

ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND ROAD INC., ASHCROFT HOMES - 111 RICHMOND ROAD INC.

SUPPLEMENTAL REPORT TO THE FIRST REPORT OF THE RECEIVER

August 30, 2024

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND  
ROAD INC., AND ASHCROFT HOMES - 111 RICHMOND ROAD INC.**

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

**SUPPLEMENTAL REPORT TO THE FIRST REPORT OF BDO CANADA LIMITED  
IN ITS CAPACITY AS RECEIVER OF  
ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND  
ROAD INC., ASHCROFT HOMES - 111 RICHMOND ROAD INC.**

**AUGUST 30, 2024**

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## APPENDICES

APPENDIX “A” – Parcel Registers for 101 Richmond Additional Commercial Properties

## I. PURPOSE OF REPORT

1. This Supplemental Report to the First Report of the Receiver (the “**Supplemental First Report**”) is filed in respect of the Receiver’s motion returnable September 3, 2024.
2. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Receiver’s First Report to the Court, dated August 21, 2024.

## II. ADDITIONAL REAL PROPERTIES

1. The relief sought by the Receiver includes amendments to the Receivership Order to include the legal descriptions of the real properties that are owned by the Company and subject to the Receivership Order. These descriptions are set out in Schedule “A” in the proposed amended Receivership Order.
2. The Receiver requested assistance from the Company in identifying all real properties owned by the Company and the legal descriptions of same. The Receiver understands that the Company is in the process of reviewing the Receiver’s requests.
3. In light of the challenges with the Receiver obtaining accurate records detailing the real property descriptions, the Receiver’s counsel conducted searches in the land registry system in an attempt to ensure that all legal descriptions of the properties owned by the Company are contained in the Schedule “A” to the proposed amended Receivership Order. Unfortunately, when conducting a name search in the Teraview system, not all properties owned by the Company come up in the search results. Further complicating matters is the fact that most of the parcel registers do not have municipal addresses and, as such, the Receiver has had difficulty determining which property identification numbers (“**PIN(s)**”) match which units.
4. In addition, certain of the commercial properties that are physically segregated into separate units, and leased to multiple tenants, appear to form one single PIN.

### **Lockers, Parking and Bike Racks**

5. As set out in the First Report, a result of searches conducted by its counsel, the Receiver recently become aware of certain additional real properties that are owned by the Company, but not charged by the DUCA Charges. These additional real properties are lockers, parking spaces and bike racks in the buildings municipally known as 88-98-108 Richmond Road, 101 Richmond Road, and 360 Patricia Avenue, Ottawa (collectively, the “**Locker, Parking and Bike Rack Properties**”), and are described in detail at Exhibit “A” to the Affidavit of Chong Zhan, sworn August 28, 2024.

6. The Receiver has commenced a review of the leases for each of the condominium units to determine whether any of the tenants are currently leasing any of the Lockers Parking and Bike Rack Properties. Unfortunately, although it does appear that certain of the leases contemplate the rental of a parking stall, locker or bike rack, the leases do not describe the particular parking spot, locker, or bike rack in a manner that is consistent with property descriptions contained in the PINs. As a result, as of the date of this Supplemental First Report, the Receiver has been unable to determine with certainty which tenants are leasing which parking spots etc. The Receiver intends to work with the property management company to better ascertain this information in the coming weeks.
7. The Receiver has conferred with Colliers Brokerage as to whether it would be beneficial for the Sales Process to include the Locker, Parking and Bike Rack Properties. Colliers Brokerage advised the Receiver, and the Receiver agrees, that the value of the Real Property, comprised of residential and commercial condominium units, will likely be enhanced by the inclusion of the Locker, Parking and Bike Rack Properties in the Sales Process. Subject to the Receiver determining which tenants may be leasing which parking spots etc., in the Receiver's view, offering the units for sale in conjunction with parking, storage and bike racks will be appealing to prospective purchasers and improve the marketability of the Real Property.

#### **101 Richmond Additional Commercial Properties**

8. As a result of the difficulties encountered matching the legal descriptions of the Real Property to the appropriate commercial units, the Receiver's counsel conducted additional searches of the land registry system. As a result of these searches, the Receiver has been made aware that three commercial properties, specifically units 8, 9 and 10, level 1, located at 101 Richmond Road, Ottawa, (collectively, the "**101 Richmond Additional Commercial Properties**") are owned by the Company but not charged by the DUCA Charges. Copies of the parcel registers for each of the 101 Richmond Additional Commercial Properties are attached hereto as **Appendix "A"**.
9. The parcel registers for each of the 101 Richmond Additional Commercial Properties show that there are no mortgages/charges registered against units 8 and 10, and there is a mortgage/charge registered on July 30, 2015 in favour of DUCA in the principal amount of \$15.6 million. This mortgage is different than the DUCA Charges that DUCA enforced and sought the appointment of the Receiver.
10. Each of the 101 Richmond Additional Commercial Properties are included on the Company's rent roll. Two of the units are tenanted, and one is vacant. Upon its appointment, the Receiver was provided keys to these properties and it gave notice to the tenant of the Receivership Order

and the requirement to pay all future rent to the Receiver. As a result, the Receiver has been in possession and control of the 101 Richmond Additional Commercial Properties since its appointment.

11. The Company did not notify the Receiver that the 101 Richmond Additional Commercial Properties were not subject to the DUCA Charges and has never indicated that these properties should not be included in the purview of the Receivership Order.

12. In these circumstances, the Receiver recommends that the 101 Richmond Additional Commercial Properties should remain in these receivership proceedings, however it brings these issues to the attention of this Honourable Court in the event the Court sees fit to direct otherwise.

### **III. RECOMMENDATIONS**

13. The Receiver respectfully recommends that the Court make orders granting the relief as set out in its Notice of Motion, dated August 19, 2024, or as counsel may advise.

All of which is respectfully submitted on the 30<sup>th</sup> day of August, 2024.

**BDO Canada Limited**  
**in its capacity as Court-Appointed Receiver of**  
**Ashcroft Homes – 101 Richmond Road Inc.;**  
**Ashcroft Homes – 108 Richmond Road Inc.; and**  
**Ashcroft Homes – 111 Richmond Road Inc.,**  
**and not in its personal or corporate capacity**



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**Matthew Marchand, CPA, CMA, CIRP, LIT**  
Senior Vice President

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**SUPPLEMENTAL REPORT TO THE FIRST REPORT  
OF THE RECEIVER**

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Ashcroft Homes – 111 Richmond Road Inc.*