

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *M.*
JUSTICE *PENNY*

)
)
)

TUESDAY, THE 25th DAY
OF SEPTEMBER, 2018

BETWEEN:

**PINECAP MORTGAGE CORPORATION
and 2106271 ONTARIO INC.**

Applicants

- and -

**DEREK SCHEINMAN, DMS FINANCIAL MANAGEMENT INC.,
1620299 ONTARIO LIMITED carrying on business as
DMS FINANCIAL MANAGEMENT and 2109644 ONTARIO LIMITED**

Respondents

ORDER

THIS MOTION made by Zeifman Partners Inc., in its capacity as the court-appointed receiver (the "Receiver"), pursuant to the Order of The Honourable Justice Hailey dated March 22, 2017 of all of the assets, undertakings and properties of Grossman Silver Horizon Limited Partnership and 2109644 Ontario Limited for, *inter alia*, an Order approving the Fourth Report to the Court of the Receiver dated July 17, 2018 and granting orders in accordance with the recommendations made by the Receiver in the Fourth Report, was heard this day at 330 University Avenue, Toronto, Ontario.



ON READING the Notice of Motion and the Fourth Report of the Receiver and the appendices thereto, and on hearing the submissions of counsel for the Receiver,

1. **THIS COURT ORDERS** that the Receiver's Fourth Report is hereby approved and the actions of the Receiver described therein be and the same are hereby approved.

2. **THIS COURT ORDERS** that the Receiver is hereby authorized to inventory, appraise and realize on for the benefit of the Receivership Estate the contents of safety deposit box number 877-1213 held at TD Canada Trust Branch No. 0640.

3. **THIS COURT ORDERS** that the Receiver is hereby authorized to transfer the funds held in the previously frozen personal accounts of Derek Scheinman at CIBC, HSBC and Royal Bank of Canada into the Receivership Estate and to close those accounts.

4. **THIS COURT ORDERS** that each of Stephanie Coscarella (Greco), Carol Stevenson, Cheryl Sherman, Lawrence Scheinman, Elsa Santos, Jeffrey Henry, Colin Aurelio, Jason Lingart and Adela Di Noto attend for an examination under oath on at least 20 days' notice from service of a Notice of Examination and a copy of this Order upon such person.

5. **THIS COURT ORDERS** that Michael Adler attend to be examined under oath in this proceeding on not less than 20 days' notice to his lawyers (Teplitsky, Colson), provided that the examination shall not take place until the current Florida legal

proceedings between the Receiver and Mr. Adler are determined or settled or until further order of this court. Nothing in this paragraph 5 shall limit whatever rights the Receiver may have to examine Mr. Adler in the Florida proceedings in accordance with Florida procedure.

6. **THIS COURT ORDERS** Leonard Susman to use his reasonable efforts to provide to the Receiver the details of and documentation in his possession if any with respect to the source and disbursement of funds in connection with real estate transactions identified in Schedule "A" hereto, at the reasonable cost of the Receiver.

7. **THIS COURT ORDERS** that Angelo Vumbaca provide the Receiver with details of the real estate transactions, including address of the property and the source and disbursement of funds, in respect of which Mr. Vumbaca issued cheques to Derek Scheinman dated December 16, 2011 for \$140,830.82 and dated February 17, 2012 for \$307,793.37.

8. **THIS COURT ORDERS** that the Receiver is hereby authorized to expand the scope of its investigative and collection activities into U.S. jurisdictions to recover assets for the benefit of the Receivership Estate, including by initiating any legal proceedings in the U.S., with this Court respectfully requesting the assistance of the U.S. courts in this regard.

9. **THIS COURT FURTHER ORDERS** that, in exchange for payment of the outstanding amount to the Receiver, the Receiver is authorized to grant discharges of

mortgages registered in the name of DMS Financial Management Inc. including against the property municipally known as 14 Hudson Drive, Brampton and 2017-330 McCowan Road, Toronto.

10. **THIS COURT ORDERS** that the Receiver be and the same is hereby authorized to close all accounts in the names of 2109644 Ontario Limited and DMS Financial Management Inc. and to consolidate all remaining funds therein into the Receivership account.

11. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements to June 30, 2018 as set out at Tab Q of the Motion Record be and the same is hereby approved.

12. **THIS COURT ORDERS** that the Receiver's accounts for the period from March 1, 2017 to June 30, 2018 as set out in the Affidavit of Allan A. Rutman at Tab "P" of the Motion Record, and the exhibits thereto, be and the same are hereby approved.

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

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

SEP 25 2018

PER / PAR:



SCHEDULE "A"

1. Scheinman 2013 purchase from 2109644 Ontario Limited and 2016 sale of 55 Ontoro Boulevard, Ajax;
2. 1820050 Ontario Inc. 2015 purchase from 2109644 Ontario Limited and 2016 sale of 95 Church Street, Kitchener;
3. Scheinman 2015 purchase from 2109644 Ontario Limited and 2016 sale of 26 McCallum Court, Brampton
4. Scheinman 2017 sale of 159 Cocksfield Avenue, Toronto
5. Scheinman 2013 purchase from 2109644 Ontario Limited and 2016 sale of 376 Avondale Road, London
6. June 2016 transaction in which Derek Scheinman was paid \$596,541.59 on closing from trust account of purchaser's lawyer, Shalini Sathya

PINECAP MORTGAGE CORPORATION et al

Applicants

- and -

DEREK SCHEINMAN et al

Respondents

Court File No: CV-17-11714-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

O R D E R

MINDEN, GROSS LLP
Barristers and Solicitors
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Ian J. Cantor (LSUC #309891)
e-mail: icantor@mindengross.com
Tel: 416-369-4314
Fax: 416-864-9223

Lawyers for Zeifman Partners Inc., in its capacity
as court-appointed Receiver of Grossman Silver Horizon
Limited Partnership and 2109644 Ontario Limited

#3397403 | 4097098