



## Insolvency Proceedings Update for SF Square GP Corp. / SF Square LP ("Square GP") Update to Stakeholders - November 7, 2025

### Overview of the Trustee's Mandate

- to take possession of all assets and funds that vest in the Trustee;
- to recover on any remaining assets in the estate (eg. holdbacks withheld in respect of sale of The W);
- to review transactions for potential preferences and transfers at under value, and potentially litigate same for the benefit of the estate's creditors; and
- to conduct a transparent and Court-approved claims review process and distribution of funds in accordance with the provisions of the Bankruptcy & Insolvency Act.

Please note that the scope of the Trustee's mandate is Square GP. RHH Rental Properties Ltd. ("RHH"), as the ultimate parent company of the broader corporate group, is under administration with Deloitte and is not within the scope of the Trustee's mandate. Any investigation into RHH will need to be led by Deloitte. However, it is our understanding that Deloitte is not currently funded to conduct the necessary investigations. Any significant review into RHH's corporate transactions and use of investor funds (i.e. where the money went) will require the assistance of RHH's trustee, which is not funded, and as such has created a void of information for the broader stakeholder group.

### Current Status:

- the Trustee is currently holding a total of \$12,158,432:
  - o general estate account \$6,699,604
  - o segregated account re: disputed funds \$4,748,782
  - o funds held with Estate counsel re: The W \$ 710,046
- The Trustee's Interim Statement of Receipts and Disbursements to October 31, 2025 is below.

We hope that this update provides stakeholders with an understanding of the administration of the Square GP bankruptcy estate thus far.

### Summary of Ongoing Activities:

The Trustee has had numerous calls with inspectors and held Inspectors' meetings. The Trustee has obtained inspector approval to proceed with the following:

- 1) Irrevocable Direction to Pay (The "4.7MM IDP")

This matter is the subject of a Notice of Motion served November 5, 2025 in advance of attendance in Scheduling Court on November 14, 2025 in London, Ontario. On November 14<sup>th</sup> we will be scheduling Court time for the motion. We do not currently know when the Court is booking long motions but it will be at least a few months. Further details regarding timing and next steps will follow once the motion has been filed.

- 2) Recovery of advance payments made to beneficiaries of the \$4.7MM IDP from proceeds of the Glengarry financing in December of 2024

This matter is included in the Notice of Motion re: \$4.7MM IDP referenced above.

- 3) Payment to Ian Cook / 1000931576 Ontario Inc.

This matter is the subject of a separate Notice of Motion served November 5, 2025 in advance of attendance in Scheduling Court on November 14, 2025 in London, Ontario. On November 14<sup>th</sup> we will be scheduling Court time for the motion. We do not currently know when the Court is booking long motions but it will be at least a few months. Further details regarding timing and next steps will follow once the motion has been filed.

#### 4) Recovery of Glengarry Advance Payments

Recovery of payments made from the residual funds of the Glengarry financing in December 2024 is being investigated. Approval from the Inspectors will be sought at the next meeting.

#### 5) Update on 2025/26 NRI Holdback (revenue protection reserve - sale of the W)

BDO has reviewed the Purchaser's calculations and confirmed that \$710,045.05, including interest, is recoverable from the \$3.0MM 2025/26 NRI Holdback. The Trustee's counsel is now in receipt of these funds.

The release of the \$1.5MM Holdback in respect of post-closing claims remains deferred for 12 months post-closing. BDO will follow up with the purchaser at the 1 yr anniversary of the closing and will keep the Inspectors updated.

#### 6) Offshore Transactions

Inspectors recently approved the Trustee to investigate the potential payment(s) of SF Square funds to Scott Reid/his spouse's offshore company located in Dubai and any transactions with Reid's Heritage Homes. Investigations are currently underway.

#### Projected Timelines

Q4 2025 - Q1 2026: - maximize the pool of funds in the Estate

January 2026: obtain Court approval of claims process, which process will be run to March 31, 2026

Q2 2026: obtain Court approval of distributions

(all timing is dependent on Court availability)

## Interim Statement of Receipts & Disbursements

In the Matter of the Bankruptcy of SF Square GP Corp. Interim Statement of Receipts & Disbursements For the Period Ending October 31, 2025		
Receipts		
Interest	\$	52,259
Funds held in trust		6,847,467
Cash in Bank		4,910
<b>Total Receipts</b>		<b>6,904,635</b>
Disbursements		
Other Disbursements		2,580
Bank charges		85
Term and task employees		8,500
HST paid on disbursements		335
<b>Total Disbursements</b>		<b>11,501</b>
<b>Net Cash Receipts / (Disbursements) Before Restructuring Costs</b>		<b>6,893,135</b>
Restructuring Costs		
Trustee Fee's		77,067
HST on Trustee Fee's		9,995
Legal fees		94,235
HST on legal fees		12,234
<b>Total Restructuring Costs</b>		<b>193,531</b>
<b>Net Cash Receipts / (Disbursements)</b>	\$	<b>6,699,604</b>
<b>Estate bank Balance - At October 31, 2025</b>	\$	<b>6,699,604</b>

In the Matter of the Bankruptcy of SF Square GP Corp. Interim Statement of Receipts & Disbursements Funds subject to Irrevocable Direction to Pay For the period ending October 31, 2025		
Receipts		
Interest	\$	22,453
Funds subject to Irrevocable Direction to Pay		4,726,329
<b>Total Receipts</b>		<b>4,748,782</b>
<b>Estate bank balance - at October 31, 2025</b>	\$	<b>4,748,782</b>