

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS
CORPORATIONS ACT* (ONTARIO) R.S.O. 1990, c.B.16. AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant
(Moving Party)

**MOTION RECORD OF THE APPLICANT
(EX PARTE MOTION FOR AN INTERIM ORDER
WITH RESPECT TO A PLAN OF ARRANGEMENT)
(RETURNABLE ON JULY 20, 2017)**

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TAB 1

**ONTARIO
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- COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

**NOTICE OF MOTION
(EX PARTE MOTION FOR AN INTERIM ORDER
WITH RESPECT TO A PLAN OF ARRANGEMENT)
(RETURNABLE JULY 20, 2017)**

The Applicant, Phi Kappa Pi Buildings, Limited, will make a motion without notice to a judge presiding over the Commercial List on July 20, 2017 at 9:30 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) the advice and directions of this Honourable Court in connection with an arrangement (the "Arrangement") proposed by Phi Kappa Pi Buildings, Limited under section 182 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c.B.16, as amended ("OBCA"), on the terms of the draft Interim Order attached at Tab 3 of this Motion Record; and,
- (b) such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) Phi Kappa Pi Buildings, Limited is an OBCA corporation headquartered in Toronto, Ontario;
- (b) the applicant requests the advice and directions of this Court in respect of the calling, holding and conducting of a meeting of the holders of its Common Shares

to consider and vote upon a special resolution approving the Arrangement under section 182 of the OBCA;

- (c) the Arrangement is an “arrangement” as defined in section 182(1) of the OBCA;
- (d) section 182(5) of the OBCA provides that this Court may make such orders as it considers appropriate in connection with the proposed Arrangement;
- (e) rules 16.04(1), 16.08, 37.02(1) and 37.07(2) of the *Rules of Civil Procedure*;
- (f) section 182 of the OBCA; and,
- (g) such further and other grounds as counsel may advise and this Honourable Court may consider.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the affidavit of Hugh Anson-Cartwright, sworn July 11, 2017; and,
- (b) such further and other materials as counsel may advise and this Court may permit.

July 13, 2017

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IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

Court File No.: CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST

Proceeding commenced at Toronto.

NOTICE OF MOTION

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TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

**AFFIDAVIT OF HUGH ANSON-CARTWRIGHT
(Sworn July 11, 2017)**

I, Hugh Anson-Cartwright, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY:

1. I am the President and a Director of Phi Kappa Pi Buildings, Limited, and I instruct counsel on behalf of the Corporation, and as such I have knowledge of the matters to which I herein depose.
2. I make this affidavit for purposes of seeking an Interim Order for directions with respect to the implementation of a Plan of Arrangement for Phi Kappa Pi Buildings, Limited, described herein.
3. Attached and marked as Exhibit "A" to my affidavit is a copy of the reasons for decision of Justice Grace dated March 29, 2011. Those reasons give some history of the Applicant, including prior legal proceedings it was involved in.

The Corporation and the Building

4. Phi Kappa Pi Buildings, Limited ("Buildings") was incorporated in 1920. Attached and marked as Exhibit "B" to my affidavit is a copy of Buildings' Letters Patent, dated October 21, 1920. At Exhibit "C" is a copy of Buildings' By-Laws, Numbers One and Two.
5. Attached at Exhibit "D" to my affidavit is a Land Title Parcel Register with respect to the lands known municipally as both 85 Bedford Road and 51 Elgin Avenue, Toronto (the "Property").

6. The Property was acquired in 1958. Because of zoning restrictions, title was held in the name of Robert Bowlby, a member of the Phi Kappa Pi Alumni Association. Mr. Bowlby held the Property in trust for Buildings and transferred the Property to it in 1988.

7. The Property has been used as a chapter house for the Phi Kappa Pi Fraternity, and members and non-members of the fraternity have at times rented residential quarters from Buildings. At present, there are 14 people who rent quarters at the Property, ten who are members of the Fraternity (and who attend Ryerson University) and four other students who are non-members. They all rent pursuant to written, month-to-month tenancy agreements.

8. Other than the Property and a bank account at the TD Bank, there are no other assets of Buildings.

9. As referred to in Justice Grace's reasons, the affairs of Buildings between 1975 and 2005 were in an operational and organizational mess. Corporate records were misplaced or lost, corporate filings were not kept up to date, banking records vanished and mounting deficits jeopardized the company's future. It was impossible to determine definitively who all the shareholders of the corporation were, given the state of Buildings' records.

10. As a result of an application in the Superior Court of Justice (Commercial List) that I commenced in 2005, Justice Lederman directed that Tedd Avey of Navigant Consulting investigate the business and affairs of Buildings and report to the court.

11. Attached and marked as Exhibit "E" to my affidavit is a copy of Mr. Avey's October 23, 2006 report¹. Among other matters, Mr. Avey attempted to discern who the shareholders of Buildings were. At Schedules 1 and 2 of his report is the outcome of his investigation in that regard. Those Schedules have been treated as the *de facto* Shareholders' Register, and have been placed in Buildings' Minute Book.

12. As referred to in Justice Grace's reasons, Justice Spence ultimately ordered that a meeting of shareholders of Buildings be held pursuant to Section 106 of the Ontario *Business Corporations Act*, in order to elect directors of Buildings. That meeting was held on November 10, 2010, and in preparation for that meeting, efforts were undertaken to locate shareholders of Buildings for purposes of sending notices of a special meeting of shareholders sent on October 22, 2010. On October 23, 2010, a notice was published in the Globe and Mail.

¹ Except for the final Schedule of Mr. Avey's report, which included all share certificates he had copies of, which has here been omitted for length and relevance. Those documents do not indicate shareholders' addresses.

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13. Attached and marked as Exhibit "F" to my affidavit is a copy of the Minutes of the shareholders meeting of November 10, 2010. As indicated in those Minutes, Buildings' efforts brought forth only shareholders of 13 shares of Buildings, totalling 6 people.

14. The following are the only shareholders of Buildings that the Board of Directors is aware of that are still alive:

Shareholder	Position	No. of Shares
Hugh Anson-Cartwright Toronto, ON	Director, President	2
Donald W. Cockburn Richmond Hill, ON	Director	2
John A. Cottenden Shuniah, ON	Director	1
Gerald B. Skea Thunder Bay, ON	Director	2
George W. Rombough Toronto, ON		2
Michele Guest, widow of Gowan T. Guest Toronto, ON		2
W.A. Sheppard Toronto, ON		3 ²

² Mr. Avey determined that the subscription price for two shares subscribed for by Mr. Sheppard in 1954 "appears to be outstanding" (see p. 11 of Mr. Avey's report) and Justice Spence held that a third share subscribed for by Mr. Sheppard in 2005 was not validly issued. Nevertheless, Mr. Sheppard was described as a shareholder with 3 shares in the minutes to the November 10, 2010 shareholders meeting (see Exhibit F).

15. Although the board of directors of Buildings is not aware of the identity of any other living shareholders, it stands to reason that, as original shareholders have died, their shares have passed – knowingly and unknowingly – to others.

The Plan of Arrangement

16. The board of directors has resolved that it is time to sell the Property. I am 86 years old, and the other directors are of a similar age. There really is no prospect of succession at the board of directors, given that there are no known, living shareholders under the age of 75.

17. The revenue stream from renting rooms in the Property is uneconomic, and does not cover expenses, and operating a residential property requires significant time and attention – and carries significant potential liabilities. The Property is likely not being put to its highest and best use.

18. We are sensitive to the disruption the sale of Property could cause for its current residents. Buildings intends to make it a term of the sale of the Property that the purchaser agree to permit renters at the Property to reside at the property at least as long as the end of their current respective academic terms.

19. The board of directors has also resolved to donate Buildings' assets, including the proceeds of the sale of the Property (net of mortgage debt, taxes, expenses and outstanding directors fees) to the University of Toronto and Ryerson University, on a two-thirds, one-third basis. We are exploring with the Universities the setting up of endorsement funds and recognition in some form of dedication of reading and meeting rooms to the members of the Phi Kappa Pi Fraternity and the shareholders of Buildings.

20. Attached and marked as Exhibit "G" to my affidavit is a copy of the resolution of all of the directors of Buildings of March 22, 2017, resolving to sell the Property and donate the proceeds to the Universities.

21. I am advised by counsel that, since the sale of the Property and donation of the proceeds will involve substantially all of the assets of Buildings, we should call a special meeting of shareholders to approve the transactions on a supermajority basis. To call such a meeting is complicated by the fact that the current holders of most of the shares of Buildings are unknown to the board of directors.

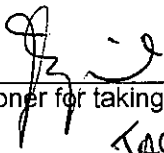
22. Accordingly, Buildings proposes to proceed by way of Plan of Arrangement to:

- (a) notify shareholders as we are able by mail of the meeting and its purpose;
- (b) also publish notice of the meeting in the Globe and Mail and the Toronto Star, and provide links to the meeting materials on our counsel's website;
- (c) have the board of directors determine (at first instance) the status as shareholder of anyone who may come forward claiming to be entitled to vote at the shareholder meeting or to dissent to the Plan of Arrangement – any disputes as to whether someone is a shareholder can be taken up in court;
- (d) proceed with a special meeting of shareholders entitled to vote on the Plan of Arrangement on September 22, 2017;
- (e) assuming two-thirds of the voting shares of eligible shareholders are voted in favour of the Plan of Arrangement, Buildings would return to this court for approval of the Plan of Arrangement, including its implementation;
- (f) shareholders would be permitted to dissent to the Plan of Arrangement, and would be entitled to be paid their net, pro rata share value of Buildings, calculated after the Property's disposition and immediately prior to the donation being made to the Universities;
- (g) following closing of the sale of the Property, Buildings and its financial advisors will determine the taxes payable on the sale transaction, net of credits on the charitable donations to the Universities, as well as the amounts owing to secured and unsecured creditors of Buildings, including professional fees. Shareholders who properly dissent to the Plan of Arrangement will be entitled to their pro rata, fair value for their shares of Buildings as determined at (f), and the balance will be donated to the Universities;
- (h) It may be opportune, then, to dissolve Buildings.

23. Buildings (with the assistance of counsel) intends to manage this process and the Plan of Arrangement itself, to the extent possible, but we will need financial advice, including on tax matters. We will also want to demonstrate for the Court and for corporate stakeholders the proper calculation of the net assets of Buildings after the proceeds of sale of the Property have been realised. Buildings is seeking the appointment of Grunwald & Co. and PricewaterhouseCoopers LLP for those purposes.

SWORN BEFORE ME at the City of Toronto, this
11th day of July, 2017.

A Commissioner for taking Affidavits (or as may be)



JASON SQUIRE



HUGH ANSON-CARTWRIGHT

TAB A

A COMMISSIONER FOR TAKING AFFIDAVITS

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"fraternity"). To encourage investment a prospectus was prepared. Prospective investors were advised:

The capital stock of the Company affords at once a sound investment in valuable residential property in Toronto and in addition should yield a fair return to the investor in the form of an annual dividend of five per cent. It is anticipated that this dividend will be paid as soon as a house has been purchased and leased to the Active Chapter.

[5] By 1962, the Company had issued 265 shares.¹

[6] The property was acquired in 1958. Because of zoning restrictions title was held in the name of Robert Bowlby, a member of the Phi Kappa Pi Alumni Association (the "Alumni"). Mr. Bowlby held the property in trust for the Company and transferred the property to it in 1988.²

[7] The affairs of the Company appear to have been ably managed for many years. However, that changed. Corporate records were misplaced or lost,³ corporate filings were not kept up to date,⁴ the Company was dissolved and had to be revived,⁵ banking records vanished and mounting deficits jeopardized the Company's future.

[8] In 2004 Mr. Sheppard became involved in the Company's internal affairs.⁶ In the first of ten affidavits provided to me,⁷ Mr. Sheppard deposed:

18. In November, 2004, I woke up to the fact that I had not heard anything from the Alumni Association for some years.

19. I wrote the Active Chapter and the President...contacted me. He filled me in on the sad state of affairs.

[9] In the paragraphs which followed Mr. Sheppard detailed the inquiries which he subsequently made. As a result of them Mr. Sheppard concluded that the Company was, indeed, in an operational and organizational mess. He decided to take the helm.

¹ This number is drawn from the records discussed in and appended to the financial review conducted by Tedd Avey dated October 23, 2006.

² A portion of the property was sold to a neighbour in 1989.

³ For example, the minute book has not been located.

⁴ After 1975 there were no corporate filings until some were made in 2005.

⁵ It was revived in 1998.

⁶ William A.E. Sheppard was a respected County Court judge. He retired in 1976.

⁷ Counsel for the respondents advised me that 13 affidavits had been sworn by Mr. Sheppard in proceedings involving the Company. They do not all relate to this proceeding. I was provided with affidavits sworn November 15, 2005, December 5, 2005 and April 23, 2007. Those affidavits did not relate to application. However, affidavits sworn January 28, 2010, July 9, 2010, October 11, 2010, October 28, 2010, November 22, 2010, January 15, 2011 and January 27, 2011 do. I was informed that another affidavit was served by Mr. Sheppard himself shortly before the motion was argued. However, leave to file the affidavit was not sought and I was not provided with a copy.

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[10] Despite good intentions, the helm taking and ship righting exercise has not gone well. An accurate picture of the Company's financial position failed to emerge. Questions were directed to members of former management. Cooperation was not forthcoming. Concern grew that funds had been misappropriated. It remains.

[11] In the aftermath two rival groups emerged. One is led by Mr. Sheppard. The other by George Vojnovic. They wrestled for control of the Company for some time.

[12] Members of each group asserted competing claims to offices in and positions on the board of directors of the Company. For example, Mr. Sheppard maintained that he was a director of the Company and its president. Mr. Vojnovic disagrees. He says Mr. Sheppard held no such position. In fact, Mr. Vojnovic claimed to be its president. Contradictory corporate filings were evidenced by a Corporation Profile Report issued by the Ministry of Consumer and Business Services. Two secretaries and two treasurers were listed along with nine directors. The Company's by-laws only authorize a five person board of directors.⁸

[13] The competing claims affected the Company's relationships with financial institutions, the fraternity and others.

[14] For example, faced with conflicting instructions, the Company's accounts at TD Bank and Quadrus Investment Services Ltd. were frozen.

[15] Residents of the property were instructed to make rental payments to Mr. Sheppard. When they failed to do so, Mr. Sheppard initiated an application in the name of the Company under the *Tenant Protection Act*⁹ seeking an order for payment of \$163,590 plus an order evicting the fraternity from the property.¹⁰ Mr. Vojnovic wrote the Ontario Rental Housing Tribunal (the "Tribunal")¹¹ disputing Mr. Sheppard's authority to do so.¹²

[16] The stalemate could not continue.

B. Prior Legal Proceedings

[17] Having been acknowledged to be a director by both groups at one time, Hugh Anson-Cartwright issued an application in October, 2005. Among other things he sought an order directing an investigation into the affairs of the Company pursuant to section 161 of the Ontario *Business Corporations Act*¹³ (the "OBCA").¹⁴

⁸ These issues are addressed in paragraphs 29-39 of the affidavit of George Vojnovic sworn October 17, 2005.

⁹ The Act was repealed in 2007 and replaced by the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17.

¹⁰ Details were provided in an affidavit of Paul Zarow sworn October 17, 2005.

¹¹ The Tribunal has now been replaced by the Landlord and Tenant Board.

¹² The letter he sent was dated August 7, 2005.

¹³ R.S.O. 1990, c. B.16 as amended.

¹⁴ I note that Mr. Sheppard took the position that the OBCA did not apply because, in his view, the Company was incorporated for charitable purposes. In light of the prospectus referenced earlier it does not appear that assertion is correct. The Company planned to pay dividends to its shareholders. Mr. Sheppard also suggested that the *Corporations Act* applied to the Company. Since those issues were raised in his December 5, 2005 affidavit in

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[18] Mr. Sheppard unsuccessfully challenged Mr. Anson-Cartwright's status to bring the application. Over Mr. Sheppard's objection, Lederman J. concluded that Mr. Anson-Cartwright held shares in the Company. Lederman J. also directed Tedd Avey of Navigant Consulting to investigate the business and affairs of the Company and report to the Court. All persons interested in or having dealings with the Company were directed to cooperate.¹⁵

[19] The depth of the disharmony was described in Mr. Avey's October 23, 2006 report. Mr. Sheppard's actions raised concern. Documentation had been discarded. Shares had been issued to Mr. Sheppard and persons connected to him in circumstances requiring explanation. Arrangements with suppliers had been unilaterally changed.¹⁶

[20] More affidavits flew. Spence J. heard the application. His endorsement was released on April 25, 2007. Spence J. ordered that a meeting of shareholders of the Company be held pursuant to section 106 of the *OBCA* because it was "unclear who the legitimate officers and directors...are." The shareholders were to elect directors of the Company. John D. Holding, Q.C. was appointed to chair the meeting. Seemingly no other directions were sought. None were given.

[21] The application judge also held that shares issued to Mr. Sheppard and others in 2005 and 2006 were "not properly issued and outstanding" and were, therefore, "invalid." An order reflecting the terms of the endorsement was not signed until September 14, 2007.¹⁷

[22] I will come to the meeting of shareholders finally held November 10, 2010 shortly. I turn first to intervening events.

[23] Shortly after the release of the endorsement of Spence J., the Company's application to the Tribunal was dismissed as abandoned.¹⁸ Mr. Sheppard's desire to obtain vacant possession of the property did not end. He simply changed course.

[24] On September 1, 2009, an application was issued on Mr. Sheppard's instructions in the name of the Company under the *Residential Tenancies Act* seeking to evict Christian Chan and David Sandink from the property. Those individuals are the respondents in this application and as I understand it were chosen by Mr. Sheppard because of their connection to the fraternity. After two adjournments and a request from Mr. Sheppard, a hearing was scheduled for February 10, 2010. He failed to attend. Caroline King, a member of the Landlord and Tenant Board (the "Board"), dismissed the application. Counsel for the respondents asked the Board to award costs against Mr. Sheppard personally. Ms King held that the Board lacked jurisdiction to do so.

another proceeding and orders were made under the *OBCA* I have proceeded on the basis the *OBCA* is the operative statute.

¹⁵ The matter was heard and a handwritten endorsement was made on December 13, 2005.

¹⁶ For example, Mr. Avey reported that utility accounts for the property were being sent to Mr. Sheppard's home but were not being paid. He also reported that Mr. Sheppard did not forward the accounts to the Company for payment. Further, he reported that Mr. Sheppard cancelled the insurance policy on the property without making alternative arrangements.

¹⁷ It should be noted, however, that the order declares the shares to be "void and of no force or effect."

¹⁸ That occurred on July 6, 2007.

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However, she concluded that it had been unreasonable for Mr. Sheppard to bring an application when the "corporate affairs of the [Company]"¹⁹ are not yet in order."

C. These Proceedings

[25] Still undeterred, this application was commenced in the name of the Company on Mr. Sheppard's instructions two days later. It was issued pursuant to the *Rules of Civil Procedure* and once again seeks vacant possession of the property.

[26] In his supporting affidavit sworn January 29, 2010, Mr. Sheppard deposed that he occupied the positions of president and director of the Company. Early in these proceedings he alleged he held three shares.²⁰ Later he alleged that he had acquired an additional twenty five shares in 2010 for \$50 per share.²¹

[27] I pause here to try and state, briefly, what I regard as the point of Mr. Sheppard's various affidavits. He believes that assets of the Company have been "taken by various individuals". He alleges, with absolutely no factual foundation that I have been able to uncover, that this effort was "led by Mr. H. Anson-Cartwright."²² He continues to maintain, despite the findings of Lederman J. and Spence J., that Mr. Anson-Cartwright is not a shareholder of the Company. He also alleges that others are not shareholders because there is "absolutely no proof that they hold or possess share certificates nor any proof of share ownership". It is for that reason, I presume, that he seeks to side step the previous orders of this Court and now alleges he is the "only living shareholder" of the Company.²³

[28] Mr. Sheppard seems to believe that he is the person who should, can and will correct past wrongs, turn chaos into order and, when the Company's affairs are to his satisfaction, donate the Company's property to charity.²⁴

[29] While I am delighted that Mr. Sheppard has a mission, the exercise has become, very sadly, misguided.

[30] That it has become so is no doubt partly attributable to the fact it took over three years for the Court ordered shareholders' meeting to be held. Despite the absence of a temporal limitation in Spence J.'s order, I cannot imagine it was conceived that such a lengthy delay would occur.

[31] The respondents rely on three affidavits of Aaron Grinhaus.²⁵ According to the affidavits Mr. Grinhaus is a "Brother" of the fraternity and the current National Council president. Since mid-2009 he has also been involved in the governance issues facing the Company.

¹⁹ The Tribunal actually used the word "Landlord".

²⁰ That allegation was made in paragraphs 4 and 5 of his July 9, 2010 affidavit.

²¹ That allegation was made in paragraph 16 of Mr. Sheppard's November 22, 2010 affidavit.

²² This language is taken from paragraph 9 of Mr. Sheppard's January 25, 2011 affidavit. Similar statements are set forth in other affidavits as well.

²³ That allegation was made in paragraph 1 of Mr. Sheppard's January 25 and 27, 2011 affidavits.

²⁴ That objective is set forth at paragraph 28 of Mr. Sheppard's November 22, 2010 affidavit and paragraph 13 of his July 9, 2010 affidavit.

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[32] Mr. Grinhaus attributed the delays following Spence J's endorsement to the logistical problem of locating shareholders. He said:

The people spearheading this search ran into a number of barriers finding valid shareholders as most of the shares were issued from the 1920s to the 1950s.

[33] His June 22, 2010 affidavit detailed the efforts undertaken. Mr. Grinhaus reported "much progress in the last few months" and expressed optimism a meeting would soon be called. A private investigation firm was retained²⁶ and a small number of shareholders were located. As evidenced by his later affidavits notices of a special meeting of shareholders were finally sent to those who had been identified on October 22, 2010. On the next day a notice was published in the Globe and Mail.

[34] The meeting was held on November 10, 2010. It was chaired by Mr. Holding as required. Over Mr. Sheppard's objections a slate of five directors was elected. Mr. Sheppard was not among them. Thereafter, the new directors met and appointed officers. Mr. Sheppard is not one of them.

[35] Mr. Sheppard complains bitterly about the meeting as evidenced by his affidavit sworn November 22, 2010 and those which follow. He went so far as to allege that Mr. Holding, chosen by Spence J. to chair the meeting, was a poor choice because he is alleged to be "a strong supporter" of the rival group.²⁷ Mr. Sheppard calls the meeting a "sham".

[36] I agree with Mr. Sheppard the meeting should have been held earlier. However, there is no evidence he sought to move the matter along. In fact, Mr. Sheppard seemed quite content to continue to maintain that he held a position he knew was in doubt.

[37] With respect to the recent election of directors, beyond complaining in this proceeding, he appears to have done nothing to challenge steps leading up to or occurring at the meeting. He has done nothing to challenge the results of the meeting. It should be obvious that the governance issues raised by Mr. Sheppard should not and cannot be resolved on this motion.

[38] Even if this were the appropriate proceeding and time, I would have not have agreed that Mr. Sheppard's concerns are well-founded. He questions the integrity of Mr. Holding without any supporting evidence. His statements about what occurred at the meeting do not accord with the minutes taken at the time. Even from Mr. Sheppard's affidavits, it appears he arrived at the meeting ready for and seeking a fight. That brings me to make the following observation.

[39] Concerns that there had been mismanagement, even dishonesty, may well have been warranted when Mr. Sheppard first intervened. However, the persons who should have answered the many questions which swirled around the Company's affairs were long gone. When located

²⁵ The affidavits were sworn June 22, 2010, February 10 and February 16, 2011.

²⁶ As set forth in paragraph 10 of Mr. Grinhaus' affidavit sworn February 10, 2011.

²⁷ That allegation is made in paragraph 41 of Mr. Sheppard's January 25, 2011 affidavit.

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they appear to have been uncooperative. For reasons which I do not comprehend, Mr. Sheppard's gaze shifted elsewhere, locked on to others and remains impermeably, unyieldingly, uncompromisingly, there.

[40] If anyone dares to disagree with a position advanced by Mr. Sheppard, they are immediately placed into the category of the unworthy and the dishonest Mr. Sheppard has created and seeks to perpetuate. Objectivity has long been lost. The respondents suggest reason is now missing too.

[41] Whatever was the state of the Company's affairs when this application started it is now this: Mr. Sheppard is a shareholder. He appears to hold two, maybe even three, shares. He is not the sole living shareholder. He is one shareholder of many, some living, some long since deceased. He is not a director, an officer or employee of the Company.

[42] Mr. Cooper, current counsel of record for the Company, argued that authority to act may be given by a shareholder. That is true but that does not mean that any shareholder has such authority. An absurd result would follow if every shareholder could give instructions on behalf of a corporation. Mr. Cooper relied upon *Suellothan Bauchemie (Canada) Ltd. v. Raanani Estate*.²⁸ In that case the issue was whether an individual named Frolov had authority to instruct counsel to commence an action on behalf of the plaintiff. In finding that Frolov had authority to instruct counsel, Cullity J. wrote:

The question whether the corporation authorized commencement of the proceedings is one of fact and, although a formal resolution of the directors or shareholders would ordinarily be the obvious method of demonstrating that such authority existed, it does not follow that no other evidence can be accepted for the purpose of rule 15.02 (4). Where, as here, the evidence indicates that - as the sole shareholder of the corporation that held all the share of Suellothan - Mr. Frolov had sufficient rights under corporate law to pass such resolutions, or to cause them to be passed, I believe...that his affidavit might well be considered to be sufficient for the purpose of the rule.

[43] *Suellothan* is authority for the proposition that, in limited circumstances, a shareholder has authority to give instructions on behalf of a corporation. However, it is not factually analogous to this case. With respect, I do not agree that a person holding three of two hundred and sixty five shares enjoys similar authority. I also do not accept that Mr. Sheppard had authority to issue twenty five shares to himself in 2010 particularly when an earlier attempt, in similar circumstances, had been declared by this Court to be invalid.

[44] Section 106 of the *Courts of Justice Act* contains broad wording. It authorizes a court to stay a proceeding on its own initiative or on motion by any person.

²⁸ [2003] O.J. No. 241 (S.C.J.) at para. 15

Page: 8

[45] I recognize a stay should not easily be granted. However, the circumstances here are extraordinary. A piece of litigation was commenced which was hardly routine. A serious remedy was sought which would have jeopardized or even severed ties with the fraternity.

[46] Given the nature of the proposed litigation, the stakes and the internal strife within the Company, the application should not have been commenced unless under the authority of a properly obtained resolution of the board of directors.²⁹ It does not appear that Mr. Sheppard even involved other members of the board to which he allegedly belonged. I am of the view Mr. Sheppard lacked the requisite authority to instruct counsel on behalf of the Company when this application was commenced.


[47] In any event, Mr. Sheppard has no authority to provide instructions now. It seems clear the existing officers and directors of the Company do not support this application. They support the respondents.³⁰ They do not want vacant possession of the property.

[48] Assuming, without agreeing, that Mr. Sheppard had status to authorize the commencement of this application on behalf of the Company what is his position now? As of November 10, 2010 any right he may arguably have had to speak for the Company died. This frolic should now end. A stay of this proceeding is appropriate.

[49] The stay shall remain in place unless and until a resolution of the recently elected board of directors of the Company is passed authorizing the continuation of this application. The stay is without prejudice to the right of the parties to settle the application on such terms as they may agree. It should go without saying that it is the current board, not Mr. Sheppard, who speaks for the Company during any negotiation.

[50] I advised the parties that I would give them an opportunity to make written submissions with respect to the respondents' request that costs be assessed against Mr. Sheppard personally. I am hopeful that issue can be resolved by the parties without judicial intervention in light of the observations I have made. An opportunity to cool a simmering pot exists.

[51] Nonetheless, if the parties wish to make submissions as to costs they are asked to do so concisely. The submissions of the respondents should be delivered within fourteen days and thereafter those of counsel for Mr. Sheppard within a further fourteen day period. They may be delivered to me through Judges' Administration.


GRACE J.

Released: March 29, 2011

²⁹ *Caribbean Cultural Committee v. Toronto (City)*, [2002] O.J. No. 2022 (S.C.J.) at para. 10.

³⁰ Rule 15.02 (4).

CITATION: Kappa v. Chan Sandink, 2011 ONSC 1986
COURT FILE NO.: CV-10-396234
DATE: 20110329

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

- and -

CHRISTIAN CHAN and DAVID SANDINK

Respondent

REASONS FOR DECISION

GRACE J.

Released: March 29, 2011

TAB B

18376 ✓ 22

Letters Patent
Incorporating

PROVINCE OF ONTARIO

By the Honourable

Harry Corwin Nixon
Provincial Secretary

To all to whom these Presents shall come—

Greeting

Whereas The Ontario Companies Act provides that, with the exceptions therein mentioned, the Lieutenant-Governor may by Letters Patent create and constitute bodies corporate and politic for any of the purposes to which the authority of the Legislature of Ontario extends:

And Whereas by the said Act it is further provided that the Provincial Secretary may, under the seal of his Office have, use, exercise and enjoy any power, right or authority conferred by the said Act on the Lieutenant-Governor:

And Whereas by their Petition in that behalf the persons herein mentioned have prayed for Letters Patent constituting them a body corporate and politic for the due carrying out of the undertaking hereinafter set forth.

And Whereas it has been made to appear that the said persons have complied with the conditions precedent to the grant of the desired Letters Patent and that the said undertaking is within the scope of the said Act.

Now Therefore Know Ye that *I, Harry Corwin Nixon*
Provincial Secretary, under the authority of the heretofore in part recited Act,

Do by these Letters Patent hereby constitute
the persons hereinafter named, that is to say:

*Allan Adams, Physician; Francis Herbert Norbricht,
Agent; David Dain, merchant; Oswald Elmer Kemmer,
merchant; and Ralph Burgess Gibson, Printer at Law
all of the City of Toronto, in the County of York and
Province of Ontario*

and any others who have become subscribers to the Memorandum of Agreement of the *above named*, and persons who hereafter become *members* therein, a Corporation under the name of:

Phi Kappa Pi Buildings, Limited

for the following purposes and objects, that is to say:

(1) To purchase, lease, take in exchange or otherwise acquire lands or interests therein, together with any buildings or structures that may be on the said lands or any of them and to sell, lease, mortgage, mortgage or otherwise dispose of the whole or any portion of the lands and all or any of the buildings or structures that are now or may hereafter be erected thereon, and to take such security therefor as may be deemed necessary; (2) To erect buildings and land in building unimproved; (3) To take or hold mortgages for any amount in money or any of the lands, buildings or structures as aforesaid; (4) To improve, alter and change the said lands and buildings; and (5) To purchase and otherwise assist in the performance of contracts or mortgages of persons, firms or corporations with whom the Company may have dealings and to receive and take over such mortgages or contracts as aforesaid.

Provided, however, that except as to taking and holding mortgages as aforesaid, nothing in these Letters Patent contained shall be deemed to empower the Company to make loans, whether for building purposes or not, upon lands not the property of the Company or upon lands which though once the property of the Company have by any deed, conveyance, transfer or otherwise become the property of another; and further provided, that it shall not be lawful for the Company having incorporated: (1) To issue, create or make any other securities or tokens of debt, fund or share under any name or name whatsoever; or to issue, create or make any stock or shares whatsoever other than the capital stock and shares which are hereinafter mentioned and which shall be paid, purchased and non-withdrawable capital stock or shares; (2) To take from or levy upon any shareholder, shareholder, member, creditor, holder or person, any deposit, floating interest or not bearing interest or any other interest, partial or otherwise, or to take subscriptions or payments or make calls upon any stock or shares or other securities designated other than lawful subscriptions, payments or calls upon the said fund, payments or non-withdrawable capital stock or shares; (3) To use or raise, distribute or have a fund for making a loan or advance to a person or persons (including intended persons) of property, whether such loan or advance is in the form of money or money's worth is paid directly to the person or is paid by the Company to the lender to be repaid in any form or manner by the person to the Company; (4) To make loans or advances on any contract whereby the benefit is or is made dependent in any manner or degree upon the collection of sums levied upon or to be received from persons holding shares or upon or from members of the Company; and (5) To transact or undertake any business within the meaning of The Ontario Insurance Act, or of The Loan and Trust Corporations Act.

This is Exhibit
affidavit of *High Anson-Castonguet*
sworn before me, this *11th*
day of *July*, 19*20*.
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

[Handwritten notes and signatures]

The Capital of the Company to be Forty Thousand
dollars divided into Eight hundred Shares of
Fifty dollars each;

The Head Office of the Company to be situated at
the said City of Toronto; and

The Provisional Directors of the Company to be
Allan Adams, Francis Herbert Hartright and
Ralph Burgess Gibbons, hereinbefore mentioned.

Given under my Hand and Seal of Office at the City of Toronto in the said Province of Ontario this *twenty second*
day of *October* in the year of Our Lord one thousand nine hundred and *twenty*.

H.C. Nixon
Provincial Secretary.



To be executed in duplicate; both to be sent to, and one deposited in, the office of the Provincial Secretary.

PHI KAPPA PI BUILDINGS (Limited)

Limited

MEMORANDUM OF AGREEMENT AND STOCK BOOK

We the undersigned do hereby severally covenant and agree each with the others to become incorporated as a

company under the provisions of The Ontario Companies Act under the name of

PHI KAPPA PI BUILDINGS (LIMITED)

Limited.

or such other name as the Lieutenant-Governor may give to the Company, with a total of FORTY

THOUSAND ----- dollars, divided into EIGHT HUNDRED shares

of FIFTY ----- dollars each. (a)

And we hereby severally subscribe for and agree to take the respective amounts of the capital stock of the said Company set opposite our respective names hereunder and hereafter written, and to become shareholders in such Company to the said amounts.

Witness our hands and seals.

Name of Subscriber	Seal	Amount of subscription	Date and Place of Subscription		Residence of Subscriber	Name of Witness
			Date	Place		
Walter Adams	●	\$ 50.00	Oct 21	Toronto	335 Jarvis St	Jakubson
H.H. McIntyre	●	\$ 50.00	Oct 21	Toronto	67 Dufferin Ave	Jakubson
V. L. Smith	●	\$ 50.00	Oct 21	Toronto	42 Clarendon Ave	Jakubson
O.E. Lennett	●	\$ 50.00	Oct 21	Toronto	213 Poplar Main	Jakubson
R. Blum	●	\$ 50.00	Oct 21	Toronto	20 Blythwood Rd	Jakubson

(a) If the subscriptions for shares are to be subject to any conditions, such, for instance, as usually attend upon the creation and holding of Preference Shares, the conditions should be set out here.

TAB C

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21

PHI KAPPA PI BUILDINGS, LIMITED

BY-LAWS

BE IT ENACTED and it is hereby enacted as By-law
Number One of the Company as follows:-

1. The Head Office of the Company shall be at 43 Adelaide Street East, in the City of Toronto, in the Province of Ontario, or at such other place in the said City as the Directors shall from time to time decide.
2. The seal, an impression of which is stamped upon the margin hereof, shall be the common seal of the Company.
3. The affairs of the Company shall be managed by a Board of Directors to consist of ^{three} ~~five~~ persons, each of whom shall be a shareholder in the Company, holding at least one share of the stock thereof.
4. A Director of the Company may fill any position in connection with its affairs to which he may be appointed by his fellow Directors.
5. Should any vacancy occur in the Board of Directors from the death or retirement of a Director or from other cause, the remaining Directors shall have power to fill such vacancy by a majority vote.
6. The election of Directors shall take place yearly at the Annual General Meeting of the Company and all the Directors then in office shall retire, but if otherwise qualified shall be eligible for re-election, unless otherwise determined by the Directors.

This is Exhibit C referred to in the

affidavit of Hugh Anson - Cartwright

sworn before me, this 11th

day of July 20 1917

COMMISSIONER FOR TAKING AFFIDAVITS

7. Two Directors shall form a quorum for the transaction of business.

8. A Directors' meeting may be formally called (1) by the president or secretary (2) by two Directors jointly to meet at the office of the Company or at any other convenient place in the City of Toronto. Notice of such meetings shall be delivered or mailed at the Toronto Post Office prepaid to each Director, not less than five days before the meeting is to take place.

9. Provided that a Directors' meeting may be held from time to time without formal notice at any time or place in Ontario or elsewhere, if all the Directors are present thereafter or if those absent have waived notice of such meeting or signified their assent thereto in writing.

10. The order of business at meetings of the Board of Directors shall be as follows:-

- (a) Reading notice calling meeting and proof of mailing same.
- (b) Reading the minutes of last meeting of Directors and confirming same.
- (c) Receiving reports.
- (d) Unfinished business.
- (e) New business.

This order of business may be altered at any meeting by a majority vote of the Directors present.

11. There shall be a President, Vice-President and Secretary-treasurer of the Company and such other officers as the Board may determine, and the Directors shall from time to time elect from among themselves a President, Vice-President and Secretary-Treasurer and shall also appoint and may remove at pleasure all other officers.

12. The president shall preside at all meetings of shareholders and Directors of the Company. In his absence a chairman shall be elected. He may delegate by writing his duties to the Vice-president.

13. The president, Vice-president and Secretary-treasurer or any two of them may make contracts and engagements of any kind on behalf of the Company subject to the control of Directors.

14. The president, Vice-president and Secretary-treasurer or any two of them shall have power to draw, accept or endorse bills of exchange, promissory notes, cheques and orders for the payment of money on behalf of the Company by way of overdraft or otherwise, to be countersigned as the Board may direct, and to execute all hypothecations, or pledges of the real or personal property of the Company.

15. And the Secretary-treasurer is authorized on behalf of the Company to deposit with or transfer to the bankers of the Company, but for the credit of the Company's account only, bills of exchange, promissory notes, cheques or orders for the payment of money and other negotiable paper and for the said purposes to endorse the same or any of them in the name of and on behalf of the Company and also to arrange, settle, balance and certify all bank books and the accounts between the Company and the bankers of the Company and to receive all cheques and vouchers from said bankers.

16. The fiscal year of the Company shall terminate on the last day of December.

17. The Annual General Meeting of the shareholders of the Company shall be held at the Head Office of the Company on the third Monday Wednesday in January or at such other time and place in Ontario as the Directors may decide.

18. All meetings of shareholders shall be called by the president or secretary; provided that the Directors may and shall upon requisition made in writing by the shareholders holding in the aggregate one tenth of the issued capital stock of the Company, convene an extraordinary meeting of the shareholders.

19. No public notice or advertisement of the annual or any meeting of shareholders shall be required, but notice of the time and place of any such meeting shall be mailed by prepaid letter to each shareholder to his last known place of abode or address and deposited at least five days before the holding of such meeting. Provided always a meeting of shareholders may be held at any time and at any place in Ontario without such notice if all the shareholders of the Company are present thereat or represented thereof by proxy, or if the absent shareholders signify their assent thereto in writing to such meeting and their inability to attend.

20. Any shareholder may vote by proxy, but the proxy must be a shareholder entitled to vote and his authority must be in writing and filed with the secretary of the Company before the opening of the meeting.

21. The quorum for the transaction of business at meetings of shareholders shall consist of not less than five shareholders present in person or represented by proxy. Provided that in no case can any meeting be held unless there are two shareholders present in person.

22. The accidental omission to give notice of any meeting of shareholders shall not invalidate any resolution passed at such meeting.

23. A Corporation being a shareholder may appoint any one of its officers to be its proxy and such appointment shall be under its common seal.

24. A vote given in accordance with the terms of any instrument of proxy shall be valid notwithstanding the previous death or the prior revocation of the proxy or transfer of the shares in respect to which the vote is given, provided that no intimation of such death or revocation or transfer shall have been received at the Head Office of the Company before the meeting commenced.

25. The order of business at all meetings of shareholders shall be as follows:-

- (a) Reading notice calling meeting and proof of mailing same.
- (b) Report as to quorum.
- (c) Reading minutes of preceding shareholders' meeting.
- (d) Confirmation of any by-laws or resolutions passed by the Directors.
- (e) Reception of reports.
- (f) Election of Directors.
- (g) Unfinished business.
- (h) New business.

26. The shareholders may, by three-fourths vote remove any Director or officer before the expiration of his period of office and appoint another qualified person in his stead for the balance of his term at a special general meeting of which notice specifying the intention to pass such resolution shall have been given.

27. Stock certificates shall be in such form as the Board may approve of and shall be under the seal of the Company and shall be signed by the president and secretary-treasurer.

28. A stock transfer book shall be provided in such form as the Directors may approve of and all transfers of shares in the capital stock of the Company shall be made in such book by the holder thereof or his attorney duly authorized in writing.

29. In case several persons are registered as the joint holders of a share of stock, the certificate or certificates therefor may be delivered to either of such holders and any one of such persons may give effectual receipts for any dividend or on account of dividends in respect of such shares of stock.

30. All books required by law to be kept shall be kept by the secretary-treasurer of the Company and no shareholder shall have the right of inspection of any account, book or document of the Company except as prescribed by statute or authorized by the Directors or by resolution of the shareholders in general meeting.

31. No dividend shall be payable except out of the profits of the Company and no dividend shall bear interest as against the Company.

32. The declaration of the Directors as to the amount of net profits of the Company shall be conclusive in the absence of fraud on their part and no Director shall be bound to inquire into the accuracy of any statement of profits and loss, if certified by the auditor of the Company.

33. The auditor shall be appointed by resolution of the shareholders at the time of the Annual General Meeting of the shareholders of the Company.

34. He shall hold office until the next annual meeting after being appointed or until his successor is appointed unless previously removed by resolution of the shareholders in general meeting or by the Board of Directors.

35. The remuneration of the auditor shall be fixed by the shareholders of the Company.

36. The Solicitors of the Company shall be Messrs. T.A. & R.B. GIBSON, of Toronto.

6-18376

PHI KAPPA PI BUILDINGS, LIMITEDBy-Law No. 2.JOINT FINANCIAL SECRETARY
RECEIVED

AUG 1 - 1948

Transferred to

By-law to increase the number of Directors of Phi Kappa Pi Buildings, Limited, from three to five.

Be it enacted, and it is hereby enacted as a by-law of Phi Kappa Pi, Buildings, Limited, as follows:

1. That the number of Directors of Phi Kappa Pi Buildings, Limited, be increased from three to five.

2. That this by-law be submitted with all due despatch for the sanction of the shareholders of the Company at a general meeting thereof to be called for considering the same.

Enacted this 13th day of January, 1933. Carried.

I certify that the above is a true by-law passed at the meeting of Directors held on the 13th of January, 1933, and confirmed at the meeting of shareholders held on the 26th of January 1933.

[Signature]
PRESIDENT.

TAB D



ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

21213-0058 (LT)

PAGE 1 DF 1
PREPARED FOR Marisa01
ON 2017/05/02 AT 09:17:17

51 Elgin Avenue, Toronto

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CRDWN GRANT *

PROPERTY DESCRIPTION: PT LT 23 CON 2 FTB TWP OF YORK: PT LT 39 PL 371 YDRKVILLE PT 1 & 2 63R4571; TDRONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CDVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BODK

PIN CREATION DATE:

2002/04/08

OWNERS' NAMES

PHI KAPPA PI BUILDINGS, LIMITED

CAPACITY SHARE

BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/04/05 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/04/08 **						
63R4571	1989/09/05	PLAN REFERENCE				
CA94203	1990/06/06	TRANSFER			PHI KAPPA PI BUILDINGS, LIMITED	
CORRECTIONS: PARTY TO NAME CHANGED FROM PHI KAPPA PI BUILDINGS LIMITED TO PHI KAPPA PI BUILDINGS, LIMITED ON 2013/04/03 BY KHODABOCUS, ABDOL.						
CA122023	1990/12/31	CHARGE		*** COMPLETELY DELETED ***	ONTARIO MORTGAGE CORP.	
CA134885	1991/04/23	NOTICE			COINAMATIC CANADA INC.	
AT1059743	2006/02/09	NOTICE OF LEASE		COINAMATIC CANADA INC.		
AT1132693	2006/05/09	DISCH OF CHARGE		*** COMPLETELY DELETED ***	ONTARIO MORTGAGE CORP.	
REMARKS: RE: CA122023						
AT3279798	2013/04/18	CHARGE	\$300,000	PHI KAPPA PI BUILDINGS, LIMITED	VELVO INVESTMENTS LTD.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit D referred to in the affidavit of Hugh Pearson-Cairns sworn before me, this 11th day of July 2017.
APPROPRIATE FOR TAKING AFFIDAVITS

TAB E

31
30

This is Exhibit.....^E.....referred to in the
affidavit of.....Hugh Anson-Cartwright.....
sworn before me, this.....11th.....
day of.....July.....20..17

.....James.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**PHI KAPPA PI
BUILDINGS,
LIMITED**

Financial Review

October 23, 2006

PHI KAPPA PI BUILDINGS, LIMITED

Financial Review

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APPENDICES

- A. Court order
- B. Curriculum vitae of Tedd Avey
- C. Curriculum vitae of Kim McLeod
- D. Cost of a private room in shared accommodation - The University of Toronto Student Housing website
- E. Letters Patent dated October 22, 1920, Prospectus dated November 30, 1920
- F. Letter from Mr. Keay to R.A. Bowlby dated December 19, 1983
- G. Copies of certificate stubs in the share book
- H. Documentation supporting Schedule 2 Summary of shares subscribed and payments received between January 1, 1940 and December 31, 1962
- I. Correspondence between Mr. Avey and Mr. Sheppard related to the shares issued by Mr. Sheppard
- J. By-Law number 1
- K. Documents related to the Articles of Revival
- L. Excerpt from the Registry Office files and documents
- M. Documents related to the condition of the 85 Bedford Road Property
- N. Documents related to the sale of the back lot
- O. Documents related to the Perlmutter Mortgage
- P. Documents related to Ontario Mortgage Corporation Mortgage

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-
- Q. Documents relating to renovations undertaken under the Low Rise Rehabilitation Program
- R. Correspondence related to the roles of the Active Chapter, Alumni and the Company
- S. Listing of the available bank account and investment account records for the years ended April 30, 2000 to 2006
- T. Phi Kappa Pi Buildings Ltd. income statements for the years 1994 and 1996 to 1999
- U. Active Chapter Minutes – November 12, 2001 and May 10, 2002
- V. Financial statement for the Active Chapter for the period September 1, 2001 to April 30, 2002
- W. Examples of repayment schedules and termination notices
- X. Examples of tenancy agreements
- Y. Unclaimed account in the name of the Phi Kappa Pi Alumni Trust
- Z. Chronology of Selected Events
- AA Selected documents related to Appendix Z
- BB Summary of transactions through Nesbitt Burns Investment Account 365-03369-14 as prepared by Mr. Vojnovic
-

PHI KAPPA PI BUILDINGS, LIMITED

Financial Review

1.0 INTRODUCTION

1.1 Retainer of Navigant Consulting

Pursuant to an order made by Justice Lederman December 13, 2005, Tedd Avey was appointed as investigator to review the financial affairs of Phi Kappa Pi Buildings, Limited "the Company" and the Active Chapter of the Phi Kappa Pi Fraternity. A copy of the Order is attached as Appendix A. Subsequent to the appointment, Mr. Avey joined Navigant Consulting ("Navigant").

1.2 Terms of Engagement

Navigant was retained to review the financial and business affairs of the Company and to prepare a report of findings for the Court.

Answers to requests for documentation from third party financial institutions were received as late August 30, 2006.

1.3 Scope of this Report & Restriction on Its Use

This report has been prepared for the purposes of the order made by Justice Lederman December 13, 2005.

This report is not intended for general circulation or publication. It is not intended to be reproduced or used for any purpose, other than that outlined above, without our written permission in each specific instance. We do not assume any responsibility or liability for losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right, but will be under no obligation, to review and/or revise any and all assumptions and/or calculations included in or referred to in this report and to update this

report in light of further information that becomes known to us after the date of this report.

**1.4 Statement of
Qualifications**

Tedd Avey, FCA, CA•IFA, CPA (Texas), CFE, Managing Director, has prepared this report with the assistance of Kim McLeod, CA, CFE. Mr. Avey's and Ms. McLeod's curricula vitae are included as Appendices B and C in this report.

2.0 BACKGROUND

2.1 Documentation Reviewed

- Documents in the possession of Mr. William Sheppard that he received from Mr. Duane Gibson, former Acting President of the Company. Mr. Sheppard has advised us that he destroyed some documentation given to him by Mr. Gibson that Mr. Sheppard felt was irrelevant. Mr. Sheppard advised that the documentation destroyed consisted of scrap paper and irrelevant invoices. Documents provided by Mr. Sheppard included correspondence, a share certificate book, cancelled and returned cheques, invoices and bank statements. The cancelled cheques and bank statements were incomplete.
- Other records in the possession of Mr. Sheppard that he has obtained from financial institutions.
- Records in the possession of Paul Zarrow the current President and Treasurer of the Active Chapter.
- A CD containing a backup of the files formerly housed on the computer in the Fraternity/Alumni office at 85 Bedford Road.
- Documents in files belonging to Larry Keay a former member of the Active Chapter and Alumni executive as well as an officer and director of the Company.
- Electronic files of financial information provided by George Vojnovic.
- Records provided by various financial institutions, including the TD Bank, Quadrus Investments, and the Bank of Montreal, in response to our request.

2.2 Interviews and Other Information Sources

During the course of our investigation we met with or had discussions via telephone or email with the following Alumni and members of the Active Chapter:

- Larry Keay - a former member of the Active Chapter and Alumni executive as well as a former officer and director of the Company.
- George Vojnovic - a member of the Alumni who was involved in the management of the Company/Alumni Association from approximately 1995 to 1999.
- Ivan Kovacevic - who took over as signing authority on the Company accounts when Mr. Vojnovic resigned.
- Frank Jones - a member of the Alumni
- William Sheppard - a member of the Alumni
- Jeffrey Lam - President of the Active Chapter in 2004 and 2005.
- Paul Zarrow - Treasurer of the Active Chapter in 2004 and 2006. Mr. Zarrow currently serves as both President and Treasurer of the Active Chapter.

2.3 Scope Limitation

Mr. Sheppard indicated that he had destroyed some of the documents provided to him by Mr. Gibson. Mr. Gibson was involved in the management of the affairs of the Company from approximately 2001 to some time in 2004. The extent of the documentation destroyed by Mr. Sheppard is not known. The availability of these documents may or may not have served to clarify the use of payments made from the accounts of the Company or the Active Chapter.



Mr. Sheppard has failed to produce documentation requested by us including documentation evidencing the receipt of funds

by the Company for shares issued by Mr. Sheppard to himself, his spouse and others.

Certain requests for documentation from third party banks remain outstanding.

We have been unable to locate Mr. Gibson and it is not known if Mr. Gibson may have in his possession additional documentation relevant to this matter.

During the period from approximately 1999 to December 2004 Andrew Cooper was involved in the financial management of the Company. At Navigant's request Mr. Cooper's brother provided to Mr. Cooper contact details for the Navigant staff involved in reviewing this matter. Mr. Cooper contacted Navigant but refused to provide contact details for himself. He undertook to arrange a suitable meeting time with Navigant, Mr. Gibson and himself however such a meeting was never arranged.

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3.0 SUMMARY OF FINDINGS

- Since the purchase of the house at 85 Bedford Road in 1958 the number of members of the active chapter occupying the house has varied as has the amount of support given to the active chapter by the Alumni. Appendix Z provides a chronology of selected events.

- The current Active Chapter has taken a proactive role in the management of the house at Bedford Road including making necessary repairs and ensuring rents are collected and expenses are paid on a timely basis. The Active Chapter, through the actions of Mr. Zarrow, were able to resolve the cash flow issues resulting from the management of the property prior to 2004. Overall, the Active Chapter appears to be managing the financial affairs of the property in a business like manner.

Active Chapter

Sheppard undermines

• Mr. Sheppard actions by having invoices for utilities and other expenditure sent to his residential address but making no effort to pay the invoices once he had received them undermines the efforts of the members of the Active Chapter.

- Cooper*
- Withdrawals from the Company's investment accounts have been used to fund expenditures of the Company as well as make payments to Mr. Cooper and Mr. Gibson. We have been able to obtain explanations for some, but not all, of these payments. See Schedule 12.
 - Mr. Kovacevic, who was at the time the required second signatory on the bank account, advised that 2 cheques totaling \$13,000 payable to Mr. Cooper were not payments that he authorized although he agrees the cheques bear his signature. One cheque is dated in May 2003 more than a year after Mr. Kovacevic said he had last seen Mr. Cooper. The second cheque is dated in March 2004.
 - There are insufficient records available to determine the amount, if any, of rents collected in cash during the period
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- prior to September 2004. Nor is it possible to determine if any cash rents that were collected were used to pay expenditures in cash.
 - The rents collected have never been sufficient to allow the Company to create a reserve for major repairs, instead the Company has always relied upon outside financing through mortgage funds and the sale of a portion of the property to effect major repairs. Fundraising among the Alumni for repairs or the creation of a reserve has met with limited success.
 - In 2005 - 2006 rent charged to members of the Active Chapter was \$360, rent charged to non-members was \$425. The University of Toronto Student Housing website indicated the cost of a private room in shared accommodation ranged from \$350-\$600 per month. See Appendix D.
 - 290 shares of the Company have been fully paid prior to 2005 however share certificates for 25 shares remain unissued.
 - Mr. Sheppard has not produced records requested by Navigant which evidence the receipt of funds by the Company for shares issued by Mr. Sheppard. Mr. Sheppard advised in his letter of June 17, 2006 (Appendix I) that he had issued shares of the company in 2005 and 2006 at their historic value of \$50 per share. Mr. Sheppard indicated in his letter that he had no way of calculating the fair market value of the shares.

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3.1 Organizational
Structure

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Sigma Pi of Phi Kappa Pi "(the Active Chapter)"

This is the Toronto Chapter of the fraternity and consists of members currently pursuing post secondary education. The house at Bedford Road was intended to provide accommodation for members of the Active Chapter as well as a meeting place for the Alumni. The Active Chapter has its own officials and is responsible for the social aspects of the fraternity as well as, historically, the collection of rents and the payment of bills associated with occupying the house. The Active Chapter also collects from its members a monthly social fee which is used to offset the costs of social activities.

Phi Kappa Pi Alumni Association ("the Alumni")

The Alumni is made up of those from the Active Chapter who have completed their post secondary education. The Alumni provide support for the Active Chapter in terms of fundraising for major repairs to the house as well as providing general support and guidance to members during their time at university. During some periods the Alumni Association has had officers and directors distinct from the Company, at other times the Alumni Association and the Corporation had common leadership. The Alumni Association has, at various times in its history, provided varying levels of support to the Active Chapter.

Phi Kappa Pi Buildings, Limited ("the Company")

This is the corporation that owns a rental property in which the Active Chapter resides. The Company currently owns a property at 85 Bedford Road.

The company was incorporated under the Ontario Companies Act by Letters Patent dated October 22, 1920 (Appendix E). The authorized capital of the Company is \$40,000 comprised of 800 shares at \$50 each.

A prospectus dated November 30, 1920 (Appendix E) indicated:

"The object of the Company is to purchase a club house for the use of the Toronto Chapter of Phi Kappa Pi Fraternity.....It is proposed that the Company purchase a suitable house in Toronto in the vicinity of the University....The house so purchased will be held in the name of the Company and leased to the under graduate chapter of Phi Kappa Pi Fraternity at a rental to be fixed by the Directors. It is proposed that this rental shall be sufficient to pay interest on the mortgage on the property, a reasonable allowance for repairs and depreciation and to yield an annual dividend of five per cent per annum on the capital stock sold to subscribers. In view of the present high rentals for houses of this description it would appear to be possible to let a house to the undergraduate Chapter of the Fraternity at a rental covering the above mentioned items and yet lower than the usual rentals"

3.2 Financial Records

Over the period reviewed, the books and records of both the Company and the Active Chapter have been maintained by a number of individuals with varying levels of accounting knowledge. Thus, financial reports have been prepared in a number of formats and relate to varying periods of time. Further the number of bank accounts and the purposes for which each account was maintained has varied over time. For the purposes of our analysis and in order to make amounts comparable both the Active Chapter and the Company are assumed to have an April 30 fiscal year end co-incident with the school term. A listing of the bank accounts reviewed is attached as Appendix S. The banking documentation is not complete for all accounts identified.

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3.3 Shareholders of the Company

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In a letter from Mr. Keay to R.A. Bowlby dated December 19, 1983 (Appendix F) Mr. Keay refers to a corporate search which disclosed a filing made in the mid-1950s making reference to 264 shares having been issued. Mr. Bowlby was an Alumnus and managed the affairs of the Company from at least 1958 until 1989.

Mr. Keay advised us that Mr. Bowlby had stated, on a number of occasions, that he did not know who held the 264 shares referred to in the filing and that when a shareholder died and the Estate requested a value for the shares Mr. Bowlby advised the Estate that the shares had no value.

Attached as Schedule 1 is a listing of the details taken from the certificate stubs in the share book. Copies of the stubs are attached at Appendix G. Schedule 1 indicates that as of March 2, 1955 share certificates for 265 shares had been issued by the company. Share certificates appear to have been issued only after the share price was paid in full. A comparison of the listing, the general ledger, financial statements and other available documentation indicates that as of January 1, 1940 265 shares had been subscribed for a total of \$13,250 but of that amount \$3,010 remained unpaid. There were no financial records available for our review for the period prior to January 1, 1940 other than the share book.

The Capital Stock page from the general ledger maintained from 1940 to 1957 indicates that shares were subscribed and fully paid between 1950 and 1957 for which share certificates do not appear to have been issued or were issued from a share book that has not been located. A notation in the books and records of the company indicates that 355 shares were subscribed as of December 31, 1957. (Appendix H)

Mr. Keay said he also recalled receiving correspondence from the Alumni Association in the early 1960's requesting that members subscribe for shares to help offset the cost of repairs.

Correspondence dated in 1960 from Duncan Finlayson to Hugh Anson-Cartwright indicated the following amounts had been received:

<u>Name</u>	<u>Shares Subscribed</u>	<u>Payments Received</u>
William B. Maynard	1 share	\$50
Gordon Montizambert	1 share	\$50
John C. Warkentin	1 share	\$15
Gerald B. Skea	2 shares	\$10
Robert Dodds	1 share	\$5
Franklyn Lewis	1 share	\$5
John A Cottenden	1 share	\$5

There are no other indications that shares were issued or subscribed between 1960 and 2005.

Schedule 2 provides a summary of the shares subscribed and payments received between January 1, 1940 and December 31, 1962. In preparing this schedule we have assumed that the 185 shares shown in the share book as having been issued prior to January 1, 1940 represent the total paid shares as of that date. The Schedule indicates that of the 290 shares subscribed and fully paid as of December 31, 1962, share certificates had been issued in relation to 265 shares. Documentation supporting Schedule 2 is found in Appendix H.

The balance of \$90 owing on the 2 shares subscribed by Mr. Sheppard in 1954 appears to remain outstanding.

Shares issued by Mr. Sheppard

The share certificate book indicates one share was issued to each of W.A.E. Sheppard and J.M. Porter in January 2005. In May 2005 one share was issued to each of A.K. Sheppard and P.A. Porter. In September 2005 a further 25 shares were issued to W.A.E. Sheppard and a further 16 shares were issued to J.M. Porter. These shares were subsequently cancelled. In our letter of June 15, 2006 to Mr. Sheppard we requested an explanation

never paid
for my share
Shares issued
by Sheppard

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for the cancellation of the shares. This request remains unanswered.

On February 1, 2006 one share was issued to James W. McGuirmy and on February 26, 2006 one share was issued to Taylia Fay Gord.

Mr. Sheppard, in response to a request made by Navigant, has advised that the shares issued in 2005 and 2006 were issued for \$50 each. Further Mr. Sheppard advised that shares issued to W.A.E. Sheppard, A.W. Sheppard, J.W. McGuirmy and T.F. Gord were paid for by Mr. Sheppard. The shares issued to Dr. J.A. Porter and P.P. Porter were paid for by Dr. Porter. We have requested banking documentation to support the assertion that the Company has received funds in relation to the issuance of these shares; however, to date, Mr. Sheppard has not produced the requested documentation. The related correspondence is attached at Appendix I.

3.4 Company Officers and Directors

The Minute book for the Company has not been located however a copy of By-Law number 1 (Appendix J) was included in Mr. Keay's files. The by-law indicates that the Company is to be managed by a Board of Directors consisting of five persons. The word "five" has been crossed out and the word "three" inserted. Each of the Directors is to be a shareholder of the Corporation. By-law number 2 dated January 13, 1933 increased the number of directors from three to five. It is not know whether this by-law was subsequently amended.

Mr. Keay caused a corporate search to be undertaken in December 1983 which indicated the last Annual Return had been filed in October 1975. The return indicated officers and directors as follows:

<u>Director's Name</u>	<u>Date Appointed</u>	<u>Office Held</u>
R. A. Bowlby	March 30, 1955	President
H. Anson-Cartwright	October 27, 1958	Treasurer
Duncan Finlayson	February 10, 1960	Secretary
Gordon K. Montizambert	February 10, 1960	
R. J. S. Gray	February 10, 1960	

A Certificate of Incumbency dated December 28, 1990 indicates the Officers of the Company are:

- P.J.V. Stevens – President
- Larry Keay – Secretary – Treasurer

Directors are Stevens, Keay, Burt Manion, Marc Stibbe and Donald Stanley.

This change in Directors does not appear to have been made with the Ministry of Consumer and Commercial Relations.

The Minutes of an Alumni Meeting held April 25, 1998 indicate that despite the efforts undertaken in the early '80's and the transfer of the management of the Company to various individuals since 1989 the officers and directors on record with the Ministry continue to be as filed in 1975. No further changes to the officers and directors were filed until parties to this action began making filings in 2005.

The articles of revival for the Company dated July 30, 1998 indicate that the request for revival is being made by a Resolution of the Board of Directors. The Articles of Revival are signed by Frank Jones, George Vojnovic and Andrew Cooper.

The related documents are set out in Appendix K.

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3.5 The Fraternity
House – 85
Bedford Road

Purchase of 85 Bedford Road

The available records from 1940 indicate that at that time the Company owned a property at 14 Willcocks Street. The property was sold to the University of Toronto in 1958 and the Company records indicate that it received \$75,000 in proceeds. The proceeds were used to purchase and renovate the Bedford Road property.

The house at 85 Bedford Road was purchased in April 1958 by Robert Bowlby a member of the Alumni. The purchase was made by Mr. Bowlby in Trust for the Company because the zoning of the property at the time of the purchase did not allow for a fraternity house. The books and records of the Company record the land and buildings as an asset of the Company beginning in 1958. At the time of the purchase the vendor, Mr. William E. Fleury, took back a mortgage of \$20,000 with interest a 7% payable in monthly installments of \$140.09. The mortgage matured in 15 years on June 30th, 1973 but was repayable at anytime with out penalty. The Fleury mortgage was discharged March 30, 1965.

The property was transferred by Mr. Bowlby to the Company February 2, 1988 as part of the transfer of the administration of the Company from Mr. Bowlby to James Stevens. The abstract for the property indicates a second transfer from Mr. Bowlby to the Company registered June 6, 1990. The June 6, 1990 document was registered to correct the description of the property as set out in the February 2, 1988 document.

Excerpt from the Registry Office files and documents referred are contained in Appendix L.

Condition of the 85 Bedford Road Property

A second mortgage, payable to Daisy Clements, in the amount of \$20,000 was recorded March 3, 1965. The second mortgage was secured to provide funds for repairs to the roof, plumbing

and furnace. The Clements mortgage was discharged May 28, 1987.

In a letter dated June 5, 1967 from Mr. Bowlby and others to the Alumni, Mr. Bowlby indicates that an additional \$10,000 is needed immediately to effect repairs to the house and calls upon the Alumni to help in providing the funds in the form of a loan.

In an Order dated April 25, 1986 the Department of Buildings and Inspections sited 61 items that did not conform to the Housing By-law and advised that the items must be remedied within 30 days.

The City of Toronto issued a summons on January 20, 1987 related to 24 items on April 1986 Order that remained outstanding. Frank Jones apparently appeared in court on March 16, 1987 in relation to the summons.

The documents cited can be found in Appendix M.

Sale of the Back Lot - \$150,000

On October 6, 1989 the Company sold a portion of the property at 85 Bedford Road to the adjacent neighbour, Renee Perlmutter of 47 Elgin Street. The proceeds of the sale were \$150,000 payable \$5,000 by way of deposit, \$75,000 by way of mortgage taken back by the Company and the balance, after adjustments, of \$70,145.54 due on closing. There are no documents available to determine the use of the proceeds received on closing; however, we note that during this period substantial renovations were being undertaken. As of October 1991 renovations totaling at least \$47,775 had been funded by the Company. See section 3.6.

P.J.V. Stevens of Woolley, Dale and Dingwall ("WDD") acted as solicitor on behalf of the Company. At the time of the transaction Mr. Stevens was also the president of the Company and signed the direction authorizing the payment of the

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proceeds to Woolley, Dale and Dingwall in trust on behalf of the Company.

The mortgage taken back by the Company, dated October 3, 1989 and registered October 6, 1989 called for \$50,000 plus interest at 10% per annum to be paid in monthly installments of \$1,062.35, from November 6th, 1989 to September 6, 1994. The mortgage was extended beyond its original due date and paid in full in October 1994.

The balance of \$25,000 was due, without interest, the earlier of the sale of the property at 47 Elgin or 10 years from the date of closing, namely October 6, 1999.

There are no records available that evidence the receipt of the \$25,000 balance but we note that the \$25,000 US, approximately \$37,300 Canadian Dollars at the prevailing rate of exchange, was invested in the TD Waterhouse account held in the name of the Company in August 1999.

Documents related to the sale of the lot are included as Appendix N.

Mortgage Receipts

The monthly payments of \$1,062.35 were sent by Blue Turtle Enterprises, a company apparently related to Perlmutter to the Company.

Letters from the files turned over by Mr. Gibson to Mr. Sheppard indicate that post dated cheques for the period November 6, 1990 to October 6, 1991 were sent by Blue Turtle to Stevens. In a letter to Mr. Perlmutter dated October 22, 1991 Randy Henderson advised Perlmutter that he has taken over responsibility for the finances of the Company due to the deteriorating health of Mr. Stevens.

In a letter dated October 25, 1991 to Mr. Henderson, Blue Turtle indicates they are enclosing post dated cheques for the period

November 6, 1991 to October 6, 1992. In subsequent letters dated, November 19, 1992 and November 19, 1993 and addresses to Mark Stibbe, Blue Turtle refers to cheques enclosed dated November 6, 1992 through October 6, 1994.

The earliest available accounting records for this period begin with balances on hand October 30, 1992 and indicate the October 1992 payment was deposited November 17, 1992. Payments were deposited monthly, or every two months until the balance was paid in full in October 1994.

The related documentation is included as Appendix O.

While there is insufficient documentation available to identify the specifics of the use of the proceeds of the mortgage receipts from Blue Turtle and the balance due on closing from the sale of the back lot, we note that by November 1994 the Company had completed substantial renovations and had investments held in an Nesbitt Burns account in the name of the Company totaling \$74,900. The renovations are detailed in section 3.7 of this report and transactions through the Nesbitt Burns account are set out on Schedule 9.

**3.6 Ontario Mortgage
Corporation
Mortgage Payable
- \$80,000**

The Company applied for funding under the Low Rise Rehabilitation Program administered by the City of Toronto. Correspondence from the City dated March 3, 1989 indicates the steps that must be taken prior to the processing of the Company's application, included is the requirement to obtain 3 estimates from licensed contractors. The letter includes a listing of work to be undertaken as identified by City building inspectors including exterior painting, repairs to floors, walls, windows, plumbing and electrical service.

In a letter dated November 14, 1990 the Ontario Mortgage Corporation advised the Company that their application for a forgivable interest free first mortgage had been approved. The mortgage was in the amount of \$80,000 based on \$5,000 per residential unit and was for a term of 15 years. On

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December 31, 1990 the Ontario Mortgage Corporation registered a charge for \$80,000 against the property.

Forgiveness of the mortgage would be earned at a rate of 10% of the original loan amount in each anniversary date after the first five years provided that:

- the units remained as residential rental;
- the number of units did not decrease; and
- The Company provided an annual affidavit confirming the first two items.

Under the terms of the original agreement the work was to be completed by May 31, 1991. In a letter dated May 13, 1991, Randy Henderson, then President of the Company, requested an extension to September 30, 1991 for the completion of the work.

Advances under the agreement were to be made based on a percentage of completion.

Notes prepared in relation to an Alumni meeting held April 25, 1998 indicated Frank Jones signed the necessary affidavit for 1996. A letter dated June 10, 1998 from the Ministry of Housing indicated there would be an automatic forgiveness of 10% for 1998.

The balance outstanding on the mortgage as of December 31, 2004 was \$56,000, which would indicate that in 1997 in the period between 1998 and 2004 a third affidavit was filed. George Vojnovic signed an affidavit in relation to this mortgage January 26, 2005 which we understand was filed by Mr. Sheppard with the Ministry on behalf of the Company.

An agreement was reached with the Ontario Mortgage Corporation whereby both Mr. Sheppard and Mr. Vojnovic signed copies of the documentation required to obtain

forgiveness of the balance and secure the discharge the mortgage. The necessary fees were paid by Mr. Vojnovic. Mr. Vojnovic was subsequently reimbursed by the Active Chapter.

In a letter dated May 12, 2006 the Ontario Mortgage Corporation advised that it had discharged the mortgage.

Documents related to the mortgage are included as Appendix P.

**3.7 Renovations
Under the Low
Rise
Rehabilitation
Program**

In a letter dated January 4, 1991 the Ontario Mortgage Corporation ("OMC") indicates it is enclosing a cheque in the amount of \$36,309.00 payable to WDD in trust and that funds represent the first advance based on 53% completion of the project net of a holdback of \$6,091.00. A statement of receipts and disbursements from WDD indicates the \$36,309.00 received was paid to MNH Services, the general contractor, on the same day. Included in the available documents is an invoice from MNH Services in the amount of \$48,298.28 dated December 13, 1990.

A second letter from the OMC dated April 2, 1991 indicates it is enclosing a cheque in the amount of \$22,608.00 payable to WDD in trust and that the funds represent the second advance based on 86% completion of the project net of a holdback of \$3,792.00. This cheque was returned to the OMC by WDD because a lien had been placed against the property by one of the sub-trades.

WDD received a further advance from OMC on September 30, 1991 in the amount of \$22,608.00 net of a holdback of \$3,792.00. A letter from WDD to Mr. Henderson encloses a cheque in the amount of \$17,908 representing the OMC advance less estimated professional fees and disbursements of \$4,700 charged by WDD.

A letter from the OMC is dated January 14, 1991 (sic 1992); based on other correspondence this is a typographical error and

should read 1992. The letter indicates OMC is enclosing a cheque in the amount of \$9,591.00 payable to WDD in trust and that these funds represent the final advance based on 100% completion of the project net of a holdback of \$1,609.00. A letter from WDD to Mr. Henderson encloses a cheque in the amount of \$8,891.00 represent the OMC advance less estimated fees and disbursements of \$700 charged by WDD.

A letter from WDD to Mr. Henderson dated January 29, 1992 indicates the holdback amount of \$11,492.00 was received by WDD on January 28, 1992 and encloses a cheque in the amount of \$11,000.00 being the funds received net of fees and disbursements of \$492.00 charged by WDD.

In summary it appears the mortgage funds were disbursed as follows:

Paid to MNH Services by WDD	\$36,309.00
Retained by WDD for professional fees	5,400.00
Paid by WDD to the Company	26,799.00
Holdback amount retained by OMC	<u>11,492.00</u>
Mortgage Total	<u>\$80,000.00</u>

In a letter to Tom Brioux of the City of Toronto Housing Department dated October 29, 1991, Mr. Henderson indicates he is attaching copies of invoices for work done at the house under the program. The letter indicates the Company has paid monies from its own funds. In summary:

Total of invoices	96,483
Additional wages and materials	<u>14,400</u>
Total expenditures incurred	110,883
Paid to MNH by WDD (see above)	(36,309)
Total received by Company from OMC via WDD (see above)	<u>(26,799)</u>
Amounts funded by other Company funds as at October 29, 1991	<u>\$47,775</u>

Documents referred are included in Appendix Q.

3.8 Role of the Active Chapter, the Alumni and the Company

The available financial information and correspondence indicate that, in most years, the Active Chapter collected rents from the residents and used those funds to pay utilities, telephone and other house expenses and remitted an agreed amount to the Company. The Company paid insurance, mortgage amounts and property taxes and funded major repairs and renovations.

Correspondence (Appendix R) also indicates that since the purchase of the house on Bedford Road there has been varying levels of occupancy, collections from tenants at times appear to have been an issue and the ability of the Active Chapter to make rental payments to the Company has also varied.

June 5, 1967 – Mr. Bowlby to the Alumni " *The rent to be paid by the Active Chapter was set at \$3,200, which in 1958 was felt to be ample to cover taxes, mortgage interest, insurance, major physical repairs and leave some for a small reserve. The Active Chapter was erratic in its payment of this rent, some years it was fully paid promptly and in other years not paid at all, so that the arrear of rent rose to several thousand dollars by 1965*"

November 21, 1985 – Mr. Bowlby to Philip Haggarty, a member of the Active Chapter " *Thank you for your letter which brings the rent up to the end of November.....I have made up a pro-forma statement for the year 1985.....you will see that we have \$55.00 [total \$1,345.45] more at the end of the year than we started with which is hardly a proper reserve, especially as the taxes start coming in again in February...*"

February 18, 1987 – Mr. Stevens to Mr. Keay – " *...the lady who holds the mortgage now wants to have it paid off.....we should therefore attempt to arrange to find the \$5,000 plus interest that will be required....*"

February 24, 1987 – Minutes of the Alumni Executive – “...the Building Inspectors have laid charges against the house for failure to complete items on [sic] deficiency lists.....most important is the failure to repair the brickwork.....one quotation has been obtained for \$8,200.”

May 10, 2002 - Report of the Treasurer of the Fraternity - “ Early in January of this year, the Alumni Association approached us...with grave concerns over the financial operations of this fraternity. As all of you are well aware these concerns were well founded.....The state of our financial affairs is the result not only of current operations, but of a compounded deficit incurred over several years. The longer we allow this problem to persist, the greater the danger of bankruptcy becomes.....I think we need to meet with Duane [Gibson] and Andrew Cooper to discuss how we might reach a solution to this problem now, not when it is too late. If it means granting the Alumni Association a degree of control over our accounts, I do not feel we have any other viable solution.....”

September 22, 2003 – Minutes of a meeting of the Active Chapter – “we need to fill up rooms....we need signs that rooms are for rent.....\$425, available immediately, utilities included...”

3.9 Bank and Investment Records

Attached as Appendix S is a listing of the available bank account and investment account records for the years ended April 30, 2000 to 2006. A detailed listing of the transactions through each bank account is attached as Schedules 3 to 7.

Schedule 8 provides a summary of the transactions through the bank accounts and the known cash receipts and payments for the fiscal years 2003 through 2006. A discussion of the transactions through the investment account is set out further below.

Rents Received 2004-2006

The house at 85 Bedford Road contains 12 single and 2 double rooms. Current rent for a single room is \$360 for members of the Active Chapter and \$425 for others. Maximum rental

assuming all of the rooms were rented to Active Chapter members through out the year would be approximately \$60,480, if all of the rooms were rented to non Chapter members the maximum rent would be approximately \$71,400 assuming no vacancies throughout the year. This range does not take into consideration reduced rents given during the summer months, bad debts or vacancies.

The table below summarizes the rental income collected and banked or used to pay expenses during the year as reflected in the available records:

<u>Fiscal Year ended April 30</u>	<u>Rent Collected (excluding Active Fees)</u>	<u>Collected and Managed by</u>
2006	53,969	Active Chapter
2005	53,927	Active Chapter
2004	31,740	Majority of funds managed by the Company

Mr. Zarrow was able to provide records that detailed the receipt of rental and parking income, including amounts received in cash and not banked as well as a use of those monies for the fiscal years ended April 30, 2005 and 2006.

During fiscal 2005 and 2006 the rents collected by the Active Chapter were used to pay taxes and utilities, including amounts owed from previous years, make renovations to a bathroom, provide wireless internet access and ongoing repairs and maintenance.

Mr. Zarrow was returning to school after taking time off to work. As a result he had personal funds available which he loaned to the Active Chapter in order to bring the bills outstanding at the beginning of the 2004 school year current and to facilitate renovations to the bathroom. We understand from Mr. Zarrow that the amount owed to him varied over time but never exceeded \$6,000. These loans are undocumented but Mr. Zarrow offered to make available his personal bank

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accounts for our review. At this time Navigant's review has not included a review of Mr. Zarrow's personal account. Mr. Zarrow has advised that all amounts owing to him by the Active Chapter have been repaid and that all cheques issued to him by the Active Chapter were cosigned by Jeffery Lam.

In March 2005 Jeffery Lam advised Mr. Sheppard that until the issue of who represented the Company was resolved the Active Chapter would continue to collect the rents and pay the bills as they had since the spring of 2004 and would not be remitting amounts to him as he had requested. The Fraternity continued to collect rents and pay house bills from the funds collected. In the spring or early summer of 2005 Mr. Sheppard, without advising members of the Fraternity, instructed the utility companies providing services to the house at 85 Bedford Road to send bill for service to his home address in Collingwood. Mr. Sheppard advised Navigant that he had made no efforts to pay the bills because he had not received any rent from the tenants at 85 Bedford Road. The tenants became aware of Mr. Sheppard's actions when the gas supply to the house was discontinued. In order to continue to pay bills on a timely basis Mr. Zarrow has contacted the utilities each month to determine the outstanding balance to be paid, has arranged for automatic withdrawals to be made from the bank account maintained by the Fraternity or has placed services in his personal name and received reimbursement from rents collected.

The Active Chapter also collected activity dues from its members and paid expenses for Chapter related activities during 2005 and 2006. These amounts were commingled with rental receipts and expenses. Attached as Schedule 13 is an estimated allocation of the funds received and expenses incurred for 2005 and 2006 which indicate the Active Chapter has expended \$849 more than it collected in 2005 and \$145 more than it collected in 2006. The analysis assumes that all utility, internet, cleaning and cable costs are paid out of rental income.

There are no records available to determine the occupancy rates or rents collected in cash for the 2004 fiscal year. The Minutes of a meeting of the Active Chapter dated September 22, 2003 indicate – *"we need to fill up rooms....we need signs that rooms are for rent.....\$425, available immediately, utilities included..."*

During 2004 the affairs of the Company were managed by Andrew Cooper and Duane Gibson.

Parking and Party Room Rental Activity

Members of the Active Chapter and other tenants are not charged for parking. Jeffrey Lam, the President of the Active Chapter in 2005 advised that the availability of free parking was used as an inducement for potential tenants. Parking is paid at a rate of \$150 per month by a neighbor who has rented the parking space since 1998. Mr. Lam advised that there would be sufficient space to park approximately 8 cars.

Mr. Lam also advised that during the two years that he was a resident of the Fraternity house there were only one or two instances each year where a room was rented to an outside group for a party.

Mr. Kovacevic also indicated that in recent years parking has been provided to tenants and members of the Active Chapter free of charge. He also advised that any profits earned from the rental of rooms for parties would belong to the Active Chapter since they would be responsible for the cleanup.

Investment Account Activity

Transactions through the Nesbitt Burns and TD Waterhouse Investment accounts held in the name of the Company are detailed on Schedules 9 to 11 and summarized below:

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Date	Transactions	Canadian Dollar Account	US Dollar Account	Investment Company
1994	Initial Investment	75,000.00		Nesbitt Burns
1994-1998	Decline in Market Value	(6,875.16)		
11/26/1998	Balance	68,124.84		Transferred to TD Waterhouse (formerly CT Securities)
8/27/1999	Purchase of US\$ Treasury Bill		24,718.50	TD Waterhouse
11/26/98 to 10/24/2001	Increase in Market Value	24,618.04		
8/24/99 to 10/24/2001	Interest Earned		2,565.84	
10/24/2001	Balance		27,284.34	
10/24/2001	Transfer to Canadian Dollar Account	42,672.71	(27,284.34)	
10/24/2001	Balance	135,415.59		
10/26/2001	Transfer to TD Bank Account	(134,547.44)		See Schedule 7
10/26/2001 to 6/30/2005	Interest Earned	135.75	10.46	
6/30/2005	Balance	<u>1,003.90</u>	<u>10.46</u>	

The proceeds from the sale of investments in the TD Waterhouse account were initially deposited to TD account 0690-0806361 held in the name of the Company. The sales proceeds and other funds in account 0690-0806361 totaling \$134,713.54 were transferred to TD account 0500-5003595 held in the name of the Company and used to fund a transfer to Quadrus of \$98,000. The balance of the sale proceeds remained in the Company bank account and were commingled with rental income and are used to pay taxes, insurance, renovation and other expenses over the next 18 months. Included in the payments are two cheques to Andrew Cooper in the amount of \$1,800 each described as renovations and two further cheques to Mr. Cooper totaling \$11,150 for which we have no further

information. A summary of the payments made to Mr. Cooper are set out in Schedule 12 and discussed further below.

→ We have been advised by Quadrus that the account representative for the Company account at the time it was opened was Nichole Mann who was also known as Nichole Cooper. No sales commission was paid at the time the Company made its initial purchase. Sales commissions were paid, by Quadrus to its account representative, when the Company sold a portion of its investment in September 2004. At that time Mr. Andrew McAdam was the representative for the account.

A summary of the transactions through the Quadrus account is set out below:

Date	Transactions	Canadian Dollar Account	Sales Proceeds
11/7/2001	Transfer from TD Bank in the name of the Company	98,000.00	
11/7/2001 to 12/31/2003	Increase in Market Value	18,546.04	
9/24/2004	Sale of Investment	(46,403.98)	46,403.98
	Deferred Sales Charges		(1,389.98)
9/24/2004	Transfer to TD Bank account 5003595 in the name of the Company		45,014.00
1/1/2004 to 12/31/2005	Increase in Market Value	26,109.10	
12/31/2005	Market Value	96,251.16	

The proceeds from the sale of a portion of the investments in September 2004 were deposited to TD account 5003595 in the name of the Company and used to fund insurance payments, cash withdrawals and payments to Duane Gibson. Payments made to Mr. Gibson are set out on Schedule 12 and discussed further below.

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**3.10 Management by
Andrew Cooper
and Duane
Gibson**

Financial statements from as early as 1994 indicate that there was no longer a distinction between affairs of the Company and the affairs of the Alumni Association. Included in the income statements of the Company are income and expenditure items related to the annual Alumni Christmas cocktails and Spring Dinner. (Appendix T)

Mr. Kovacevic advised that Mr. Cooper was elected as the Treasurer of the Alumni Association during a meeting held in a pub attended by approximately 10 members of the Alumni Association and Active Chapter in 1999. The affairs of the Company/Alumni had been managed for the previous 5 years by George Vojnovic who did not wish to continue in that capacity. Mr. Kovacevic indicated that at the meeting Mr. Cooper agreed to take over as treasurer and that since a second signature was required on cheques Mr. Kovacevic agreed to be a signing authority on the account.

Mr. Kovacevic advised that he would meet with Mr. Cooper and Mr. Cooper would indicate to him payments that needed to be made and request Kovacevic sign a sufficient number of blank cheques to allow Mr. Cooper to make the necessary payments.

Mr. Kovacevic advised that in 2001 meeting with Mr. Cooper on a regular basis was becoming difficult because Mr. Cooper was spending increasing amounts of time building his new computer business. In October 2001 Mr. Kovacevic received a call from TD Waterhouse requesting confirmation that he had authorized the transfer of funds from the Company's account. Mr. Kovacevic advised the bank he had not and the transaction was halted. A meeting was then held at the Fraternity House and Mr. Cooper explained that the funds were being moved to another investment firm. During that meeting Mr. Cooper also requested that Mr. Kovacevic sign documentation advising the bank that he, Mr. Kovacevic was not longer a signing authority. Mr. Kovacevic indicated that he complied with the request and

understood that Mr. Cooper would be providing the documentation to the bank.

Our request to the bank for account signatory documentation is still outstanding.

In 2001 and 2002 the Active Chapter was again experiencing difficulties in collecting from the tenants at 85 Bedford Road as evidenced by the following excerpt:

November 12, 2001 - Minutes of a Meeting of the Active Chapter - "A discussion was allowed to talk about the growing problem of boys not paying rent...situation is growing out of control where debts are becoming unmanageable and payment plans are not being established. Boys are abusing their situation, anywhere else they'd be kicked out."

May 10, 2002 - Report of the Treasurer of the Fraternity - "Early in January of this year, the Alumni Association approached us...with grave concerns over the financial operations of this fraternity. As all of you are well aware these concerns were well founded.....The state of our financial affairs is the result not only of current operations, but of a compounded deficit incurred over several years. The longer we allow this problem to persist, the greater the danger of bankruptcy becomes.....I think we need to meet with Duane [Gibson] and Andrew Cooper to discuss how we might reach a solution to this problem now, not when it is too late. If it means granting the Alumni Association a degree of control over our accounts, I do not feel we have any other viable solution....." (Appendix U)

Financial statements for the Active Chapter for the period September 1, 2001 to April 30, 2002 indicate rental income of \$21,183.95 and rent receivable of \$18,402.54. (Appendix V)

The available documentation includes repayment schedules and termination notices sent by Mr. Cooper on behalf of the Company/Alumni Association in December 2001 and

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September 2002. Examples of the notices are contained in Appendix W.

At least as early as 1998 tenancy agreements were drawn up between the individual tenants and the Company which set out the terms of the tenancy. The Treasurer of the Active Chapter was authorized to act on behalf of the Company in relation to the agreement. Agreements beginning in September 2002 indicate that Andrew Cooper, referred to in the agreement as the CFO, is authorized to act on behalf of the Company. There were no example of a tenancy agreement for 2003. Agreements related to 2004 and 2005 indicate that Paul Zarrow, the Active Chapter Treasurer, is acting on behalf of the Company. Examples of the agreements are in Appendix X.

Payments to Mr. Cooper and Mr. Gibson

Attached as Schedule 12 is a listing of the payments made to Mr. Cooper and Mr. Gibson as well as two cash withdrawal made during the period when Mr. Cooper and Mr. Gibson were managing the affairs of the Company.

Mr. Kovacevic has reviewed the cheques bearing his signature and has advised that cheques 40 through 43 and cheque 48, totaling \$5,650 relate to renovations undertaken by Mr. Cooper during the period and that the amounts seem reasonable based on his recollection of the work that was done. The renovations were made in the basement TV room area of the house.

Mr. Kovacevic advised however that cheques 49 and 52 in the amounts of \$10,000 and \$3,000 respectively were not payments that he authorized although he agrees the cheques bear his signature. Cheques 49 is dated in May 2003 more than a year after Mr. Kovacevic said he had last seen Cooper. Cheque 52 is dated in March 2004.

To date we have been unable to obtain explanations from either Mr. Cooper or Mr. Gibson as to the nature of these payments and withdrawals and have been unable to locate other

documentation to substantiate these amounts. It is not known if the documents destroyed by Mr. Sheppard would have provided explanations nor is it known whether Mr. Cooper and or Mr. Gibson were entitled to remuneration for their management of the affairs of the Company and the Active Chapter.

Recent Actions by Mr. Sheppard

Upon being appointed investigator in this matter, Mr. Avey was contacted by the insurance broker and advised that the insurance on the property at 85 Bedford Road had been allowed to lapse. Mr. Avey advised the Fraternity to ensure coverage was instituted. Mr. Sheppard then contacted the insurance company and cancelled the insurance put in place by the Fraternity. Mr. Avey again intervened to have the insurance reinstated once more.

Other

During the course of our review we became aware of an unclaimed account in the name of the Phi Kappa Pi Alumni Trust which has been transferred to the Bank of Canada. Balance in the account is approximately \$1,300. This account was apparently opened in 1967 as part of a fundraising effort to raise \$10,000 for repairs to the Bedford Road property. In a letter dated August 21, 1967, M.C.J. Beamish advises that he has opened the account with any two of Terry Clifton, L. Keay, R.A. Bowlby or M.C.J. Beamish as signing officers. The last transaction in the account occurred in 1970. (Appendix Y)

We were advised by George Vojnovic that he was unable to produce the documents requested by the bank in order to prove ownership of the account.

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4.0 CONCLUSION

Keys to proper, efficient and effective management of a rental property are the accurate and timely completion of financial records. The Alumni may want to consider the hiring of a property manager who would report to the Company Board of Directors and provide liaison with the Active Chapter on matters related to the day to day management of the property. This would ensure that as membership and interest levels in both the Active Chapter and the Alumni change over time the property would have consistent management.

NAVIGANT CONSULTING



Per: Tedd Avey, FCA, CA-IFA, CPA (Texas), CFE
Managing Director, Practice Area Leader
Disputes and Investigations

SCHEDULES

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TAB 1

Phi Kappa Pi Buildings Limited

Details of Share Certificates Issued as recorded in Sharebook

Certificate Number	Issue Date	Name	Number of Shares	Notes
1	30-Nov-1921	Allan Adams	1	
2	30-Nov-1921	Francis H Kartright	1	
3	30-Nov-1921	David Blain	3	
4	30-Nov-1921	Ralph B Gibson	1	
5	30-Nov-1921	William G Jackson	10	
6	30-Nov-1921	George W Bayly	1	
7	30-Nov-1921	Arthur J Glazebrook	2	
8	30-Nov-1921	George T Glazebrook	1	
9	30-Nov-1921	Huntly K Gordon	1	
10	30-Nov-1921	Harry F Alford	2	
11	30-Nov-1921	Lewis Duncan	1	
12	30-Nov-1921	Rex P Johnson	2	
13	04-Dec-1921	Ruggles Geroge	1	
14	06-Dec-1921	Dorothy Glazebrook	1	
15	07-Dec-1921	R.B. Patterson	1	
16	07-Dec-1921	Hugh R Dale Harris	3	
17	08-Dec-1921	C.B.B. Connell	1	
18	15-Dec-1921	Clarence C. Bothwell	2	
19	17-Dec-1921	John B. Allen	2	
20	20-Dec-1921	A. Harvey Lightbrown	1	
21	19-Jan-1922	Eric P. Muntz	1	
22	23-Jan-1922	John Van Nostrad	1	
23	26-Jan-1922	L.C. Martin Baldwin	2	
24	02-Feb-1922	Elliott G Strathy	1	
25	03-Feb-1922	George E Kewin	1	
26	07-Feb-1922	Hugh F Farmcomb	1	
27	13-Feb-1922	Arthur G Rouswell	1	
28	21-Feb-1922	Alan B Jackson	4	
29	23-Feb-1922	Charles N Cochrane	2	
30	30-Mar-1922	H.J. Grasett	1	
31	31-Mar-1922	John A. Gibson	1	
32	15-May-1922	Dswald E Lennox	1	
33	13-Nov-1922	F. Gordon Cook	1	
34	24-Apr-1923	J. Gordon Logan	1	
35	11-Sep-1923	Cecil W Swire	1	
36	03-Dec-1923	A. K. Roberts	1	
37	30-Nov-1925	Ralph B Gibson	3	
38	18-Dec-1925	R.J. Hamilton	2	
39	23-Mar-1926	Eric P. Muntz	2	
40	25-Mar-1926	J. H. Mitchell	2	[2]
41	31-May-1926	H. G. Acres	15	
42	31-May-1926	H. F. Farmcomb	1	
43	11-Jun-1926	M Thompson	1	
44	17-Sep-1926	J. Gordon Logan	1	
45	21-Sep-1926	J. Jordan Field	2	
46	11-Nov-1926	C. S. Grasett	2	
47	11-Nov-1926	R. M. Wjles Chitly	2	
48	15-Nov-1926	N. M. Kennit	1	[2]
49	15-Nov-1926	W. M. Currie	1	
50	22-Nov-1926	J. W. S. Kingston	1	
51	30-Nov-1926	J. E. Madden	1	

Phi Kappa Pi Buildings Limited

Details of Share Certificates Issued as recorded in Sharebook

Certificate Number	Issue Date	Name	Number of Shares	Notes
52	19-Oct-1926	John Van Nostrad	1	
53	06-Dec-1927	George L. Jennings	2	
54	08-Dec-1927	Eric Druce	1	
55	08-Dec-1927	Beverley V Elliot	1	[4]
56	08-Dec-1927	Allen G. A. Spruce	2	
57	08-Dec-1927	Allan Adams	4	
58	05-Mar-1928	A. G. Horning	2	
59	13-Feb-1929	Gilbert E. Jackson	4	
60	26-Apr-1928	S. A. Camsry	2	[2]
61	04-Dec-1934	Gilbert E. Jackson	2	
62	10-Dec-1935	J. Lewis Duncan	9	[3] Replaced Certificate #11
63	10-Dec-1935	W. R. Glemey	2	
64	07-Jun-1937	H. G. Acres	2	
65	07-Jun-1937	L. T. Barclay	2	
66	07-Jun-1937	C. C. Bothwell	2	
67	07-Jun-1937	S. B. Chadsey	2	
68	07-Jun-1937	J. G. Cook	1	
69	07-Jun-1937	H. C. Cruikshank	2	
70	07-Jun-1937	Ralph J Wilworth	3	
71	07-Jun-1937	B. V. Elliott	1	[4]
72	07-Jun-1937	A. R. Trasen	1	
73	07-Jun-1937	R. J. Galloway	1	
74	07-Jun-1937	J. T. Guest	2	
75	07-Jun-1937	J. H. Hunter	1	
76	07-Jun-1937	G. L. Jennings	2	
77	07-Jun-1937	T. G. Kilmaster	2	
78	07-Jun-1937	F. H. Kartright	3	
79	07-Jun-1937	S. F. B Martin	2	
80	07-Jun-1937	H. B. Matchett	2	
81	07-Jun-1937	E. R. Meredith	2	
82	07-Jun-1937	John E. Milne	4	
83	07-Jun-1937	Eric Pepler	2	
84	07-Jun-1937	R. C. Phelps	2	
85	07-Jun-1937	G. M Ponton	4	
86	07-Jun-1937	A. K. Roberts	2	
87	07-Jun-1937	R. T. Scott	2	
88	07-Jun-1937	Ramsay G Smith	2	
89	07-Jun-1937	F. M. Thompson	1	
90	07-Jun-1937	D. H. Willson	2	
91	07-Jun-1937	D. J. Wilson	1	
92	16-Aug-1938	T. Hume Gibson	2	
Total Shares Issued by August 16, 1938			185	
93	10-Jun-1940	G. W. Bayly	1	[4]
94	10-Jun-1940	V. W. Bladen	1	[4]
95	10-Jun-1940	S. B. Chadsey	1	
96	10-Jun-1940	H. A. R. Martin	1	
97	10-Jun-1940	A. R. Tilley	4	[2]
98	10-Jun-1940	Charles Rudyard Welch	4	
99	10-Jun-1940	Edmund Arthur Welch	4	[4]
100	10-Jun-1940	A. Raylsworth	2	[2]

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Phi Kappa Pi Buildings Limited

Details of Share Certificates Issued as recorded in Sharebook

Certificate Number	Issue Date	Name	Number of Shares	Notes
101	10-Jun-1940	James S. Woods	4	
102	10-Jun-1940	Ralph L. Jamieson	2	
103	10-Jun-1940	John Marne Storar	4	[4]
104	10-Jun-1940	James F. Crowe	1	[4]
105	10-Jun-1940	Charles Dickson Steele	2	[4]
106	10-Jun-1940	Paul B. Dilworth	4	[4]
107	10-Jun-1940	James J. Stewart	2	[4]
108	10-Jun-1940	Peter M. Morley	1	
109	10-Jun-1940	John Charles Currelly	2	[4]
110	10-Jun-1940	John Harty Osler	4	[4]
111	10-Jun-1940	John H. Milnes	1	[4]
112	10-Jun-1940	Wayland Gibson Smith	1	[4]
113	10-Jun-1940	Edward H. Ambrose	3	
Total Shares Issued by June 10, 1940			234	
114	27-Nov-1945	William H. Mowat	2	
115	30-Nov-1945	Robert Bigelow	2	
116	03-Dec-1945	Edward H. Ambrose	1	
117	03-Dec-1945	Jack H. Amys	2	
118	06-Dec-1945	John B. Allen	1	
119	20-Dec-1945	Allan T. Calto	2	
Total Shares Issued by December 20, 1945			244	
120	20-Mar-1946	Benjamin E. Meek	2	
121	29-Mar-1946	H. M. Rogers	1	
Total Shares Issued by March 29, 1946			247	
122	29-Oct-1948	Eric Druce	1	
123	29-Oct-1948	Harold A. R. Martin	1	[4]
124	29-Oct-1948	J. A. Cairncross	2	[4]
125	29-Oct-1948	David M. Curzon	1	[4]
126	29-Oct-1948	John A. Maclean	1	[4]
127	29-Oct-1948	John McLee Porter	1	
128	29-Oct-1948	Daniel A. Lang	1	
129	29-Oct-1948	Thomas J. Hogg	1	
130	29-Oct-1948	H. B. Bowlby	1	
131	29-Oct-1948	Arthur H. Boulbee	1	[4]
132	29-Oct-1948	George L. Jennings	1	[4]
133	29-Oct-1948	Franklin F. Cunningham	1	
134	29-Oct-1948	William Wallace Goforth	2	[4]
Total Shares Issued by October 29, 1948			262	
135	24-Nov-1953	E. R. Complin	2	[4]
136	02-Mar-1955	S. T. Strathy	1	
Total Shares Issued by March 2, 1955			265	

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Phi Kappa Pi Buildings Limited

Details of Share Certificates Issued
as recorded in Sharebook

Certificate Number	Issue Date	Name	Number of Shares	Notes
137	26-Jan-2005	WAE Sheppard	1	
138	26-Jan-2005	J. M. Porter	1	
139	31-May-2005	A. K. Sheppard	1	
140	31-May-2005	P. A. Porter	1	
141	15-Sep-2005	WAE Sheppard	25	[4]
142	15-Sep-2005	John M Porter	16	[4]
143	01-Feb-2006	James W. McGuirmy	1	
144	26-Feb-2006	Taylla Fay Goad	1	
145-198	Blank Certificates			[1]
199	Cancelled			
200	Cancelled			
Total Shares Certificate Issued per Share Book			<u><u>312</u></u>	

Notes:

[1] Copies were not made of these certificates but were reviewed by Shehryar Kamruddin to ensure they are blank

[2] These share certificates were missed

[3] Certificate 62 for 10 shares replaced certificate 11 for 1 share resulting in and incremental increase of 9 shares.

[4] Shares cancelled, cancelled certificate in sharebook

TAB 2

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Phi Kappa Pi Buildings Limited
Summary of Shares Subscribed and Issued

Date	Note	Per General Ledger		Per Share Certificate Book (see Schedule 1)		Number of Shares Fully Paid	Unpaid Subscriptions (\$)
		Capital Stock Subscribed (\$)	Number of Shares Subscribed	Shares with Certificates Issued	Share Certificate Number		
01-Jan-40 Ledger Balance	[1]	13,250	265	185	1-92	185	3,010
10-Jun-40 GW Bayley		50	1	1	93	1	
VW Bladen		50	1	1	94	1	
S8 Chadsey		50	1	1	95	1	
HAR Martin		50	1	1	96	1	
10-Jun-40 Capital Stock Subscription	[2]	2,350	47	45		45	50
A. R. Tilley	4				97		
Charles Rudyard Welch	4				98		
Edmund Arthur Welch	4				99		
A. Raylsworth	2				100		
James S. Woods	4				101		
Ralph L. Jamieson	2				102		
John Mame Stora	4				103		
James F. Crowe	1				104		
Charles Dickson Steele	2				105		
Paul B Dilworth	4				106		
James J Stewart	2				107		
Peter M Morley	1				108		
John Charles Currelly	2				109		
John Harry Osler	4				110		
John H Milnes	1				111		
Wayland Gibson Smith	1				112		
Edward H Ambrose	3				113		
	45						
31-Dec-40 Balances		\$15,800	316	234		234	\$3,060
08-Nov-45 Jas. A Cairncross	[3]	100	2	2	124	2	
16-Nov-45 JH Amys - balance				2	117	2	(75)
28-Nov-45 Alex Grant - on account							(25)
8ev Mathews - on account							(40)
WH Mowat - on account				2	114	2	(80)
28-Nov-45 DM Curzon	[3]	50	1	1	125	1	
JA Maclean	[3]	50	1	1	126	1	
JM Porter	[3]	50	1	1	127	1	
TJ Hogg	[3]	50	1	1	129	1	
ST Strathy		50	1				25
DA Lang	[3]	50	1	1	128	1	
Robt Bigelow - balance				2	115	2	(60)
03-Dec-45 Edward H Ambrose - balance				1	116	1	(25)
10-Dec-45 JB Allen - balance				1	118	1	(20)
20-Dec-45 AT Callo - balance				2	119	2	(40)
31-Dec-45 Balances		\$16,200	324	251		251	\$2,720
Shares Issued per Share Book				244			
Difference - Shares Issued in 1948 - note 3				7			
14-Feb-46 HB Bowiby	[3]	50	1	1	130	1	
28-Feb-46 BE Meek - balance in full				2	120	2	(95)
AH Boulbee	[3]	50	1	1	131	1	
19-Mar-46 Geo. L. Jennings	[3]	50	1	1	132	1	
22-Mar-46 HA Martin - on account	[3]	50	1	1	123	1	
29-Mar-46 HM Rogers - on account			2	1	121	1	(25)
02-Apr-46 W Gibson Smith - on account		50	1				25
20-May-46 FF Cunningham	[3]	50	1	1	133	1	
31-Dec-46 Balances		\$16,500	332	259		259	\$2,625
Shares Issued per Share Book				247			
Difference - Shares Issued in 1948	[3]			12			
20-Sep-48 VVV Goforth - balance				2	134	2	(40)
29-Oct-48 Eric Druce	[4]			1	122		
23-Sep-49 Herman Rogers	[5]				unissued	1	(20)
28-Sep-49 RJ Reid	[5]				unissued	2	(75)
A Grant	[5]				unissued	2	(60)
B Matthews	[5]				unissued	3	(40)
03-Oct-49 FA Sampson					unissued	2	(60)
17-Oct-49 R. Complin							(10)
09-Nov-49 Reg Campbell	[5]				unissued	1	(45)
16-Nov-49 R. Complin							(10)

Phi Kappa Pi Buildings Limited
Summary of Shares Subscribed and Issued

Date	Note	Per General Ledger		Per Share Certificate Book (see Schedule 1)		Number of Shares Fully Paid	Unpaid Subscriptions (\$)
		Capital Stock Subscribed (\$)	Number of Shares Subscribed	Shares with Certificates Issued	Share Certificate Number		
08-Dec-49 R. Complin							(10)
31-Dec-49 Balances		\$16,500	332	261		272	\$2,255
Shares Issued per Share Book Difference	[4]			262			
				1			
Jan-June 1950 R. Complin							(60)
27-Jan-50 J. Amys - paid in full	[5] [6]	200	4		unissued	4	
13-May-50 RE Taylor							(10)
24-Aug-51 J. Milne	[5] [6]	50	1		unissued	1	
27-Mar-51 Lambie	[7]	100					90
June and Oct 1952 H. Cartwright	[5] [6]	100	2		unissued	2	
06-Oct-52 PL Rondeau	[8]	100	2				90
17-Oct-52 GT Guest	[8]	100	2				90
07-Nov-52 Donald Cockburn	[5] [6]	100	2		unissued	2	
24-Nov-53 ER Complin				2	135	2	
14-Jan-54 RG Gordon	[5] [6]	50	1			1	
PL Rondeau	[8]						(10)
WB Maynard	[8]	100	2				95
WAE Sheppard	[8]	100	2				90
G Greaves	[8]	100	2				95
G Lightstone	[8]	50	1				45
G Rombough	[8]	100	2				90
ER Complin	[8]						(5)
07-Mar-55 ST Strathy - balance				1	136		(25)
31-Dec-55 Balances		\$17,750	355	265		284	\$2,830
22-Feb-57 RA Bowlby	[5] [6]	50	1		unissued	1	
31-Dec-57 Correction to prior years							
JK Lambie	[7]	100	2			2	100
DF Hendry		100	2				90
JD Barrington	[9]				unissued	1	
31-Dec-57 Balances	[10]	\$18,000	360	265		288	\$3,020
25-Feb-60 William B Maynard		50	1		unissued	1	
Gordon Montizambert		50	1		unissued	1	
John C. Warkentin		50	1				35
05-Mar-60 Gerald B. Skea		100	2				90
Robert Dodds		50	1				45
Franklyn Lewis		50	1				45
John A. Cottenden		50	1				45
Unknown Additional funds received							(25)
31-Dec-62 Balances	[11]	\$18,400	368	265		290	\$3,255
26-Jan-2005 WAE Sheppard	[12]	50	1		137		50
26-Jan-2005 J. M. Porter	[12]	50	1		138		50
31-May-2005 A. K. Sheppard	[12]	50	1		139		50
31-May-2005 P. A. Porter	[12]	50	1		140		50
15-Sep-2005 WAE Sheppard	[13]	1,250	25		141		1,250
15-Sep-2005 John M Porter	[13]	800	16		142		800
01-Feb-2006 James W. McGuirmy	[12]	50	1		143		50
26-Feb-2006 Taylla Fay Goad	[12]	50	1		144		50

[1] See Appendix H

[2] Of this amount \$2,300 was paid directly to the Active Chapter for new furnishings.

[3] Shares were fully paid in 1945 but not issued until 1948

[4] Share certificate 122 issued in 1948 to Eric Druce, no receipt of payment located in the cash book.

[5] Old notes prepared by Hugh Anson-Cartwright entitled "Share Issues requiring Directors' and Secretary's Action" indicate share certificates need to be issued.

[6] Books and records of the company indicate shares were fully paid.

[7] Correction to Capital Stock and Unpaid Subscription accounts made in 1957, Capital Stock subscribed and unpaid subscription amounts appear to be over stated by \$100.

[8] Correction to Capital Stock and Unpaid Subscription accounts made in 1954

[9] Old notes prepared by Hugh Anson-Cartwright indicate share certificate needs to be issued to Barrington, no receipt of payment located in the cash books.

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Phi Kappa Pi Buildings Limited
Summary of Shares Subscribed and issued

Date	Note	Per General Ledger		Per Share Certificate Book (see Schedule 1)		Number of Shares Fully Paid	Unpaid Subscriptions (\$)
		Capital Stock Subscribed (\$)	Number of Shares Subscribed	Shares with Certificates Issued	Share Certificate Number		

[10] Totals agreed to financial statements as at December 31, 1959.

[11] Totals agreed to financial statements as at December 31, 1962 which are the last statements available.

[12] Shares were issued by WAE Sheppard. We have requested from Mr. Sheppard documentation evidencing the receipt of payment for the shares issued however to date no documentation has been produced in response to our request.

[13] Shares were issued by WAE Sheppard and subsequently cancelled. We have requested from Mr. Sheppard documentation evidencing the receipt of payment for the shares issued and the details of the subsequent cancellation however to date no documentation has been produced in response to our requests.

41 Shares

TAB 3

Phi Kappa Pi Fraternity
 Royal Bank of Canada (Note 1)
 Account 115-231-3
 (In Canadian dollars)
 for the period May 1, 2002 to April 30, 2004

Bank Statement or Cheque Date	Payee/Details	Receipts					Expenditures									
		Deposits	Cheques	Balance	Rent	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable Utilities	House Supplies	Party Expenses	Transfer to Buildings	Other	Unknown
5/1/2002	Opening Balance			6,978.47												
5/1/2002	Service Charges		4.54	6,971.93			4.54									
5/1/2002	Coinomatic		76.16	6,995.75							76.16					
5/13/2002	Deposit	2,685.00		11,586.75	2,685.00											
5/14/2002	1st Q Transfer		7,300.00	4,286.75										7,360.00		
5/15/2002	Rogers		94.28	4,186.47												
5/21/2002	Enbridge		436.07	3,750.40							436.07					
5/23/2002	Sprint		45.06	3,705.34							45.06					
5/23/2002	539 GSC Mechanical		1,683.33	2,022.01						1,683.33						
5/23/2002	538 GSC Mechanical		1,485.18	1,136.85						1,485.18						
5/27/2002	537 City of Toronto		361.77	775.08							361.77					
6/3/2002	Service Charges		11.80	763.28			11.80									
6/17/2002	Rogers		94.28	669.00												
6/19/2002	Enbridge		197.05	471.95							197.05					
6/24/2002	Sprint		45.06	426.89							45.06					
7/2/2002	Service Charges		6.00	416.89			6.00									
7/15/2002	Rogers		94.26	324.61							94.26					
7/19/2002	540 void			324.61												
7/19/2002	Enbridge		147.50	177.11							147.50					
7/23/2002	Sprint		45.06	132.05							45.06					
8/1/2002	541 void			132.05												
8/1/2002	Service Charges		6.00	124.05			6.00									
8/8/2002	Hydro		330.43	(206.38)							330.43					
8/9/2002	Item Returned	330.43		124.05							(330.43)					
8/15/2002	Rogers		94.26	29.77							94.26					
8/19/2002	Enbridge		93.91	(84.14)							93.91					
8/19/2002	Item Returned	93.91		20.77							(93.91)					
8/26/2002	Service Charges		50.00	(20.23)			50.00									
8/22/2002	Sprint		48.46	(68.69)							48.46					
8/22/2002	Item Returned	48.46		(20.23)							(48.46)					
8/22/2002	Enbridge		93.91	(114.14)							93.91					
8/22/2002	Item Returned	93.91		(20.23)							(93.91)					
9/3/2002	Service Charges		6.00	(28.23)			9.00									
9/11/2002	Hydro		759.59	(787.62)							759.59					
9/11/2002	Item Returned	759.59		(28.23)							(759.59)					
9/12/2002	Deposit	3,735.00		3,708.77	3,735.00											
9/16/2002	Rogers		94.26	3,612.49							94.26					
9/16/2002	489 Brick Brewing Company		2,319.50	1,292.99									2,319.50			
9/17/2002	Service Charges		0.14	1,292.85			0.14									
9/19/2002	Enbridge		97.23	1,195.62							97.23					
9/20/2002	Service Charges		75.00	1,120.62			75.00									
9/23/2002	Sprint		48.48	1,072.16							48.48					
9/23/2002	465 Access Cleaning		251.89	820.27						251.89						
9/25/2002	Online payment		211.14	609.13												211.14
9/25/2002	Online payment		506.00	106.13												506.00
9/27/2002	Deposit	1,735.00		1,044.13	1,735.00											
9/27/2002	Deposit	9,085.00		10,929.13	9,085.00											
9/30/2002	City of Toronto - Water		429.50	10,500.63												428.50
9/30/2002	Online payment		597.70	9,902.93												597.70
10/1/2002	Service Charges		14.85	9,888.06			14.85									
10/3/2002	Deposit	2,728.00		12,616.06	2,728.00											
10/4/2002	466 Coinomatic		390.07	12,226.01							390.07					
10/7/2002	467 cheque not used			12,226.01												
10/11/2002	468 Taras Mntenko		75.00	12,151.01						75.00						
10/15/2002	Hydro		1,183.60	10,967.41							1,183.60					
10/17/2002	Rogers		94.28	10,973.13							94.28					
10/17/2002	470 Lakeshore Mechanical		81.25	10,791.88						81.25						
10/18/2002	Deposit	365.00		11,156.88	365.00											
10/18/2002	Deposit	375.00		11,531.88	375.00											
10/18/2002	Deposit	400.00		11,931.88	400.00											
10/18/2002	Deposit	400.00		12,331.88	400.00											
10/18/2002	Deposit	425.00		12,756.88	425.00											
10/18/2002	Deposit	750.00		13,506.88	750.00											
10/18/2002	Deposit	1,100.00		14,606.88	1,100.00											
10/18/2002	Deposit	1,575.00		16,181.90	1,575.00											

Phi Kappa Pi Fraternity
 Royal Bank of Canada (Note 1)
 Account 115-231-3
 (in Canadian dollars)
 for the period May 1, 2002 to April 30, 2004

		Receipts					Expenditures									
Bank Statement or Cheque Date	Payee/Details	Deposits	Cheques	Balance	Rent	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable Utilities	House Supplies	Party Expenses	Transfer to Buildings	Other	Unknown
10/18/2002	Deposit	1,815.00		17,796.88	1,815.00											
10/21/2002	Item Returned		350.00	17,446.88	(350.00)											
10/21/2002	Item Returned		400.00	17,046.89	(400.00)											
10/22/2002	Item Returned		400.00	16,646.88	(400.00)											
10/23/2002	Sprint		121.92	16,524.96							121.92					
11/1/2002	Service Charges		9.99	16,514.97			9.99									
11/15/2002	Regers		94.28	16,420.69							94.28					
11/18/2002	Enbridge		332.81	16,088.09							332.81					
11/19/2002	546 Franco Russo		350.00	15,738.09								350.00				
11/20/2002	544 Jordan Davis		478.74	15,259.34									478.74			
11/28/2002	Deposit	4,525.00			4,525.00											
statements missing November 2002 to April 20, 2003																
11/18/2002	542 Tyler Steele - pledging		25.23											25.23		
11/18/2002	543 Aaron Grinhaus - pledging		58.43											58.43		
11/19/2002	544 Jordan Davis - pledging		478.74											478.74		
11/18/2002	545 Richard Boryl - pledging		100.00											100.00		
11/18/2002	546 Ian Weolilems - pledging		100.00											100.00		
11/18/2002	547 Lakeshore Mechanical		288.25							288.25						
11/18/2002	548 Franco - supplies		350.00									350.00				
1/8/2003	549		700.00													700.00
1/15/2003	550 Jordan Davis - Party Expenses		3,000.00										3,000.00			
1/15/2003	551 void		-													
1/15/2003	472 Plaque Piece - Party Expenses		768.72										768.72			
1/15/2003	552 Franco Russo - House Supplies		250.00									250.00				
	553 void															
	554 void															
	555 in the cheque book															
2/5/2003	Deposit	4,245.00			4,245.00											
4/10/2003	Deposit	4,105.00			4,105.00											
4/10/2003	Deposit Error		365.00		(365.00)											
opening balance				16,177.25												
4/21/2003	Enbridge		824.84	15,352.41							824.84					
2003 Totals		41,174.30	29,299.64		38,333.00	-	100.32	-	-	3,242.88	5,012.44	950.00	7,325.38	7,300.00		2,437.34
5/1/2003	Service Charges		10.42	15,341.99			10.42									
5/8/2003	Hydro		348.65	14,993.34							348.65					
5/14/2003	Sprint		49.65	14,943.69							49.65					
5/15/2003	Rogers		84.28	14,859.41							84.28					
5/20/2003	Enbridge		886.43	14,182.98							886.43					
6/5/2003	Service Charges		8.50	14,174.48			8.50									
6/8/2003	Hydro		487.22	13,707.29							487.22					
6/13/2003	Sprint		49.65	13,657.61							49.65					
9/18/2003	Rogers		94.28	13,563.33							94.28					
9/19/2003	Enbridge		212.44	13,350.89							212.44					
statement missing for period June 21 to July 18																
opening balance				12,880.29												
7/21/2003	Enbridge		130.73	12,749.55							130.73					
8/8/2003	Service Charges		8.50	12,721.05			8.50									
8/13/2003	Sprint		49.65	12,671.40							49.65					
9/13/2003	Hydro		319.65	12,351.55							319.65					
8/15/2003	Regers		84.28	12,257.27							84.28					
8/18/2003	Enbridge		134.75	12,122.52							134.75					
9/5/2003	Service Charges		8.50	12,114.02			8.50									
9/5/2003	Hydro		245.76	11,868.26							245.76					
	473 Duane Gibson - Gas Fridge		1,250.00	10,618.26						1,250.00						
9/15/2003	Sprint		49.65	10,568.61							49.65					
9/15/2003	Rogers		96.03	10,472.59							96.03					
9/22/2003	610 Amsterdam Brewing		2,150.50	8,322.08									2,150.50			
10/8/2003			9.50	8,312.58			8.50									

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Phi Kappa Pi Fraternity
 Royal Bank of Canada (Note 1)
 Account 115-231-3
 (in Canadian dollars)
 for the period May 1, 2002 to April 30, 2004

			Receipts		Expenditures											
Bank Statement or Cheque Date	Payee/Details	Deposits	Cheques	Balance	Rent	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable Utilities	House Supplies	Party Expenses	Transfer to Buildings	Other	Unknown
10/6/2003	Hydro		373.03	7,840.55							373.03					
10/14/2003	Sprint		49.85	7,890.90							49.85					
10/15/2003	Rogers		98.03	7,794.87							98.03					
10/20/2003	Enbridge		140.23	7,654.64							140.23					
	476 void															
	477 void															
	478 in cheque book															
statement missing for period October 21 to November 19																
opening balance				8,821.74												
12/4/2003	Service Charges		8.50	8,813.24			8.50									
12/5/2003	Hydro		325.95	6,487.59							325.65					
12/5/2003	614 Colnatic		1,300.00	5,187.59							1,308.00					
12/2/2003	813 Plaque Place		480.00	4,727.59									460.00			
12/15/2003	Sprint		49.85	4,677.94							49.85					
12/15/2003	Rogers		98.03	4,581.91							98.03					
12/15/2003	615 Tyler Steel - Party Expenses		472.00	4,109.91									472.00			
12/18/2003	Enbridge		716.48	3,393.43							716.48					
	618 net used															
statement missing for period December 20, 2003 to February 19, 2004																
opening balance				290.97												
2/24/2004	Enbridge		1,371.88	(1,080.91)							1,371.88					
2/24/2004	Item Returned	1,371.88		290.97							(1,371.88)					
2/27/2004	616		325.00	(34.03)									325.00			
2/27/2004	Item Returned	325.00		290.97									(325.00)			
3/1/2004	Service Charges		8.00	282.97			8.00									
3/5/2004	Service Charges		8.50	274.47			8.50									
3/5/2004	475 Nicole Manth		108.00	174.47												100.00
3/6/2004	Hydro		358.52	(184.05)							358.52					
3/9/2004	Item Returned	358.52		174.47							(358.52)					
3/9/2004	474		1,000.00	(825.53)									1,000.00			
3/9/2004	Item Returned	1,000.00		174.47									(1,000.00)			
3/15/2004	Sprint		49.85	124.82							49.85					
3/15/2004	Rogers		52.75	72.07							52.75					
3/19/2004	Enbridge		783.91	(711.84)							783.91					
3/19/2004	Service Charges		100.00	(811.84)			100.00									
3/19/2004	Item Returned	783.91		(27.93)							(783.91)					
3/24/2004	Enbridge		783.91	(811.84)							783.91					
3/24/2004	Item Returned	783.91		(27.93)							(783.91)					
4/1/2004	Service Charges		8.00	(35.93)			8.00									
4/5/2004	Hydro		714.21	(750.14)							714.21					
4/5/2004	Item Returned	714.21		(35.93)							(714.21)					
4/9/2004	Service Charges		8.50	(44.43)			8.50									
4/13/2004	Sprint		49.85	(94.08)							49.85					
4/13/2004	Item Returned	49.85		(44.43)							(49.85)					
4/15/2004	Rogers		52.75	(97.18)							52.75					
4/15/2004	Item Returned	52.75		(44.43)							(52.75)					
4/19/2004	Enbridge		2,155.35	(2,199.78)							2,155.35					
4/19/2004	Item Returned	2,155.35		(44.43)							(2,155.35)					
4/19/2004	Service Charges		0.24	(44.87)			0.24									
4/20/2004	Service Charges		150.00	(184.87)			150.00									
2004 Totals			7,595.18	18,718.28			338.18			1,250.00	6,362.45		3,062.50			100.00

Note 1: The Royal Bank of Canada was not included in the Order issued by the Court. The Royal Bank will not provide copies of bank statement or cheques without an amendment to the order.

TAB 4

Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-359
(In Canadian dollars)

for the period April 3, 2004 (account opening) to April 30, 2006

Bank Statement Date	Payee/Details	Receipts					Expenditures									
		Deposits	Cheques	Balance	Rent	Interest Earned	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies	Party Expenses	Other	Unknown
3/4/2004	opening of account	50.00		50.00			50.00									
3/20/2004		1,240.00		1,290.00	1,240.00											
3/31/2004	interest earned	0.01		1,290.01		0.01										
3/31/2004		5,265.25		6,555.26	5,265.25											
4/30/2004	interest earned	0.27		6,555.53		0.27										
2004 Total					6,505.25	0.28	50.00									
5/31/2004	interest earned	0.28		6,555.81		0.28										
6/10/2004		1,200.00		7,755.81	1,200.00											
6/15/2004	1 Gas Reconciliation		2,500.00	5,255.81								2,500.00				
6/30/2004	interest earned	0.25		5,256.06		0.25										
6/30/2004	bank charges		14.70	5,241.36				14.70								
7/9/2004		3,667.50		8,908.86	3,667.50											
7/30/2004		2,065.00		10,973.86	2,065.00											
7/30/2004		1,100.00		12,073.86	1,100.00											
7/30/2004	Toronto Taxes		10,000.00	2,073.86					10,000.00							
7/30/2004	interest earned	0.32		2,074.18		0.32										
8/4/2004		400.00		2,474.18	400.00											
8/4/2004		150.00		2,624.18	150.00											
8/6/2004		800.00		3,824.18	800.00											
8/18/2004	2 Mr. Rootier		656.43	2,867.75								656.43				
8/23/2004	51 Peter and Frede Keutroumple		908.00	1,967.75							900.00					
8/31/2004	interest earned	0.12		1,967.87		0.12										
9/1/2004	Rent	4,375.00		6,342.87	4,375.00											
9/2/2004	78 Reimburse Zarrow		1,100.00	5,242.87							1,100.00					
9/2/2004	52 B & T Mini Disposal		720.50	4,522.37							720.50					
9/8/2004	returned item		425.00	4,097.37	(425.00)											
9/10/2004	54		240.00	3,857.37												240.00
9/10/2004	58		148.28	3,709.08												148.29
9/14/2004	Rent	3,100.00		6,809.08	3,100.00											
9/15/2004	7 Gas		402.28	6,406.80								402.28				
9/18/2004	8		52.00	6,354.80												52.00
9/17/2004	4		132.48	6,222.32												132.48
8/21/2004	9 Amsterdam Brewing		892.01	5,330.31										892.01		
9/22/2004		400.00		5,730.31	400.00											
9/22/2004		500.00		6,230.31	500.00											
9/23/2004	55 Hydro		981.85	5,248.46								981.85				
9/30/2004		0.21		5,248.67		0.21										
10/14/2004	Sprint		51.39	5,197.28								51.39				
10/18/2004	Enbridge		139.54	5,057.74								139.54				
10/25/2004	Rent net of expenses	4,129.23		9,186.97	4,129.23											
10/29/2004	Hydro		894.77	8,292.20								894.77				
10/29/2004	service charge		1.50	8,290.70				1.50								
10/28/2004	Water		2,947.10	5,343.60								2,947.10				
10/29/2004	service charge		1.50	5,342.10				1.50								
10/29/2004	Toronto Taxes		3,799.13	1,542.97					3,799.13							
10/29/2004	Interest earned	0.22		1,543.19		0.22										
11/5/2004	84 LOT Aluminum Windows		150.00	1,393.19							150.00					
11/8/2004	60		135.92	1,257.27												135.92
11/12/2004	10 Dylanco Supplies		128.74	1,128.53									128.74			
11/15/2004	Sprint		51.39	1,077.14								51.39				
11/18/2004	Enbridge		122.00	955.14								122.00				
11/19/2004	Rent	2,260.00		3,215.14	2,260.00											
11/19/2004	service charge		2.00	3,213.14				2.00								
11/22/2004	returned item		450.00	2,763.14	(450.00)											

Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-359
(in Canadian dollars)

for the period April 3, 2004 (account opening) to April 30, 2006

Bank Statement Date	Receipts							Expenditures								Other	Unknown
	Payee/Details	Deposits	Cheques	Balance	Rent	Interest Earned	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies	Party Expenses			
11/22/2004	returned item		850.00	1,913.14	(850.00)												
11/30/2004	Interest earned	0.06		1,913.20		0.06											
12/1/2004	Coinmatic Corp		79.48	1,833.72								79.48					
12/1/2004	66 LDT Aluminum Windows		850.00	1,833.72							650.09						
12/3/2004	Rent	4,550.00		5,733.72	4,550.09												
12/3/2004	11		215.00	5,518.72													
12/7/2004	Rent	5,250.00		10,768.72	5,250.00												
12/7/2004	Rent		4,550.09	6,218.72	(4,550.90)												
12/8/2004	Rent		800.00	5,418.72	(800.09)												
12/13/2004		520.00		5,938.72	520.00												
12/13/2004	Toronto Taxes		5,235.29	793.43					5,235.28								
12/13/2004	service charge		1.50	791.93				1.50									
12/13/2004		959.09		1,851.93	950												
12/14/2004	Sprint		54.27	1,597.66								54.27					
12/18/2004	Transfer from 0398-813:	720.00		2,317.66			729.09										
12/17/2004	Enbridge		661.41	1,656.25								661.41					
12/20/2004	Sympalco		49.83	1,606.42								49.83					
12/31/2004	Interest earned	0.12		1,606.54		0.12											
1/4/2005	Coinmatic Corp		79.87	1,526.67								79.87					
1/7/2005	Rent	2,950.90		4,476.67	2,950.00												
1/7/2005	Hydro		856.07	3,620.60								856.07					
1/7/2005	service charge		1.60	3,619.00				1.59									
1/7/2005	Toronto Water		472.39	3,146.61								472.39					
1/13/2005	Sprint		52.83	3,093.78								52.83					
1/20/2005	Sympalco		26.70	3,067.08								26.70					
1/20/2005	Enbridge		876.36	2,188.91								876.36					
1/25/2005	Rent	2,490.00		4,598.91	2,400.00												
1/28/2005	12 Robbie Burns Party		1,200.00	3,388.91										1,290.99			
1/31/2005	Interest earned	0.13		3,389.04		0.13											
2/1/2005	Coinmatic Corp		81.70	3,307.34								81.79					
2/7/2005	Rent	4,500.00		7,807.34	4,500.00												
2/14/2005	Sprint		57.15	7,750.19								57.15					
2/17/2005	Rent	1,250.09		9,000.19	1,250.00												
2/17/2005	13 Bathroom Expense Money		4,000.00	5,000.18							4,000.00						
2/18/2005	Sympalco		26.70	4,973.49								26.79					
2/18/2005	Enbridge		1,277.18	3,696.31								1,277.18					
2/28/2005	Interest earned	0.20		3,696.51		0.20											
3/1/2005	Coinmatic Corp		61.79	3,634.72								61.78					
3/16/2005	Sprint		52.83	3,581.89								52.83					
3/21/2005	Sympalco		54.59	3,527.30								54.59					
3/21/2005	Enbridge		1,169.42	2,357.88								1,169.42					
3/21/2005	Rent	2,985.00		5,322.97	2,665.99												
3/21/2005	Toronto Taxes		2,211.00	3,111.97					2,211.00								
3/21/2005	service charge		1.50	3,110.47				1.50									
3/21/2005	branch payment		25.12	3,085.35												25.12	
3/29/2005	Hydro		1,209.00	1,885.35								1,200.09					
3/29/2005	service charge		1.50	1,883.85				1.59									
3/31/2005	Interest earned	0.13		1,883.98		9.13											
4/1/2005	Coinmatic Corp		81.70	1,802.28								81.70					
4/11/2005	Rent	2,450.09		4,252.28	2,450.00												
4/13/2005	Sprint		49.95	4,202.33								48.95					
4/15/2005	29 Dylanico Supplies		217.22	3,985.11									217.22				
4/19/2005	Sympalco		54.59	3,930.52								54.59					
4/20/2005	Enbridge		1,027.71	2,902.81								1,927.71					
4/28/2005	Rent	580.00		3,482.81	589.99												

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Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-359
(In Canadian dollars)

for the period April 3, 2004 (account opening) to April 30, 2006

Bank Statement Date	Receipts							Expenditures								
	Payee/Details	Deposits	Cheques	Balance	Rent	Interest Earned	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephones, Cable, Utilities	House Supplies	Party Expenses	Other	Unknown
4/28/2005	Toronto Taxes		2,209.60	1,273.21					2,209.60							
4/29/2005	Interest earned	0.11		1,273.32		0.11										
2006 Total					45,556.73	2.15	720.00	25.70	23,455.02	-	7,520.50	17,173.09	345.96	2,092.01	-	948.81
5/2/2005	Colnsmatic Corp		81.70	1,191.62								81.70				
5/3/2005	30 Deposit Return		450.00	741.82	(450.00)											
5/4/2005	Rent	3,850.00		4,591.62	3,850.00											
5/6/2005	Returned Item		1,200.00	3,391.62	(1,200.00)											
5/12/2005	Toronto Taxes		2,250.00	1,141.82					2,250.00							
5/12/2005	Bank Charges		1.50	1,140.12				1.50								
5/18/2005	Sprint - pre-authorized		49.95	1,090.17								49.95				
5/18/2005	Enbridge - pre-authorized		196.80	893.37								196.80				
5/24/2005	Sympatico		64.59	838.78								54.69				
5/31/2005	Interest earned	0.07		838.85		0.07										
6/1/2005	Colnsmatic Corp		81.70	757.15								81.70				
6/7/2005	Rent	1,850.00		2,607.15	1,850.00											
6/7/2005	water		300.00	2,307.15								300.00				
6/7/2005	service charge		1.50	2,305.65				1.50								
8/9/2005	returned item		200.00	2,105.65	(200.00)											
8/9/2005	returned item		400.00	1,705.65	(400.00)											
6/10/2005	31		110.36	1,595.29											110.36	
8/10/2005	cheque returned	110.36		1,705.65											(110.36)	
8/10/2005	service charge		30.00	1,675.65				30.00								
6/13/2005	sprint		49.95	1,625.70								49.95				
6/20/2005	Sympatico		54.59	1,571.11								54.59				
8/20/2005	Enbridge		274.40	1,296.71								274.40				
6/20/2005	Rent	2,310.00		3,606.71	2,310.00											
6/20/2005	33		443.13	3,163.58												
8/22/2005	35 Mike Perju		500.00	2,663.58							500.00					
6/30/2005	Interest earned	0.09		2,663.67		0.09										
6/30/2005	34 Oylarica Supplies		110.36	2,553.31							110.36					
7/4/2005	Colnsmatic Corp		81.70	2,471.61								81.70				
7/7/2005	Toronto Taxes		2,000.00	471.61					2,000.00							
7/7/2005	service charge		1.50	470.11				1.50								
7/14/2005	Sprint		51.39	418.72								51.39				
7/18/2005	Rent	550.00		968.72	550.00											
7/20/2005	Sympatico		54.59	914.13								54.59				
7/28/2005	Interest earned	0.04		914.17		0.04										
8/2/2005	Colnsmatic Corp		91.70	832.47								81.70				
8/10/2005	Rent	2,860.99		3,693.46	2,860.00							(10.99)				
8/12/2005		1,000.00		4,693.46	1,000.00											
8/12/2005	Hydro		1,777.71	2,915.75								1,777.71				
8/12/2005	service charge		1.50	2,914.25				1.50								
8/15/2005	sprint		57.15	2,857.10								57.15				
8/22/2005	Sympatico		54.59	2,802.51								54.59				
8/23/2005		700.00		3,502.51	700.00											
8/23/2005	37 Bathroom Expense Money		2,000.00	1,502.51							2,000.00					
8/23/2005		1,898.98		3,502.49	1,898.98											
8/23/2005	Toronto Taxes		2,000.00	1,502.49					2,000.00							
8/23/2005	service charge		1.50	1,500.99				1.50								
9/23/2005	service charge reversal	30.00		1,530.99				(30.00)								
8/31/2005	Interest earned	0.08		1,531.07		0.08										
8/31/2005	service charge		10.29	1,520.78				10.29								
8/1/2005	Colnsmatic Corp		81.70	1,439.08								81.70				
9/12/2005		329.00		1,768.09			329.00									

Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-359
(in Canadian dollars)
for the period April 3, 2004 (account opening) to April 30, 2006

Bank Statement Date	Receipts						Expenditures									
	Payee/Details	Deposits	Cheques	Balance	Rent	Interest Earned	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies	Party Expenses	Other	Unknown
9/12/2005		800.00		2,568.08	800.00											
9/13/2005	Rogers		52.83	2,515.25								52.83				
9/19/2005	Sympalco		53.95	2,461.30								53.95				
9/19/2005		800.00		3,261.30	800.00											
9/19/2005	Toronto Taxes		2,000.00	1,261.30					2,000.00							
9/19/2005	service charges		1.50	1,259.80				1.50								
9/19/2005	Hydro		450.00	809.80								450.00				
9/19/2005	service charges		1.50	808.30				1.50								
9/30/2005	interest earned	0.05		808.35		0.05										
10/3/2005	Cinemalco Corp		81.70	726.65								81.70				
10/4/2005		850.00		1,576.65	850.00											
10/5/2005	Returned Item		450.00	1,126.65	(450.00)											
10/11/2005		1,000.00		2,126.85	1,000.00											
10/11/2005	38 Door Locks		640.00	1,486.65							840.00					
10/14/2005	Regers		49.85	1,436.70								49.95				
10/18/2005	80 Door Locks		50.00	1,386.70							50.00					
10/19/2005		450.00		1,836.70	450.00											
10/19/2005	water		406.00	1,430.70								406.00				
10/19/2005	service charges		1.50	1,429.20				1.50								
10/20/2005	Sympalco		53.95	1,375.25								53.95				
10/20/2005	Toronto Taxes		1,000.00	375.25					1,000.00							
10/20/2005	service charges		1.50	373.75				1.50								
10/24/2005	81 BT Mini Disposal		347.75	26.00							347.75					
10/25/2005		400.00		426.00	400.00											
10/27/2005		400.00		826.00	400.00											
10/31/2005	Interest earned	0.04		826.04		0.04										
11/1/2005	Cinematic Corp		81.70	744.34								81.70				
11/1/2005	38 Deposit Return		300.00	444.34	(300.00)											
11/9/2005		2,020.00		2,464.34	2,020.00											
11/9/2005	Hydro		819.29	1,645.05								819.29				
11/9/2005	service charges		1.50	1,643.55				1.50								
11/14/2005	Regers		56.85	1,586.70								56.85				
11/17/2005		1,250.00		2,836.70	1,250.00											
11/17/2005	enbridge		146.26	2,690.44								146.26				
11/17/2005	service charges		1.50	2,688.94				1.50								
11/21/2005	Sympalco		53.95	2,634.99								53.95				
11/30/2005	Interest earned	0.07		2,635.06		0.07										
12/1/2005	Cinematic Corp		81.70	2,553.36								81.70				
12/14/2005	Rogers		49.95	2,503.41								49.95				
12/20/2005		1,400.00		3,903.41	1,400.00											
12/20/2005	Sympalco		53.95	3,849.46								53.95				
12/21/2005	error correction	100.00		3,949.46	100.00											
12/28/2005	14 Deposit Return		450.00	3,499.46	(450.00)											
12/31/2005	Interest earned	0.14		3,499.60		0.14										
1/3/2006	Cinematic Corp		81.70	3,417.90								81.70				
1/3/2006	Enbridge		693.12	2,724.78								693.12				
1/3/2006	service charges		1.50	2,723.28				1.50								
1/3/2006	Hydro		693.42	1,029.86								693.42				
1/3/2006	service charges		1.50	1,828.36				1.50								
1/3/2006	rent	1,450.00		3,278.36	1,450.00											
1/13/2006	Regers		49.95	3,228.41								49.95				
1/20/2006	Sympalco		53.95	3,174.46								53.95				
1/25/2006	deposit	520.00		3,694.46	400.00		120.00									
1/25/2006	Hydro		586.12	3,108.34								586.12				
1/25/2006	service charges		1.50	3,106.84				1.50								

Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-359
(In Canadian dollars)
for the period April 3, 2004 (account opening) to April 30, 2006

Bank Statement Date	Payee/Details	Receipts			Expenditures										Other	Unknown
		Deposits	Cheques	Balance	Rent	Interest Earned	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies	Party Expenses		
1/25/2006	Enbridge		371.78	2,735.06								371.78				
1/25/2006	service charges		1.50	2,733.56				1.50								
1/25/2006	Interest earned	0.13		2,733.69		0.13										
2/1/2006	Colnamatic Corp		83.83	2,649.86								83.83				
2/6/2006	17 Mini Disposel		347.50	2,302.36								347.50				
2/8/2006	18 Canadian Mill		221.38	2,080.98								221.38				
2/9/2006	deposit	2,160.00		4,240.98	2,160.00											
2/13/2006	Rogers		52.83	4,188.15								52.83				
2/13/2006	deposit	2,840.00		7,028.15	2,200.00		640.00									
2/13/2006	41 Insurance		5,000.00	2,028.15						5,000.00						
2/16/2006	Bank Charges		50.00	1,978.15				50.00								
2/17/2006	Sympatico		53.95	1,924.20								53.95				
2/17/2006	15 House Leaks		921.00	1,003.20							921.00					
2/28/2006	Interest earned	0.08		1,003.28		0.08										
2/28/2006	service charges		2.94	1,000.34				2.94								
3/1/2006	Colnamatic Corp		83.83	916.51								83.83				
3/1/2006	42 Mini Disposel		348.00	568.51								348.00				
3/9/2006	deposit	2,200.00		2,768.51	2,200.00											
3/9/2006	Enbridge		2,319.27	449.24								2,319.27				
3/9/2006	service charges		1.50	447.74				1.50								
3/18/2006	Rogers		49.07	388.67								49.07				
3/20/2006	Sympatico		53.95	344.72								53.95				
3/28/2006	43		250.00	94.72												250.00
3/30/2006	deposit	1,000.00		1,094.72	1,000.00											
3/30/2006	Hydro		947.65	147.07								947.65				
3/30/2006	service charges		1.50	145.67				1.50								
3/31/2006	Interest earned	0.01		145.58		0.01										
3/31/2006	deposit	950.00		1,095.58	950.00											
4/3/2006	Colnamatic Corp		93.83	1,011.75								93.83				
4/4/2006	deposit	400.00		1,411.75	400.00											
4/19/2006	deposit	1,601.41		3,013.16	1,601.41											
4/19/2006	deposit	300.00		3,313.16	300.00											
4/19/2006	Toronto Taxes		2,250.00	1,063.16								2,250.00				
4/19/2006	service charges		1.50	1,061.66				1.50								
4/19/2006	Sympatico		53.95	1,007.71								53.95				
4/25/2006	deposit	700.00		1,707.71	700.00											
4/25/2006	Enbridge		929.51	778.20								929.51				
4/25/2006	service charges		1.50	776.70				1.50								
4/25/2006	water		406.00	370.70								406.00				
4/25/2006	service charges		1.50	369.20				1.50								
4/28/2006	Interest earned	0.04		369.24		0.04										
2006 Total																
		99,091.99	98,722.75			34,491.39	0.84	1,089.00	83.23	9,250.00	5,000.00	4,569.11	16,879.84			593.13
						85,553.37	3.27	1,859.00	118.93	32,705.02	5,600.00	12,089.61	34,052.93	345.96	2,092.01	1,841.94

Copies of cheques have been requested from Bank of Montreal.

TAB 5

Phi Kappa Pi Fraternity
Bank of Montreal
Account 0398-8133-367
(in Canadian dollars)

(in Canadian dollars)

Bank Statement Date	Receipts				Expenditures											
	Payee/Details	Deposits	Cheques	Balance	Rent	Interest Earned	Coin Deposits	Other Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies and Party Expense	Other	Unknown
3/4/2004	Account opening	50.00		50.00				50.00								
3/30/2004	Cash and Coin Deposit	1,635.00		1,685.00			1,635.00									
3/31/2004	Interest Earned	0.01		1,685.01		0.01										
3/31/2004	Service Charges		0.52	1,684.49					0.52							
4/30/2004	Interest Earned	0.07		1,684.56		0.07										
2004 Total					-	0.08	1,635.00	50.00	0.52	-	-	-	-	-	-	-
5/18/2004	1		1,500.00	184.56												1,500.00
5/31/2004	Interest Earned	0.04		184.60		0.04										
6/10/2004	Cash and Coin Deposit	300.00		484.60			300.00									
6/30/2004	Interest Earned	0.02		484.62		0.02										
7/30/2004	Interest Earned	0.02		484.64		0.02										
8/31/2004	Interest Earned	0.02		484.66		0.02										
9/30/2004	Interest Earned	0.02		484.68		0.02										
10/29/2004	Interest Earned	0.02		484.70		0.02										
11/30/2004	Interest Earned	0.02		484.72		0.02										
12/16/2004	Cash and Coin Deposit	720.00		1,204.72			720.00									
12/16/2004	Transfer 0398-8133-359		720.00	484.72												720.00
12/31/2004	Interest Earned	0.02		484.74		0.02										
1/31/2005	Interest Earned	0.02		484.76		0.02										
2/28/2005	Interest Earned	0.02		484.78		0.02										
3/31/2005	Interest Earned	0.02		484.80		0.02										
4/29/2005	Interest Earned	0.02		484.82		0.02										
2005 Totals					-	0.26	1,020.00	-	-	-	-	-	-	-	720.00	1,500.00
5/3/2005	26 Big Stck Party Expenses		362.38	122.44										362.38		
5/31/2005	Interest Earned	0.01		122.45		0.01										
6/30/2005	Interest Earned	0.01		122.46		0.01										
7/29/2005	Interest Earned	0.01		122.47		0.01										
8/31/2005	Interest Earned	0.01		122.48		0.01										
9/30/2005	Interest Earned	0.01		122.49		0.01										
10/31/2005	Interest Earned	0.01		122.50		0.01										
11/30/2005	Interest Earned	0.01		122.51		0.01										
12/30/2005	Interest Earned	0.01		122.52		0.01										
					-	0.08								362.38		
		2,705.42	2,582.90		-	0.42	2,655.00	50.00	0.52	-	-	-	-	362.38	720.00	1,500.00

TAB 6

Phi Kappa Pi Building Limited
Canada Trust (TD Canada Trust) (Note 1)
Account 00500-512246 (0500-5003595)
(in Canadian dollars)

Bank Statement Date	Payee/Details	Deposits	Cheques	Balance	Receipts			Expenditures							
					Transfer from Fraternity	Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies Partly Expenses	Other	Unknown
5/1/1999				5,984.44											
5/3/1999	9 Peter Dion		1,280.07	4,704.37							1,280.07				
5/4/1999	o Andrew Coop		1,000.00	3,704.37									1,000.00		
5/4/1999	7 Ivan Kovacevic		180.75	3,553.62									150.75		
5/31/1999			7.25	3,546.37				7.25							
6/1/1999		7,300.00		10,846.37	7,300.00										
6/2/1999		22,255.00		33,101.37	7,300.00		14,855.00								
6/5/1999	post dated cheque		7,300.00	25,801.37	(7,300.00)										
6/5/1999	post dated cheque		7,300.00	18,501.37	(7,300.00)										
6/5/1999			8.00	18,493.37				8.00							
8/30/1999			8.00	18,487.37				8.00							
8/30/1999		4.08		18,491.43		4.08									
7/23/1999	Toronto Property Tax		102.92	18,388.51					102.92						
7/23/1999	Toronto Property Tax		1,705.50	16,683.01					1,705.50						
7/23/1999	Toronto Property Tax		97.00	15,586.01					97.00						
7/23/1999	Toronto Property Tax		1,632.00	14,954.01					1,632.00						
7/23/1999	Bell Canada		208.06	14,745.95								209.06			
7/23/1999	Toronto Property Tax		97.01	14,648.94					97.01						
7/23/1999	Toronto Property Tax		1,631.99	13,016.95					1,631.99						
7/31/1999		3.01		13,019.96		3.01									
7/31/1999			17.25	13,002.71				17.25							
9/31/1999		1.28		13,003.99		1.28									
8/31/1999			5.00	12,998.99				5.00							
9/9/1999	1 George Volmovic		273.54	12,725.45									273.54		
9/9/1999	2 Melt Roultson		808.00	11,917.45									808.00		
9/30/1999		0.92		11,918.37		0.92									
9/30/1999			6.50	11,911.87				6.50							
10/31/1999		0.81		11,912.68		0.81									
10/31/1999			5.00	11,907.68				5.00							
11/8/1999	5 H. Lajer and Company		6,628.88	5,280.80						6,628.88					
11/11/1999		7,300.00		12,580.80	7,300.00										
11/25/1999	13 George Volmovic		1,052.35	11,528.45							1,052.35				
11/29/1999	12 Glenn Person		870.00	10,658.45							670.00				
11/30/1999		0.78		10,659.21		0.78									
11/30/1999			7.75	10,651.46				7.75							
12/3/1999	4 Phi Kappa Pi Fraternity		451.72	10,399.74							451.72				
12/6/1999	14 aramislav Volmovic		300.00	10,099.74							300.00				
12/6/1999	15 Ivan Kovacevic		800.00	9,299.74									800.00		
12/7/1999	16 Kevin Smith		100.00	9,199.74									100.00		
12/23/1999	11 Peter Dion		5,456.55	3,743.09										5,456.65	
12/31/1999	Interest Earned	0.05		3,743.14		0.05									
12/31/1999	Service Charges		9.75	3,734.39				8.75							
1/31/2000	Service Charges		5.00	3,729.39				5.00							
2/29/2000	Deposit	7,300.00		11,029.39	7,300.00										
2/29/2000	Service Charges		5.50	11,023.89				5.50							
3/1/2000	online payment - Taxes		7,140.55	3,883.34					7,140.55						
3/1/2000	online payment - Telephone		463.82	3,419.52								463.82			
3/25/2000	cheques		300.00	3,119.52											300.00
3/31/2000	unknown		247.25	2,872.27											247.25
4/3/2000	Taxes		1,758.00	1,114.27					1,758.00						
4/3/2000	Taxes		65.00	1,049.27					65.00						
4/3/2000	Service Charges		8.00	1,043.27				8.00							
					14,600.00	10.89	14,955.00	88.00	14,229.97	6,628.88	3,754.14	671.88	3,132.29	5,456.65	547.25

Phi Kappa Pi Building Limited
Canada Trust (TD Canada Trust) (Note 1)
Account 00500-512245 (0500-5003595)
(in Canadian dollars)

Bank Statement Date	Payee/Details	Deposits	Cheques	Balance	Receipts			Expenditures							
					Transfer from Fraternity	Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies Party Expenses	Other	Unknown
5/1/2000	Taxes		1,756.97	(713.70)					1,756.97						
5/1/2000	Item Returned	1,756.97		1,043.27					(1,756.97)						
5/1/2000	Taxes		64.93	978.34					84.93						
5/1/2000	Service Charges		20.00	958.34				20.00							
5/5/2000	Deposit	7,300.00		8,258.34	7,300.00										
5/31/2000	Service Charges		6.00	8,252.34				6.00							
8/1/2000	Taxes		1,756.97	6,495.37					1,756.97						
8/30/2000	Service Charges		5.50	6,489.87				5.50							
7/19/2000	Deposit	12,300.00		18,789.87	12,300.00										
7/26/2000	29 Dominion Roofing		2,890.00	15,899.87							2,890.00				
7/31/2000	Interest Earned	1.24		15,901.11		1.24									
7/31/2000	Service Charges		7.50	15,893.61				7.50							
8/31/2000	Interest Earned	2.50		16,996.11		2.50									
9/31/2000	Service Charges		5.00	16,891.11				5.00							
9/30/2000	Interest Earned	2.41		15,893.52		2.41									
9/30/2000	Service Charges		5.00	15,888.52				5.00							
10/31/2000	Interest Earned	2.98		15,891.50		2.98									
10/31/2000	Service Charges		5.00	15,886.50				5.00							
11/30/2000	Interest Earned	3.62		15,890.12		3.62									
11/30/2000	Service Charges		5.00	15,885.12				5.00							
12/14/2000	21 GG&B Group		6,117.12	9,788.00						6,117.12					
12/14/2000	22 GG&B Group		524.88	9,243.12						624.88					
12/31/2000	Interest Earned	1.69		9,244.81		1.69									
12/31/2000	Service Charges		8.50	9,236.31				6.50							
1/31/2001	Service Charges		5.00	9,233.31				5.00							
2/7/2001	29 Dominion Roofing		8,666.10	567.21							8,666.10				
2/28/2001	Service Charges		5.75	561.46				5.75							
3/12/2001	30 Dominion Roofing		962.90	(401.44)							962.90				
3/12/2001	Service Charges		20.00	(421.44)				20.00							
3/12/2001	Item Returned	962.80		541.48							(862.90)				
3/14/2001	from Frat net of Alumni party expenses	11,710.98		12,252.44	14,600.00		(2,889.02)								
3/31/2001	Interest Earned	0.60		12,253.04		0.60									
3/31/2001	Service Charges		8.75	12,244.29				8.75							
4/17/2001	31 Dominion Roofing		982.90	11,263.39							982.90				
4/30/2001	Interest Earned	0.75		11,264.14		0.75									
4/30/2001	Service Charges		5.75	11,258.39				5.75							
				34,209.00	15.79	(2,889.02)		108.75	1,821.90	6,642.00	12,539.00				
5/29/2001	32 City of Toronto		7,742.09	3,516.30					7,742.09						
5/31/2001	Interest Earned	0.41		3,516.71		0.41									
5/31/2001	Service Charges		5.75	3,510.96				5.75							
6/12/2001	34 Brent Gibson - Alumni Expense		20.00	3,490.96									20.00		
8/30/2001	Service Charges		5.75	3,485.21				5.75							
7/31/2001	Service Charges		5.00	3,480.21				5.00							
8/31/2001	Service Charges		5.00	3,475.21				5.00							
9/28/2001	Service Charges		5.00	3,470.21				5.00							
	37 Duane Gibson - Party Expenses		298.72	3,171.49									298.72		
	Duane Gibson - Repairs and														
	38 Maintenance		121.68	3,049.81							121.68				
10/31/2001	Service Charges		6.50	3,043.31				5.50							
11/13/2001	36 Quadrus Investment		98,000.00	(94,958.69)										98,000.00	
11/15/2001	Service Charges		20.00	(94,978.69)				20.00							
11/18/2001	Deposit	12,192.50		(82,786.19)	12,192.50										
11/25/2001	Transfer from 0890-0806361	134,713.54		51,929.35			134,713.54								
11/26/2001	Taxes		11,282.99	40,636.36					11,282.99						

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Phi Kappa Pi Building Limited
Canada Trust (TD Canada Trust) (Note 1)
Account 00500-512245 (0500-5003595)
(In Canadian dollars)

Bank Statement Date	Payee/Details	Deposits	Cheques	Balance	Receipts			Expenditures							
					Transfer from Fraternity	Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cables, Utilities	House Supplies Party Expenses	Other	Unknown
11/28/2001	Taxes		211.35	40,425.01					211.35						
11/30/2001	Service Charges		9.00	40,416.01				9.00							
11/30/2001	Service Charges		661.25	39,754.76				661.25							
11/30/2001	Interest Earned	0.52		39,755.28		0.52									
	Nichole Cooper/Mann - Christmas														
	392 Cocktails		300.00	39,455.28									300.00		
12/31/2001	Service Charges		5.75	39,449.53				5.75							
12/31/2001	Interest Earned	2.07		39,451.60		2.07									
1/31/2002	Service Charges		5.00	39,446.60				5.00							
1/31/2002	Interest Earned	0.96		39,447.56		0.96									
	822 Phi Kappa Pi - Christmas Cocktails		105.00	39,342.56									105.00		
	39 Insurance Portfolio Inc		7,918.56	31,424.00						7,918.56					
2/28/2002	Service Charges		6.50	31,417.50				6.50							
3/4/2002	Deposit	3,650.00		35,067.50	3,650.00										
3/4/2002	Deposit	2,152.00		37,219.50	2,152.00										
	953 Casa Loma - 100th Deposit		2,350.00	34,869.50									2,350.00		
3/28/2002	Service Charges		9.25	34,860.25				9.25							
3/28/2002	Interest Earned	0.37		34,860.62		0.37									
4/30/2002	Service Charges		5.00	34,855.62				5.00							
4/30/2002	Interest Earned	1.02		34,856.64		1.02									
					17,994.50	5.35	134,713.54	754.75	19,248.43	7,918.56	121.68	-	3,073.72	98,000.00	-
5/13/2002	Deposit	7,700.00		42,556.64	7,700.00										
5/31/2002	Service Charges		8.75	42,547.89				6.75							
5/31/2002	Interest Earned	1.26		42,551.15		1.26									
6/28/2002	Service Charges		5.00	42,546.15				5.00							
6/28/2002	Interest Earned	1.79		42,547.94		1.79									
7/31/2002	Service Charges		5.00	42,542.94				5.00							
7/31/2002	Interest Earned	2.13		42,545.07		2.13									
8/30/2002	Service Charges		5.00	42,540.07				5.00							
8/30/2002	Interest Earned	2.13		42,542.20		2.13									
9/19/2002	Taxes		14,452.01	28,090.19					14,452.01						
9/19/2002	Taxes		139.01	27,951.18					139.01						
	Cash - Andrew Cooper -														
9/24/2002	40 Renovations		500.00	27,451.18							500.00				
9/30/2002	41 Andrew Cooper - Renovations		400.00	27,051.18							400.00				
9/30/2002	Service Charges		8.00	27,043.18				8.00							
9/30/2002	Interest Earned	1.57		27,044.75		1.57									
10/31/2002	Service Charges		5.00	27,039.75				5.00							
10/31/2002	Interest Earned	0.81		27,040.56		0.81									
11/5/2002	42 Andrew Cooper - Renovations		1,800.00	25,240.56							1,800.00				
11/29/2002	Service Charges		5.75	25,234.81				5.75							
11/29/2002	Interest Earned	0.66		25,235.47		0.66									
12/3/2002	43 Andrew Cooper - Renovations		1,800.00	23,435.47							1,800.00				
12/9/2002	44 Insurance Portfolio Inc		10,207.08	13,228.39						10,207.08					
12/11/2002	47 Tyler Steel - Party Expense		185.73	13,042.66									185.73		
12/11/2002	46 Ivan Kovacevic - Party Expense		500.00	12,542.66									500.00		
12/12/2002	45 Victor Carelun - Party Expense		140.00	12,402.66									140.00		
12/17/2002	48 Andrew Cooper		1,150.00	11,252.66							1,150.00				
12/31/2002	Service Charges		9.50	11,243.16				9.50							
12/31/2002	Interest Earned	0.21		11,243.37		0.21									
1/31/2003	Service Charges		5.00	11,238.37				5.00							
1/31/2003	Interest Earned	0.05		11,238.42		0.05									
2/28/2003	Interest Earned	0.05		11,238.47		0.05									
2/28/2003	Service Charges		5.00	11,233.47				5.00							
3/31/2003	Service Charges		5.00	11,228.47				5.00							
3/31/2003	Interest Earned	0.05		11,228.52		0.05									
4/30/2003	Service Charges		5.00	11,223.52				5.00							
4/30/2003	Interest Earned	0.05		11,223.57		0.05									
					7,700.00	10.76	-	70.00	14,591.02	10,207.08	5,650.00	-	825.73	-	-

Phi Kappa Pi Building Limited
Canada Trust (TD Canada Trust) (Note 1)
Account 00500-512245 (0500-5003595)
(In Canadian dollars)

Bank Statement Date	Payee/Details	Deposits	Cheques	Balance	Receipts			Expenditures							Other	Unknown
					Transfer from Fraternity	Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies Party Expenses			
5/26/2003	49 Andrew Cooper		10,000.00	1,223.57											10,000.00	
5/30/2003	Service Charges		5.75	1,217.82				5.75								
5/30/2003	Interest Earned	0.04		1,217.86		0.04										
6/30/2003	Service Charges		5.00	1,212.86				5.00								
7/16/2003	50 National Council		900.00	312.86											900.00	
7/31/2003	Service Charges		5.75	307.11				5.75								
8/29/2003	Service Charges		5.00	302.11				5.00								
9/30/2003	Service Charges		5.00	297.11				5.00								
10/31/2003	Service Charges		5.00	292.11				5.00								
11/28/2003	Service Charges		5.00	287.11				5.00								
12/1/2003	deposit	7,520.00		7,807.11	7,520.00											
12/1/2003	deposit	7,526.79		15,333.90	7,526.79											
12/1/2003	deposit adjustment	700.00		16,033.90	700.00											
12/1/2003	deposit adjustment	40.00		16,073.90	40.00											
12/4/2003	US Exchange	288.10		16,362.00	288.10											
12/9/2003	deposit adjustment		50.00	16,312.00	(50.00)											
12/31/2003	Service Charges		8.50	16,303.50				8.50								
12/31/2003	Interest Earned	0.27		16,303.77		0.27										
1/30/2004	Service Charges		5.00	16,298.77				5.00								
1/30/2004	Interest Earned	0.27		16,299.04		0.27										
	Andrew Cooper - transfer to															
2/5/2004	51 Fraternity Account		4,000.00	12,299.04											4,000.00	
2/24/2004	deposit	415.00		12,714.04	415.00											
2/24/2004	deposit	1,250.00		13,964.04	1,250.00											
2/27/2004	Service Charges		7.25	13,956.78				7.25								
2/24/2004	Interest Earned	0.13		13,956.92		0.13										
3/1/2004	deposit	1,125.00		15,081.92	1,125.00											
3/8/2004	deposit	10,145.00		25,226.92	10,145.00											
3/9/2004	stale dated cheque		375.00	24,851.92	(375.00)											
3/9/2004	stale dated cheque		400.00	24,451.92	(400.00)											
3/9/2004	stale dated cheque		750.00	23,701.92	(750.00)											
3/9/2004	bank error		900.00	22,801.92	(900.00)											
3/9/2004	stale dated cheque		1,000.00	21,801.92	(1,000.00)											
3/11/2004	cheque returned nsf		400.00	21,401.92	(400.00)											
3/11/2004	cheque returned nsf		400.00	21,001.92	(400.00)											
3/11/2004	cheque returned nsf		400.00	20,601.92	(400.00)											
3/18/2004	52 Andrew Cooper - Personal ST Loan		3,000.00	17,601.92											3,000.00	
3/28/2004	deposit	900.00		18,501.92	900.00											
3/29/2004	taxes		10,000.00	8,501.92					10,000.00							
3/29/2004	taxes		200.00	8,301.92					200.00							
3/31/2004	Service Charges		9.50	8,292.42				9.50								
3/31/2004	Interest Earned	0.31		8,292.73		0.31										
4/7/2004	cheque order charges		85.85	8,206.88				85.85								
4/30/2004	Service Charges		5.75	8,201.13				5.75								
					25,234.89	1.02	-	156.35	10,200.00	-	-	-	-	-	17,900.00	-
5/13/2004	53 Sprint		200.00	8,001.13								200.00				
5/13/2004	51 Enbridge		1,309.31	6,691.82								1,309.31				
5/14/2004	52 Hydro		1,521.78	5,170.04								1,521.78				
5/31/2004	Service Charges		7.25	5,162.79				7.25								
6/3/2004	deposit	1,590.00		6,752.79	1,590.00											
6/4/2004	bank error	50.00		6,802.79	50.00											
8/30/2004	Service Charges		5.75	6,797.04				5.75								
7/30/2004	Service Charges		5.00	6,792.04				5.00								
8/3/2004	54 Andrew Cooper		3,500.00	3,292.04											3,500.00	
8/9/2004	credit memo	200.00		3,492.04	200.00											
8/13/2004	55 Royal Bank - closure Frat Account		347.75	3,144.29											347.75	

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Phi Kappa Pi Building Limited
Canada Trust (TD Canada Trust) (Note 1)
Account 00500-512245 (0500-5003595)
(in Canadian dollars)

Bank Statement Date	Payee/Details	Deposits	Cheques	Balance	Receipts			Expenditures							
					Transfer from Fraternity	Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies Party Expenses	Other	Unknown
8/18/2004	Andrew Cooper - repayment for														
8/18/2004	56 transfer to Frat		3,750.00	(605.71)										3,750.00	
8/19/2004	debit deletion	3,750.00		3,144.29										(3,750.00)	
8/19/2004	presentation charge		30.00	3,114.29				30.00							
8/31/2004	Service Charges			3,107.78		6.50		6.50							
9/7/2004	cash withdrawal		3,000.00	107.79											3,000.00
9/24/2004	Quadrus	45,014.00		45,121.79			45,014.00								
9/30/2004	Service Charges		6.75	45,115.04				6.75							
9/30/2004	Interest Earned	0.10		45,115.14		0.10									
10/1/2004	cash withdrawal		5,000.00	40,115.14											5,000.00
10/29/2004	Service Charges		6.75	40,108.39				6.75							
10/29/2004	Interest Earned	1.28		40,109.67		1.28									
11/30/2004	Service Charges		5.00	40,104.67				5.00							
11/30/2004	Interest Earned	1.24		40,105.91		1.24									
12/17/2004	D Gibson - reimbursements 2003-2004														
12/17/2004	58 2004		3,836.61	36,269.30										3,836.61	
12/31/2004	Service Charges		5.75	36,263.55				6.75							
12/31/2004	Interest Earned	1.20		36,264.75		1.20									
1/12/2005	57 Insurance Portfolio Inc		10,171.44	26,093.31						10,171.44					
1/27/2005	59 D Gibson - 2001-2005		15,750.00	10,343.31										15,750.00	
1/28/2005	60 D Gibson - 2003 Stove and extras		1,267.79	9,055.52							1,267.79				
1/31/2005	Service Charges		7.25	9,048.27				7.25							
1/31/2005	Interest Earned	0.73		9,049.00		0.73									
2/3/2005	cheque copy fee.		45.00	9,004.00				45.00							
2/18/2005	62 Insurance Portfolio Inc		6,065.28	2,938.72						6,065.28					
2/28/2005	Service Charges		5.75	2,932.97				5.75							
3/14/2005	Service Charges		25.00	2,907.97				25.00							
3/31/2005	Service Charges		5.00	2,902.97				5.00							
4/29/2005	Service Charges		5.00	2,897.97				5.00							
		328,476.68	323,556.94		1,640.00	4.56	45,014.00	171.75	-	16,236.72	1,297.79	3,031.09	-	23,434.36	8,000.00
5/31/2005	Service Charges		8.00	2,889.97				8.00							
6/2/2005	transfer		2,999.97	(2,889.97)			2,999.97								
8/30/2005	Service Charges		9.76	(9.76)				9.76							
7/28/2005	credit memo	2,859.95		2,889.97			(2,859.95)								
7/29/2005	Service Charges		8.00	(2,897.97)				8.00							
9/31/2005	Service Charges		8.00	(17.76)				8.00							
9/30/2005	Service Charges		8.00	2,881.97				8.00							
10/31/2005	Service Charges		9.00	(2,905.97)				8.00							
11/30/2005	Service Charges		8.00	(25.76)				8.00							
12/31/2005	Service Charges		8.00	2,873.97				8.00							
					-	-	30.02	85.76	-	-	-	-	-	-	-

Note 1 Canada Trust account 00500-512245 became TD Canada Trust account 0500-5003595 in August 2001

TAB 7

Phi Kappa Pi Building Limited
Toronto Dominion
Account 0690-0806361
(In Canadian dollars)

Bank Statement Date		Deposits	Cheques	Balance	Receipts		Expenditures						
					Interest Earned	Other and Unknown	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	Other	Unknown
12/31/1998	Opening Balance			1,195.93									
1/13/1999	242		37.49	1,158.44									37.49
1/29/1999	Service Charges		4.54	1,153.90			4.54						
2/17/1999	245 Phi Kappa Pi - Ottawa		1,000.00	153.90								1,000.00	New Chapter Donation
2/26/1999	Service Charges		4.54	149.36			4.54						
							9.08					1,000.00	37.49
10/26/2001	Deposit	134,547.44		134,696.80		134,547.44						134,547.44	Received from TD Waterhouse Investment Account
10/31/2001	Service Charges		5.79	134,691.01			5.79						
10/31/2001	Interest Earned	4.91		134,695.92	4.91								
11/26/2001	transfer to TD 0500-5003595		134,713.54	(17.62)									See Schedule 6
11/26/2001	Interest Earned (account closed)	17.62		-	17.62								
					22.53	134,547.44	5.79	-	-	-	-	134,547.44	-

TAB 8

Phi Kappa Pi Buildings, Limited
Summary of Income and Expenditures
for the years ended April 30, 2003 to 2006

Fiscal Year Ended	Bank Account Holder	Source of Income or Expenditure	Note	Receipts				Expenditures								
				Rent	Interest Earned	Fraternity Funds [5]	Other	Service Charges	Taxes	Insurance	Repairs and Maintenance	Telephone, Cable, Utilities	House Supplies	Party Expenses	Other	Unknown
2003	Fraternity Account 115-231-3		[6]	38,333.00		[7]		190.32	-	-	3,242.88	5,012.44	950.00	7,325.36	7,300.00	2,437.34
	Company Account 00500-512245 (0500-5003595)				10.76		400.00	70.00	14,591.02	10,207.08	5,650.00			825.73	(7,300.00)	
Total 2003				38,333.00	10.76	-	400.00	260.32	14,591.02	10,207.08	8,892.88	5,012.44	950.00	8,151.09	-	2,437.34
2004	Fraternity Account 115-231-3							336.16	-	-	1,250.00	6,352.45	-	3,082.50	-	100.00
	Fraternity Account 0398-8133-359			6,505.25	0.28	[7]	50.00 [3]									
	Fraternity Account 0398-8133-367				0.08	1,635.00	50.00 [3]	0.52								
	Company Account 00500-512245 (0500-5003595)			25,234.89	1.02	-		158.35	10,200.00	-	-	-	-		17,900.00 [8]	
	Cash Collected and Paid Out		[1] [2]													
Total 2004				31,740.14	1.38	1,835.00	100.00	495.03	10,200.00	-	1,250.00	6,352.45	-	3,082.50	17,900.00	100.00
2005	Fraternity Account 115-231-3															
	Fraternity Account 0398-8133-359			45,556.73	2.15		720.00	25.70	23,455.02	-	7,520.50	17,173.09	345.96	2,092.01	-	948.81
	Fraternity Account 0398-8133-367				0.26	1,020.00	(720.00)									1,500.00
	Fraternity Cash Collected and Paid Out			11,970.00		1,040.00										
	Labour Provided in Lieu of Rent			650.00												
	Adjust for Active Fees in Rent			(2,440.00)		2,440.00										
				55,736.73												
	Company Account 00500-512245 (0500-5003695)		[1]	1,840.00	4.55	45,014.00 [4]		171.75	-	16,236.72	1,287.79	3,031.09			23,434.36 [9]	8,000.00 [10]
Total 2005				57,576.73	6.96	4,500.00	45,014.00									
2006	Fraternity Account 115-231-3															
	Fraternity Account 0398-8133-359			34,491.39	0.84		1,089.00	93.23	9,250.00	5,000.00	4,569.11	16,879.84		-	-	693.13
	Fraternity Account 0398-8133-367				0.08									362.38		
	Fraternity Cash Collected and Paid Out			23,956.00		1,052.00										
	Adjust for Active Fees in Rent			(2,720.00)		2,720.00										
Total 2006				55,727.39	0.92	3,772.00	1,089.00	93.23	9,250.00	5,000.00	4,569.11	16,879.84	-	362.38	-	693.13

- [1] During fiscal 2004 the available records for the Active Chapter do not include any cheques payable to the Company for rent. For the purposes of this analysis all deposits to the Company during the period not otherwise identified are assumed to be rental income.
- [2] No records available.
- [3] Funds advanced from unknown source to open bank accounts.
- [4] Proceeds from the sale of investments held at Quadus Investments.
- [5] Includes activity fees collected with rent and coin deposits from laundry.
- [6] Banking records are incomplete.
- [7] Total of activity fees included in rent is not known.
- [8] Includes \$17,000 in payments to Andrew Cooper for which we have no supporting documentation or explanation.
- [9] Includes \$3,500 paid to Andrew Cooper and \$19,586.61 paid to Duane Gibson for which we have no supporting documentation or explanation.
- [10] Cash withdrawal, the disposition of the funds is not known.

TAB 9

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Phi Kappa Pi Buildings Limited

Summary of Transactions

Nesbitt Burns Limited

Account 365-03369-14

(in Canadian dollars)

11/14/1994	New Investment	75,000.00
11/14/94-		
7/31/1996	Increase in market value (Note 1)	6,924.66
7/31/1996	Market Value	<u>81,924.66</u>

statements missing

2/28/1998	Market Value	80,260.58
	Increase in Market Value	<u>1,218.27</u>
3/31/1998	Market Value	81,478.85

statements missing

5/31/1998	Market Value	80,576.51
-----------	--------------	-----------

statement incomplete

6/30/1998	Market Value	77,075.42
-----------	--------------	-----------

statements missing

11/26/1998	transfer to CT Securities Account 28-1626-A (CT Securities became TD Waterhouse)	(68,124.84) See Schedule 10
------------	---	-----------------------------

Note 1 As set out in summary of statements prepared by George Vojovnic. See Appendix BB.

TAB 10

Phi Kappa PI Buildings, Limited
 TD Waterhouse Account 40X647 (formerly CT Securities Account 28-1626-A)
 Canadian Cash Account

		Dividends Earned (Note 1)	Fee Rebate	Market Value Increase (Decrease)	Transfers	Cash Withdrawals	Portfolio Value
1-Nov-98	Opening balance						
26-Nov-98					68,124.84		
	Transfer from Nesbitt Burns - cash and securities (See Schedule 9)						68,124.84
December 1998		350.10		(1,754.96)			66,719.98
January 1999		380.06		4,441.81			71,541.85
February 1999		197.21		(2,575.51)			69,163.55
March 1999		348.68	80.25	4,021.20			73,613.68
April 1999		427.46		725.64			74,766.78
May 1999		412.79		(1,611.98)			73,567.59
June 1999		554.52		2,895.64			77,017.75
July 1999		487.92		488.41			77,994.08
August 1999	statement missing						
September 1999		567.26					68,808.86
October 1999	statement missing						
November 1999		549.35					66,935.06
December 1999		649.41		233.65			67,818.12
January 2000		638.22		677.63			69,133.97
February 2000		654.64		(835.55)			68,953.06
March 2000	statement missing						
April 2000		848.17					73,788.40
May 2000 (Note 2)		74.15		4,073.72			77,936.27
June 2000		708.29		212.08			78,856.64
July 2000		1,429.04		57.66			80,343.34
August 2000		1,488.09		2,522.95			84,354.38
September 2000		741.74		(1,425.84)			83,670.28
October 2000		843.75		2,642.61			87,156.64
November 2000		1,019.66		(1,180.80)			86,995.50
December 2000	statement missing						89,568.46
January 2001		998.82		2,502.22			93,069.50
February 2001		1,135.27		1,547.55			95,752.32
March 2001		1,243.34		38.85			97,034.51
April 2001		1,171.98		7,579.43			105,785.92
May 2001		991.94		(2,652.81)			104,125.05
June 2001		885.01		(10,000.41)			95,009.65
July 2001		854.52		1,950.79			97,814.96
August 2001		878.43		(3,673.96)			95,019.43
September 2001		668.71		(6,338.71)			89,349.43
	Liquidation of Portfolio						
15-Oct-01		724.73		2,668.72			92,742.88
24-Oct-01	Transfer from TD Waterhouse US\$ trading account (See Schedule 11)				42,672.71		135,415.59
24-Oct-01						(134,547.44)	
	Proceeds from liquidation transferred to TD account 1020- 0806361 (Note 3) (See Schedule 7)						868.15
November 2001				(4.28)			863.87
December 2001				4.03			867.90
January 2002				49.02			916.92
February 2002				3.44			920.36
March 2002				(10.74)			909.62
April 2002				7.56			917.18
May 2002				5.59			922.77
June 2002				6.25			929.02
July 2002				13.15			942.17
August 2002				(0.28)			941.89
September 2002				8.23			950.12
October 2002				3.53			953.65
November 2002				0.43			954.08
December 2002	statement missing			7.08			961.16
January 2003				(2.94)			958.22
February 2003				2.85			961.07
March 2003				0.30			961.37
April 2003 -							
November 2004	statements missing			42.10			
December 2004							1,003.47
January 2005				0.07			1,003.54
February 2005	statement missing						
March 2005							1,003.68
April 2005 - June 2005				0.22			1,003.90

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Note 1 Includes dividends earned and reinvested.
Note 2 Change from CT Securities to TD Waterhouse.
Note 3 Account 1020-0806-361 is held in the name of Phi Kappa Pi Buildings, Limited, transfer is net of \$126.56 in commissions

TAB 11

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Phi Kappa Pi Buildings, Limited
TD Waterhouse Account 40X647B
(formerly CT Securities Account 28-1626-B)
US Cash Account

	Interest Earned	Market Value Increase (Decrease)	Cash Receipts (Withdrawals)	Portfolio Value
8/27/1999 Purchase of \$25000 US Treasury Bill (Note 1)			24,718.50	24,718.50
September 1999	8.63	109.00		24,836.13
October 1999	statement missing			
November 1999		172.50		25,008.63
December 1999	89.41			25,098.04
January 2000	95.92			25,193.96
February 2000	99.91			25,293.87
March 2000	95.45			25,389.32
April 2000	107.81			25,497.13
May 2000	84.17			25,581.30
June 2000	112.75			25,694.05
July 2000	121.43			25,815.48
August 2000	126.07			25,941.55
September 2000	126.68			26,068.23
October 2000	123.19			26,191.42
November 2000	127.90			26,319.32
December 2000	124.38			26,443.70
January 2001	124.79			26,568.49
February 2001	113.00			26,681.49
March 2001	97.22			26,778.71
April 2001	98.49			26,877.20
May 2001	83.94			26,961.14
June 2001	74.42			27,035.56
July 2001	68.88			27,104.44
August 2001	69.06			27,173.50
September 2001	64.58			27,238.08
October 2001	46.26			27,284.34
24-Oct-01 transfer to TD Waterhouse CDN Dollar trading account (See Schedule 10)			(27,284.34) (Note 2)	-
November 2001	10.46			10.46
December 2001 - June 2005	Balance remains unchanged, not all statements are available for the period			10.46

Note 1 Approximately \$37,300 Canadian dollars at the prevailing exchange rates.

Note 2 Converted to Canadian dollars at 1.5640 resulting in \$42,672.71 Canadian Dollars. See Schedule 10.

TAB 12

Phi Kappa Pi Building Limited
Cash Withdrawals and
Payments made to Andrew Cooper and Duane Gibson
made from Phi Kappa Pi Buildings Account 0500-5003595
at TD Canada Trust (See Schedule 6)

Date	Cheque Number	Payee	Description on Cheque or Cheque Stub	Repairs and Maintenance	Other and Unknown	Note
9/20/2002	40	Cash - Andrew Cooper	Renovations	500.00		[1]
9/26/2002	41	Andrew Cooper	Renovations	400.00		[1]
10/31/2002	42	Andrew Cooper	Renovations	1,800.00		[1]
11/28/2002	43	Andrew Cooper	Renovations	1,800.00		[1]
12/11/2002	48	Andrew Cooper	none	1,150.00		[1]
5/20/2003	49	Andrew Cooper	none		10,000.00	
1/31/2004	51	Andrew Cooper	transfer to Fraternity account		4,000.00	[2]
3/11/2004	52	Andrew Cooper	Personal ST Loan		3,000.00	
7/29/2004	54	Andrew Cooper	none		3,500.00	
8/16/2004	56	Andrew Cooper	repayment for transfer to Frat		3,750.00	[2]
				<u>5,650.00</u>	<u>24,250.00</u>	
12/17/2004	58	D Gibson	Reimbursements 2003-2004		3,836.61	[3]
1/14/2005	59	D Gibson	2001-2005		15,750.00	[3]
1/14/2005	60	D Gibson	2003 Stove and extras	1,287.79		[3]
				<u>1,287.79</u>	<u>19,586.61</u>	
9/7/2004		Cash Withdrawal			3,000.00	[4]
10/1/2004		Cash Withdrawal			5,000.00	[4]
					<u>8,000.00</u>	
Totals				<u>6,937.79</u>	<u>51,836.61</u>	

Note 1: We have been advised by Ivan Kovacevic who also signed the cheques that renovations were done to the basement TV room during the period and that payment amounts appear reasonable considering the work undertaken.

Note 2: Account held at the Royal Bank of Canada. The Royal Bank was not included in the Order issued by Justice Lederman December 13, 2005 and the Bank has declined to provide documentation until such time as a revised Order is issued.

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Note 3: We understand from Mr. Vojnovic that Mr. Gibson indicated this payment was for purchase of a stove but that Mr. Gibson did not provide an explanation for the other two payments.

Note 4: Copies of the withdrawal slips have been requested from the TD Bank. This request remains outstanding.

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TAB 13

Phi Kappa Pi Buildings, Limited
Allocation of Funds Received and Expenses Incurred
by the Phi Kappa Pi Fraternity
for the years ended April 30, 2005 and 2006

	Year Ended April 30, 2005			Year Ended April 30, 2006		
	Fraternity	House	Total	Fraternity	House	Total
Cash In						
Rental income (including \$1,800 in parking income)		45,556.73	45,556.73		34,491.39	34,491.39
Rent Paid in Cash not Deposited		11,970.00	11,970.00		23,956.00	23,956.00
Labour Provided in Lieu of Rent		650.00	650.00			
Total Rental Income Collected by Fraternity		58,176.73	58,176.73		58,447.39	58,447.39
Less Social Fees included in Rent	2,440.00	(2,440.00)		2,720.00	(2,720.00)	
Net Rental/Social Income	2,440.00	55,736.73	58,176.73	2,720.00	55,727.39	58,447.39
Laundry Income and Other Income	2,060.00		2,060.00	2,141.00		2,141.00
Interest Income		2.15	2.15		0.92	0.92
Total Cash In	4,500.00	55,738.88	60,238.88	4,861.00	55,728.31	60,589.31
Cash Out						
Taxes (Note 1)		23,455.02	23,455.02		9,250.00	9,250.00
Insurance					5,000.00	5,000.00
Service Charges		25.70	25.70		93.23	93.23
Telephone, Cable, Utilities		17,173.09	17,173.09		16,879.84	16,879.84
Repairs and Maintenance		7,520.50	7,520.50		4,569.11	4,569.11
Labour in Lieu of Rent		650.00	650.00			
House Supplies		345.96	345.96			
Party Expenses	2,092.01		2,092.01			
Expenses Paid from Undeposited Cash						
Social	3,393.83		3,393.83	3,724.31		3,724.31
Wireless Router		1,001.90	1,001.90			
Chairs		482.52	482.52			
Window Repair		800.00	800.00			
Plumbing Repairs		2,584.71	2,584.71			
Utilities/Gas Reconnection					2,718.76	2,718.76
Bathroom Renovation		8,652.98	8,652.98			
Door Locks					500.00	500.00
Other		2,886.41	2,886.41		7,672.68	7,672.68
Other Expenses Paid from Cash (no receipts)				800.00	1,940.00	2,740.00
Unknown Disbursements		2,448.81	2,448.81		693.13	693.13
	5,485.84	68,027.60	73,513.44	4,524.31	49,316.75	53,841.06
Excess of Revenue over Expenditure (Expenditure)	(985.84)	(12,288.72)	(13,274.56)	336.69	6,411.56	6,748.25
Opening Bank Balance			8,240.09			1,758.14
Unknown Difference between Cash Received and Cash Paid (Note 2)			6,792.61			(8,014.63)
Closing Bank Balance			1,758.14			491.76

Note 1: Payments made in the year ended April 30, 2005 include unpaid amount from the previous fiscal year.

Note 2: The financial records maintained by Mr. Zarrow summarize cash rents received and cash payments made however we understand from Mr. Zarrow that some cash payments were made from his personal funds for which he was subsequently reimbursed from either bank account funds or rents collected in cash. We note that in both fiscal 2005 and 2006 there is an unknown difference between the cash received and the cash paid out. On a net basis over the two years it would appear that there is \$1,222.04 in expenditures for which receipts have not been itemized.

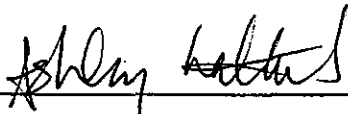
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TAB D

APPENDICES

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This is Exhibit "D" referred to in the
affidavit of Hugh Anson-Cartwright
sworn before me, this 6th
day of February, 2007.



A COMMISSIONER FOR TAKING AFFIDAVITS

ASHLEY LATTAL



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Phi Kappa Pi Buildings, Limited (#126255)

Appendices

Binder #1 of 1

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APPENDICES

- A. Court order
 - B. Curriculum vitae of Tedd Avey
 - C. Curriculum vitae of Kim McLeod
 - D. Cost of a private room in shared accommodation - The University of Toronto Student Housing website
 - E. Letters Patent dated October 22, 1920, Prospectus dated November 30, 1920
 - F. Letter from Mr. Keay to R.A. Bowlby dated December 19, 1983
 - G. Copies of certificate stubs in the share book
 - H. Documentation supporting Schedule 2 Summary of shares subscribed and payments received between January 1, 1940 and December 31, 1962
 - I. Correspondence between Mr. Avey and Mr. Sheppard related to the shares issued by Mr. Sheppard
 - J. By-Law number 1
 - K. Documents related to the Articles of Revival
 - L. Excerpt from the Registry Office files and documents
 - M. Documents related to the condition of the 85 Bedford Road Property
 - N. Documents related to the sale of the back lot
 - O. Documents related to the Perlmutter Mortgage
 - P. Documents related to Ontario Mortgage Corporation Mortgage
-

-
- Q. Documents relating to renovations undertaken under the Low Rise Rehabilitation Program
 - R. Correspondence related to the roles of the Active Chapter, Alumni and the Company
 - S. Listing of the available bank account and investment account records for the years ended April 30, 2000 to 2006
 - T. Phi Kappa Pi Buildings Ltd. income statements for the years 1994 and 1996 to 1999
 - U. Active Chapter Minutes – November 12, 2001 and May 10, 2002
 - V. Financial statement for the Active Chapter for the period September 1, 2001 to April 30, 2002
 - W. Examples of repayment schedules and termination notices
 - X. Examples of tenancy agreements
 - Y. Unclaimed account in the name of the Phi Kappa Pi Alumni Trust
 - Z. Chronology of Selected Events
 - AA. Selected documents related to Appendix Z
 - BB. Summary of transactions through Nesbitt Burns Investment Account 365-03369-14 as prepared by Mr. Vojnovic

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TAB A

Court File No. 05-CL-6115

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE Mr.
JUSTICE LEDERMAN

Tuesday 13th
FRIDAY, THE 9th DAY OF
DECEMBER, 2005 *120*

BETWEEN:

HUGH ANSON-CARTWRIGHT

Applicant

- and -

PHI KAPPA PI BUILDINGS, LIMITED

Respondent

APPLICATION UNDER Rule 14.05(2) of the *Rules of Civil Procedure* and Section 161 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 or, in the alternative, under Rule 41.02 of the *Rules of Civil Procedure* and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

ORDER

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THIS APPLICATION, made by the applicant was heard this 9th day of December 2005
at the Court House, 393 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the application record, supplementary application record, second
supplementary application record, affidavit of George Vojnovic sworn on October 17, 2005,
affidavit of Paul Zarow sworn on October 17, 2005, affidavit of Hugh Anson-Cartwright sworn

on November 30, 2005, affidavit of Janet Chan sworn on December 8, 2005, factum and brief of authorities of the applicant, the affidavits of William A.E. Sheppard sworn on November 15, 2005 and December 5, 2005 and the affidavit of John M. Porter sworn November 21, 2005 and on hearing the submissions of counsel for the applicant and certain of the respondents:

1. **THIS COURT ORDERS** pursuant to Section 161 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 that an investigation be made of the business and affairs of Phi Kappa Pi Buildings, Limited (the "Corporation");
2. **THIS COURT FURTHER ORDERS** that Mr. Edward (Tedd) A. Avey be and is hereby appointed as the investigator (the "Investigator") and that his remuneration will be fixed by this Court at a later date;
3. **THIS COURT FURTHER ORDERS** that all present and former members of Phi Kappa Pi, Sigma Pi Chapter (the "Fraternity"), as well as all present and former directors, officers and shareholders of the Corporation produce all documents and records pertaining to the business or affairs of the Corporation to the Investigator as he may request;
4. **THIS COURT FURTHER ORDERS** that the members of the Fraternity and all persons having notice of this Order produce all financial documents and records pertaining to a house located at 85 Bedford Road, Toronto, Ontario M5R 2K3 (the "Fraternity House") and to a Bank of Montreal account bearing account number 0398 8133-359 (the "Fraternity Bank Account") to the Investigator;

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5. **THIS COURT FURTHER ORDERS** that TD Canada Trust produce all documents and records relating in any way to the Corporation including those relating to account number 0500-5003595 to the Investigator;

6. **THIS COURT FURTHER ORDERS** that TD Waterhouse produce all documents and records relating in any way to the Corporation including those relating to account number 40X647 to the Investigator;

7. **THIS COURT FURTHER ORDERS** that Quadrus Investment Services Ltd. produce all documents and records relating in any way to the Corporation including those relating to account number 3005837-4 to the Investigator;

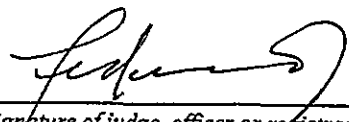
8. **THIS COURT FURTHER ORDERS** that the Bank of Montreal produce all documents and records relating in any way to the Fraternity Bank Account to the Investigator;

9. **THIS COURT FURTHER ORDERS** that the Investigator be and is hereby authorized to enter in the premises and make copies of any documents or records pertaining to the Corporation or the Fraternity found at the Fraternity House;

10. **THIS COURT FURTHER ORDERS** that ^{by leave of the Court} all present and former members of the Fraternity and all present and former directors, officers or shareholders of the Corporation attend a hearing conducted by the Investigator and give evidence upon oath if required by the Investigator;

11. **THIS COURT FURTHER ORDERS** that the Investigator make a final report of his investigation to this Honourable Court; and

12. **THIS COURT FURTHER ORDERS** that all costs of the investigation and this application will be reserved to the Judge receiving the report of the Investigator.



(Signature of judge, officer or registrar)

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

DEC 14 2005

PER/PAR: 

HUGH ANSON-CARTWRIGHT
Applicant

PHI KAPPA PI BUILDINGS, LIMITED
Respondent
Court File No. 05-CL-6115

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**APPLICATION UNDER rule 14.05 (2) of the
Rules of Civil Procedure and Section 161 of the *Business
Corporations Act*, R.S.O. 1990, c. B.16 or, in the alternative,
under Rule 41.02 of the *Rules of Civil Procedure* and
Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.
C.43, as amended**

PROCEEDINGS COMMENCED AT TORONTO

ORDER

LAX O'SULLIVAN SCOTT LLP
Counsel
Suite 1920
145 King Street West
Toronto, Ontario
M5H 1J8

Terrence J. O'Sullivan (#13354K)
Sean Werger (#47971P)
Tel : (416) 598-1744
Fax: (416) 598-3730

Solicitors for the Applicant

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TAB B

Edward (Tedd) A. Avey, B.Comm., FCA, CA•IFA, CPA (Texas), CFE

Edward (Tedd) A. Avey
Managing Director, Practice Area Leader

One Adelaide Street East
30th Floor
Toronto, ON Canada, M5C 2V9
Tel: 416 777 2460
Fax: 416 777 2441

tavey@navigantconsulting.com

Education and Professional Credentials

- 2006 Fellow of the Institute of Chartered Accountants of Ontario (FCA)
- 2000 Specialist Designation in Investigative and Forensic Accounting (CA•IFA)
- 1995 Certified Public Accountant (CPA)
- 1993 Certified Fraud Examiner (CFE)
- 1973 Chartered Accountant (CA)
- 1971 Bachelor of Commerce (B.Comm) - University of Toronto (Honours)

Professional Career

- 2006
Navigant Consulting
- 2005 – 2006
Tedd Avey & Associates Ltd.
- 1991 – 2004
Kroll Lindquist Avey
(and predecessor companies)
- 1985 – 1991
KPMG
- 1976 – 1985
Lindquist, Holmes & Co.

Professional Experience

Tedd Avey is a Managing Director, Practice Area Leader in the Toronto office of Navigant Consulting's Litigation & Investigations practice. He has practiced in the field of forensic and investigative accounting since 1975 and directly led or managed hundreds of engagements in Canada, the United States, Europe, the Caribbean and the Middle East.

Before joining Navigant Consulting in 2006, Tedd was a consultant with Tedd Avey & Associates. During this time he provided consulting services to Kroll on numerous matters including the Gomery Inquiry.

Prior to this, Tedd served in executive management positions with Kroll Inc. since 1991. He was President of Kroll Consulting Worldwide from March 2002 to July 2004; Executive Managing Director of the Investigations & Intelligence Division of Kroll Associates from May 1998 to February 2002; and a member of a number of corporate, management, and executive committees reporting to the CEO of Kroll. Tedd also served as President and Managing Principal of Kroll Lindquist Avey for seven years.

Previous to this Tedd was a Partner at KPMG in its Forensic & Investigative Accounting Practice. Tedd was one of the founders of the 1976 forensic accounting firm Lindquist Holmes & Co., that later merged with KPMG in 1985.

Tedd's practice focuses primarily on complex corporate investigations and commercial litigation, ranging from small matters to those involving hundreds of millions of dollars. He has been a speaker and seminar leader on fraud prevention and detection, and co-authored the AICPA publication, *The CPA Handbook of Fraud and Crime Prevention*, and the CICA publication, *The Accountant's Handbook of Fraud and Commercial Crime*.

Noteworthy Cases

- Retained as part of the Kroll Lindquist Avey team to co-lead the forensic investigation for Justice Gomery as part of the Commission of Inquiry into the Sponsorship Program and Advertising Activities of the Federal Government of Canada.
- Retained by the plaintiff and defendant counsel to act as an independent auditor in a class action suit between the Royal Bank of Canada and their mortgage holders across Canada. The retainer required me to carry out an in-depth investigation into the mortgage activities of the Bank and report directly to the Court on the extent of the overpayments made by the mortgage holders that had been incorrectly charged by the Bank, determination of the interest thereon and monitor the repayment. The report was accepted by the parties and the court.
- Retained by Imperial Oil as the expert witness on one of Canada's largest and most complicated patent infringement cases. The case involved the review of a complex cost accounting system, which spanned a 10-year period, and the reconstruction of the product costs of the alleged infringing products.
- Retained by Unilever as the expert witness on a multi-million dollar patent infringement.
- Retained by a multinational company in the high-tech sector to assist their internal audit group in a review of their accounting and internal control systems worldwide.
- Retained on behalf of the Government of Jamaica to investigate the failure of three major banking groups with responsibility for managing three teams of accountants, investigators and government audit staff in the ongoing investigation of the activities of the banks' former owners and managers. The investigation also focused on allegations of fraud perpetrated on the banks by their customers and suppliers.
- Retained by the Government of Malawi to investigate allegations of corruption by the former president of the country Hastings Banda.
- Played a leading role in a far-reaching investigation, on behalf of a bank in the Middle East into the disappearance of approximately half a billion dollars over a 13-year period. His team traced assets to banks in the UK, New York and Switzerland, and the findings contributed to criminal charges against the key perpetrators and substantial recovery for the client.
- Retained by a *Fortune* 500 company to work with its corporate security and internal audit groups to investigate allegations of widespread corruption within one of its departments. Tedd was a key member of a multi-disciplinary team to internal and external sites in six states and

coordinated the difficult logistics of such a far-ranging investigation. The team uncovered and established evidence of conflicts of interest and other serious irregularities. As a result, the activities ceased, the culpable individuals departed and the company's exposure to significant losses was eliminated.

- Following the overthrow of Romanian dictator Nicolae Ceausescu, Tedd was a key member of a team engaged by the new government to discover where Ceausescu had hidden as much as several billion dollars in accounts throughout the world. We successfully analyzed and traced an incredibly complex paper trail through numerous countries including Romania, Switzerland, Cyprus, Greece and Austria.
- Retained to assess the financial losses suffered in a wide variety of commercial litigation matters including claims for breach of contract, breach of fiduciary duty and breach of trust, partnership and shareholder disputes, construction claims, business interruption and insurance claims, income tax disputes, intellectual property disputes, fidelity bond investigations, wrongful dismissal actions and civil fraud.
- Retained to assist in investigations involving allegations of corruption and misconduct by senior employees and senior officers of corporations and financial institutions.
- Worked on substantial multi-jurisdictional investigations within the domestic and international banking community tracing assets and flow of funds.
- Assisted commission counsel on the Parker Commission of Inquiry in 1986/87, which investigated and reported upon allegations of conflict of interest by cabinet minister Sinclair Stevens.
- Qualified as an expert witness on numerous occasions in matters before the courts.

Publications and Speeches

- In 1999, co-authored *The Handbook of Fraud and Crime Prevention*, a publication of the American Institute of Certified Public Accountants
- In 1993, authored an article entitled "Out of Harm's Way" for Benefits Canada, a publication of the pension fund industry
- In 1992, co-authored *The Accountants Handbook of Fraud and Commercial Crime*, a publication of the Canadian Institute of Chartered Accountants

- Featured in articles in *The Financial Post Magazine*, *CA Magazine*, *Canadian Business Life*, *Toronto Life*, *VISTA* and *Maclean's*
- Lectured and presented seminars on various aspects of forensic accounting to various groups including:
 - Toronto Chartered Accountants Association
 - Society of Management Accountants
 - National Canadian Condominium Conference
 - Numerous Canadian Banks
 - Law Firms across Canada
 - Osgoode Hall Law School - Expert Witnesses in the Intensive Trial Advocacy Workshop
 - Controllers Groups
 - Ontario Police College
 - Metropolitan Toronto Police College
 - Ministries of the Ontario Government
 - Hawaiian Police Department
 - Honolulu Police Department Commercial Crime Unit
 - Ryerson Polytechnic University Business Forum - Ethical Business Decisions
 - President's Club
 - Financial Post Conference - Hidden Cost of Fraud
 - Infonex Course - Corporate Fraud & The Canadian Corporate Counsel Seminar

TAB C

C. Kim McLeod
Senior Managing Consultant

Navigant Consulting
One Adelaide Street East
30th Floor
Toronto, ON Canada, M5C 2V9
Tel: 416 777 2440
Cell: 705.761.2644
Fax: 416 777 2441

kmcleod@navigantconsulting.com

Education and Professional Credentials

- 1993 Certified Fraud Examiner (CFE)
- 1983 Chartered Accountant (CA)
- 1979 Bachelor of Mathematics (BMath)

Professional Career

- 2005 – present
Navigant Consulting
- 1993 – 2005
Kroll Lindquist Avey
(and predecessor companies)
- 1986 – 1993
KPMG, Toronto
- 1984-1986 KPMG, Wellington, New Zealand

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C. Kim McLeod CA, CFE

Professional Experience

C. Kim McLeod is a Senior Managing Consultant in Navigant's Toronto office. Since 1986, Kim has used her business, accounting and investigative expertise to manage a diverse range of complex cases focused mainly on commercial damages, fraud and other white-collar crimes. Her casework includes analyzing and quantifying economic damages, conducting fraud investigations, tracing domestic and international funds and providing commercial litigation support. Kim is a recognized expert on forensic accounting issues and has testified in US courts in New York and New Jersey. Her clients are drawn from all levels of government, law enforcement agencies and corporations in industries that include real estate development, banking, construction, manufacturing and service entities. Kim's casework extends throughout North America and overseas.

Representative assignments:

- ♦ Breach of contract claims
- ♦ Civil and criminal investigations
- ♦ Sarbanes – Oxley compliance
- ♦ Financial systems and internal controls
- ♦ Funds tracing and money laundering
- ♦ Commission of Inquiry
- ♦ Lost profits/damages
- ♦ Matrimonial and estate disputes
- ♦ Partnership and shareholder disputes
- ♦ Wrongful dismissals

NOTEWORTHY CASES

- Worked as a senior member of the Kroll Inc. team retained by Justice John Gomery to assist him in his role as Commissioner of the Commission of Inquiry into the Sponsorship Program and Advertising Activities. Responsibilities included interviewing key witnesses, analysis of transactions, the review and management of millions of documents and report writing. Kroll's report of their independent review of the Sponsorship Program is contained as an appendix to the report of Justice Gomery.
- Acted as a senior member of the Kroll Inc. team charged with the responsibility of ensuring Kroll's compliance with the Sarbanes - Oxley legislation.
- Analyzed financing structures used to raise capital at Enron and reviewed the role of the banking institutions in the development of accounting models used in Enron transactions.
- Acted as the Senior Manager responsible for asset disposals during the initial stages of the Administration of the Chapter 11 bankruptcy of Federal Mogul Inc., UK.
- Acted as court appointed forensic expert in a marital dispute to review financial transactions undertaken by the husband including the establishment of offshore trusts and alleged losses as the result of investments in offshore farming ventures.
- Reconstructed financial records to determine the assets held by a large and complex group of companies and trusts owned by various members of a prominent American family as part of a lawsuit between family members.
- Worked in conjunction with the Executors of a US\$100 million estate providing valuation for asset holdings, assistance with asset disposition and monitoring of revenue and expenditures.
- Traced the disappearance of half a billion dollars belonging to a Middle Eastern bank. Funds disappeared over a 13-year period and were traced to banks in the UK, US and Switzerland. The findings contributed to criminal charges against the key perpetrators and substantial recovery for the client.

PROFESSIONAL AFFILIATIONS

- Institute of Chartered Accountants of Ontario (ICAO)
- Institute of Chartered Accountants of Canada (CICA)
- Association of Certified Fraud Examiners (CFE)



C. Kim McLeod CA, CFE


EXPERT TESTIMONY EXPERIENCE

- Kim has been accepted as an expert in the areas of forensic and investigative accounting by courts in New York and New Jersey.

TAB D

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U of T Home	Student Services	Faculty Housing	U of T Mississauga	U of T
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Student Housing

Home

Residence

Off-Campus Housing

Family Housing

Emergency Housing

Housing Ads LOGIN

FAQs


Contact / Location

Landlords

Campus Map

What's New

Make sure you know what costs to expect before looking for your rental accommodations



Rental Rates & Expenses

Currently, most rents for housing advertised with our Service fall within the following ranges:

Shared Accommodation:
 \$350 - \$600 /month (for a private room)

Private Accommodation:
 \$500 - \$750 /month for a Bachelor apartment
 \$550 - \$900 /month for a 1-Bedrm apartment
 \$800 - \$1300 /month for a 2-Bedrm apartment
 \$1200 - \$1700 /month for a 3-Bedrm apartment

Need help comparing the costs and facilities of the places you are considering? The CMHC has a helpful [Accommodation Comparison Worksheet](#), and other helpful worksheets, available online.

Other Expenses

Utilities - Rents may be listed with or without utilities costs: heat, water and/or electricity ("Hydro"). If they're extra, expect to pay about 10% of the cost of rent.

The delivery of natural gas, now a deregulated market, is supplied by a number of companies. Natural gas and oil providers can be found in the Yellow Pages. Electrical service is supplied by [Toronto Hydro](#). Hydro also administers the billing for water services.

Transportation - if you can't walk or bike to school, you should budget for transit costs. An adult monthly [TTC](#) Metropass (unlimited use) costs \$98.75. Exact fare for one ride is \$2.50.

U of T Discounted Metropass

Renters'

Coping i
Rents

Getting An

Inspectio

Living o

Meal Plt

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Questio
Potential

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Renta
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Back to
Res

Discounted Metropasses are available for \$87 at the end of every month to U of T staff and students. For more information, visit the [SAC](#) web site or call 416.978.4911.

Telephone - The cost to have a phone line connected, if there's an existing line, is \$55.00. The cost of connection is higher if a new line must be installed. The monthly charge for basic phone service in Toronto is approx. \$25.00. For more info, visit www.bell.ca.

Internet Service - Most students will require Internet access for their home computer. The University of Toronto makes institutional e-mail and dial-in Internet services available to all its students, faculty, staff and alumni. The e-mail service is called UTORMail while the dial-in Internet service is called UTORDial. For more information, visit U of T's [Informations Commons](#) web site.

For a list of internet access providers in Toronto, as well as a guide to choosing an internet provider, go to: <http://www.interlog.com/~jansen/iap/default.htm>.

Insurance - If you're bringing expensive computer equipment or other valuables, you should consider the protection of insurance against loss or damage.

On a tight budget?

Visit our office to view a display board of housing ads in which rent is reduced or free in exchange for a service, e.g. childcare, landscaping, or tutoring.

Remember...

While the rental market is competitive, trust your own judgement at all times. If you are persistent and prepared during your search, you can avoid making unsatisfactory arrangements.

[Back to Top](#)

Home Residence Off-Campus Housing Family Housing
Emergency Housing Housing Ads LOGIN FAQs Contact / Location Landlords Campus Map What's New

TAB E

1837/6

The Capital of the Company to be Forty thousand
 2 dollars divided into eight hundred shares of
 fifty dollars each;

The Head Office of the Company to be situated at
 the said City of Toronto; and

The Provincial Directors of the Company to be
 Allan Adams, Francis Herd, Hartley and
 Ralph Wiggins Esquires, hereunto appointed.

Given under my Hand and Seal of Office at the City of Toronto in the said Province of Ontario this Twenty sixth day of October in the year of Our Lord one thousand nine hundred and twenty.

H. C. Brown

Provincial Secretary.



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(To be executed in duplicate; both to be sent to, and one deposited in, the office of the Provincial Secretary.)

PHI KAPPA PI BUILDINGS (Limited)

Limited

MEMORANDUM OF AGREEMENT AND STOCK BOOK

We the undersigned do hereby severally covenant and agree each with the others to become incorporated as a

company under the provisions of The Ontario Companies Act under the name of

PHI KAPPA PI BUILDINGS (LIMITED)

Limited.






or such other name as the Lieutenant Governor may give to the Company, with a capital of FORTY

THOUSAND ----- dollars, divided into EIGHT HUNDRED shares

of FIFTY ----- dollars each. (a)

And we hereby severally subscribe for and agree to take the respective amounts of the capital stock of the said Company set opposite our respective names as hereunder and hereafter written, and to become shareholders in such Company to the said amounts.

Witness our hands and seals.

Name of Subscriber.	Seal	Amount of Subscription.	Date and Place of Subscription.		Residence of Subscriber.	Name of Witness.
			Date.	Place.		
<i>W. L. Williams</i>		\$ 50.00	Oct 21	Toronto	335 Jarvis St.	J. A. Gibson
<i>H. H. Williams</i>		\$ 50.00	Oct 21	Toronto	67 Dufferin St.	J. A. Gibson
<i>J. S. Smith</i>		\$ 50.00	Oct 21	Toronto	42 Clarence Ave.	J. A. Gibson
<i>O. E. Lennox</i>		\$ 50.00	Oct 21	Toronto	213 Poplar Main	J. A. Gibson
<i>A. Gibson</i>		\$ 50.00	Oct 21	Toronto	20 Blythwood Rd.	J. A. Gibson

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PHI KAPPA PI BUILDINGS, LIMITED

P R O S P E C T U S

Filed the 30th day of November 1920.

- 1- Phi Kappa Pi Buildings, Limited, hereinafter called the Company was incorporated under the Ontario Companies Act by Letters Patent dated the 22nd day of October 1920.
- 2- The capital stock of the Company is Forty Thousand dollars divided into ~~eight~~ hundred shares of Fifty dollars each.
- 3- The object of the Company is to purchase a club house for the use of the Toronto Chapter of Phi Kappa Pi Fraternity, a body of graduates and undergraduates of the University of Toronto and the Ontario Law School formed for fraternal and social purposes. It is proposed that the Company purchase a suitable house in Toronto in the vicinity of the University making a cash payment and giving back or assuming mortgages for the balance of the purchase price. The house so purchased will be held in the name of the Company and leased to the undergraduate chapter of Phi Kappa Pi Fraternity at a rental to be fixed by the Directors. It is proposed that this rental shall be sufficient to pay interest on the mortgages on the property, a reasonable allowance for repairs and depreciation and to yield an annual dividend of five per cent per annum on the capital stock sold to subscribers. In view of the present high rentals for houses of this description it would appear to be possible to let a house to the undergraduate Chapter of the Fraternity at a rental covering the above mentioned items and yet lower than the usual rentals.

The amounts donated by various members to the Building Fund of the Fraternity will be transferred to the Company and credited on subscriptions for shares of stock.

Certificates will be issued to those who have donated amounts of Fifty dollars or multiples thereof.

4- The original incorporators of the Company are:-

Allan Adams, of Toronto, Physician,
Francis Herbert Kortright, of Toronto, Agent,
David Blain of Toronto, Merchant,
Oswald Elmer Lennox of Toronto, Student-at-law,
Ralph Burgess Gibson of Toronto, Barrister-at-law.

Each of the original incorporators has subscribed for one share of the capital stock.

5- The number of shares fixed as the qualification of a director is One. There is no provision in the by-laws of the Company as to the remuneration of directors.

6- The provisional directors of the Company are:-

Allan Adams of Toronto, Physician,
Francis Herbert Kortright, of Toronto, Agent,
Ralph Burgess Gibson of Toronto, Barrister-at-law.

7- The minimum subscription on which the directors may proceed to allotment is Ten shares. Shares are to be paid up in full at time of allotment. There have been no previous allotments of shares.

8- No shares have within the next preceding two years been issued as fully or partly paid for otherwise than in cash.

9- Vendors of property to the Company -	none.
10- Consideration for purchase -	none.
11- Commissions -	none.

12- The estimated amount of preliminary expenses of the Company is Two hundred dollars.

13- Nothing has been paid or is intended to be paid to

- 14- The Company has entered into no contracts.
- 15- The auditors of the Company have not yet been appointed.
- 16- The directors have no interest in any property proposed to be acquired by the Company other than as ordinary shareholders.

It is confidently expected that all members of the Fraternity will heartily endorse this method of providing a permanent home for the Active Chapter of the University of Toronto and will support the Directors of the Company by subscribing generously for shares.

The capital stock of the Company affords at once a sound investment in valuable residential property in Toronto and in addition should yield a fair return to the investor in the form of an annual dividend of Five per cent. It is anticipated that this dividend will be paid as soon as a house has been purchased and leased to the Active Chapter. The directors and incorporators invite all their fellow members and the friends of Phi Kappa Pi Fraternity to support their Fraternity in the present undertaking and by subscribing liberally to put their Fraternity in a sound financial position with a permanent home of its own. In this way the Active Chapter will be enabled to extend its activities and maintain the prestige and influence it has always enjoyed among the Fraternities of the University of Toronto in the past. It is not merely the privilege but the bounden duty of the graduate members to stand by their Fraternity at this critical period in its history and by their aid both moral and financial to support the efforts of the Board to overcome the difficulties necessarily resulting from the war. The proposed Chapter House will be a permanent and lasting memorial to those of the brotherhood who came

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their lives in the service of King and Country. The unveiling of a suitable tablet commemorating their sacrifice will be one of the first duties after occupation of the new house. The directors and incorporators feel that this will be an added incentive to all to make the new home of the Fraternity worthy of those who gave all that life offered for the ideals that form the basis of our brotherhood.

Dated at 43 Adelaide St. East, Toronto, the ~~16th~~ 30th day of November, A.D. 1920.

W. H. H. H. H.

W. H. H. H. H.

R. H. H. H. H.

*Directors,
Phi Kappa Pi Buildings, Limited.*

To the Directors of

Phi Kappa Pi Buildings, Limited,

I beg to subscribe for _____ shares of
Fifty dollars each of the Capital Stock of Phi Kappa Pi
Buildings, Limited and agree to pay in cash therefor upon
issue of notice of allotment.

Dated this _____ day of _____ 192.

Signature

Address

TAB F

146 | '24

John B

COMPANY SEARCH

8376

DATE 15/12/83

NAME: Phi Kappa Pi Buildings Limited

HEAD OFFICE: % Bowlby, c/o Bowlby 330 Bay St suite 707
Toronto Ont M5H 2S8

DATE OF INCORPORATION: 22 October 1920

METHOD OF INCORPORATION: Letters Patent

JURISDICTION: Ontario

SUBJECTS: Fraternity Land Holdings

DIRECTORS: 1) AUTHORIZED:

2) PRESENT:

NAME	ADDRESS	DATE APPOINTED
------	---------	----------------

R.A. Bowlby	17 Cedarwood Ave Willowdale Ont	30.3.55
H. Anson-Cartwright	85 Glen Rd Toronto Ont	27.10.58
Duncan Finlayson	29 Willowbank Blvd Toronto Ont	10.2.60
Gordon K. Montizambert	1611 Bayview Ave Toronto Ont	10.2.60
R.J.S. Gray	163 Berry Rd Toronto Ont	10.2.60

OFFICERS

NAME	ADDRESS	POSITION
Three		
R.A. Bowlby	as above	President
		Vice-President

Duncan Finlayson	" "	Secretary
H. Anson-Cartwright	" "	Treasurer

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December 19, 1983.

R. A. Bowlby, Q.C.,
Messrs. Bowlby & Bowlby,
Barristers and Solicitors,
Suite 707,
330 Bay Street,
Toronto, Ontario,
M5H 2S8.

Dear Bob:

Re: Phi Kappa Pi Buildings, Limited

I owe an apology to you personally, and to anyone else I might have misled as to the current status of the Fraternity's company. I don't know where I got the information that led to my belief that the company had had its Letters Patent cancelled some time in the past, but I was obviously completely mistaken and should have known that your care and consideration would not have allowed that to have happened.

Following our telephone conversation a few days ago I had a company search made at the Companies Branch, and I am enclosing a photocopy of the particulars obtained as a result of that search. The company is in existence and in good standing, and you had been faithfully filing the Annual Returns until they were no longer required.

At the same time as our corporate clerk did the search he also obtained a microfiche of the microfilmed corporate records. I have reviewed this on our microfilm machine and if you would like to obtain a copy of any part of that microfilmed record I can have my secretary type it out.

The company's capital is \$40,000.00, comprising 800 shares at \$50.00 each. There was a filing in the mid-50's which indicated that there had been 264 shares issued. I do not know

whether or not you actually have any record as to who those 264 shareholders are who paid \$50.00 each for shares of the company.

I am not particularly conversant with the intricacies of corporate law as to whether a share capital corporation can be converted into a non-share capital corporation, but I would be of the view that it might be advisable to investigate such a possibility. I would not want to give an opinion on the matter, or be quoted with any authority, but it would appear to me that the 264 shareholders of Phi Kappa Pi Buildings, Limited would, under corporate law, be the ultimate recipients of the funds if the present house were sold and not replaced. While I do not believe this to be a desirable situation I am not exactly sure as to how the interests of those existing shareholders are eliminated.

As I mentioned to you in our telephone conversation, one of those inquiring about the ownership and management of the house was Jim Stevens. I do not know whether Jim has any particular expertise in corporate law, but if he does I would suggest that you and I set up a luncheon meeting with Jim early in the New Year and provide him with the information regarding the current status of the company and ask him to provide you and the Alumni Association with his opinion whether it is possible to convert the current shareholding company into a corporation without share capital, including his views as to the best manner of dealing with the existing shareholders (both alive and dead).

Ultimately I would like to see the directors of the company with the support of a representative group of the Alumni, present a proposal to the Alumni Association for a reorganization of the corporate structure of the Fraternity, particularly as it relates to 85 Bedford Road.

For 25 years you have shouldered the burden completely on your own with little or no assistance from the Alumni, and your success in doing so makes me somewhat loath to suggest changes but I know that the time is slowly approaching when you would like to turn over your obligations. When that time arrives I would prefer to see a re-organized corporate-type structure in place rather than relying on the Fraternity being fortunate enough to find another person of your calibre and with your dedication.

If you are of the view that my comments have some validity perhaps we could get together very early in the New Year to pursue the question further.

Yours very truly,

LMK:amcl

L. M. Keay.

TAB F

PHI KAPPA PI BUILDINGS, LIMITED This is Exhibit F referred to in the

Shareholders' Meeting
November 10, 2010

affidavit of Hugh Anson-Cartwright
sworn before me, this 11th
day of July 2017

MINUTES of a Meeting of Shareholders of Phi Kappa Pi Buildings, Limited (the Corporation)
held at 85 Bedford Road, Toronto, ON, on November 10, 2010 at 2:00pm..

John D. Holding took the chair.

INTRODUCTORY REMARKS

John D. Holding called the meeting to order. He stated that the meeting was a Special Meeting called in accordance with the order of Spence J. dated September 14, 2007 ordering the Corporation to hold a Meeting of Shareholders. He stated that according to this order he would take the chair of the meeting. The Chairman asked Aaron Grinhaus to act as Secretary of the meeting.

The Chairman then advised the meeting that instruments of proxy must be deposited prior to the time of voting, and that if any persons present held instruments of proxy that had not been deposited, they should present them to the secretary.

NOTICE OF MEETING:

The Chairman referred to the notice of the Special Meeting of Shareholders, dated October 20th, 2010 providing the date, time, location and purpose of the meeting. The Chairman also referred to the Affidavit of Christopher Tanoh that describes the process of trying to identify the last known addresses of shareholders and confirms that he sent notice of the meeting to all shareholders for whom he had a last known address, including persons who had subscribed but not fully paid for their shares. Notice of the meeting had also been published in the Globe and Mail by the Secretary.

REPORT ON ATTENDANCE:

The Chairman then sought to identify the shareholders in attendance and present by proxy. The Chairman identified three (3) Shareholders present in person, three (3) Shares represented by proxy and no instruments of proxy which were found to have been spoiled, as detailed below:

<u>Shareholder</u>	<u>Number of Shares</u>	<u>Present or Proxy</u>
William Sheppard	3	Present
Hugh Anson-Cartwright	2	Present
Donald Cockburn	2	Present
Gerald Skea	2	By Proxy to Hugh Anson-Cartwright
Gowan Guest	2	By Proxy to Hugh Anson-Cartwright
James Lambie	2	By Proxy to Hugh Anson-Cartwright

Mr. William Sheppard disputed the Chairman's report, saying it does not accurately reflect shareholders of the Corporation. The Chairman disagreed with Mr. Sheppard and confirmed the above are valid holders of the number of shares in the Corporation as given. The Chairman then declared that the meeting was regularly called and properly constituted for the conduct of business and that there was a quorum of shareholders entitled to vote.

ELECTION OF DIRECTORS

The Chairman stated that the first item of business was the appointment of directors. The Chairman noted that By-Law 2 of the Corporation requires that five (5) Shareholders be appointed to the Corporation's Board of Directors. The Chairman declared the Meeting open for nominations. Hugh Anson-Cartwright then stated:

I nominate Hugh Anson-Cartwright, Donald Cockburn, Gerald Skea, Gowan Guest and James Lambie, all of whom are resident Canadians, as directors of the Corporation to hold office until the next annual election of directors or until their successors are elected, subject to the provisions of the Corporation's by-laws.

Donald Cockburn seconded the nominations. The Chairman asked if there were any further nominations, and there were none. The Chairman then confirmed there was a quorum.

On motion duly made by Hugh Anson-Cartwright, seconded by Donald Cockburn and, by a margin of ten (10) votes to three (3), carried by show of hands, it was

RESOLVED that the following persons are elected as Directors of the Corporation for the ensuing year or until their successor(s) are elected:

Hugh Anson-Cartwright
Donald Cockburn
Gerald Skea
Gowan Guest
James Lambie

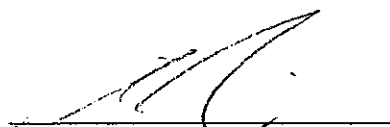

TERMINATION OF MEETING

The Chairman then stated that if there was no further business to be brought before the meeting, he would ask for a motion for termination of the meeting.

On motion duly made by Hugh Anson-Cartwright, seconded by Donald Cockburn and, by a margin of ten (10) votes to zero (0), carried by a show of hands, it was

RESOLVED that the meeting now be terminated.

Thereupon, the Chairman declared the meeting terminated and thanked those present for attending.


Aaron Grinhaus
Secretary of the Meeting
John D. Holding
Chairman of the Meeting

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PHI KAPPA PI BUILDINGS, LIMITED
SHAREHOLDER MEETING

NOVEMBER 10TH, 2010

AGENDA

1. Shareholders Resolutions:

- i. Resolution regarding Election of Directors
- ii. Consent to act as Director of the Corporation

2. Directors Resolutions:

- i. Resolution regarding Appointment of Managing Director
- ii. Consent to act as Managing Director
- iii. Resolution regarding Financial Year End
- iv. Resolution regarding Election and Appointment of Officers
- v. Resolution regarding Minute Book and Location of Corporate Records
- vi. Resolution regarding Authorization Re Bills Of Sale, Etc.
- vii. Resolution regarding Corporate Seal
- viii. Resolution regarding Registered Office
- ix. Consent to act as Officers of the Corporation
- x. Resolution regarding Banking and Signing Officers

3. Officers Resolutions

4. New Business

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Phi Kappa Pi Buildings Limited Meeting Agenda
January 21, 2011

Present: Aaron Grinhaus, Paul Zarow, Christian Chan

ALL DELIVERABLES DUE FRIDAY, FEBRUARY 4

- 1) **PAUL:** Reimbursement for and finishing renovations of back room
 - a. Paul has been reimbursed
 - b. Need budget from House Manager
 - c. Need cost estimates for floor options
- 2) **CHRITIAN:** Parking spots
 - a. Check market rates
 - b. Send letters to Shaul Ezer and Shuttleworth with new rates
 - i. Max one year contract
 - c. Advertise at U of T
 - i. Term should be school year
- 3) **PAUL/CHRISTIAN:** Quotes for further renovations and repairs
 - a. Involve the house manager and create list of required repairs/renovations
 - b. Get at least three quotes
 - c. **CREATE BUDGET** based on house revenues/expenses
 - d. Look into purchasing coin-op laundry machines
- 4) **AARON:** Use and investment of Quadrus money
 - a. **APPROVED** the following expenses:
 - i. Pay Lax O'Sullivan bill
 - ii. Accounting and book keeping re: delinquent taxes
 - iii. Pay Paul what he is owed for renovations
 - iv. Corporate returns and minute book
 - v. Investment of remaining balance – **NEED TO DISCUSS FURTHER**
- 5) **CHRISTIAN:** Active Chapter Expenses
 - a. Get House Manager to submit a budget
 - b. Only approved house expenses will be reimbursed with receipts
 - c. \$25/rented room goes to active chapter
- 6) **ALL:** Banking – USE New Bank (TD) only for corporate business
- 7) **CHRISTIAN:** Rents
 - a. Create three classes of rooms: \$400/\$450/\$500
 - b. Brothers get 10% discount; executives get additional 5% (incentive to participate)
 - c. Get post-dated cheques from the tenants
- 8) **AARON:** Find out about officers and directors liability insurance
- 9) **AARON:** PKP Litigation update
 - a. Look into converting into not-for-profit

RESOLUTIONS OF THE SHAREHOLDERS

OF

PHI KAPPA PI BUILDINGS LIMITED

(the "Corporation")

ELECTION OF DIRECTORS

WHEREAS Justice Spence of the Superior Court of Justice, by a court order dated September 14, 2007, ordered the Corporation to hold a Shareholder Meeting to appoint a Board of Directors in accordance with the by-laws of the Corporation; and

WHEREAS By-Law 2 dated January 25, 1933, of the Corporation requires that Five (5) Shareholders shall be appointed to the Board of Directors;

RESOLVED THAT the following persons are elected as Directors of the Corporation for the ensuing year or until their successor(s) are elected:

DONALD COCKBURN
HUGH ANSON-CARTWRIGHT
GERALD SKEA
GOWAN GUEST
JAMES LAMBIE

The foregoing resolution is hereby consented to by the shareholders of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario), as evidenced by their signatures hereto.

DATED the 10th day of November, 2010.

Hugh Anson-Cartwright
HUGH ANSON-CARTWRIGHT

Hugh Anson-Cartwright
BY PROXY
GOWAN GUEST

Donald Cockburn
DONALD COCKBURN

Hugh Anson-Cartwright
BY PROXY
GERALD SKEA

Hugh Anson-Cartwright
BY PROXY
JAMES LAMBIE

TAB G

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This is Exhibit.....referred to in the
affidavit of.....*Hugh Anson Cartwright*
sworn before me, this.....*11th*

Day of.....*July*.....20*17*

PHI KAPPA PI BUILDINGS, LIMITED
(the "Company")

RESOLUTIONS OF THE DIRECTORS

[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

WHEREAS, in light of the facts and circumstances set forth in the Summary of Relevant Facts regarding Phi Kappa Pi Buildings, Limited (the "Company"), a copy of which is annexed as Exhibit "A" to these resolutions, which has been received, reviewed and considered by all of the directors, it is considered to be in the best interests of the Company, its creditors and shareholders that

IT BE AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. An annual and special general meeting of the shareholders of the Company be called and held for the following purposes:
 - a. to receive financial statements of the Company;
 - b. to amend paragraph 3 of By-Law No. 1 of the Company so that it shall provide: "The affairs of the Company shall be managed by a Board of Directors to consist of five persons, or such other number as may be set in accordance with law, none of whom shall be required to be a shareholder in the Company, but each of whom shall preferably be an alumnus of the Sigma Chi chapter of Phi Kappa Pi Fraternity.";
 - c. if paragraph 3 of By-Law No. 1 is so amended, to elect a Board of five directors, to be nominated by the current directors in the notice and accompanying information calling the special meeting;
 - d. to authorize the voluntary liquidation and winding up of the Company, including the appointment of a liquidator, nominated by the current directors in the notice and accompanying information calling the special meeting;
 - e. to authorize, if in connection with the liquidation and winding up of the Company, it becomes certain that there will be a surplus of proceeds that cannot be distributed to shareholders because such shareholders, or their heirs, successors or legal personal representatives cannot be located after reasonable efforts of the liquidator to do so, the charitable donation of such undistributed surplus of proceeds, for educational purposes, to the University of Toronto and/or Ryerson University; and
 - f. to attend to such further and other business as may properly come before such meeting.
2. For the purpose of the calling and holding of the annual and special general meeting described in 1. above, the Company be caused to apply to the court pursuant to the *Business Corporations Act* (Ontario) (the "Act") for an order under section 106 of the Act to provide guidance regarding the reasonable and proper manner of giving notice of the meeting to those shareholders for whom the Company has no current address information.
3. To ensure that there is a liquidation and winding up of the Company, including the appointment of a liquidator, the Company be caused to apply to the court for an order under section 207 of the Act that the Company be wound up pursuant to clause (b) (iii) thereof on the basis that the

Company, though it may not be insolvent, cannot by reason of its liabilities continue its business and it is advisable to wind it up, and/or clause (iv) thereof on the basis that it is just and equitable for some reason, other than the bankruptcy or insolvency of the Company, that it should be wound up; and, under section 210(1) of the Act that the court, in making the winding-up order, appoint one or more persons as liquidator of the estate and effects of the Company for the purpose of winding up its business and affairs and distributing its property.

4. Hugh Anson-Cartwright, in his capacity as a director and the president of the Company be and he is hereby authorized and directed (a) to retain and instruct counsel for the Company to advise, prepare and submit such documents, instruments, procedures, applications and instruments ancillary thereto in connection with the foregoing, for and on behalf of the Company, and (b) to execute and deliver, for and in the name and on behalf of the Company, such documents, instruments, procedures, applications and instruments ancillary thereto and to do and perform all acts and things as he determines to be necessary or desirable to carry out the terms of this resolution; and the execution and delivery of documents, instruments, procedures, applications and instruments ancillary thereto for and on behalf of the Company by him is hereby approved, together with such amendments, deletions, variations and additions therein and thereto, if any, as he may approve, and the delivery thereof on behalf of the Company by him is hereby authorized and approved, such execution and delivery to be conclusive evidence that the application and all other documents and instruments ancillary thereto as so executed and delivered are authorized by this resolution.

Pursuant to the *Business Corporations Act* (Ontario), the foregoing resolutions are hereby signed by all of the directors of the Company, each of whom is a resident Canadian, as of the 22nd day of March, 2016. 7 HAC

Hugh Anson-Cartwright

Hugh Anson-Cartwright

Gerald Skea

Gerald Skea

Donald William Cockburn

Donald William Cockburn

John Cottenden

John Cottenden

John Hollander Signed
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PHI KAPPA PI BUILDINGS, LIMITED
(the "Company")

RESOLUTIONS OF THE DIRECTORS

WHEREAS, in light of the facts and circumstances set forth in the Summary of Relevant Facts regarding Phi Kappa Pi Buildings, Limited (the "Company"), a copy of which is annexed as Exhibit "A" to these resolutions, which has been received, reviewed and considered by all of the directors, it is considered to be in the best interests of the Company, its creditors and shareholders that

IT BE AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. An annual and special general meeting of the shareholders of the Company be called and held for the following purposes:
 - a. to receive financial statements of the Company;
 - b. to amend paragraph 3 of By-Law No. 1 of the Company so that it shall provide: "The affairs of the Company shall be managed by a Board of Directors to consist of five persons, or such other number as may be set in accordance with law, none of whom shall be required to be a shareholder in the Company, but each of whom shall preferably be an alumnus of the Sigma Pi chapter of Phi Kappa Pi Fraternity.";
 - c. if paragraph 3 of By-Law No. 1 is so amended, to elect a Board of five directors, to be nominated by the current directors in the notice and accompanying information calling the special meeting;
 - d. to authorize the voluntary liquidation and winding up of the Company, including the appointment of a liquidator, nominated by the current directors in the notice and accompanying information calling the special meeting;
 - e. to authorize, if in connection with the liquidation and winding up of the Company, it becomes certain that there will be a surplus of proceeds that cannot be distributed to shareholders because such shareholders, or their heirs, successors or legal personal representatives cannot be located after reasonable efforts of the liquidator to do so, the charitable donation of such undistributed surplus of proceeds, for educational purposes, to the University of Toronto and/or Ryerson University; and
 - f. to attend to such further and other business as may properly come before such meeting.
2. For the purpose of the calling and holding of the annual and special general meeting described in 1. above, the Company be caused to apply to the court pursuant to the *Business Corporations Act* (Ontario) (the "Act") for an order under section 106 of the Act to provide guidance regarding the reasonable and proper manner of giving notice of the meeting to those shareholders for whom the Company has no current address information.
3. To ensure that there is a liquidation and winding up of the Company, including the appointment of a liquidator, the Company be caused to apply to the court for an order under section 207 of the Act that the Company be wound up pursuant to clause (b) (iii) thereof on the basis that the

Company, though it may not be insolvent, cannot by reason of its liabilities continue its business and it is advisable to wind it up, and/or clause (iv) thereof on the basis that it is just and equitable for some reason, other than the bankruptcy or insolvency of the Company, that it should be wound up; and, under section 210(1) of the Act that the court, in making the winding-up order, appoint one or more persons as liquidator of the estate and effects of the Company for the purpose of winding up its business and affairs and distributing its property.

4. Hugh Anson-Cartwright, in his capacity as a director and the president of the Company be and he is hereby authorized and directed (a) to retain and instruct counsel for the Company to advise, prepare and submit such documents, instruments, procedures, applications and instruments ancillary thereto in connection with the foregoing, for and on behalf of the Company, and (b) to execute and deliver, for and in the name and on behalf of the Company, such documents, instruments, procedures, applications and instruments ancillary thereto and to do and perform all acts and things as he determines to be necessary or desirable to carry out the terms of this resolution; and the execution and delivery of documents, instruments, procedures, applications and instruments ancillary thereto for and on behalf of the Company by him is hereby approved, together with such amendments, deletions, variations and additions therein and thereto, if any, as he may approve, and the delivery thereof on behalf of the Company by him is hereby authorized and approved, such execution and delivery to be conclusive evidence that the application and all other documents and instruments ancillary thereto as so executed and delivered are authorized by this resolution.

Pursuant to the *Business Corporations Act* (Ontario), the foregoing resolutions are hereby signed by all of the directors of the Company, each of whom is a resident Canadian, as of the 22nd day of March, 2016.7

Hugh Anson-Cartwright

Donald William Cockburn

Gerald Skea

John Cottenden
John Cottenden

**Summary of Relevant Facts regarding Phi Kappa Pi Buildings, Limited
(the "Company")¹**

A. Background

1. Phi Kappa Pi Buildings, Limited (the "Company") was incorporated in 1920. Its stated object was to purchase a house and lease it to the Toronto chapter of Phi Kappa Pi fraternity (the "Fraternity"). To encourage investment a prospectus was prepared, in which prospective investors were advised:

The capital stock of the Company affords at once a sound investment in valuable residential property in Toronto and in addition should yield a fair return to the investor in the form of an annual dividend of five per cent. It is anticipated that this dividend will be paid as soon as a house has been purchased and leased to the Active Chapter.

2. By 1962, the Company had issued [265] shares. No further shares have been validly issued.
3. The fraternity house property currently owned by the Company, situated at 85 Bedford Road, Toronto, Ontario (the "Property"), was acquired in 1958, to replace a previously owned property that was expropriated for the purposes of the University of Toronto. Because of zoning restrictions, title was held in the name of Robert Bowlby, Q.C., a member of the Phi Kappa Pi Alumni Association (the "Alumni"). Mr. Bowlby held the Property in trust for the Company and transferred the Property to it in 1988.³
4. The affairs of the Company appeared to have been ably managed for many years.⁴ However, that changed. Corporate records were misplaced or lost,⁵ corporate filings were not kept up

¹ This summary is derived largely from a review of the Reasons for Decision of Grace J. released March 29, 2011 in respect of an Application by the Company (as Applicant), issued and pursued on the instructions of William A.E. Sheppard, seeking, among other things, an order requiring Christian Chan and David Sandink (as respondents) to vacate the Company's Property at 85 Bedford Road. *Kappa v. Chan and Sandink*, 2011 ONSC 1986, heard February 22, 2011 by Grace J. The Reasons for Decision determined that such application be stayed, but more importantly, contained a comprehensive and excellent review of the factual background leading to the present proposed application.

² This number is drawn from the records discussed in and appended to the financial review conducted by Mr. Edward (Tedd) A. Avey, of Navigant Consulting, dated October 23, 2006. Mr. Avey had been appointed as investigator to conduct an investigation of the business and affairs of Phi Kappa Pi Buildings, Limited by order of the Honourable Mr. Justice Lederman of the Ontario Superior Court of Justice entered at Toronto on Dec. 14, 2005. Certain shares purported to have been subsequently issued in 2005 and 2006 were declared to have been invalidly issued and to be void and of no force or effect. See paragraph 6, in Part B of this summary.

³ A portion of the Property was sold to a neighbour in 1989.

⁴ However, to the best of the directors' knowledge and belief the Company has not declared and paid a dividend to its shareholders since at least 1952, and most likely since its inception in 1920.

⁵ For example, the minute book has not been located.

to date,⁶ the Company was dissolved and had to be revived⁷, banking records vanished and mounting deficits jeopardized the Company's future.

5. In 2004, William A.E. Sheppard, an Alumnus, became involved in the Company's internal affairs, and concluded that the Company was, indeed, in an operational and organizational mess. He decided to take the helm. Despite good intentions, the helm taking and ship righting exercise did not go well. An accurate picture of the Company's financial position failed to emerge. Questions were directed to members of former management. Cooperation was not forthcoming. Concerns grew that funds had been misappropriated. Two rival groups emerged. One led by Mr. Sheppard. The other by George Vojnovic. They wrestled for control of the Company for some time. The competing claims affected the Company's relationships with financial institutions, the Fraternity and others.

B. Prior Legal Proceedings

6. Having been acknowledged to be a director by both rival groups at one time, Hugh Anson-Cartwright issued an application in October, 2005. Among other things he sought an order directing an investigation into the affairs of the Company pursuant to section 161 of the Ontario Business Corporations Act (the "OBCA"). Mr. Sheppard unsuccessfully challenged Mr. Anson-Cartwright's status to bring the application. Over Mr. Sheppard's objection, Lederman J. concluded that Mr. Anson-Cartwright held shares in the Company. Lederman J. also directed Tedd Avey of Navigant Consulting to investigate the business and affairs of the Company and report to the Court. All persons interested in or having dealings with the Company were directed to cooperate.⁸ The depth of the disharmony was described in Mr. Avey's October 23, 2006 report. Mr. Sheppard's actions raised concern. Documentation had been discarded. Shares had been issued to Mr. Sheppard and persons connected to him in circumstances requiring explanation. Spence J. heard a further application. His endorsement was released on April 25, 2007. Spence J. ordered that a meeting of shareholders of the Company be held pursuant to section 106 of the OBCA because it was "unclear who the legitimate officers and directors ... are." The shareholders were to elect directors of the Company. John D. Holding, Q.C. was appointed to chair the meeting. Seemingly no other directions were sought. None were given. The application judge, Spence J., also held that shares issued to Mr. Sheppard and others in 2005 and 2006 were not properly issued and outstanding and were, therefore, invalid. An order reflecting the terms of the endorsement was not signed until September 14, 2007⁹
7. In February, 2010 an application was issued and was pursued on the instructions of Mr. Sheppard, seeking, among other things, an order requiring Christian Chan and David Sandink

⁶ After 1975 there were no corporate filings until some were made in 2005.

⁷ It was revived in 1998.

⁸ The matter was heard and a handwritten endorsement was made by Lederman J. on December 13, 2005.

⁹ It should be noted, however, that the order declares the shares to be "void and of no force or effect."

respondents to vacate the Company's Property at 85 Bedford Road.¹⁰ It was heard February 22, 2011 by Grace J., who determined that such application be stayed.¹¹

8. At a special meeting of shareholders of the Company held on November 10, 2010, pursuant to the order of Spence J., resolutions were passed respecting the number of directors and electing directors. It is a requirement under the by-laws of the Company that only holders of shares of the Company are eligible to be directors.¹² Pursuant to the resolutions the number of directors was set at five, and Donald Cockburn, Hugh Anson-Cartwright, Gerald Skea, Gowan Guest, and James Lambie were elected as the Directors of the Corporation for the ensuing year or until their successor(s) were elected. Each of these directors were holders of one or more shares in the capital of the Corporation, and as such were qualified to be so elected. Since then James Lambie died, and John A. Cottenden was appointed a director to fill the vacancy resulting from his death, and since then Gowan Guest died, leaving Donald Cockburn, Hugh Anson-Cartwright, Gerald Skea and John A. Cottenden as surviving directors.

C. Current Status

9. Including the current directors, all of whom are near or over 80 years old, fewer than eight living shareholders of the Company have been located. Based on current mortality tables, within the next 10 years the probability is that there will be an insufficient number of living shareholders to qualify for election as director of the Company.
10. In 2012, the Company was required to make substantial renovations to the Property to meet by-law and building code standards. In 2013 the Company was able to arrange short term mortgage financing from Velvo Investments Ltd. in the amount of \$300,000 bearing interest at 7.50 per cent per annum to finance the costs of such renovations. Such mortgage was to mature and be repaid on May 1, 2016; an extension of the maturity only until May 1, 2018 has been agreed to by the lender.
11. In May, 2014, for the purpose of funding repayment of the Velvo Investments Ltd. mortgage, and to provide needed capital, the Company proposed to create, offer and issue to Alumni members, 5% secured debentures (initially as Series A Debentures) of the Company, limited to an aggregate principal amount of \$450,000, secured by the Property of the Company. Despite best efforts of the board of directors, officers and other parties, there was insufficient interest of Alumni members to make this proposal a viable refinancing option.

¹⁰ Cited as Kappa v. Chan and Sandink, 2011 ONSC 1986.

¹¹ See Reasons for Decision of Grace J. released March 29, 2011,

¹² By-Law number one of the Company provides, in paragraph three: "The affairs of the Company shall be managed by a Board of Directors to consist of three persons, each of whom shall be a shareholder in the Company, holding at least one share of the stock thereof."

D. Conclusion.

12. The Company incurred operational losses in 2011, 2012 and 2013 putting it in a deficit position. The Company is in a business loss carry forward position for income tax purposes.
13. The maximum number of rooms available for rent in the Property is fourteen, four of which are currently rented to students who are not members of the Fraternity. It is becoming impossible for the Company to continue operating the Property as a fraternity house as it risks being unable to pay its liabilities (including its mortgage obligation) as they become due. Use of the Property as a fraternity house is not its highest and best economic use. Accordingly, it appears imperative that the Property be sold while the Company still has living directors/shareholders.
14. Since at least 2011 no fees have been paid to directors, officers or management of the Company; management of the Company and its Property and finances is onerous.
15. There is merit in winding up the Company as soon as is legally possible for the following five main reasons:
 - a. Operating costs of the Property and compliance costs of the Company continue to increase each year; it is problematic to pass on these costs to tenants.
 - b. No shareholders have shown themselves willing to devote the hundreds of hours necessary to guide the Company's future operations.
 - c. At no time in the foreseeable future will there be sufficient cash flow to pay off the existing mortgage or to service a replacement mortgage.
 - d. Should the mortgagee become a mortgagee-in-possession of the Property on May 1, 2018 or earlier, the shareholders of the Company would incur a considerable loss.
 - e. Now is the most propitious time to request the approval of the Court, due to the small number of living shareholders and locatable beneficiaries of deceased shareholders of the Company.

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

Court File No.: CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED
Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF HUGH ANSON-CARTWRIGHT
(Sworn July 11, 2017)**

LERNERS LLP
130 Adelaide Street West
Suite 2400
Toronto, ON M5H 3P5

Jason Squire LSUC#: 43183O
Tel: 416.601.2369 / Fax: 416.867.2404

Domenico Magisano LSUC#: 45725E
Tel: 416.601.4121 / F: 416.601.4123

Lawyers for the Applicant

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) , THE
JUSTICE) DAY OF , 2017

IN THE MATTER OF an Application under section 182 of the
Business Corporations Act (Ontario) R.S.O. 1990, c.B.16, as amended

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement of **Phi Kappa Pi Buildings, Limited** (the
"Applicant")

INTERIM ORDER

THIS MOTION made by the Applicant, Phi Kappa Pi Buildings, Limited, for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act* (Ontario) R.S.O. 1990, c.B.16, as amended, (the "OBCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on July 12, 2017 and the affidavit of Hugh Anson-Cartwright sworn July 11, 2017 (the "Anson-Cartwright Affidavit"), including the Plan of Arrangement which is attached as Appendix "A" to this Interim Order, and on hearing the submissions of counsel for the Applicant.

The Meeting

1. **THIS COURT ORDERS** that the Applicant is permitted to call, hold and conduct a special meeting (the "Meeting") of the holders of voting common shares (the "Shareholders") in the capital of Phi Kappa Pi Buildings, Limited to be held at 130 Adelaide Street West, Suite

2400, Toronto, Ontario on September 22, 2017 at 2:00 p.m. (Toronto time) in order for the Shareholders to consider and, if determined advisable, pass one or more resolutions authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

2. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of meeting of Shareholders attached as Appendix "B" to this Interim Order (the "Notice of Meeting") and the articles and by-laws of Phi Kappa Pi Buildings, Limited, subject to what may be provided hereafter and subject to further order of this court.

3. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the shareholders entitled to notice of, and to vote at, the Meeting shall be the date of this Interim Order. As provided at paragraph 25 of this Interim Order, such Record Date shall also determine Shareholders entitled to dissent to the Plan of Arrangement. No Shareholders other than Shareholders as of the Record Date shall be entitled to vote on the Arrangement Resolution or dissent to the Plan of Arrangement.

4. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- (a) the Shareholders or their respective proxyholders;
- (b) the officers, directors, auditors and advisors of Phi Kappa Pi Buildings, Limited;
and
- (c) other persons who may receive the permission of the Chair of the Meeting.

5. **THIS COURT ORDERS** that Phi Kappa Pi Buildings, Limited may transact such other business at the Meeting as may otherwise be properly before the Meeting.

Quorum

6. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by Phi Kappa Pi Buildings, Limited and that, subject to further order, the quorum at the Meeting shall be not less than five Shareholders present in person or represented by proxy.

Retainer of Professionals

7. **THIS COURT ORDERS** the appointment of Lerner's LLP as counsel to the Applicant on the Application. Lerner's LLP may engage such counsel, co-counsel, experts, advisors or agents as instructed by the Applicant.

8. **THIS COURT ORDERS** the appointment of Grunwald & Co. and PricewaterhouseCoopers LLP as financial advisors to the Applicant for purposes of the Application and the Arrangement. Such financial advisors may engage such counsel, experts, advisors or agents as instructed by the Applicant.

9. **THIS COURT ORDERS** that the fees and disbursements of Lerner's LLP, Grunwald & Co. and PricewaterhouseCoopers LLP shall be payable in priority to all other creditors of the Applicant except secured creditors.

Amendments to the Arrangement and Plan of Arrangement

10. **THIS COURT ORDERS** that Phi Kappa Pi Buildings, Limited is authorized to make, subject to the terms of this Interim Order, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 13 and 14 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if

appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

11. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 10, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Phi Kappa Pi Buildings, Limited may determine.

Adjournments and Postponements

12. **THIS COURT ORDERS** that the Applicant, if it deems advisable and subject to the terms of the Plan of Arrangement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Applicant may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

13. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the Applicant shall send the notice of the Meeting substantially in the form of the draft Notice of Meeting at Appendix "B" to this Interim Order, and the Appointment of Proxy substantially in the form at Appendix "C" to this Interim Order, along with such amendments or additional documents as the Applicant may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

- (a) persons known to the board of directors to be Shareholders as of the close of business on the Record Date by one or more of the following methods, such sent by July 22, 2017:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as of the close of business on the Record Date known to the directors of the Applicant, including as may appear in the books and records of the Applicant;
 - (ii) by delivery, in person or by recognized courier service to the address specified in (i) above; or
 - (iii) by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of Phi Kappa Pi Buildings, Limited, who requests such transmission in writing; and,
- (b) the respective directors of Phi Kappa Pi Buildings, Limited by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, such sent by July 22, 2017;

14. **THIS COURT ORDERS** that the Applicant shall also publish newspaper advertisements in the Toronto Star and one national newspaper on or before July 22, 2017 in substantially in the form of the draft Notice of Meeting at Appendix "B" to this Interim Order, and post pdf copies of the Meeting Materials and this Interim Order at the internet address identified in the Notice of Meeting.

15. **THIS COURT ORDERS** that compliance with paragraphs 13 and 14 of this Interim Order shall constitute sufficient notice of the Meeting.

16. **THIS COURT ORDERS** that accidental failure or omission by Phi Kappa Pi Buildings, Limited to give notice of the Meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Phi Kappa Pi Buildings, Limited, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Phi Kappa Pi Buildings, Limited, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

17. **THIS COURT ORDERS** that any persons who do not receive notice of the Meeting addressed to them by mail, but who claim or believe themselves to be Shareholders and who wish to vote at the Meeting or to exercise rights of dissent, shall furnish evidence to the board of directors of the Applicant of their shareholdings as of the Record Date by August 9, 2017, in the manner described in the Notice of Meeting. The board of directors of the Applicant shall determine whether any such person is or is not a Shareholder as of the Record Date, and communicate such determination, by August 25, 2017. Any dispute as to the board of directors' determination of a person's status as Shareholder as of the Record Date shall be heard and determined by this Honourable Court on or before September 8, 2017.

18. **THIS COURT ORDERS** that Phi Kappa Pi Buildings, Limited is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials, as Phi Kappa Pi Buildings, Limited may determine in accordance with the terms of the Plan of Arrangement ("Additional Information"), and that notice of such Additional Information may, subject to the terms of this Interim Order, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Phi Kappa Pi Buildings, Limited may determine.

19. **THIS COURT ORDERS** that distribution of the Meeting Materials pursuant to paragraphs 13 and 14 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 13 and 14. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by the terms of this Interim Order.

Solicitation and Revocation of Proxies

20. **THIS COURT ORDERS** that Phi Kappa Pi Buildings, Limited is authorized to use the Appointment of Proxy substantially in the form of the draft at Appendix "C" of this Interim Order, with such amendments and additional information as Phi Kappa Pi Buildings, Limited may determine are necessary or desirable. Phi Kappa Pi Buildings, Limited is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with the OBCA (except as varied by this paragraph) provided that any instruments in writing must be received by Phi Kappa Pi Buildings, Limited or its solicitor not later than 2 p.m. on the business day immediately preceding the Meeting (or any adjournment or postponement thereof).

Voting

22. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold voting common shares of Phi Kappa Pi Buildings, Limited as of the close of business on the Record Date. Illegible votes, spoiled votes,

defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

23. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per common share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds ($66\frac{2}{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders.

Such votes shall be sufficient to authorize Phi Kappa Pi Buildings, Limited to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement without the necessity of any further approval by Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

24. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Phi Kappa Pi Buildings, Limited (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each voting common share held.

Dissent Rights

25. **THIS COURT ORDERS** that each Shareholder as of the Record Date shall be entitled to exercise dissent rights in connection with the Plan of Arrangement in accordance with section 185 of the OBCA (regardless of whether that section would otherwise apply to the Arrangement) (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder as of the Record Date who wishes to dissent must, as a condition precedent thereto, provide

written objection to the Arrangement Resolution to Phi Kappa Pi Buildings, Limited in the form required by section 185 of the OBCA, which written objection must be received by Phi Kappa Pi Buildings, Limited not later than 5:00 p.m. (Eastern time) on the second last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the OBCA. No Shareholder other than Shareholders as of the Record Date shall be entitled to exercise dissent rights.

26. **THIS COURT ORDERS** that, Phi Kappa Pi Buildings, Limited shall be required to offer to pay fair value for voting common shares held by Shareholders who duly exercise dissent rights, and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Plan of Arrangement.

27. **THIS COURT ORDERS** that any Shareholder who duly exercises such dissent rights and who:

- (a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its voting common shares, shall be deemed to have transferred those voting common shares as of the date of the Arrangement Resolution, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests for cancellation in consideration for a payment of cash from Phi Kappa Pi Buildings, Limited equal to such fair value; or
- (b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its voting common shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall the Applicant or any other person be required to recognize such Shareholders as holders of voting common shares of Phi Kappa Pi Buildings, Limited at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from Phi Kappa Pi Buildings, Limited's register of holders of voting common shares at that time.

Hearing of Application for Approval of the Arrangement

28. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Phi Kappa Pi Buildings, Limited may apply to this Honourable Court for final approval of the Arrangement.

29. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 13 and 14 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 30.

30. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for Phi Kappa Pi Buildings, Limited as soon as reasonably practicable, and, in any event, no less than 3 days before the hearing of this Application at the following address:

Jason Squire
Lerners LLP
130 Adelaide Street West
Suite 2400
Toronto ON M5H 3P5
Fax: 416.867.2404

Solicitors for Phi Kappa Pi Buildings, Limited

31. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

- (a) Phi Kappa Pi Buildings, Limited; and
- (b) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

32. **THIS COURT ORDERS** that any materials to be filed by Phi Kappa Pi Buildings, Limited in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

33. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 30 shall be entitled to be given notice of the adjourned date.

Precedence

34. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, or the articles or by-laws of Phi Kappa Pi Buildings, Limited, this Interim Order shall govern.

Extra-Territorial Assistance

35. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

36. **THIS COURT ORDERS** that Phi Kappa Pi Buildings, Limited shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

APPENDIX

A

Court File No.: CV-17-578761-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

PLAN OF ARRANGEMENT

1. Definitions:

- (a) "Interim Order" means the Order of the Superior Court of Justice (Commercial List) for directions given in the application for court approval of this Plan of Arrangement;
- (b) "Net Assets" means the assets of the Applicant, after realisation of the proceeds of the sale of the Property, less liabilities and expenses of the Applicant, including but not limited to taxes, secured and unsecured debts, trusts, liens, charges, encumbrances, fees (including professional fees and disbursements), and outstanding directors' fees;
- (c) "Property" means the land and buildings at Part of Lot 23, Concession 2 from The Bay Township of York and Part of Lot 39, Plan 371 Yorkville, designated as Parts 1 and 2, Plan 63R-4571, Toronto being all of PIN 21213-0058(LT), and known municipally as 85 Bedford Road/ 51 Elgin Avenue, Toronto, Ontario;
- (d) "Record Date" means the date of the Interim Order;
- (e) "Shareholders" means the common shareholders of the Applicant, there being no other class of shareholders;
- (f) "Special Meeting" means the special meeting of Shareholders as of the Record Date called to elicit a resolution of shareholders approving this Plan of Arrangement;
- (g) "Universities" means the University of Toronto and Ryerson University

2. The board of directors of the Applicant has resolved to sell the Property and to donate the Net Assets to the University of Toronto (two-thirds) and Ryerson University (one-third), and to pursue with the Universities the setting up of endorsement funds and recognition in some

form of dedication of reading and meeting rooms to the members of the Phi Kappa Pi Fraternity and the shareholders of Buildings.

3. Notice to Shareholders of the Special Meeting shall be given by regular mail to Shareholders known to the board of directors of the Applicant, and by publication of newspaper advertisements in the Toronto Star and one national newspaper. Those advertisements shall include reference to this Plan of Arrangement, the Interim Order and the meeting materials for the Special Meeting, copies of each of which shall be posted on an advertised website maintained for such purpose. Notice to Shareholders shall be mailed and published by July 22, 2017.

4. Persons who do not receive notice of the Special Meeting addressed to them by mail, but who claim or believe themselves to be Shareholders and who wish to vote at the Special Meeting or to exercise rights of dissent, shall furnish evidence to the board of directors of their shareholdings as of the Record Date by August 9, 2017. The board of directors shall determine whether any such person is or is not a Shareholder as of the Record Date, and communicate such determination, by August 25, 2017. Any dispute as to the board of director's determination of a person's status as Shareholder as of the Record Date shall be heard and determined by the Superior Court of Justice (Commercial List) at Toronto by September 15, 2017.

5. The Special Meeting shall take place at 2 pm on September 22, 2017 at the office of counsel for the Applicant, 130 Adelaide Street West, Suite 2400, Toronto. Shareholders as of the Record Date shall vote on a special resolution approving this Plan of Arrangement, which will require approval of the holders of two-thirds of the common shares of the Applicant held by Shareholders as of the Record Date present or voting by proxy. Other business may be conducted at the Special Meeting.

6. Shareholders as of the Record Date may dissent to this Plan of Arrangement. If such dissenting Shareholders give notice of their dissent in accordance with the provisions of the Interim Order, and if this Plan of Arrangement is otherwise approved by Shareholders and the Superior Court of Justice, the Applicant shall pay such dissenting Shareholders fair value for their common shares. Such fair value shall be determined and paid in accordance with section 185 of the Ontario *Business Corporations Act*, regardless of whether such section would otherwise apply to the Arrangement described in this Plan of Arrangement. Fair value for a dissenting Shareholder's common shares shall be the pro rata value of the Net Assets, calculated following the sale of the Property and immediately prior to the Applicant's contemplated donation to the Universities.

7. If a resolution with respect to this Plan of Arrangement is passed by the Shareholders, the Applicant will return to the Superior Court of Justice (Commercial List) for approval of the Arrangement described in this Plan of Arrangement, which approval may contain additional terms relating to the timing, administration and implementation of this Plan of Arrangement (including as it may be amended) and the passing of accounts, and may include an order for dissolution of the Applicant.

July 2017

LERNERS LLP
130 Adelaide Street West
Suite 2400
Toronto, ON M5H 3P5

Jason Squire LSUC#: 431830
Tel: 416.601.2369
Fax: 416.867.2404

Domenico Magisano LSUC#: 45725E
Tel: 416.601.4121
Fax: 416.601.4123

Lawyers for the Applicant

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS
AMENDED

Court File No. CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED
Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

Proceeding commenced at Toronto.

PLAN OF ARRANGEMENT

LERNERS LLP
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Domenico Magisano LSUC#: 45725E
Tel: 416.601.4121 / Fax: 416.601.4123

Lawyers for the Applicant

APPENDIX

B

**NOTICE TO SHAREHOLDERS
OF PHI KAPPA PI BUILDINGS LIMITED
(THE "CORPORATION")**

Please take notice that a special meeting of shareholders of the Corporation will take place at 2 pm on September 22, 2017 at the offices of Lerner LLP, 130 Adelaide Street, Suite 2400, Toronto, Ontario, M5H 3P5. The Ontario Superior Court of Justice (the "Court") has directed the publication of this notice and the holding of the special meeting.

At the special meeting, shareholders who held shares of the Corporation as of July 20, 2017 will vote on a Plan of Arrangement that, among other matters, would authorise the disposition of the real estate asset of the Corporation and the donation of the Net Assets of the Corporation to the University of Toronto and Ryerson University. Shareholders who held shares of the Corporation as of July 20, 2017 will also separately have the right to dissent and ask to be paid fair value for their shares.

Further important details are contained in the proposed Plan of Arrangement, a Notice of Application for approval by the Court of the Plan of Arrangement, and an Interim Order for directions from the Court concerning the special meeting (as well as the materials filed in support of that Interim Order), copies of each of which are available at **www.lerners.ca/cases/phi-kappa-pi-buildings-limited/**. Those materials include a form of Appointment of Proxy authorizing another person to vote on a shareholder's behalf at the special meeting.

Notice of the special meeting is being mailed to shareholders known to the board of directors to the last known address of each such shareholder. IF YOU DO NOT RECEIVE NOTICE MAILED TO YOU AND YOU BELIEVE YOU ARE A SHAREHOLDER OF THE CORPORATION ENTITLED TO VOTE AT THE SPECIAL MEETING OR TO DISSENT TO THE PLAN OF ARRANGEMENT, YOU MUST SUBMIT PROOF TO THE CORPORATION THAT YOU ARE A SHAREHOLDER BY AUGUST 9, 2017. The board of directors of the Corporation will make the initial determination of whether you are a shareholder by August 25, 2017; any disputes will be heard and determined by the Court at Toronto by September 8, 2017.

Shareholders may submit proof of their shareholding to the Corporation before August 9, 2017 by email, mail or other delivery to the Corporation's law firm:

Lerners LLP
Attention: Jason Squire
130 Adelaide Street West, Suite 2400
Toronto, ON M6S 2M5
phikappapibuildingsshareholders@lerners.ca

July 22, 2017

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS
AMENDED

Court File No. CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED
Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

Proceeding commenced at Toronto.

NOTICE TO SHAREHOLDERS

LERNERS LLP
130 Adelaide Street West
Suite 2400
Toronto, ON M5H 3P5

Jason Squire LSUC#: 43183O
Tel: 416.601.2369 / Fax: 416.867.2404

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Tel: 416.601.4121 / F: 416.601.4123

Lawyers for the Applicant

APPENDIX

C

Court File No.: CV-17-578761-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

Appointment of Proxy

I, _____ (name of Shareholder), of

_____ (name of town or city)

a Shareholder of Phi Kappa Pi Buildings, Limited as of July 20, 2017, hereby appoint

_____ (name of proxy), of

_____ (name of town or city),

to be my proxyholder for purposes of voting at the special Meeting of shareholders referred to in
the Plan of Arrangement

___ with, or

___ without

power to appoint another proxyholder in my place.

Dated at _____, this _____ day of _____, 2017.

Witness

Shareholder

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

Court File No. CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED
Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

Proceeding commenced at Toronto.

INTERIM ORDER

LERNERS LLP
130 Adelaide Street West
Suite 2400
Toronto, ON M5H 3P5

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Tel: 416.601.2369 / Fax: 416.867.2404

Domenico Magisano LSUC#: 45725E
Tel: 416.601.4121 / Fax: 416.601.4123

Lawyers for the Applicant

TAB 4

Court File No. ——— CV-17-578761-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 20YR _____, 2017

IN THE MATTER OF an applicationApplication under section 492182 of the *Canada Business Corporations Act*, (Ontario) R.S.C. 1985O. 1990, c. C-44B.16, as amended;

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement of ABC COMPANY [involving its shareholders and XYZ COMPANY] Phi Kappa Pi Buildings, Limited (the "Applicant")

INTERIM ORDER

THIS MOTION made by the Applicant, ~~ABC Company~~ ("ABC"), Phi Kappa Pi Buildings, Limited, for an interim order for advice and directions pursuant to section 492182 of the *Canada Business Corporations Act*, (Ontario) R.S.C. 1985O. 1990, c. C-44B.16, as amended, (the "~~CBCA~~OBCA") was heard this day at 330 University Avenue, Toronto, Ontario.⁴

ON READING the Notice of Motion, the Notice of Application issued on ———, 20—July 12, 2017 and the affidavit of ~~John Dee~~Hugh Anson-Cartwright sworn ———, 20—July 11, 2017 (the "~~Dee~~Anson-Cartwright Affidavit"), including the Plan of Arrangement, which is attached as

⁴ This Model Order has been prepared by the Commercial List Users Committee of the Ontario Superior Court of Justice. It assumes the arrangement involves a CBCA company. For OBCA companies, the terms of this Model Order may generally be applied under section 182 of the OBCA, subject to specific differences in statutory requirements.

Schedule B Appendix "A" to the draft management proxy² circular of ABC (the "Information Circular"), which is attached as Exhibit A to the Doe Affidavit this Interim Order, and on hearing the submissions of counsel for ABC and counsel for XYZ Company and on being advised that the Director appointed under the CBCA (the "Director") does not consider it necessary to appear.³

Definitions

~~THIS COURT ORDERS~~ that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein the Applicant.

The Meeting

2.1. ~~THIS COURT ORDERS~~ that ABC the Applicant is permitted to call, hold and conduct a special meeting (the "Meeting") of the holders of voting common shares (the "Shareholders") in the capital of ABC Phi Kappa Pi Buildings, Limited to be held at Plaza B, The Hotel, 123 Main 130 Adelaide Street West, Suite 2400, Toronto, Ontario on 20 September 22, 2017 at 2:00 p.m. (Toronto time) in order for the Shareholders to consider and, if determined advisable, pass ~~[special and ordinary]~~ one or more resolutions authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

² "management proxy circular" for CBCA and "management information circular" for OBCA

³ Notice to the Director must be given pursuant to s. 192(5) of the CBCA. There is no such requirement under the OBCA. It is the practice of the Director under the CBCA to review the meeting materials and discuss them with counsel. If satisfied with the materials, the Director will usually provide a letter advising that the Director believes it is not necessary to appear at the hearing. See also "Policy Statement 15.1 Policy of the Director Concerning Arrangements under section 192 of the CBCA", for details of the Director's expectations on how arrangement transactions should proceed.

3-2. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the ~~CBCAOBCA~~, the notice of meeting of Shareholders, ~~which accompanies the Information Circular attached as Appendix "B" to this Interim Order~~ (the "Notice of Meeting") and the articles and by-laws of ~~ABC~~Phi Kappa Pi Buildings, Limited, subject to what may be provided hereafter and subject to further order of this court.

4-3. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the shareholders entitled to notice of, and to vote at, the Meeting shall be ~~date the date of this Interim Order~~. As provided at paragraph 25 of this Interim Order, such Record Date shall also determine Shareholders entitled to dissent to the Plan of Arrangement. No Shareholders other than Shareholders as of the Record Date shall be entitled to vote on the Arrangement Resolution or dissent to the Plan of Arrangement.

5-4. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

a)(a) the Shareholders or their respective proxyholders;

b)(b) the officers, directors, auditors and advisors of ABC; Phi Kappa Pi Buildings, Limited; and

c) ~~representatives and advisors of XYZ;~~

d) ~~the Director; and~~

e)(c) other persons who may receive the permission of the Chair of the Meeting.⁴

⁴ ~~If holders of options or other instruments will have their rights affected by the arrangement, consideration should be given to whether such holders should have the right to attend, or speak at the meeting.~~

6.5. **THIS COURT ORDERS** that ABCPhi Kappa Pi Buildings, Limited may transact such other business at the Meeting ~~as is contemplated in the Information Circular, or as may~~ otherwise be properly before the Meeting.

Quorum

7.6. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by ABCPhi Kappa Pi Buildings, Limited and that, subject to further order, the quorum at the Meeting shall be not less than ~~[two] persons~~ five Shareholders present in person at the opening of the Meeting ~~who are entitled to vote at the Meeting either as Shareholders or~~ proxyholders.⁵represented by proxy.

Retainer of Professionals

7. **THIS COURT ORDERS** the appointment of Lerners LLP as counsel to the Applicant on the Application. Lerners LLP may engage such counsel, co-counsel, experts, advisors or agents as instructed by the Applicant.

8. **THIS COURT ORDERS** the appointment of Grunwald & Co. and PricewaterhouseCoopers LLP as financial advisors to the Applicant for purposes of the Application and the Arrangement. Such financial advisors may engage such counsel, experts, advisors or agents as instructed by the Applicant.

9. **THIS COURT ORDERS** that the fees and disbursements of Lerners LLP, Grunwald & Co. and PricewaterhouseCoopers LLP shall be payable in priority to all other creditors of the Applicant except secured creditors.

⁵ The quorum requirement should match the by-laws of ABC, although this may not be appropriate where the company is widely held and the quorum requirement is very low.

Amendments to the Arrangement and Plan of Arrangement

~~8-10.~~ **THIS COURT ORDERS** that ABCPhi Kappa Pi Buildings, Limited is authorized to make, subject to the terms of the ~~Arrangement Agreement, and paragraph 9, below~~ this Interim Order, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs ~~12~~13 and ~~13~~14 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

~~9-11.~~ **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph ~~8~~10, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as ABCPhi Kappa Pi Buildings, Limited may determine.⁶

⁶ ~~If a change to the Arrangement Agreement or Plan of Arrangement is to be made prior to the Meeting, and that change would reasonably be expected to affect the decision of the holder of securities subject to the arrangement to vote for or against the Arrangement Resolution, applicable securities law may require prompt disclosure. The circumstances that may mandate further notice will vary widely. A change in the date of the Meeting may or may not be required. Accordingly, the Applicant may wish to seek the Court's direction prior to the Meeting if there is a question regarding whether the form of notice is adequate or whether sufficient time to assess the change can be given.~~

Amendments to the Information Circular

~~10. THIS COURT ORDERS that ABC is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemental, shall be the Information Circular to be distributed in accordance with paragraphs 12 and 13.⁷~~

Adjournments and Postponements

~~11.~~12. **THIS COURT ORDERS** that ABC~~the Applicant~~, if it deems advisable and subject to the terms of the Plan of Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as ABC~~the Applicant~~ may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

~~12.~~13. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, ABC~~the Applicant~~ shall send the Information Circular (including the notice of the Meeting substantially in the form of the draft Notice of Application and Meeting at Appendix "B" to this Interim Order), the Notice of Meeting, the form of proxy, and the letterAppointment of transmittalProxy substantially in the form at Appendix "C" to this Interim Order, along with such amendments or additional documents as ABC~~the Applicant~~ may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

⁷ Counsel should note that any material changes to the Information Circular including any changes that may affect the defined terms in the Interim Order, must be brought to the attention of the Court at the hearing for approval of the Arrangement.

a)(a) ~~persons known to the registered board of directors to be Shareholders at~~ as of the close of business on the Record Date, ~~at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting,~~ by one or more of the following methods, such sent by July 22, 2017:

i)(i) ~~by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of ABC, or its registrar and transfer agent, at~~ of the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary directors of the Applicant, including as may appear in the books and records of ABC the Applicant;

ii)(ii) ~~by delivery, in person or by recognized courier service or inter-office mail,~~ to the address specified in (i) above; or

iii)(iii) ~~by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of ABC~~ Phi Kappa Pi Buildings, Limited, who requests such transmission in writing; and, ~~if required by ABC, who is prepared to pay the charges for such transmission;~~

b) ~~non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and~~

e)(b) ~~the respective directors and auditors of ABC, and to the Director appointed under the CBCA, by delivery in person,~~ of Phi Kappa Pi Buildings, Limited by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, ~~at least twenty-one (21) days~~

~~prior to the date of the Meeting, excluding the date of sending and the date of the Meetings~~such sent by July 22, 2017;

~~and that compliance with this paragraph shall constitute sufficient notice of the Meeting.~~

13. — THIS COURT ORDERS that, in the event that ABC elects to distribute the Meeting Materials, ABC is hereby directed to distribute the Information Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by ABC to be necessary or desirable (collectively, the “Court Materials”) to the holders of [ABC options, warrants, convertible debentures, performance units, deferred share units, deferred share equivalents or other rights to acquire voting common shares of ABC⁸,] by any method permitted for notice to Shareholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of ABC or its registrar and transfer agent at the close of business on the Record Date.⁹

14. THIS COURT ORDERS that the Applicant shall also publish newspaper advertisements in the Toronto Star and one national newspaper on or before July 22, 2017 in substantially in the form of the draft Notice of Meeting at Appendix “B” to this Interim Order, and post pdf copies of the Meeting Materials and this Interim Order at the internet address identified in the Notice of Meeting.

15. THIS COURT ORDERS that compliance with paragraphs 13 and 14 of this Interim Order shall constitute sufficient notice of the Meeting.

⁸ This paragraph is to be used, and notice is to be given, where there are holders of options or other instruments that may be converted to voting shares prior to the record date for voting (the Record Date), or where the holders may be affected by the transaction but will not be voting at the meeting.

⁹ Delivery by e-mail may also be appropriate for holders of options or other instruments who are employees, officers or directors of ABC or its subsidiaries.

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14.16. THIS COURT ORDERS that accidental failure or omission by ABCPhi Kappa Pi Buildings, Limited to give notice of the ~~meeting~~ Meeting or to distribute the ~~Meeting Materials or Court Materials~~ to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of ABCPhi Kappa Pi Buildings, Limited, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of ABCPhi Kappa Pi Buildings, Limited, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

17. THIS COURT ORDERS that ~~ABC~~ any persons who do not receive notice of the Meeting addressed to them by mail, but who claim or believe themselves to be Shareholders and who wish to vote at the Meeting or to exercise rights of dissent, shall furnish evidence to the board of directors of the Applicant of their shareholdings as of the Record Date by August 9, 2017, in the manner described in the Notice of Meeting. The board of directors of the Applicant shall determine whether any such person is or is not a Shareholder as of the Record Date, and communicate such determination, by August 25, 2017. Any dispute as to the board of directors' determination of a person's status as Shareholder as of the Record Date shall be heard and determined by this Honourable Court on or before September 8, 2017.

15.18. THIS COURT ORDERS that Phi Kappa Pi Buildings, Limited is hereby authorized to make such amendments, revisions or supplements to the ~~Meeting Materials and Court Materials~~, as ABCPhi Kappa Pi Buildings, Limited may determine in accordance with the terms of the Plan of Arrangement Agreement—~~("Additional Information")~~, and that notice of such Additional Information may, subject to ~~paragraph 9, above~~ the terms of this Interim Order, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method

most reasonably practicable in the circumstances, as ABCPhi Kappa Pi Buildings, Limited may determine.

~~16.19.~~ **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs ~~42 and 13~~ and 14 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs ~~42 and 13~~ and that those persons are bound by any orders made on the within Application ~~13 and 14~~. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph ~~9~~, above the terms of this Interim Order.

Solicitation and Revocation of Proxies

~~17.20.~~ **THIS COURT ORDERS** that ABCPhi Kappa Pi Buildings, Limited is authorized to use the letter Appointment of transmittal and proxies Proxy substantially in the form of the drafts accompanying the Information Circular draft at Appendix "C" of this Interim Order, with such amendments and additional information as ABCPhi Kappa Pi Buildings, Limited may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. ~~ABC [and XYZ].~~ Phi Kappa Pi Buildings, Limited is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. ~~ABC may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Shareholders, if ABC deems it advisable to do so.~~

~~18.21.~~ **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with section ~~148(4)~~ of the GBCA/OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to

~~s.148(4)(a)(i) of the CBCA: (a) may be deposited at the registered office of ABC or with the transfer agent of ABC as set out in the Information Circular; and (b) any such instruments must be received by ABC Phi Kappa Pi Buildings, Limited or its transfer agent solicitor not later than \leftrightarrow 2 p.m. on the business day immediately preceding the Meeting (or any adjournment or postponement thereof).¹⁰~~

Voting

~~19.22.~~ **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold voting common shares of ABC Phi Kappa Pi Buildings, Limited as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20.——THIS COURT ORDERS that votes shall be taken at the Meeting on the basis of one vote per common share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

~~(i) 23.~~ an affirmative vote of at least two-thirds ($66\frac{2}{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders; ~~[and].~~

¹⁰ ~~Section 148(4) provides that proxies may be revoked by depositing an instrument in writing at the registered office of the corporation, on the business day immediately preceding the meeting or with the Chair of the meeting on the day thereof, or by any other means permitted by law. This paragraph provides for a precise time by which the instrument must be deposited with the transfer agent. The fact that paragraph 18, above, departs from the wording of section 148(4) must be brought to the attention of the court.~~

(ii) ~~[a simple majority of the votes cast in respect of the Arrangement Resolution at the Meeting in person or proxy by the Shareholders, other than ABC Investments Inc.]~~¹⁴

Such votes shall be sufficient to authorize ABCPhi Kappa Pi Buildings, Limited to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement ~~on a basis consistent with what is provided for in the Information Circular~~ without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

~~21.24.~~ **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting ABCPhi Kappa Pi Buildings, Limited (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each voting common share held.

Dissent Rights

~~22.25.~~ **THIS COURT ORDERS** that each registered Shareholder as of the Record Date shall be entitled to exercise ~~Dissent Rights~~dissent rights in connection with the Plan of Arrangement Resolution in accordance with section 190 ~~of the CBCA~~185 of the OBCA (regardless of whether that section would otherwise apply to the Arrangement) (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection ~~190(5)~~185(6) of the ~~CBCA~~OBCA, any Shareholder as of the Record Date who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to ABCPhi Kappa Pi Buildings, Limited in the form required by

¹⁴ ~~Voting requirements will be transaction specific such as where a "majority of the minority" is required. See also the discussion under "Voting Requirements" at paragraphs 3.09-3.12 of Policy Statement 15.1 ("Policy of the Director Concerning Arrangements under section 192 of the CBCA") and paragraphs 131-135 of BCE Inc. v. 1976 Debentureholders, 2008 SCC 69, concerning the "extraordinary circumstances" when "non-legal interests" will be considered on a section 192 application.~~

section 190~~185~~ of the CBCA and the Arrangement Agreement~~OBCA~~, which written objection must be received by ABC~~Phi Kappa Pi Buildings, Limited~~ not later than 5:00 p.m. (Eastern time) on the second last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the CBCA. For purposes of these proceedings, the "court" referred to in section 190 of the CBCA means this Honourable Court.¹²OBCA. No Shareholder other than Shareholders as of the Record Date shall be entitled to exercise dissent rights.

23.26. **THIS COURT ORDERS** that, notwithstanding section 190(3) of the CBCA, XYZ Sub, not ABC~~Phi Kappa Pi Buildings, Limited~~ shall be required to offer to pay fair value, as of the day prior to approval of the Arrangement Resolution, for voting common shares held by Shareholders who duly exercise Dissent Rights~~dissent rights~~, and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Arrangement Agreement [or Plan of Arrangement]. In accordance with the Plan of Arrangement and the Information Circular, all references to the "corporation" in subsections 190(3) and 190(11) to 190(26), inclusive, of the CBCA (except for the second reference to the "corporation" in subsection 190(12) and the two references to the "corporation" in subsection 190(17)) shall be deemed to refer to "XYZ Sub" in place of the "corporation", and XYZ Sub shall have all of the rights, duties and obligations of the "corporation" under subsections 190(11) to 190(26), inclusive, of the CBCA.¹³

24.27. **THIS COURT ORDERS** that any Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above~~dissent rights~~ and who:

¹² Dissent rights are contemplated (but not required) by s. 192(4) of the CBCA and s. 182(5) of the OBCA. The court may make "any interim or final order it thinks fit". It may (or may not) permit shareholders to dissent and may tailor the procedure to the circumstances. For instance, section 190(5) of the CBCA provides that written objection may be "sent at or before" the meeting. The provision of this order, providing for notice by 5:00 p.m. on the day prior to the meeting, (two days notice is also often provided) is generally used so that the applicant has some notice of the level of dissent.

¹³ This provision may be used to identify the party that will be paying dissenting shareholders. Details of the corporate entity that has the obligation to pay is transaction specific.

i)(a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its voting common shares, shall be deemed to have transferred those voting common shares as of the Effective Time date of the Arrangement Resolution, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to ~~XYZ~~ for cancellation in consideration for a payment of cash from ~~XYZ~~ Phi Kappa Pi Buildings, Limited equal to such fair value; or

ii)(b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its voting common shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall ~~ABC, XYZ Company~~ the Applicant or any other person be required to recognize such Shareholders as holders of voting common shares of ~~ABC~~ Phi Kappa Pi Buildings, Limited at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from ~~ABC's~~ Phi Kappa Pi Buildings, Limited's register of holders of voting common shares at that time.

Hearing of Application for Approval of the Arrangement

25-28. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, ABC Phi Kappa Pi Buildings, Limited may apply to this Honourable Court for final approval of the Arrangement.

26-29. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 4213 and 4314 shall constitute good and sufficient service of the Notice of Application and this Interim Order

and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 2730.

27.30. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for ABC, ~~with a copy to counsel for XYZ, Phi Kappa Pi Buildings, Limited~~ as soon as reasonably practicable, and, in any event, no less than ~~_____~~ 3 days before the hearing of this Application at the following ~~addresses~~ address:

Solicitors for ABC

Jason Squire
Lerners LLP
130 Adelaide Street West
Suite 2400
Toronto ON M5H 3P5
Fax: 416.867.2404

Solicitors for Phi Kappa Pi Buildings, Limited

28.31. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

i) ~~_____~~ **ABC;**

ii) ~~_____~~ **XYZ;**

iii) ~~(a) the Director~~ Phi Kappa Pi Buildings, Limited; and

iv) ~~(b)~~ any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

29.32. **THIS COURT ORDERS** that any materials to be filed by ABCPhi Kappa Pi Buildings, Limited in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.¹⁴

30.33. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27.30 shall be entitled to be given notice of the adjourned date.

Precedence

31.34. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, ~~[ABC options, warrants, convertible debentures, performance units, deferred share units, deferred share equivalents or other rights to acquire voting common shares of ABC]~~, or the articles or by-laws of ABCPhi Kappa Pi Buildings, Limited, this Interim Order shall govern.¹⁵

¹⁴ ~~In most circumstances, the affidavit setting out the results of the vote and confirming compliance with the Interim Order may be filed the day before the hearing. If the Applicant anticipates that the hearing will be contested, earlier filing is advisable so as to avoid an adjournment.~~

¹⁵ ~~It is the responsibility of the Applicants, and their counsel, to advise the court of any material inconsistencies between the Interim Order and the applicable instruments, by-laws, articles or statutes. The parties should also be aware that, on transactions where an income trust is converted to a corporate structure, the court does not consider departures from the terms of the Declaration of Trust to be part of the statutory "arrangement" it is being asked to approve. Further, the Interim Order on income trust conversions should indicate that the Meeting will be called and held in accordance with the Declaration of Trust and should refer to and comply with the provisions of the Declaration of Trust relied upon in relation to all matters covered by the Interim Order.~~

Extra-Territorial Assistance

~~32-35.~~ **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

~~33-36.~~ **THIS COURT ORDERS** that ABGPhi Kappa Pi Buildings, Limited shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

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June 7, 2010

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

Court File No. CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST

Proceeding commenced at Toronto.

INTERIM ORDER

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IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

Court File No.: CV-17-578761-00CL

PHI KAPPA PI BUILDINGS, LIMITED
Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

Proceeding commenced at Toronto.

**MOTION RECORD OF THE APPLICANT
(EX PARTE MOTION FOR AN INTERIM ORDER
WITH RESPECT TO A PLAN OF ARRANGEMENT)
(RETURNABLE ON JULY 20, 2017)**

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