del>
<del>28/05/18</del>	<del>Mike O'Grady</del>	<del>Calling Case Coordinator, Planner to obtain list of individuals/entities that have provided a written request for notice of pre-hearing conference for A. Jeanrie; Reviewing list of individuals who will require notice of hearing; Editing summary of proposed by-law.</del>	<del>1.80</del>	<del>\$ 432.00</del>
<del>29/05/18</del>	<del>Jing Xu</del>	<del>Meeting with M. O'Grady regarding notice packages for municipal board pre-hearing conference.</del>	<del>0.40</del>	<del>\$ 90.00</del>
<del>29/05/18</del>	<del>Mike O'Grady</del>	<del>Creating a comprehensive list of all individuals/entities to receive notice of pre-hearing conference for A. Jeanrie.</del>	<del>2.20</del>	<del>\$ 528.00</del>
<del>30/05/18</del>	<del>Mike O'Grady</del>	<del>Coordinating with Scarborough planning counsel to determine individuals requiring notice of pre-hearing conference for A. Jeanrie.</del>	<del>1.00</del>	<del>\$ 240.00</del>

Total Hours 4.4 ~~23.30~~  
 Total Professional Services \$ 2,752.20 ~~9,340.95~~



Name	Title	Hours	Amount Worked	Amount Billed
Andrew Jeanrie @625.50	Partner	4.4	<del>9.90</del> \$ -6880.50	\$ 6,192.45
Mike O'Grady	Student	8.90	\$ 2136.00	\$ 2,136.00
Jing-Xu	Student	4.50	\$ 1012.50	\$ 1,012.50

2,752.8

Date	Disbursements	Amount
28/05/18	Courier to BENNETT JONES SLP	\$ 27.00
Total Disbursements		\$ 27.00

Other Charges	Amount
Printing	\$ 3.75
Total Other Charges	\$ 3.75

361.78  
 GST/HST \$ 1,218.32  
 TOTAL DUE \$ 10,590.02

3,144.73



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

**Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT**

Re: THE KENNEDYS PLANNING APPROVAL  
Our File Number: 075532.00001

Date: June 25, 2018  
Invoice: 1225693

**Remittance Statement**

Professional Services	\$	<del>9,340.95</del> 2,752.20
Disbursements	\$	27.00
Other Charges	\$	3.75
Total Due before GST/HST	\$	<u>2,782.95</u> <del>9,371.70</del>
GST/HST	\$	<u>361.78</u> <del>1,218.32</del>
<b>Total Due in CAD</b>	<b>\$</b>	<b><u>10,590.02</u></b>
		<u>\$ 3,144.73</u>

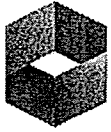
**Remit by Wire Transfer to:**

**Beneficiary Account Name:** Bennett Jones LLP  
**Beneficiary Address:** 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada  
**Beneficiary Bank:** Royal Bank of Canada  
**Bank Address:** 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada  
**Account Details:** Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
**SWIFT Code:** ROYCCAT2

**Intermediary bank:** JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

**Please include the invoice number on the wire.**  
**Email notification may be sent to: [bennettjoneseft@bennettjones.com](mailto:bennettjoneseft@bennettjones.com)**  
Remit by Credit Card (Visa or MasterCard):  
Call an Accounts Receivable Specialist at  
(403) 298-3137 or (403) 298-3164 with your credit card number, expiry date, and email address.





# Bennett Jones

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Showing April, 2018 time only

**Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT**

Re: UNIT SALES PHASE I A  
Our File Number: 075532.00008

Date: April 19, 2018  
Invoice: 1219925

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	2,678.00 <del>3,406.50</del>
Other Charges		94.00
Disbursements		8.40
Total Due before GST/HST	\$	<u>3,508.90</u> 2,780.40
GST/HST	\$	456.18 361.45
TOTAL Due in CAD	\$	<u><u><del>3,965.06</del></u></u> 3,141.85

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com) or contact our Privacy Officer by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

Date	Lawyer	Description	Hours	Amount
<del>16/10/17</del>	<del>S. Shen</del>	<del>Attend to various telephone calls from purchasers regarding the deposits due on October 15, 2017 and on the update of the Winding Up Proceedings; communication with Janine Bradley at KPMG for instructions on various deposit extension requests.</del>	<del>1.50</del>	<del>\$ 352.50</del>
17/10/17	S. Shen	Attend to various telephone calls from purchasers regarding their concern on the winding up proceeding and the safe custody of their deposits with us; communication with Janine Bradley at KPMG for instructions on various requests.	1.60	376.00
11/04/18	S. Shen	Pursuant to instructions of Marcel Rethore at KPMG, review of individual sales files to reconcile the deposit spreadsheet re 3rd to 19th floors.	4.00	960.00
12/04/18	S. Shen	Review of further sales file to confirm deposits received for each unit re 20th to 30th floors.	3.50	840.00
13/04/18	A. L. Jeanrie	Material and support to KPMG with respect to deposits held at Bennett Jones; Instructions to clerks regarding deposit reconciliation;	0.10	69.50
13/04/18	S. Shen	Review of further individual sales files to confirm deposits received for each unit re 31st to 35th floors and communication with Marcel Rethore confirming deposits as of March 31, 2018 except for the problem files as set out therein.	2.50	600.00
16/04/18	A. L. Jeanrie	Meeting with condominium clerks regarding deposits held in trust;	0.30	208.50
Total Hours and Professional Services			<del>13.50</del> 11.90	\$ <del>3,406.50</del> 2,1678.00

Timekeeper	Title	Rate	Hours	Act. Amt	Amt. Billed
A. L. Jeanrie	Partner	695.00	0.40	\$ 278.00	\$ 278.00
S. Shen	Paralegal	240.00	10.00	2,400.00	2,400.00
<del>S. Shen</del>	<del>Paralegal</del>	<del>235.00</del>	<del>3.10</del>	<del>728.50</del>	<del>728.50</del>

Other Charges		
Colour Photocopy Charges		\$ 2.00
Printing Charges		66.75
Photocopy Charges		25.25
Total Other Charges		\$ 94.00

Disbursements		
Courier Charges		\$ 6.00



Bennett Jones

April 19, 2018  
Page 3

Postage / Registered Mail

Client: 075532.00008  
Invoice No.: 1219925

Total Disbursements 2.40  
8.40

GST/HST \$ 361.45  
456.16  
TOTAL DUE \$ 3,141.85  
~~3,965.06~~



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

**Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT**

Re: UNIT SALES PHASE I A  
Our File Number: 075532.00008

Date: April 19, 2018  
Invoice: 1219925

**Remittance Statement**

Professional Services	\$	2,678.00 <del>3,406.50</del>
Other Charges		94.00
Disbursements		8.40
Total Due before GST/HST	\$	<u>3,508.90</u> 2,780.40
GST/HST	\$	456.16 361.45
TOTAL Due in CAD	\$	<u><u>3,965.06</u></u> 3,141.85

**Remit by Wire Transfer to:**

**Beneficiary Account Name:** Bennett Jones LLP  
**Beneficiary Address:** 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
**Beneficiary Bank:** Royal Bank of Canada  
**Bank Address:** 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
**Account Details:** Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
**SWIFT Code:** ROYCCAT2

**Intermediary bank:** JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

**Please include the invoice number on the wire.**  
**Email notification may be sent to:** [bennettjoneseft@bennettjones.com](mailto:bennettjoneseft@bennettjones.com)

**Remit by Credit Card (Visa or MasterCard):**

Call an Accounts Receivable Specialist at (403) 298-3137 or (403) 298-3164 with your credit card number, expiry date, and email address.

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GST/HST Number: 119346757



Bennett Jones

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

Attention: **ANAMIKA GADIA**  
**SENIOR VICE-PRESIDENT**

Re: UNITS SALES - PHASE 1B  
Our File Number: 075532.00009

Date: April 19, 2018  
Invoice: 1219926

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	1,566.50
Other Charges		45.25
Disbursements		33.45
Total Due before GST/HST	\$	<u>1,645.20</u>
GST/HST	\$	213.88
TOTAL Due in CAD	\$	<u><u>1,859.08</u></u>

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GST/HST Number: 119346757

Date	Lawyer	Description	Hours	Amount
12/04/18	S. Shen	Pursuant to instructions of Marcel Rethore at KPMG, review of individual sales files to confirm total deposits received for each unit re 8th to 38th floors.	4.50	\$ 1,080.00
13/04/18	A. L. Jeanrie	Material and support to KPMG with respect to deposits held at Bennett Jones; Instructions to clerks regarding deposit reconciliation;	0.10	69.50
16/04/18	A. L. Jeanrie	Meeting with S. Shen regarding deposits; correspondence in from M. Rethore;	0.30	208.50
17/04/18	A. L. Jeanrie	Correspondence to/from S. Shen regarding outstanding unit APS and payments; review correspondence in from M. Rethore;	0.30	208.50
Total Hours and Professional Services			5.20	\$ 1,566.50

Timekeeper	Title	Rate	Hours	Act. Amt	Amt. Billed
A. L. Jeanrie	Partner	695.00	0.70	\$ 486.50	\$ 486.50
S. Shen	Paralegal	240.00	4.50	1,080.00	1,080.00

Other Charges	
Printing Charges	\$ 45.25
Total Other Charges	\$ 45.25

Disbursements	
Postage / Registered Mail	\$ 33.45
Total Disbursements	\$ 33.45

GST/HST \$ 213.88  
**TOTAL DUE \$ 1,859.08**



Bennett Jones

TARN CONSTRUCTION CORPORATION  
C/O KPMG INC.  
BAY ADELAIDE CENTRE  
333 BAY STREET, SUITE 4600  
TORONTO, ON M5H 2S5

**Attention: ANAMIKA GADIA  
SENIOR VICE-PRESIDENT**

Re: UNITS SALES - PHASE 1B  
Our File Number: 075532.00009

Date: April 19, 2018  
Invoice: 1219926

---

### Remittance Statement

Professional Services	\$	1,566.50
Other Charges		45.25
Disbursements		33.45
Total Due before GST/HST	\$	<u>1,645.20</u>
GST/HST	\$	213.88
TOTAL Due in CAD	\$	<u><u>1,859.08</u></u>

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**Account Details:** Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
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**Intermediary bank:** JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

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GST/HST Number: 119346757

This is Exhibit "B" referred to in the  
Affidavit of Andre Jeanrie  
Sworn before me, this 19<sup>th</sup> day of July, 2018.



---

A COMMISSIONER FOR TAKING AFFIDAVITS



**EXHIBIT "B" TO THE AFFIDAVIT OF ANDRE L. JEANRIE (July 19, 2018)**

**SUMMARY OF EACH INVOICE**

<b>MATTER</b>	<b>INVOICE NO.</b>	<b>SUMMARY</b>	<b>TOTAL AMOUNT OF INVOICE</b>
The Kennedys Planning Approval (75532.1)	1209804	Performance of various matters to maintain and support land use planning applications.	\$2,740.65
The Kennedys Planning Approval (75532.1)	1213387	Performance of various matters to maintain and support land use planning applications.	\$5,684.53
The Kennedys Planning Approval (75532.1)	1218216	Performance of various matters to maintain and support land use planning applications.	\$988.25
The Kennedys Planning Approval (75532.1)	1225693	Performance of various matters to maintain and support land use planning applications.	\$3,144.73
The Guarantee Company – Binding and DTA Facility Phase IA (75532.4)	1215880	Performance of various activities on behalf of The Guarantee Company of North America and Tarn to maintain and perform escrow services at a fixed fee related to Phase 1A.	\$708.34

Guarantee Company of NA – Bonding Facility Phase 1B (75532.7)	1215881	Performance of various activities on behalf of The Guarantee Company of North America and Tarn to maintain and perform escrow services at a fixed fee related to Phase 1B.	\$426.01
Unit Sales – Phase 1A	1219925	Performance of various activities in connection with the unit sale files including deposits held at Bennett Jones and reconciliations.	\$3,141.85
Unit Sales – Phase 1B	1219926	Performance of various activities in connection with the unit sale files including deposits held at Bennett Jones and reconciliations.	\$1,859.08
TOTAL:			\$18,693.44

This is Exhibit "C" referred to in the  
Affidavit of Andre Jeanrie  
Sworn before me, this 19<sup>th</sup> day of July, 2018.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned over the text "A COMMISSIONER FOR TAKING AFFIDAVITS".

**SUMMARY OF BILLING RATES AND TOTALS BILLED  
BETWEEN January 1, 2018 and April 30, 2018**

**Timekeepers:**

Andrew Jeanrie (ALJ) – Partner	Rate: = \$695.00
Alexei Kovalev (AK) – Associate	Rate: = \$370.00
Lesley Stacey – Clerk	Rate: = \$400.00
Shakeera Mohamad (SM) – Clerk	Rate: = \$250.00
Susana Shen (SS) – Paralegal	Rate: = \$240.00

MATTER	DOCKETED HRS	BILLING RATES (See Above)	TOTAL FEES	TOTAL COSTS	HST	TOTAL
The Kennedys Planning Approval (75532.1)	Total = 51.9 16.5-ALJ * .30 - AK 1.70 – SM .40 – LS	*ALJ's rate is reduced by 10% on this Matter	\$11,019.75	\$95.69	\$1,442.72	\$12,558.16
The Guarantee Company – Binding and DTA Facility Phase IA (75532.4)	Set Fee	n/a	525.00	101.85	81.49	\$708.34
Guarantee Company of NA – Bonding Facility Phase 1B (75532.7)	Set Fee	n/a	375.00	2.00	49.01	\$426.01
Unit Sales – Phase IA	Total = 11.9 .4 –ALJ 10 – SS	AJ - \$695  SS - \$240	\$2,678.00	102.40	361.45	\$3,141.85
Unit Sales – Phase IB	Total = 11.9 .4 –ALJ 10 – SS	AJ - \$695  SS - \$240	\$1,566.50	78.70	213.88	\$1,859.08
<b>TOTAL:</b>			\$16,164.25	\$380.64	\$2,148.55	\$18,693.44

Volkan Basegmez et al.  
Applicants

Ali Akman et al.  
and Respondents

Court File No.: CV-17-11697-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE - COMMERCIAL  
LIST**

Proceeding commenced at Toronto

**FIFTH REPORT OF KPMG INC. in its capacity as  
LIQUIDATOR OF TARN FINANCIAL  
CORPORATION and THIRD REPORT OF KPMG  
INC. in its capacity as RECEIVER OF TARN  
CONSTRUCTION CORPORATION**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
Toronto, ON Canada M5H 3S1

**Kyla Mahar LSO#: 44182G**

Tel: 416.597.4303 / Fax: 416.595.8695

**Stephanie De Caria LSO#: 68055L**

Tel: 416.595.2652 / Fax: 416.595.8695

Lawyers for KPMG Inc., in its capacity as Court-  
appointed Liquidator of Tarn Financial Corporation and  
Court-appointed Receiver of Tarn Construction  
Corporation.