

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

**BETWEEN**

**NICOLA SURACE also known as Nick Surace**

**Applicant**

- and -

**Jason Reis, V.G.A. Carpentry Limited, 1905247 Ontario Inc. and  
V.G.A. Carpentry (2023) Ltd. now known as Dupont Carpentry Limited**

**Respondents**

**APPLICATION UNDER**

**SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended and  
Section 248 of the Business Corporations Act, R.S.O 119, C B.16, as amended**

**SECOND REPORT OF THE INTERIM RECEIVER**

**FEBRUARY 10, 2025**

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## INTRODUCTION

1. On October 22, 2024, pursuant to an order (the “**Appointment Order**”) of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (“**Court**”), Dodick Landau Inc. was appointed as receiver and manager (the “**Interim Receiver**”), without security, of all the assets, undertakings and properties of V.G.A Carpentry Limited (“**VGA**” or the “**Company**”) acquired for, or used in relation to a business (the “**Business**”) carried on by the Company, including all proceeds thereof (the “**Property**”). The Interim Receiver’s appointment resulted from an application made by Nick Surace (“**Surace**” or the “**Applicant**”) for various relief under section 101 of the Courts of Justice Act, R.S.O. 1990, C. C. 4, as amended, and section 248 of the Business Corporations Act, R.S.O. 1990, C B.16, as amended, against Jason Reis, (“**Reis**”), 1905247 Ontario Inc. (“**190**”) and V.G.A Carpentry (2023) Ltd., now known as Dupont Carpentry Limited (“**Dupont**”).
2. On November, 28, 2024, the Honourable Justice Penny issued an amended interim receivership order (“**Amended Appointment Order**”), which *inter alia*, extended the authority of the Interim Receiver to include the power:
  - i) to take possession of and exercise control over all bank accounts of the Company, and all proceeds, receipts, receivables and disbursements arising out of or from the Business;
  - ii) to receive and collect all monies and accounts now owed or hereafter owing to the Company; and
  - iii) upon prior notice to and consultation with the parties, to exercise all remedies of the Company in collecting such monies and to settle, extend or compromise any indebtedness owing to the Company.
3. Attached as **Appendix “A”** is a copy of the Amended Appointment Order.
4. On November 28, 2024, the Honourable Justice Penny issued an endorsement (“**Endorsement**”) which, among other things, directed the Interim Receiver to prepare a report of its work, findings and further recommendations. Attached as **Appendix “B”** is

a copy of the Endorsement. Paragraph 23 of the Amended Appointment Order provides that “the Interim Receiver shall, by February 10, 2025 deliver a supplemental or [sic] report for approval of this Honourable Court setting out the details of its review of the Records and the Business pursuant to the terms of this Order.” The purpose of this second report (the “**Second Report**”) of the Interim Receiver is to report to the Court pursuant to paragraph 10 of the Endorsement and paragraph 23 of the Amended Appointment Order.

## **TERMS OF REFERENCE**

5. In preparing this Second Report, the Interim Receiver has reviewed the affidavits of Surace (“**Surace Affidavit**”) and Surace’s personal accountant, Nicholas Gareri (“**Gareri**”), (“**Gareri Affidavit**”, and jointly with the Surace Affidavit, the “**Applicant Affidavits**”) and the affidavit of Reis and Dennis Saxon, VGA’s external accountant (“**Saxon**”) (jointly the “**Respondents’ Affidavits**”), other Court material, certain unaudited, draft and/or internal financial information, VGA’s books and records, VGA emails provided by Reis, correspondence and discussions with Gareri, correspondence and discussions with Saxon and his staff, correspondence and discussions with Reis and information from other third-party sources, including customers and vendors (collectively, the “**Information**”).
6. Except as described in this Second Report, the Interim Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Canadian Institute of Chartered Accountants Handbook (the “**CPA Handbook**”) and, accordingly, the Interim Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
7. The Interim Receiver has prepared this Second Report pursuant to paragraph 10 of the Endorsement and paragraph 23 of the Amended Appointment Order. Parties using this Second Report other than for the purpose outlined in this Second Report, are cautioned that it may not be appropriate for their purposes.
8. All references to dollars are in Canadian currency unless otherwise noted.

## BACKGROUND

### Shareholders' Agreement

9. As detailed in the Interim Receiver's first report to Court dated November 26, 2024 ("**First Report**"), a copy of which is attached as **Appendix "C"** (without appendices), VGA was a provider of trim and carpentry services to the residential construction industry.
10. As detailed in the Applicant and Respondents' Affidavits, to facilitate Surace's retirement, Reis and Surace entered into the Shareholders' Agreement (defined below) (the "**Wind Down Plan**") which:
  - i) permitted the orderly completion by VGA of the contracts/projects already awarded to VGA, which were in various stages of completion;
  - ii) allowed Reis to succeed Surace whereby Reis would be responsible for completing the VGA projects and would be able to accept all new contracts/projects in Dupont, his newly created corporation which is wholly owned by him; and
  - iii) allowed for the repayment of certain amounts owed by VGA to 190, Reis' holding company, totaling \$761,500, inclusive of HST, and summarized in Schedule B to the Shareholders' Agreement ("**Schedule B**").
11. The Shareholders' Agreement dated October 1, 2022 which formalized the Wind Down Plan (the "**Shareholders' Agreement**") was executed by Reis and Surace. Following the execution of the Shareholders' Agreement, Reis assumed the management of all day-to-day operations of VGA, while Surace retired from the day-to-day operations but remained a second signatory on all cheques of VGA. A copy of the Shareholders' Agreement is attached as **Appendix "D"**.
12. The Shareholders' Agreement included, among other things, that:
  - i) VGA was to be wound down following the completion by VGA of its existing work identified as fifteen outstanding contracts/projects listed in Schedule A to the Shareholders' Agreement ("**Schedule A**") with total contract value of approximately \$26.7 million, plus a future contract with The Daniels Corporation

("Daniels") with no value attributed to it (collectively, the "VGA Jobs"); and

- ii) Reis would not solicit away, or interfere with, any of the VGA Jobs.
13. At the time that the Shareholders' Agreement was executed, the expectation was that the VGA Jobs were profitable and should generate positive cash flows once completed. At the time of the Interim Receiver's appointment, according to the Applicant Affidavits, VGA had not made any distributions to its shareholders and was indebted to various parties, including the Canada Revenue Agency ("CRA") for over \$2.1 million on account of (a) unremitted employee payroll deductions (\$1,023,594.87 at August 28, 2024), (b) unremitted HST (\$1,006,920.91 at August 28, 2024), and (c) corporate tax payable (\$73,586.86 at August 28, 2024).
  14. Based on correspondence received by the Interim Receiver and a review of the accounts payable of VGA, there is approximately \$240,000 owing to CIBC, VGA's lender, and approximately an additional \$850,000 owing to third-party trade creditors.
  15. In addition to the amounts payable to 190 outlined in Schedule B, the Interim Receiver has been advised that after the execution of the Shareholders Agreement, both Reis and Surace each loaned additional funds to VGA. The Interim Receiver is in the process of reviewing these amounts.

### **Assignment Agreements**

16. On April 12, 2024, Reis terminated all of VGA's employees and transferred them to Dupont. As a result, VGA was no longer able to complete ongoing jobs, including three remaining Schedule A jobs for Daniels. The only other jobs that had not been completed are the three CentreCourt jobs which were completed by Dupont labour and later by a third-party contractor. All other jobs on Schedule A were completed by April 12, 2024, however, several of these completed jobs had issues affecting the collection of the remaining accounts receivable. These issues are described later in this Report.
17. The termination of VGA's employees resulted in Surace consenting to Reis' request to assign the three Daniels contracts to Dupont. On April 30, 2024, Surace and Reis entered into assignment agreements ("**Assignment Agreements**"). Attached as **Appendix "E"** are copies of the assignment agreements.

18. The Assignment Agreements provided, among other things, that:
  - i) all amounts for work that was completed prior to the effective date of April 30, 2024, whether billed, included as holdbacks, or unbilled, are to be paid directly to VGA; and
  - ii) VGA is to receive 10% of all amounts payable by the project owner/construction manager to Dupont for the period commencing May 1, 2024 through to the completion of the contracts.
19. The Interim Receiver understands that while Reis, Surace and Daniels consented to the assignment of all three contracts, one of the project owners for the project named "Block 8" did not consent to the assignment. As a result, Daniels terminated the existing Block 8 contract with VGA and issued a new Block 8 contract to Dupont. The lost assignment royalty of 10% to VGA from the transfer of this contract totaled \$398,360.

## **STATUS OF THE VGA JOBS**

### **Schedule A Jobs**

20. It is the Interim Receiver's understanding that the Shareholders' Agreement, and its Schedule A, were meant to capture all open VGA contracts/projects that existed at the time the Shareholders' Agreement was executed as part of the Wind Down Plan.
21. Schedule A lists 16 VGA jobs (15 jobs with values attributed to each and the Block 8 job with no value attributed to it and described as a future project). The 16 VGA jobs are for ten different customers.
22. To review the state of these jobs, the Interim Receiver wrote letters to each customer and requested information with respect to each contract, including its status and associated payments. As discussed in the First Report, in those instances where the customers responded to the Interim Receiver's letters and provided information regarding the unpaid VGA invoices issued to them, that information was then compared to the customer accounts receivable balances recorded in VGA's books and records. In certain instances, the Interim Receiver noted material differences between the customer information and VGA's books and records. These differences were detailed in the First Report. As of the writing of this Second Report, the Interim Receiver has continued to



receive information from VGA's customers and upon receipt of such information has continued to reconcile the remaining balances payable by each of the customers to VGA's books and records. To date, the only customer that has not provided the Interim Receiver with all the information requested is Daniels.

23. The summary below represents the status of each of the VGA jobs (Schedule A jobs and Prime (defined below)) and the accounts receivable balances that remain payable to VGA, inclusive of HST, as of the date of the appointment of the Interim Receiver, based on the Interim Receiver's reconciliation of each of the project accounts.

	<b>VGA Project Customer</b>	<b>Project Name</b>	<b>Contract Amount</b>	<b>Project Status</b>	<b>Balance payable to VGA</b>
1	Reliance	71 Redpath	581,000	Completed	-
2	Reliance	293 Kingsway	1,377,458	Completed	152,769
3	Tucker/DK	Reunion Crossing	1,064,551	Completed	228,224 <sup>1</sup>
4	Oben Group	Lofthouse	223,879	Completed	unknown
5	Gillam Group	871-899 College	793,890	Terminated	-
6	Freed	346 Davenport	480,000	Completed	61,021
7	Daniels	Keelesdale	1,385,000	Assigned	215,488 <sup>2</sup>
8	CentreCourt	55 Mercer	2,985,000	Completed	268,734
9	CentreCourt	The Forest Hill	2,045,850	Completed	142,406
10	Westbank	Mirvish Village	5,676,950	Terminated	-
11	Canderel	900 St. Clair W	690,000	Completed	91,912
12	Ellis Don	45 Strachan	3,600,000	Removed	-
13	Daniels	The Thornhill	5,210,000	Assigned	479,604 <sup>3</sup>
14	Daniels	OMG2	600,000	Completed	-
	<b>Sub Total</b>		<b>\$26,713,578</b>		<b>\$1,640,158</b>
15	Daniels	Block 8	4,371,530	Removed	43,835 <sup>4</sup>
16	CentreCourt	Prime	3,850,000	Complete	615,515
	<b>Adjusted Total</b>		<b>\$34,935,108</b>		<b>\$2,299,508</b>

<sup>1</sup> Based on the Interim Receiver's review of the Reunion Crossing billings and collections recorded in VGA's books and records, it is of the view that one bill and the holdback, which together total \$228,224, remain payable to VGA. The customer is of the view that only the holdback for \$163,850 remains payable. Discussions with the customer remain ongoing as of the drafting of this Second Report.

<sup>2</sup> Based on VGA's books and records, this amount represents holdbacks from invoices issued prior to the Assignment Agreement and two remaining unpaid invoices. The Interim Receiver is waiting on additional information from Daniels to reconcile this balance.

<sup>3</sup> Based on VGA's books and records, this amount represents holdbacks from invoices issued prior to the Assignment Agreement. The Interim Receiver is waiting on additional information from Daniels to reconcile this balance.

<sup>4</sup> Based on VGA's books and records, this amount represents holdbacks from invoices issued prior to removal of the contract. The Interim Receiver is waiting on additional information from Daniels to reconcile this balance.

24. As detailed above, of the 16 VGA Jobs, ten contracts are now complete, two contracts were removed and transferred to Dupont, two contracts were terminated on account of non-performance by VGA, and two contracts are subject to the Assignment Agreements.

### **Prime and Strachan Projects**

25. Surace deposed in his Affidavit that, subsequent to the execution of the Shareholders' Agreement, Reis "unilaterally" added a third CentreCourt project to the list in Schedule A, known as "Prime", as a substitution for the Ellis Don/Bental 45 Strachan project ("**Strachan**").
26. As detailed in the First Report, the Interim Receiver received a copy of the Prime contract from CentreCourt. The contract was executed on March 9, 2022, seven months prior to the date of the Shareholders' Agreement. Therefore, as Schedule A was meant to capture all open VGA contracts that existed at the time (October 2022), the Interim Receiver is of the view that the Prime contract should always have been included in the Wind Down Plan and that its exclusion was inappropriate.
27. As further detailed in the First Report, the Interim Receiver wrote to Ellis Don which confirmed that Strachan is an ongoing contract between Ellis Don and Dupont. Ellis Don further advised that Reis, on behalf of VGA, submitted a quotation for the Strachan project in August 2020 and that a letter of intent for the project ("**LOI**") was executed in February 2021. As the submission of the quotation and the execution of the LOI were in the name of VGA and all pre-date the execution of the Shareholders' Agreement, the Interim Receiver is of the view that the removal of this contract by Dupont is in contravention of Reis' commitment to not solicit or interfere with any VGA jobs. The revenue that could have been earned from this contract excluding HST is \$3.6 million, therefore at a 25% profit margin, \$900,000 of profit would have been earned by VGA if the contract had not been removed. According to Reis and Surace, VGA jobs generally earned a profit in the range of 20% to 30%.

## Termination and Adjustments to Contracts on Account of Non-Performance

### ***Westbank (Mirvish Village)***

28. Based on correspondence with legal counsel for Westbank, the developer of the Mirvish Village project, the Interim Receiver understands that VGA entered into the contract for the project with a total value of \$5.9 million, excluding HST. VGA was paid \$796,538.55 under the contract.
29. According to Westbank's legal counsel, in January 2024, as a consequence of VGA's non-performance, the contract was terminated by mutual agreement of the parties and VGA was replaced by a third-party service provider (not Dupont). As well, as part of the termination agreement entered into by the parties, Reis agreed that the developer would retain the holdback of approximately \$88,000 (including HST), withheld from the payments made to VGA. A copy of the correspondence with counsel to Westbank from January 14, 2025 is attached as **Appendix "F"**
30. As a result of the non-performance, approximately \$5.0 million of additional billings, which could have generated a profit of 25% or \$1.2 million, was not realized by VGA.

### ***Gillam Group (871-899 College)***

31. As detailed in the First Report, based on correspondence with the Gillam Group ("**Gillam**"), on May 18, 2023 Gillam issued a notice of default ("**Default Letter**") to Reis' attention for failing to comply with VGA's contractual obligations for the project. As noted in the Default Letter, "VGA agreed for Gillam to engage a third-party trade to complete the remaining scope items that were outstanding as at that time... As the cost of the back charge exceeds the cost of all work completed by VGA, prior to their default, there are no further payments pending." As a result of VGA's alleged non-performance, \$525,178.82 of accounts receivable is potentially not collectible. The Interim Receiver wrote to Reis on January 26, 2025 ("**January 26<sup>th</sup> letter**") asking for his view of the back charge alleged by Gillam. A copy of the January 26<sup>th</sup> Letter to Reis is attached as **Appendix "G"**.
32. Counsel to Reis responded on February 3, 2025 ("**February 3<sup>rd</sup> Response**") indicating that "Reis does not agree with Gillam's position.... And that the cost of the back charges

[does not] exceed the cost of all work completed by VGA prior to their default.” She further advised that Reis no longer possesses the backup documentation including timesheets but hopes to provide the documents on material costs in the near future.

### ***Oben Group - Lofthouse***

33. VGA’s books and records show a receivable of \$152,605.36 in relation to the Oben Group/Lofthouse project. In response to the Interim Receiver’s letter, Oben Group indicated that it was holding \$84,186.67 (before the holdback) in cheques for VGA and that there are estimated back charges and disputes totaling at least approximately \$63,000 which is the reason these cheques have not been released.
34. The Interim Receiver wrote to Oben Group and requested back up to support the various alleged back charges, which were provided by Oben Group in January 2025. On January 26, 2025, the Interim Receiver wrote to Reis and provided the correspondence from Oben Group including the various back up to the back charges and asked for his view on the validity of the back charges. In the February 3<sup>rd</sup> Response, Reis’ counsel advised that Reis did not previously receive deficiency lists from Oben Group as is the normal procedure, and as such there is no reason for back charges. At the time this report was written, this offset claim remains under review.

### ***Daniels - Keelesdale, The Thornhill and Block 8***

35. As noted above, two of Daniels’s contracts were subject to Assignment Agreements, being Keelesdale and The Thornhill. Also as described above, the Block 8 project was supposed to be assigned, however, one of the development partners did not consent to the assignment and re-awarded the project to Dupont. The Assignment Agreements stipulate that VGA is to receive 10% of all amounts payable by the project owner/construction manager to Dupont for work beginning after April 30, 2024.
36. The Interim Receiver has written multiple letters to Daniels requesting information. However, to date, while some information has been provided, most of the information requested remains outstanding, including confirmation of the holdback payable to VGA, the status of certain unpaid invoices as well as the completion status of the three projects. It appears that Daniels has chosen not to fully cooperate with the Interim Receiver.

37. Counsel to the Applicants has written to counsel for the Respondents to discuss the payment of 10% for the removal of the Block 8 project, notwithstanding that it was not formally assigned. As of the writing of this Second Report, no response has been received from the Respondents.

### **ACCOUNTS RECEIVABLE COLLECTIONS**

38. Following the issuance of the Amended Appointment Order, the Interim Receiver has written letters to each customer with a balance payable to VGA to advise, among other things, that all future payments are to be directed to the VGA trust account of the Interim Receiver and to request a list of any additional information required by each of the customers in order to secure the release of the remaining payments.

### ***WSIB***

39. Certain customers have requested a WSIB clearance certificate. As was noted in the Applicant Affidavits, VGA's WSIB account was in arrears and as such clearance certificates could not be issued. In order to address this requirement, the Interim Receiver corresponded with Saxon's office to confirm what balances remain payable, and in January 20, 2025, the Interim Receiver paid the balance of \$5,658.09 in full in order to receive the required clearance certificates.

### ***Certificates of Insurance***

40. Certain customers have requested a certificate of insurance. At the date of the Interim Receiver's appointment, VGA's insurance was not in good standing. After discussion with VGA's insurance broker, VGA's commercial insurance coverage was renewed. On January 3, 2025, the Interim Receiver paid \$7,421.76 and received the certificates of insurance requested.

### ***Daily Commercial News, Statutory Declarations and other standard forms***

41. To secure the release of holdbacks, certain customers advised that an advertisement in the Daily Commercial News ("**DCN**") is needed to be published and requested the Interim Receiver to make the necessary publication arrangements. In January, the Interim Receiver published official notices in the DCN for the Reunion Crossing Project and expects that later in February it will publish for 55 Mercer and Prime Projects once it

receives the required information from CentreCourt.

42. Statutory declarations (form 7s and form 9s) were also requested and the Interim Receiver worked with Gareri and Surace to complete them and provided them to the customers, as requested.

### ***Collections***

43. Since the issuance of the Amended Order, on account of the efforts detailed above, the Interim Receiver has collected the balance remaining on 900 St. Clair W of \$91,912.01 as well as the balance remaining on 346 Davenport of \$61,021.58.
44. The Interim Receiver has also provided CentreCourt all the information it required for the Forest Hill project and CentreCourt has confirmed that \$142,406.46 will be sent to the Interim Receiver in the near term. In addition, other accounts receivable are in the process of being collected.

### ***Other Accounts Receivable***

45. In addition to the receivables in respect of the VGA Jobs summarized in the chart above, there are other accounts receivable in respect of other VGA jobs totaling \$139,796.97, excluding HST, that remain outstanding. The Interim Receiver is in the process of assessing its collectability. A summary of these other receivable balances is attached as **Appendix "H"**.

### **INFORMATION FROM JASON REIS**

46. As detailed in the First Report, the Interim Receiver requested access to Reis' email and server at the domain vgcarpentry.com, hosted by google's gmail, in order to, among other things, search for weekly payroll correspondence from VGA Job foremen. Reis provided the Interim Receiver with credentials to his VGA email and google drive, but the Interim Receiver could not access either.
47. The Interim Receiver made numerous requests from Reis for the aforesaid email access. Reis purported to provide access to the Interim Receiver, which in the view of the Interim Receiver should have been straightforward. The final attempt included the Interim Receiver requesting that Reis attend at its office with his computer to give the Interim

Receiver access to his email records. Reis attended as requested and showed the Interim Receiver that he had access to his emails on his cell phone. Reis then attempted to log in on one of the Interim Receiver's laptops using the credentials he provided, but he was unable to do so. The Interim Receiver then requested that Reis provide access to his emails through his laptop, but Reis declined and left the Interim Receiver's offices. He then stated that he would immediately provide the Interim Receiver with access by way of a link to his email. He subsequently sent an email to the Interim Receiver which included six attachments which were illegible.

48. In order to address the Interim Receiver's requirement for access to the Company's business records, at the November 28, 2024 hearing, the Amended Appointment Order was granted, which included paragraph 6 as follows:

"THIS COURT ORDERS that, in addition to the provisions in Paragraphs 4 and 5 above, the Respondents Jason Reis and Dupont shall fully cooperate with the Interim Receiver and provide:

(a) immediate and unfettered access to all business records of the Company, including providing access to email and other electronic records, including, but not limited to: (i) Reis' email at "[jason@vgacarpentry.com](mailto:jason@vgacarpentry.com)"; (ii) providing the Interim Receiver with access to the Company's email server, Google Drive account, and any other account necessary to carry out the Interim Receiver's duties in Paragraph 2, above; and (iii) Reis will provide the Interim Receiver with all computers belonging to the Company for imaging. These obligations shall be fulfilled on or before December 4, 2024. The Interim Receiver will have 48 hours to complete the imaging of the computers;"

49. The Interim Receiver retained the services of Forensic Restitution, a specialist in digital investigation, who determined that Reis' corporate Gmail account was configured with enhanced security measures, limiting access to Reis' device only. Forensic Restitution concluded that this was the reason why the Interim Receiver was unable to access Reis email account notwithstanding that he was providing the password.
50. Reis then refused Forensic Restitution's request to image his computer or allow Forensic Restitution to retain his computer. As a result, Forensic Restitution had to rely on Reis to independently download a Google Takeout folder, preventing Forensic Restitution from conducting a proper review of the VGA email system in order to determine whether all emails were provided and whether any emails were in fact deleted.

51. Forensic Restitution concluded that Reis knowingly restricted access to his email account and did not provide “immediate and unfettered access” to VGA’s records notwithstanding the requirement in the Amended Appointment Order to do so.
52. Other key findings of Forensic Restitution included:
- i) The VGA Gmail host account provided by Reis only included his email account and did not include accounts of any other employees or representatives, which Reis advised was due to his deletion of all other employee email accounts when he transferred the employees to Dupont in or around April 2024;
  - ii) Certain emails sent and received by Reis were missing from the Google Takeout provided by Reis; and
  - iii) Reis had a private email account ([Jreis1@live.com](mailto:Jreis1@live.com)) which was used in at least in some instances for emails that were work-related and access to that email account was not provided to Forensic Restitution.
53. A letter from Forensic Restitution outlining the email extraction process, its limited review and the conclusions reached is attached as **Appendix “I”**.
54. Given the various issues identified by Forensic Restitution, the Interim Receiver agrees with its conclusion that Reis and Dupont did not provide immediate and unfettered access to VGA’s records.

## **VGA PAYROLL**

### ***VGA’s payroll appears overstated***

55. As detailed in the First Report, the Interim Receiver understands that VGA funded its payroll on a weekly basis. To determine the cost of labour for each of the VGA Jobs, the Interim Receiver requested in its letters to Reis copies of field reports submitted by each job site foreman to Reis. Reis stated in his letter to the Interim Receiver on November 18, 2024 (the “**November 18<sup>th</sup> Letter**”) that the standard procedure for payroll purposes “was I received a call every Friday. There I was provided with workers and their hours worked. After the call I provided a time sheet...” to VGA’s accountant in order to process the payroll. Reis further informed the Interim Receiver that the information as to actual



employee hours by VGA job is not available. A copy of the November 18<sup>th</sup> Letter is attached as **Appendix “J”**.

56. As further detailed in the Interim Receiver's First Report, Daniel Pinzan (“**Pinzan**”), a VGA and later a Dupont foreman, when interviewed by the Interim Receiver provided contradictory information to the Interim Receiver. He advised the Interim Receiver that it was his practice to email Reis weekly, through his VGA email, an excel file that summarized total hours by day, by employee, including job site name and address.
57. Subsequent to the issuance of the First Report, Reis consented to paragraph 6 of the Amended Appointment Order which included a requirement by Reis to provide “weekly payroll records by staff member and by job for each of the Company and Dupont for the period from October 1, 2022 to date. The schedule should include hours worked by employee by job by week”. The Amended Appointment Order included a deadline of December 20, 2024 for Reis to provide this information.
58. On December 23, 2024, counsel to Reis provided VGA payroll information from VGA’s accounting software for staff members but not by job, which was the key piece of information that was required by the Interim Receiver. The information provided by counsel to Reis was already available to the Interim Receiver and did not respond to the requirement in the order to provide payroll by staff by job. A copy of the December 23<sup>rd</sup> e-mail correspondence with Reis’ legal counsel, excluding attachments, is attached as **Appendix “K”**.
59. Emails between counsel were exchanged but the schedule that was ordered to be produced pursuant to the Amended Appointment Order was not provided by Reis or his counsel to the Interim Receiver. Copies of these emails are attached as **Appendix “L”**.
60. As the schedules required were not provided in accordance with the Amended Appointment Order, the Interim Receiver reviewed Reis’ emails to determine if it could compile its own summary of the payroll by job.
61. Based on the Interim Receiver’s review of Reis’ VGA emails, it identified the following communications related to payroll:
  - i) weekly emails from Pinzan to Reis with timesheets by job site, consistent with what

Pinzan described to the Interim Receiver and contrary to Reis' comments in the November 18th Letter. A sample time sheet from Pinzan is attached as **Appendix "M"**; and

- ii) emails from other VGA foremen that also contain photos of handwritten timesheets kept in three ring binders that detail hours by employee by project/job site ("**Payroll Binders**") as well other typed summaries of hours by employees. Specifically, the Interim Receiver located emails with timesheets by employee by job site being emailed to Mr. Reis in late April 2024 and/or early May 2024 from the following foremen: Sebastian Ahumada, David Glasbergen and Mark Burgess ("**Other Foremen**"). Samples of these emails are attached as **Appendix "N"**. The Interim Receiver attempted to contact the Other Foremen, however, as of the date this report was written, no response was received.

62. While the emails from these Other Foremen are reporting on hours for Dupont jobs during the period when Dupont was paying them, these jobs were ongoing projects which commenced prior to the April 2024 employee terminations. However, the payroll emails from these earlier periods are not in the email inbox provided by Reis, notwithstanding that these Other Foremen also had the practice of communicating employee hours by email to Reis.

63. On January 17, 2025, the Interim Receiver's counsel wrote a letter to Reis' counsel and requested that all emails be produced by Reis as required under the Amended Appointment Order ("**January 17th Letter**"). The January 17th Letter further explained that the Interim Receiver had evidence that at least certain foreman maintained hard copy Payroll Binders and advised that the Payroll Binders formed part of the financial information which pursuant to paragraph 2(b) and (c) of the Amended Appointment Order must be provided to the Interim Receiver. The January 17th Letter requested that all information, including payroll emails and Payroll Binders, be provided by Reis no later than January 23, 2025. A copy of the January 17th Letter is attached as **Appendix "O"**.

64. On January 23, 2025 Reis' counsel provided the same emails from Pinzan to Reis that were already available in the Reis e-mail inbox and did not address any of the Other Foremen emails identified by the Interim Receiver, nor were the Payroll Binders provided to the Interim Receiver.

65. On January 31, 2025, the Interim Receiver's counsel wrote to Reis' counsel again to, among other things, reiterate its request for: (i) payroll information required to be provided pursuant to the Amended Appointment Order ("**January 31st Letter**"); and (ii) production of the Payroll Binders. A copy of the January 31st Letter is attached as **Appendix "P"**.
66. Absent all foreman communications, the Interim Receiver's effort to compile summaries of the VGA and Dupont payroll by job cannot be completed.

### ***Pinzan Payroll Overstatement***

67. As detailed in the First Report, Pinzan advised the Interim Receiver that in late 2023 he was assigned to a Harhay Developments' project ("**Harhay Project**"), which was a Dupont job. The Interim Receiver concluded that notwithstanding that Pinzan and his team were working for the benefit of Dupont, their wages continued to be funded by VGA.
68. In order to determine the cost of the Dupont payroll funded by VGA, and given that Reis has not provided the payroll details requested, the Interim Receiver reviewed all of the Pinzan emails in order to identify any timesheets submitted in connection with a Dupont job for which Pinzan acted as foreman. The Interim Receiver's email review resulted in the identification of the following Dupont project timesheets for which the Dupont payroll was funded by VGA:
- i) detailed timesheets for the Harhay Project starting from September 2023 to February 2, 2024;
  - ii) detailed timesheet for the Bluescape Project for the week ending February 9, 2024;
  - iii) detailed timesheets for the Erin Mills Project for the weeks ending September 22, 2023 and September 29, 2023;
  - iv) detailed timesheet for the T3 Sterling Project for the week ending February 17, 2023; and
  - v) detailed timesheet for the 348 Dupont Project for week ending December 23, 2022.
69. Attached as **Appendix "Q"** is a summary of the information in the above Pinzan emails

by project, by week and by employee ("**Pinzan Payroll Summary**"). The Interim Receiver confirmed that Pinzan and his labourers were all VGA employees over this period.

70. Based on the Pinzan Payroll Summary, the Interim Receiver identified approximately 4,200 hours of labour from Pinzan and his various teams on Dupont jobs for a total cost to VGA of approximately \$300,000 when including gross salaries, vacation pay, VGA's portion of CPP and EI, WSIB, EHT and VGA's portion of union dues.
71. The Interim Receiver has not been provided with payroll emails/timesheets from Pinzan after February 9, 2024, notwithstanding that Pinzan continued to serve as a VGA foreman for another four weeks up to and including the week ending March 8, 2024, when he was transferred to the Dupont payroll for the week ending March 15, 2024 ("**Missing Pinzan Timesheets**"). The Interim Receiver confirmed that the other Kingsway/Bluescape project labourers continued to be included on the timesheets funded by VGA until all VGA employees were terminated April 12, 2024. To quantify the additional payroll overpayment by VGA for Pinzan and his team, the Interim Receiver requires copies of the Missing Pinzan Timesheets, which were requested in the January 31st Letter but were not provided.
72. As a portion of the Dupont payroll was being paid by VGA, it would explain at least in part the financial loss experienced by VGA during the Wind Down Plan period. Additionally, the overstated payroll in VGA also contributed to an overstatement of unremitted payroll source deductions payable to CRA during the same period, for which CRA has begun enforcement actions against VGA and its directors. In turn, Dupont's payroll and related source deductions would have been understated by the same amount.

### ***VGA Payroll Overstatement***

73. The Pinzan payroll emails confirm that VGA funded a portion of the Dupont payroll. Furthermore, the emails from the Other Foremen indicate that this misallocation is not limited to the projects worked on by Pinzan and his teams and is likely significantly more extensive.
74. To gain further insight into the scope of the potential overstatement of VGA's payroll, the

Interim Receiver reviewed each of Dupont's and VGA's general ledgers from the date of the Shareholder's Agreement (October 2022) through to March 2024 ("**Payroll Review Period**").

75. The Interim Receiver noted the following from its review of the Dupont general ledger:
- i) In December 2022 Dupont billed \$44,275 and in February 2023 it billed \$105,225, but it paid no payroll in either those months. Starting in March 2023 there is one employee on the Dupont payroll;
  - ii) By March 2024, Dupont's payroll grew only modestly to 12 employees, while its contracts grew significantly. In March 2024, Dupont issued invoices in connection with six different job sites for total billings of \$467,799 at a payroll cost of \$47,484; and
  - iii) Over the Payroll Review Period, Dupont billed a total of \$2,400,993 and paid payroll of \$254,420. Therefore, its cumulative payroll as a percentage of cumulative billings was 10.6%.
76. The Interim Receiver's review of VGA's general ledger for the Payroll Review Period indicated the following:
- i) For March 2024, there were 61 employees on payroll for a total cost of \$521,239 and no billings were issued by Reis for VGA in the period; and
  - ii) Over the Payroll Review Period, VGA billed a total of \$17,914,323 and paid payroll of \$7,244,059. Therefore, its cumulative payroll as a percentage of cumulative billings was 40.4%, or 29.8% higher than that of Dupont.
77. Given that Dupont and VGA operated identical businesses, the material difference between their respective cumulative payrolls as a percentage of cumulative billings is unreasonable. To quantify the payroll misallocation, the Interim Receiver treated VGA and Dupont as effectively one business over the Wind Down Period, and together the aggregate payroll of both as a percentage of combined cumulated billings was 36.9%.

78. The following is a calculation of the estimated understatement of Dupont's payroll (or the overstatement of VGA's payroll) in the Payroll Review Period:

Dupont Billings (A)	2,400,994
VGA Billings	17,914,323
Total Billings	<u>\$20,315,317</u>
Dupont Payroll	254,421
VGA Payroll	7,244,059
Combined Payroll	<u>\$7,498,480</u>
Combined Payroll as a % of cumulative billings (B)	36.9%
Expected Dupont Payroll (C=AXB)	886,218
Payroll per Dupont's General Ledger	(254,421)
Estimated Understatement of Dupont's Payroll	<u>\$631,797</u>
Estimated Understatement of Dupont's Payroll inclusive of vacation pay, EI, CPP and union dues	<u><b>\$971,155</b></u>

79. Absent the relevant missing information as described above, the Interim Receiver is of the view that Dupont' payroll was understated by \$971,155, and the method to derive this estimate is a reasonable approach to determine the estimated value of payroll costs funded by VGA for Dupont in the Payroll Review Period. A summary of Dupont's and VGA's monthly billings and payroll costs over the Payroll Review Period to derive the estimated understatement of Dupont's payroll is attached as **Appendix "R"**.

#### **CALCULATION OF FUNDS PAYABLE BY DUPONT TO VGA**

80. The Interim Receiver's findings in its First and Second Reports indicated a number of instances where there are balances payable by Dupont to VGA and certain instances where VGA had a balance owing to Dupont.
81. The following table summarizes the Interim Receiver's estimate of the net payable from Dupont to VGA, and the paragraphs that follow explain the events that give rise to the balance payable:

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Dupont Payroll Understatement (inclusive of vacation pay, EI, CPP and union dues)	971,155
Strachan Project	900,000
Reunion Crossing Project	124,507
The Thornhill Project	506,925
Block 8 Project	398,360
<b>Total Payable by Dupont to VGA</b>	<b><u>2,900,947</u></b>
Less: Centrecourt and Daniels' wages funded by Dupont	<u>(319,459)</u>
<b>Net Payable by Dupont to VGA</b>	<b><u>\$2,581,488</u></b>

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### ***Strachan***

82. As described above, VGA submitted the quotation and executed the LOI for Strachan prior to the execution of the Shareholders' Agreement. Accordingly, the Interim Receiver is of the view that the removal of this contract by Dupont is in contravention of the terms of the Shareholders' Agreement to not solicit or interfere with any VGA jobs. The Interim Receiver disagrees with Reis' position that the Prime project should have been substituted for Strachan, as Prime was awarded to VGA prior to the Shareholder's Agreement and, as such, it should have always been included on Schedule A. As such, the Interim Receiver is of the view that no appropriate compensation was offered to VGA. The removal of Strachan resulted in the loss of a \$3.6 million contract and the dissipation of profit of 25% or \$900,000 in value to VGA.

### ***Reunion Crossing***

83. As detailed in the First Report, Dupont redirected to itself an amount payable to VGA with respect to the Reunion Crossing Project totaling \$124,507.92 and, to date, there has been no reimbursement by Dupont.

### ***The Thornhill***

84. The Assignment Agreements, as detailed above, contemplate, among other things, that all amounts for work that was completed prior to the effective date of April 30, 2024,

whether it was billed, held back or unbilled, is to be paid directly to VGA. The Interim Receiver's review of billings issued by Dupont for the Daniels Thornhill project indicates that an invoice was issued on April 15<sup>th</sup> to Daniels for \$506,925, which Daniels paid to Dupont on or about July 2024. As this relates to work completed prior to April 30, 2024, this invoice is for work completed by VGA and was payable to VGA and not to Dupont.

### ***Block 8***

85. As described above, while the Block 8 project was not assigned to VGA, the Shareholder's Agreement is clear that Reis is not to solicit away any of the VGA Jobs. The Assignment Agreement resolved the reassignment of the other two Daniels' contracts by providing 10% of all future billings to VGA. The Interim Receiver is of the view that the same 10% in respect of the Block 8 project should be payable by Dupont to VGA, irrespective of whether the developer was willing to formally enter an assignment agreement. The 10% of the Block 8 job results in a balance payable to VGA of \$398,360. A summary of this calculation is included as **Appendix "S"**.

### ***Centrecourt and Daniels' Labour***

86. Dupont provided labour for certain of the CentreCourt and Daniels' jobs from April 13, 2024 through to April 30, 2024. As the billings over this period are payable to VGA, it is reasonable that VGA reimburse Dupont for these payroll costs. Dupont issued invoices to VGA for these charges in May 2024. The invoices include a markup on the actual labour costs. For the purposes of this calculation the markup has been excluded as the amount for payroll charged by VGA to Dupont also excludes any markup. A summary of these Dupont invoices and the markup that was excluded is attached as **Appendix "T"**
87. In May 2024, Dupont also invoiced \$221,000 plus HST as a charge for trim supply in respect of material provided by Trim Carpenter Supply ("**Trim Carpenter**") for the Daniels projects ("**Trim Supply Charge**"). It is the Interim Receiver's understanding that VGA was charged directly for all trim supplies associated with these projects. Accordingly, the Interim Receiver requested back-up documentation to support the Trim Supply Charge invoiced by Dupont, including supplier invoices and delivery slips in the January 26<sup>th</sup> Letter. On February 7, 2025, Reis' counsel responded by providing only a subset of invoices totaling approximately \$178,000 (including HST) from Trim Carpenter



and no proof of payment. The Interim Receiver traced these amounts to its earlier correspondence directly with Trim Carpenter who advised that as at November 8, 2024, it was owed by VGA approximately \$178,000 in connection with the Daniels' jobs. A copy of the Trim Supply Statement is included as **Appendix "U"**. The Interim Receiver compared Trim Carpenter's statement to the accounts payable per VGA's books and records and noted that these balances agree. As such there is no evidence that Dupont has paid an additional \$221,000 for trim supply in connection with the Daniels' projects. Accordingly, an adjustment has not been included for the Trim Supply Charge in the amount owed to Dupont by VGA.

### **CRA'S REQUIREMENT TO PAY**

88. On November 4, 2024, the Interim Receiver wrote to CRA and CIBC, VGA's financial institution, to inform them that: (i) the Appointment Order had been issued and (ii) all proceedings currently underway against or in respect of VGA were stayed, including the garnishment commenced by CRA of VGA's CIBC bank accounts. On November 1, 2024, CIBC had responded to CRA's garnishment by sending to CRA \$351,850.80 on deposit in VGA's CIBC account (the "**Account**"). This amount was sent to CRA after the issuance of the Appointment Order on October 22, 2024. The Interim Receiver wrote to CRA requesting that the funds be returned to the Account as the stay of proceedings commenced prior to the execution of the garnishment.
89. Since the issuance of the First Report, the Interim Receiver has spoken to a representative of CRA who advised they have consulted internally and have agreed that the \$351,850.80 will be returned to the Interim Receiver's VGA's trust account in the near term.
90. CRA has also requested that VGA's 2023 and 2024 annual tax returns be filed as they are now past due. The Interim Receiver has made arrangements with Saxon to prepare the financial statements and file the missing returns. To date, the fiscal 2023 financial statement and tax return have been prepared and are ready for filing.

### **CONCLUSION**

91. Based on the information available to the Interim Receiver as described above, it is clear to the Interim Receiver that for multiple job sites VGA was funding Dupont's payroll. In

the absence of certain missing documentation, the Interim Receiver has calculated an estimate of the amount funded by VGA for Dupont's payroll. In addition, the Interim Receiver has identified other instances where Dupont has removed value from VGA as detailed above. In aggregate, and net of certain balances payable from VGA to Dupont, the Interim Receiver has estimated that approximately \$2.6 million is payable by Dupont to VGA.

92. Since the issuance of the Amended Appointment Order, the Interim Receiver has been communicating with Schedule A customers to collect the remaining receivables payable to VGA. As outlined above, this process remains ongoing. Reis' cooperation will continue to be required to resolve certain disputed balances.
93. As discussed in this Second Report, the Interim Receiver understands that VGA has shareholder payable balances owing to both Reis and Surace. VGA is currently insolvent as it is unable to pay its obligations, and these obligations are now past due. Once VGA collects from Dupont and its customers what it is owed, VGA will be in a position to deal with its obligations to CRA, its secured and unsecured creditors (including any shareholder balances owed).
94. Before the Interim Receiver seeks Court approval for any distribution to VGA stakeholders, it anticipates that a claims process will be required.

All of which is respectfully submitted this 10<sup>th</sup> day of February 2025.

**DODICK LANDAU INC.**

In its capacity as the Interim Receiver of  
VGA Carpentry Limited and not  
in its personal or corporate capacity.

Per:



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Rahn Dodick, CPA, CA, CIRP, LIT  
President

# **APPENDIX “A”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 28<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF NOVEMBER, 2024

NICOLA SURACE also known as NICK SURACE

Applicant

- and -

JASON REIS, V.G.A. CARPENTRY LIMITED, 1905247 ONTARIO INC., and  
V.G.A. CARPENTRY (2023) LTD. now known as DUPONT CARPENTRY LIMITED

Respondents

APPLICATION PURSUANT TO SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.  
1990, C. C-43, AS AMENDED, AND SECTION 248 OF THE *BUSINESS CORPORATIONS  
ACT*, R.S.O. 1990, C B.16, AS AMENDED

**AMENDED INTERIM RECEIVERSHIP ORDER**

THIS MOTION made by the Applicant for an Amended Interim Receivership Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Dodick Landau Inc. as receiver and manager (in such capacities, the "Interim Receiver") without security, of all of the assets, undertakings and properties of V.G.A. CARPENTRY LIMITED (the "Company") acquired for, or used in relation to a business (the "Business") carried on by the Company, was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the affidavits of Nicola Surace, sworn September 17, 2024, October 11, 2024 and November 27, 2024 and of Nicholas Gareri, sworn September 17, 2024, and October 12, 2024, the cross-examinations on October 17, 2024 of Nicola Surace and Nicholas Gareri and the affidavits of Jason Reis and Dennis Saxon, both sworn October 7, 2024, the Exhibits thereto and the First Report of the Receiver, dated November 26, 2024 (the “**First Report**”), and on hearing the submissions of counsel for the Applicant and the Respondents, no one appearing for V.G.A. Carpentry Limited although duly served as appears from the affidavits of service of Maureen McLaren sworn September 19, 2024 and November 28, 2024 and on reading the consent of Dodick Landau Inc. to act as the Receiver,

### **APPOINTMENT**

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

### **INTERIM RECEIVER’S POWERS**

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

- (a) to take possession of and exercise control over all bank accounts of the Company, and any and all proceeds, receipts, receivables and disbursements arising out of or from the Business, including any cancelled cheques. For clarity, this includes the Company’s CIBC bank account (Transit: 00322; Account: 2833611) (the “**CIBC Account**”);
- (b) to review and have access to any and all financial information pertaining to the Business of the Company and of the Respondent Dupont Carpentry Limited (“**Dupont**”), including banking information for the Company’s CIBC Account and Dupont’s bank account at the Bank of Montreal

(Transit: 03992; Account: 1992760), both on-line and in hard copy form and any cancelled cheques as may be requested by the Interim Receiver;

- (c) to review and have access to any and all other information not referred to in subsection 2(b) of this Order pertaining to the Business, including, any business records, both in electronic and in hard copy form;
- (d) to engage consultants, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Company;
- (f) upon prior notice to and consultation with the parties, to exercise all remedies of the Company in collecting such monies and to settle, extend or compromise any indebtedness owing to the Company;
- (g) to report to, meet with and discuss with such affected Persons (as defined below), including Dupont, Jason Reis (“**Reis**”) and Nicola Surace and/or their counsel, as the Interim Receiver deems appropriate on all matters relating to the Business and the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (h) to inquire into and report to the Court on the financial condition of the Company and the Property; and
- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Interim Receiver takes any such actions or steps, it shall, unless this order provides to the contrary, be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person. For greater

clarity, the Company, the Applicant, Reis and/or his counsel and the Company's accountants may:

- (a) With respect to Canada Revenue Agency ("CRA") issues and Ontario Employee Health Tax issues, continue to communicate, compromise, resolve and facilitate payment by the Company to the Receiver General for the CRA and the Minister of Revenue for Ontario, with the consent of the Interim Receiver.

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

3. THIS COURT ORDERS that (i) the Company, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to, Nicola Surace, Nicholas Gareri, Lido Construction, Jason Reis, 1905247 Ontario Inc., V.G.A. Carpentry (2023) Ltd. now known as Dupont Carpentry Limited and the Canadian Imperial Bank of Commerce ("CIBC") and any other banks and financial institutions (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence and amount of any liability to or from the Business and of any Property in such Person's possession or control, and, apart from CIBC, of any payments to or from the Business and shall grant immediate and continued access to the Property to the Interim Receiver.

4. THIS COURT ORDERS that all Persons, suppliers and customers of the Company, including without limitation CentreCourt Construction Co., shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, invoices, accounts, payment records, banking records, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery

of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, laptop or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. THIS COURT ORDERS that, in addition to the provisions in Paragraphs 4 and 5 above, the Respondents Jason Reis and Dupont shall fully cooperate with the Interim Receiver and provide:

- (a) immediate and unfettered access to all business records of the Company, including providing access to email and other electronic records, including, but not limited to: (i) Reis' email at ["jason@vgacarpentry.com"](mailto:jason@vgacarpentry.com); (ii) providing the Interim Receiver with access to the Company's email server, Google Drive account, and any other account necessary to carry out the Interim Receiver's duties in Paragraph 2, above; and (iii) Reis will provide the Interim Receiver with all computers belonging to the Company for imaging. These obligations shall be fulfilled on or before December 4, 2024.



The Interim Receiver will have 48 hours to complete the imaging of the computers;

- (b) any and all cheques payable to the Company; and
- (c) weekly payroll records by staff member and by job, for each of the Company and Dupont for the period from October 1, 2022 to date. The schedule should include hours worked by employee by job by week and include net pay, deductions to calculate to gross pay earned. Reis shall use his best efforts to provide this information, to the extent not already provided by the disclosure and access in para. 6(a), by December 20, 2024.

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

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

#### **NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY**

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

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

10. THIS COURT ORDERS that all rights and remedies against the Company, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA,

and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE INTERIM RECEIVER**

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

#### **CONTINUATION OF SERVICES**

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

#### **EMPLOYEES**

13. THIS COURT ORDERS that all employees of the Company shall remain the employees of the Company until such time as the Interim Receiver, on the Company's behalf, may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA or under the *Wage Earner Protection Program Act*.

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

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

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

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

#### **INTERIM RECEIVER'S ACCOUNTS**

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

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

17. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. THIS COURT ORDERS that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

19. THIS COURT ORDERS that the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$50,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. THIS COURT ORDERS that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Interim Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

22. THIS COURT ORDERS that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

#### **REPORT TO THE COURT**

23. THIS COURT ORDERS that the Interim Receiver shall, by February 10, 2025 deliver a supplemental or report for approval of this Honourable Court setting out the details of its review of the Records and the Business pursuant to the terms of this Order.

#### **SERVICE AND NOTICE**

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

25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or

facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **GENERAL**

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

27. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Company.

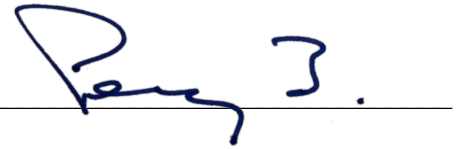
28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

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

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim 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.

31. THIS COURT ORDERS that this matter is further adjourned, without prejudice to either side's position, to a further hearing before me on February 13, 2025. The balance of the relief sought in the Notice of Application is adjourned to a date to be scheduled by the Court upon the request of the parties.

32. THIS COURT ORDERS that this Order and all of its provisions are effective as of the date of this Order without the need for entry or filing.



A handwritten signature in blue ink, appearing to read "Perry J.", is written over a horizontal line.

## SCHEDULE "A"

### INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Dodick Landau Inc., the Interim Receiver (the "**Interim Receiver**") of the assets, undertakings and properties of V.G.A. CARPENTRY LIMITED (the "**Company**") acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 22<sup>nd</sup> day of October, 2024 (the "**Order**") made in an action having Court file number CV-24-00726047-00CL, has received as such Interim Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim



Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2024.

Dodick Landau Inc., solely in its capacity  
as Interim Receiver of the Property, and not in  
its personal capacity

Per: \_\_\_\_\_

Name:

Title:

NICOLA SURACE also known as NICK SURACE  
Applicant

-and-

JASON REIS, et al.  
Respondents

Court File No.: CV-24-00726047-00CL

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

Proceeding commenced at TORONTO

**AMENDED INTERIM RECEIVERSHIP  
ORDER**

**MILLER THOMSON LLP**  
Scotia Plaza, 40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON Canada M5H 3S1

**Craig A. Mills, LSO No.: 40947B**  
cmills@millerthomson.com  
Tel: 416.595.8596

**Mark A. De Sanctis, LSO No.: 70563U**  
mdesantis@millerthomson.com  
Tel: 905.532.6649

Lawyers for the Applicant, Nicola Surace

# **APPENDIX “B”**



SUPERIOR COURT OF JUSTICE

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00726047-00CL

DATE: November 28<sup>th</sup>, 2024,

NO. ON LIST: 2

TITLE OF PROCEEDING: SURACE v. REIS et al

BEFORE: JUSTICE PENNY

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
Craig Mills	Lawyer for the Applicants	<a href="mailto:Cmills@millerthomson.com">Cmills@millerthomson.com</a>

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Paul Stern	Lawyer for the Respondents Reis, 1905247 Ontario Inc, Dupont Carpentry Limited	<a href="mailto:Pstern@sternlaw.ca">Pstern@sternlaw.ca</a>
Margot Davis	Lawyer for the Respondents Reis, 1905247 Ontario Inc, Dupont Carpentry Limited	<a href="mailto:Margot@sternlaw.ca">Margot@sternlaw.ca</a>

**ENDORSEMENT OF JUSTICE PENNY:**

- [1] On October 22, 2024, I appointed Dodick Landau Inc. as interim receiver of VGA Carpentry Limited. The appointment was made to address the urgent need for accurate, up-to-date and reliable information about the business and affairs of VGA and, to the extent it had an impact on VGA, the business and affairs of Dupont Carpentry Limited, which took over the completion of various VGA projects. There are 15 relevant projects listed in Schedule A to the shareholders' agreement between Surace and Reis.
- [2] The Receiver has begun but not completed its work. The state of the business records is less than optimal. The Receiver has found it difficult to readily obtain much of the information it is seeking.

- [3] Both parties agree that the Receiver should remain in place to continue to address the issues of concern, which focus on the 15 projects in Schedule A and how the costs and revenues of those projects are recorded, allocated and accounted for.
- [4] There is a disagreement however about the need for expanded powers in the receivership order. Surace says expanded powers are necessary to address some of the delays and alleged lack of cooperation from Reis in facilitating the Receiver's work. The Receiver supports these expanded powers. Initially, Reis opposed all amendments to the current order arguing that no expanded powers were necessary. During argument, however, Reis conceded that at least some revisions to the existing order were warranted.
- [5] I have reviewed the details of the amendments proposed by Surace and considered the arguments of the parties for and against these amendments. In my view, the bulk of the amendments are consistent with the intent of my original endorsement and will clarify Reis's obligations and enhance the Receiver's work, to the benefit of both parties. Some of the requested provisions, however, are overreaching, unnecessary or impractical. I will address the main areas of contention below.
- [6] I am satisfied that the amendments proposed in para. 2 of the proposed order are warranted and they are approved, with one revision. I have revised paras. 2 (e) and (f) to reflect the idea that any proposed remedial action or settlements regarding accounts receivable collection will occur following advance notice to and consultation with the parties.
- [7] Paragraph 6(a) concerns the Receiver's access to "business records" in general and emails specifically. In my view, ordering that the Receiver be granted access to all of Dupont's business records and all of Dupont's emails is overreach at this time. Among other things, it risks compromising solicitor client privilege. What the Receiver needs at this stage is financial information about Dupont which relates to the completion of, and accounting for, the Schedule A work. That is covered in para. 2(b). For this reason, subject to further evidence demonstrating the needs for these powers, I have removed Dupont from the access required in para. 6(a). The obligations in the resulting para. 6(a) are to be performed by December 4, 2024, as agreed between the parties at the hearing.
- [8] The production of payroll records is dealt with in the proposed para. 6(c). Payroll records are an important input into the Schedule A accounting exercise. Reis has undertaken to use his best efforts to provide this information (to the extent not already captured by production of the email information dealt with in para. 6(a)) by December 20, 2024. I have revised para. 6(c) to reflect this.
- [9] I have deleted para. 7 of the proposed order. In my view, it is premature to be requiring specific payments from Dupont in relation to one aspect of the parties' dispute. The Receiver's role regarding funds collected and/or received by Dupont which are receivables of VGA shall be limited, for now at least, to the identification of and accounting for such amounts. The question of payment may be revisited at the next return date.

[10] Finally, the parties shall return for a further case conference and/or hearing on February 13, 2025 at 10:00 AM for two hours. The Receiver shall prepare a report of its work, findings and further recommendations. That report should be provided to the parties and to the court by February 10, 2025.

[11] Order to issue in the form signed by me this day.

A handwritten signature in blue ink, appearing to read "Penny J.", followed by a period.

Penny J.

# **APPENDIX “C”**

Court File No. CV-24-00726047-00CL

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

**BETWEEN**

**NICOLA SURACE also known as Nick Surace**

**Applicant**

- and -

**Jason Reis, V.G.A. Carpentry Limited, 1905247 Ontario Inc. and  
V.G.A. Carpentry (2023) Ltd. now known as Dupont Carpentry Limited**

**Respondents**

**APPLICATION UNDER**

**SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended and  
Section 248 of the Business Corporations Act, R.S.O. 119, C B.16, as amended**

**FIRST REPORT OF THE INTERIM RECEIVER**

**NOVEMBER 26, 2024**



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ACTIVITIES OF THE INTERIM RECEIVER.....	7
INTERIM RECEIVER'S FINDINGS TO DATE.....	9
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<b>Appendix C</b>	<b>Sample Supplier Letter</b>
<b>Appendix D</b>	<b>Sample Customer Letter</b>
<b>Appendix E</b>	<b>Reis Letters</b>
<b>Appendix F</b>	<b>Saxon Letter</b>
<b>Appendix G</b>	<b>Accounts Receivable Listing</b>
<b>Appendix H</b>	<b>Correspondence with Canderel</b>
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<b>Appendix K</b>	<b>November 18<sup>th</sup> Letter</b>
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<b>Appendix Q</b>	<b>Correspondence with Ellis Don</b>

## INTRODUCTION

1. On October 22, 2024, pursuant to an order (the “**Appointment Order**”) of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (“**Court**”), Dodick Landau Inc. was appointed as receiver and manager (the “**Interim Receiver**”), without security, of all the assets, undertakings and properties of V.G.A Carpentry Limited (“**VGA**” or the “**Company**”) acquired for, or used in relation to a business (the “**Business**”) carried on by the Company, including all proceeds thereof (the “**Property**”). The Interim Receiver’s appointment resulted from an application made by Nick Surace (“**Surace**” or the “**Applicant**”) for various relief under section 101 of the Courts of Justice Act, R.S.O. 1990, C. C. 4, as amended, and section 248 of the Business Corporations Act, R.S.O. 1990, C B.16, as amended, against Jason Reis, (“**Reis**”), 1905247 Ontario Inc. (“**190**”) and V.G.A Carpentry (2023) Ltd., now known as Dupont Carpentry Limited (“**Dupont**”). Attached as **Appendix “A”** is a copy of the Appointment Order.
2. On October 22, 2024, the Honourable Justice Penny issued an endorsement (“**Endorsement**”) which included his Honour’s decision to appoint an interim receiver and directed counsel to negotiate the terms of such an order. Thereafter the parties negotiated the terms of the Appointment Order, which while dated October 22, 2024, was issued on October 29, 2024. Attached as **Appendix “B”** is a copy of the Endorsement. Paragraph 7 of the Endorsement described the powers of the Interim Receiver to include “the power to obtain financial information about VGA and Dupont in the hands of third parties.” The Appointment Order, however, included the Interim Receiver’s ability to obtain such information only with regard to VGA, which was presumably an oversight.
3. In addition to appointing the Interim Receiver, the Appointment Order, *inter alia*, empowered and authorized the Interim Receiver:
  - i) to review and have access to any and all financial information pertaining to the Business of the Company, including banking information, both on-line and in hard copy form;
  - ii) to report to, meet with and discuss with such affected Persons (as defined therein), including Reis and Surace and/or their legal counsel and financial

representatives, as the Interim Receiver deems appropriate, on all matters relating to the Business and the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;

- iii) to inquire into and report to the Court on the financial condition of the Company and the Property; and
  - iv) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
4. The affidavits of Surace ("**Surace Affidavit**") and Surace's personal accountant, Nicholas Gareri ("**Gareri**"), ("**Gareri Affidavit**", and jointly with the Surace Affidavit, the "**Applicant Affidavits**"), were filed in connection with the application. Reis and Dennis Saxon, VGA's external accountant ("**Saxon**"), also filed affidavits (the "**Respondents' Affidavits**"). The Applicant and Respondents' Affidavits included background information regarding VGA and the events that led to the application.
5. The purpose of this report (the "**First Report**") of the Interim Receiver is to report to the Court pursuant to paragraph 21 of the Appointment Order "setting out the details of its review of the Records and the Business".

#### **TERMS OF REFERENCE**

6. In preparing this First Report, the Proposal Trustee has relied upon the Applicant Affidavits and the Respondent Affidavits, other Court material, certain unaudited, draft and/or internal financial information, VGA's books and records, correspondence and discussions with Gareri, correspondence and discussions with Reis and information from other third-party sources, including customers, vendors, and former employees (collectively, the "**Information**").
7. Except as described in this First Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook (the "**CPA Handbook**") and, accordingly, the Interim Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the

Information.

8. The Interim Receiver has prepared this First Report in its capacity as a Court appointed officer pursuant to paragraph 21 of the Appointment Order. Parties using this First Report, other than for the purpose outlined in this First Report, are cautioned that it may not be appropriate for their purposes.
9. All references to dollars are in Canadian currency unless otherwise noted.

## **BACKGROUND**

10. VGA was founded by Surace in 1974 and is a provider of trim and carpentry services to the residential construction industry.
11. According to the Applicant Affidavits, in 2013 Reis became a shareholder of VGA and over time obtained a 49% interest in VGA which is held through 190, his holding company. Surace held directly the balance of the shareholdings, a 51% interest in VGA. Surace, due to his age, desired to retire from VGA.
12. As further detailed in the Applicant and Respondents' Affidavits, and the Shareholder's Agreement (defined below), Reis and Surace created a plan to wind down VGA (the "**Wind Down Plan**") which:
  - i) permitted the orderly completion by VGA of the contracts/projects already awarded to VGA, which were in various stages of completion;
  - ii) allowed Reis to succeed Surace whereby Reis would be responsible for completing the VGA projects and would be able to accept all new contracts/projects in Dupont, his newly created corporation which is wholly owned by him; and
  - iii) allowed for the repayment of certain amounts owed by VGA to Reis or Dupont.
13. A Shareholders' Agreement dated October 1, 2022 (the "**Shareholders' Agreement**") was executed by Reis and Surace which formalized the Wind Down Plan. Following the execution of the Shareholders' Agreement, Reis assumed the management of all day-to-day operations of VGA, while Surace remained a second signatory on all cheques of VGA.

14. The Shareholders' Agreement included, among other things, that: (i) VGA was to be wound down following the completion by VGA of its existing work identified as fifteen outstanding contracts/projects listed in Schedule A to the Shareholders Agreement ("**Schedule A**") with total known contract value of approximately \$26.7 million (collectively, the "**VGA Jobs**"); and (ii) Reis would not solicit away, or interfere with, any of the VGA Jobs.
15. At the time that the Shareholders' Agreement was executed, the expectation was that the VGA Jobs were profitable and should generate positive cash flows once completed. At the time of the Interim Receiver's appointment, according to the Applicant Affidavits, VGA had not made any distributions to its shareholders and was indebted to various parties, including the Canada Revenue Agency ("**CRA**"), for over \$2 million on account of unremitted employee payroll deductions, unremitted HST and corporate tax payable.

## **ACTIVITIES OF THE INTERIM RECEIVER**

### **VGA Records**

16. According to the affidavit of Saxon, he was unable to prepare annual financial statements for VGA for the fiscal years ended January 2023 and 2024, which includes the period from when the Shareholders' Agreement was executed, October 1, 2022, until there was a breakdown in the relationship of Surace and Reis in early 2024.
17. As such, the Interim Receiver was required to rely on third party information, including information from VGA customers and vendors, to review the state of VGA's finances. Some of the information requested had not been received by the time the First Report had to be filed with the Court (November 26, 2024) since certain third parties required more time to compile the information.

### **Correspondence with Customers and Suppliers**

18. The Interim Receiver sent a letter to the Company's five key suppliers requesting a report by project detailing the total value of material delivered to each of the VGA Job sites from inception of each of the VGA Jobs through to the final shipment, or if not yet complete, then to the most recent shipment ("**Supplier Letter**"). A sample Supplier Letter is attached as **Appendix "C"**.

19. As of the writing of this First Report, the Interim Receiver has received responses from four of the five suppliers. One of the suppliers provided incomplete information and as such the Interim Receiver is continuing to follow up to request the missing information.
20. The Interim Receiver sent a letter to ten customers (“**Customer Letters**”), nine of whom had projects on Schedule A and one additional customer who VGA sent invoices to in fiscal years 2023 and 2024. The Customer Letters requested information with respect to each contract, its status, and associated payments. A sample Customer Letter is attached as **Appendix “D”**.
21. As of the writing of this First Report, the Interim Receiver has received responses from nine customers, one of which provided incomplete information. The Interim Receiver is in the process of reviewing the information received and following up with the customer for any missing information.

### **Correspondence with Reis**

22. The Interim Receiver has to date written three letters to Reis (“**Reis Letters**”) which included requests for the following information:
  - i) Copies of field reports for the VGA Jobs including weekly time records (detailing each site employee’s name and weekly number of hours of work by project) submitted by the on-site field supervisor/foreman, for the period from July 1, 2023 to April 30, 2024 (“**Payroll Period**”);
  - ii) Cost and profit estimates for each of the VGA Jobs, as well as the CentreCourt Construction project, as originally produced at the tendering stage;
  - iii) Collection status of any outstanding invoices payable to the Company, and specifically invoice numbers: 202416, 202415, 202414, 202413, 202412, 202411, 202410, 202409 and 202408, and all email correspondence with customers relating thereto;
  - iv) Super administrator access (complete access) to VGA’s email server and Google Drive with domain: vgacarpentry.com, which in subsequent letters to Reis was extended to include Reis’ username and password to his VGA email address; and

- v) Copy of all Schedule A contracts, and the Prime Condos contract, including contact information for each of these customers including contact name, mailing address, email addresses and phone numbers.

23. Certain information was provided by Reis in response to the Interim Receiver's Letters while other information continues to remain outstanding as detailed further herein. Attached as Appendix "E" are copies of the Reis Letters.

### **Correspondence with Saxon**

24. On November 4, 2024, the Interim Receiver wrote to Saxon and requested certain accounting, payroll and banking records, the majority of which was subsequently received by the Interim Receiver. Attached as Appendix "F" is a copy of the Interim Receiver's letter to Saxon with the detailed list of information requested.

25. The Interim Receiver requested a copy of Saxon's accounting software file for VGA to review the Company's receivables and payroll, and to determine what bookkeeping records were kept by VGA, which was received from Saxon on November 16, 2024. Subsequently, on November 22 and 25, 2024, the Interim Receiver received two additional versions of the VGA accounting file from Saxon's office.

### **INTERIM RECEIVER'S FINDINGS TO DATE**

#### **VGA's Accounting Records**

26. It appears that while entries were made in the VGA bookkeeping records regularly, the bookkeeping records could not be reconciled to the bank account throughout fiscal years-ended 2023 and 2024. The unreconciled differences between the bank records and the bookkeeping records were greater than \$1.0 million at any given time during this timeframe. The Interim Receiver contacted Saxon, who referred the Interim Receiver to his staff, who advised that a journal entry was recorded in the VGA accounting during the intervening period between November 17 to 25, 2024 to reconcile the VGA bank accounts to the VGA accounting records.

27. Saxon stated in his affidavit that he was unable to prepare financial statements for VGA for fiscal years 2023 and 2024. In his affidavit he laid the blame primarily on information that was not received from Surace related to amounts owing by Surace to VGA. The



Interim Receiver understands that the amounts listed on Schedule B of the Shareholder Agreement were meant to settle all related party transactions in dispute at the time.

28. In April 2024, CRA conducted a payroll audit which concluded that for the period of January 1, 2023 to March 31, 2024, there was approximately \$990,000 payable by VGA to CRA for unremitted payroll source deductions, including interest and penalties. On August 28, 2024, CRA issued to VGA requirements to pay for unremitted payroll, HST and corporate tax, totaling \$1,023,594.87, \$1,006,920.91 and \$73,586.86, respectively, including accumulated interest and penalties. As well, the requirements to pay were issued by CRA to CIBC, VGA's bank, and CRA began garnishing VGA's bank accounts in August 2024.
29. As such, beginning October 1, 2022 and throughout the period of the Shareholder Agreement, the VGA accounting records were incomplete, and remittances for payroll, HST and corporate tax were not made to CRA consistently.

#### **VGA Accounts Receivable**

30. As noted above, not all customers have responded to the Customer Letters and not all responses from customers were complete. However, in those instances where the customers provided information regarding the unpaid VGA invoices issued to them, that information was compared to the customer accounts receivable balances recorded in VGA's books and records. In certain instances, the Interim Receiver noted material differences between the customer information and VGA's books and records. The accounts receivable subledger received from Reis on November 18, 2024, as compared to the information received from certain customers, is attached as "**Appendix "G"**". Certain discrepancies are described below.

#### *St. Clair West*

31. VGA's records indicate that \$3,094.03 was owing by Canderel Group ("**Canderel**") in connection with a project known as 900 St. Clair West Limited Partnership, municipally known as 900 St. Clair West. Canderel informed the Interim Receiver that a payment in connection with invoice #202432 issued by VGA in May 2024 for \$9,196.01 was processed by Canderel but the cheque was never picked up by VGA. Furthermore, the project is now complete and Canderel has been able to release the holdback to VGA

since July 9, 2024 but VGA has not submitted the invoice and, as such, Canderel has not issued payment. The holdback payable to VGA is \$73,200 excluding HST. A copy of the correspondence with Canderel is attached as **Appendix “H”**.

#### *The Carvalho*

32. The Interim Receiver noted a material discrepancy with respect to the Gillam Group Inc. (“**Gillam**”) project known as The Carvalho, municipally known as 871 - 899 College Street. VGA’s accounts receivable subledger indicates that \$525,178.82 is owing from Gilliam. Gilliam advised the Interim Receiver by way of a letter from Les Weidman (“**Weidman Letter**”) that on May 18, 2023 Gilliam issued a notice of default (“**Default Letter**”) to Reis’ attention for failing to comply with VGA’s contractual obligations for the project. As noted in the Default Letter, “VGA agreed for Gillam to engage a third-party trade to complete the remaining scope items that were outstanding as at that time... As the cost of the backcharge exceeds the cost of all work completed by VGA, prior to their default, there are no further payments pending. In fact, there is currently a balance owing to Gillam on VGA’s account”. A copy of the Weidman Letter is attached as **Appendix “I”**.

#### *Reunion Crossing*

33. The Interim Receiver noted a material discrepancy with respect to the DK St. Clair Inc. (“**DK**”) project known as Reunion Crossing, municipally known as 1808 St. Clair Avenue West. VGA’s accounts receivable subledger indicates that \$525,178.82 is owing from DK. According to DK, there are no unpaid amounts owing to VGA. The Holdback in the amount of \$136,500 remains payable to VGA but it has not yet been invoiced by VGA. Included in the VGA subledger balance of \$525,178.82 was invoice # 2023125, which totaled \$158,407.92, net of holdback and inclusive of HST. DK notified the Interim Receiver in writing that invoice # 2023125 was paid, net of two credits issued for \$33,900, by way of electronic transfer. DK informed the Interim Receiver that it was advised by Reis that VGA’s bank account was changed from CIBC to Bank of Montreal (“**BMO Account**”) on August 15, 2023 and that the funds were to be paid to the BMO Account. A void cheque was provided to DK which identifies the BMO Account holder as VGA Carpentry (2023) Ltd., the predecessor name for Dupont. Therefore, it appears that Dupont collected an account receivable of VGA totaling \$124,507.92. The Interim

Receiver is not aware of this amount being reimbursed to VGA by Dupont and notes that there is no receivable from Dupont in the AR subledger. A copy of the Interim Receiver's correspondence with DK is attached as **Appendix "J"** which also includes DK's correspondence with Reis and the copy of the cancelled cheque which DK received from Reis.

## **VGA Payroll**

### *Information from Reis*

34. The Interim Receiver understands that VGA funded its payroll on a weekly basis. In order to determine the cost of labour for each of the VGA Jobs, the Interim Receiver requested in its letters to Reis copies of field reports submitted by the job site foreman to Reis. Reis stated in his letter to the Interim Receiver on November 18, 2024 (the "**November 18<sup>th</sup> Letter**") that the standard procedure for payroll purposes "was I received a call every Friday. There I was provided with workers and their hours worked. After the call I provided a time sheet..." to VGA's accountant in order to process the payroll. A copy of the November 18<sup>th</sup> letter is included as **Appendix "K"**. Reis also provided weekly time sheets for the period requested by the Interim Receiver, a sample of which is enclosed as **Appendix "L"**. The time sheets include, among other things, total hours paid by employee but there is no indication at which job site these employees worked. Reis informed the Interim Receiver that the information as to actual employee hours by VGA Job is not available.
35. The Interim Receiver requested access to Reis' email at vgacarpentry.com, hosted by Google's gmail, in order to search for weekly payroll correspondence from VGA Job foremen. Reis provided the Interim Receiver with credentials to his VGA email and google drive but they did not work.
36. The Interim Receiver made numerous requests from Reis for the aforesaid email access. Reis purported to provide access to the Interim Receiver, which in the view of the Interim Receiver should have been straightforward by providing a proper password. The final attempt included the Interim Receiver requesting that Reis attend at its office with his computer to give the Interim Receiver access to his email records. Reis attended as requested and showed the Interim Receiver that he had access to his emails on his cell phone. Reis then attempted to log in on one of the Interim Receiver's laptops using the

credentials he provided, but he was unable to do so. The Interim Receiver then requested that Reis provide access to his emails through his laptop, but Reis declined and left the Interim Receiver's offices. He then stated that he would immediately provide the Interim Receiver with access by way of a link to his email. He subsequently sent an email to the Interim Receiver which included six attachments which were illegible.

37. Attached as **Appendix "M"** are copies of emails between the Interim Receiver and Reis summarizing these requests.

#### *Information from Pinzan*

38. On November 21, 2024, the Interim Receiver held an in-person meeting with Daniel Pinzan ("**Pinzan**"), a foreman employed by VGA during the Payroll Period, to discuss which job sites he managed and what his practice was to report hours worked at his job sites to Reis ("**Pinzan Meeting**"). Pinzan explained that it was his practice to email Reis weekly, through his VGA email, an excel file that summarized total hours by day, by employee, including job site name and address. The Interim Receiver prepared a summary of the Pinzan Meeting which it then sent to Pinzan who confirmed the accuracy of the summary. The summary prepared by the Interim Receiver of the Pinzan Meeting is attached as **Appendix "N"**.

#### *Kingsway Crescent*

39. Pinzan advised that he worked as the foreman at one of the VGA Jobs' (Reliance Construction Group development project known as The Kingsway) during the Payroll Period until the end of the summer of 2023. Upon the completion of The Kingsway, Pinzan was assigned to a Harhay Developments' project known as "Kingsway Crescent". Kingsway Crescent is not one of the VGA Jobs. It was a Dupont job.
40. At Kingsway Crescent, Pinzan advised that he had approximately 8 - 10 labourers working onsite with him at any given time. Notwithstanding that Pinzan and his team were working for the benefit of Dupont, their wages continued to be funded by VGA. By reviewing the timesheets provided by Reis, the Interim Receiver confirmed that Pinzan was included on the VGA timesheets from the estimated start of the Kingsway Crescent job up to and including the week ending March 8, 2024 and was transferred to the Dupont payroll the week ending March 15, 2024. Pinzan further advised that he only received

one T4 in 2023 and his T4 lists VGA as his employer. A copy of the Pinzan 2023 T4 is included as **Appendix “O”** with amounts redacted.

41. In order to quantify the potential financial impact of the overstatement of payroll charged to VGA with regards to the Kingsway Crescent job, Pinzan identified the names of the labourers who worked on the Kingsway Crescent jobsite with him (“**Kingsway Labourers**”). Using the Company’s accounting software file provided by Saxon, the Interim Receiver ran a report on total earnings of Pinzan and the Kingsway Labourers from October 2023 to April 15, 2024, when all the VGA employees were terminated and transferred to Dupont. Total gross payroll paid to Pinzan and the Kingsway Labourers during that period was over \$500,000. The Kingsway Labourers were not included on the Dupont payroll during the period of October 2023 to April 15, 2024. It is possible that certain Kingsway Labourers had moved during this period to VGA Jobs for periods of time. If this occurred, the overstatement of VGA payroll of over \$500,000 would be reduced. Attached as **Appendix “P”** is a copy of the payroll report generated from VGA’s accounting software.
42. If Dupont payroll was regularly paid by VGA, it would explain at least in part the financial loss experienced by VGA during the Wind Down Plan period. Additionally, an overstated payroll in VGA would have also contributed to an overstatement of unremitted payroll source deductions payable to CRA during the same period, for which CRA has begun enforcement actions against VGA and its directors. In turn, Dupont’s payroll, and related source deductions would have been understated by the same amount.

#### *45 Strachan*

43. As discussed earlier in this First Report, the 45 Strachan contract is between Ellis Don and Dupont. Ellis Don advised that there were 3 to 4 workers (including the foreman) onsite intermittently from September to December 2023 and it provided the names of the individuals to the Interim Receiver. Two of the individuals (Kevin Furtado and Mark Burgess) were paid by VGA, and were not paid by Dupont, during this period, notwithstanding that they were working on a Dupont project. Gross VGA payroll for these two individuals cannot be quantified without access to time records by job.
44. The Interim Receiver is not aware of any reimbursement by Dupont to VGA for this job.

45. If the Interim Receiver was able to obtain payroll information by VGA Job, it would be able to determine whether any additional payroll of Dupont was funded by VGA.

### **Completeness of Schedule A of the Shareholders Agreement**

46. It is the Interim Receiver's understanding that the Shareholders' Agreement, and its Schedule A, were meant to capture all open VGA contracts/projects as part of the Wind Down Plan.

#### *CentreCourt Prime*

47. Schedule A of the Shareholders Agreement lists two (2) projects to be completed for "CentreCourt", referred to as CentreCourt Construction (99BJW) Inc. and CentreCourt Construction (Eglinton) Inc. (collectively referred to as "**CentreCourt**"). Surace deposed in his Affidavit that, subsequent to the execution of the Shareholders Agreement, Reis "unilaterally" added a third CentreCourt project to the list in Schedule A, known as Prime, as a substitution for the Ellis Don/Bental 45 Strachan project.
48. The Interim Receiver received a copy of the CentreCourt Prime Contract from CentreCourt. The contract was executed on March 9, 2022, seven months prior to the date of the Shareholders' Agreement. As such, the Interim Receiver questions why this project was not originally included on Schedule A as a VGA Job rather than as a substitution for 45 Strachan.

#### *45 Strachan*

49. The Interim Receiver also wrote to Ellis Don which confirmed that 45 Strachan is a contract between Ellis Don and Dupont. A copy of the Interim Receiver's correspondence with Ellis Don is attached as **Appendix "Q"**. Ellis Don further advised that Reis submitted a quotation for the 45 Strachan project in August 2020 and that the LOI was executed in February 2021. As the submission of the quotation and the execution of the LOI all predate the execution of the Shareholders' Agreement, the Interim Receiver questions why this project would be removed from Schedule A.

### **CRA's Requirement to Pay**

50. On November 4, 2024, the Interim Receiver wrote to CRA and CIBC, VGA's financial institution, to inform them that: (i) the Appointment Order had been issued and (ii) all

proceedings currently underway against or in respect of the Company were stayed, including the garnishment commenced by CRA of VGA's CIBC bank accounts. On November 1, 2024, CIBC had responded to CRA's garnishment by sending to CRA \$351,850.80 on deposit in VGA's CIBC account (the "**Account**"). This amount was sent to CRA after the issuance of the Appointment Order on October 22, 2024. The Interim Receiver wrote to CRA requesting that the funds be returned to the Account as the stay of proceedings commenced prior to the execution of the garnishment. To date, the Interim Receiver has not received a response from CRA despite attempts to follow up with representatives of CRA by phone.

51. On November 19, 2024, a further \$23,779.85 was withdrawn from the Account by CIBC and paid to CRA notwithstanding the notification of the granting of the Appointment Order provided by the Interim Receiver on November 4, 2024. Thereafter, the Interim Receiver contacted representatives of CIBC, who returned the \$23,779.85 amount to the Account.

## **CONCLUSIONS**

52. The Interim Receiver has been working diligently to complete its review pursuant to the Appointment Order, but as outlined above, certain information remains outstanding from suppliers, customers and Reiss. Receipt of such information would allow the Interim Receiver to further advance its review. As well, additional time to complete its review would also permit the Interim Receiver to interview additional former employees of VGA which may reveal additional irregularities.
53. Based on the review completed to date, the Interim Receiver notes the following findings:
  - i) VGA is not consistently issuing customer billings in a timely manner, which is delaying/impeding the Company's ability to meet its financial obligations;
  - ii) VGA's books and records do not reflect the current status of the VGA Jobs, and in particular the accounts receivable subledger is materially overstated for certain customer accounts;
  - iii) VGA receivables were redirected to Dupont for certain customer accounts, and there is no indication that any of these funds have been reimbursed;

- iv) VGA has funded a portion of the Dupont payroll, and there is no indication that any of these funds have been reimbursed;
- v) The VGA Jobs listed on Schedule A of the Shareholders Agreement excludes certain jobs initially awarded to and/or procured by VGA; and
- vi) VGA is insolvent and is unable to pay its bills as they become due.

All of which is respectfully submitted this 26<sup>th</sup> day of November, 2024.

**DODICK LANDAU INC.**

In its capacity as the Interim Receiver of  
VGA Carpentry Limited and not  
in its personal or corporate capacity.

Per:



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Rahn Dodick, CPA, CA, CIRP, LIT  
President



# **APPENDIX “D”**

## SHAREHOLDERS' AGREEMENT

**THIS AGREEMENT** made as of the 1<sup>st</sup> day of October, 2022

**AMONG:**

**NICK SURACE**, an individual residing in the City of Toronto  
in the Province of Ontario;  
(hereinafter referred to as "Surace")

OF THE FIRST PART

and

**1905247 ONTARIO INC.**, a corporation incorporated under the laws of  
the Province of Ontario;  
(hereinafter referred to as "1905247")

OF THE SECOND PART

and

**V.G.A CARPENTRY LIMITED**, a corporation incorporated under the laws of  
the Province of Ontario;  
(hereinafter referred to as the "Corporation")

**WHEREAS** the parties hereto have previously caused the Corporation to be incorporated for the purpose of carrying on in common through the Corporation the business relating to trim and finish carpentry services (the "Business");

**AND WHEREAS** the authorized capital of the Corporation consists of one class of shares, unlimited in number, to be designated as common shares;

**AND WHEREAS** Surace is the registered and beneficial owner of 51 common shares in the capital of the Corporation;

**AND WHEREAS** 1905247 is the registered and beneficial owner of 49 common shares in the capital of the Corporation;

**AND WHEREAS** Surace and 1905247 wish to establish their respective rights and obligations with respect to: (i) the shares of the Corporation owned by them, directly or indirectly; (ii) the management and control of the Corporation; and (iii) the other matters set forth in this Agreement;

**AND WHEREAS** Surace and 1905247 wish to establish their respective rights and obligations with respect to the winding down and dissolution of the Corporation over the next three (3) to four (4) years;

**AND WHEREAS** it is the intention of each of the parties that this Agreement shall constitute a unanimous Shareholders' Agreement with respect to the Corporation;

**NOW THEREFORE THIS AGREEMENT WITNESS** that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar now paid by each party hereto to each of the other parties hereto, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

## ARTICLE ONE -- DEFINITIONS AND INTERPRETATION

1.1 *Definitions.* In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**Agreement**" means this unanimous Shareholders' Agreement;
- (b) "**Board**" means the board of directors of the Corporation as may be appointed from time to time;
- (c) "**Business Day**" means any day, other than a Saturday or Sunday or holiday, on which Canadian chartered banks are open for business in Toronto, Ontario;
- (d) "**Event of Default**" means, when used in relation to a Shareholder, that such a Shareholder or its Principal has defaulted in the performance of its obligations pursuant to this Agreement or pursuant to any agreement entered into between such person and the Corporation and such default shall not have been cured within five (5) days after receipt by such Shareholder or its Principal, as the case may be of a notice from the Board or any other Shareholder asking such Shareholder or its Principal to cure such default;
- (e) "**Income Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.) and the regulations thereunder, as amended from time to time;
- (f) "**Person**" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator or other legal representative;

- (g) "**Prime Bank Rate**" means the commercial lending rate of interest, expressed as an annual rate, that the Corporation's principal bankers quote in Toronto as the reference rate of interest from time to time (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;
- (h) "**Principals**" means Surace and Jason Reis, together with such other persons who may become parties to this Agreement and "Principal" shall mean any one of such persons individually;
- (i) "**Shareholder**" means any person who from time to time holds shares of the Corporation and is bound by the provisions of this Agreement, the Shareholders at this time being Nick Surace and 1905247 Ontario Inc..

## ARTICLE TWO -- REPRESENTATIONS, WARRANTIES AND COVENANTS

**2.1 Representations, Warranties and Covenants.** Each Shareholder hereby covenants with and represents and warrants to the other Shareholders, and acknowledges and confirms that the other Shareholders are relying on such covenants, representations and warranties in connection with entering into this Agreement, that:

- (a) it is a corporation duly existing and in good standing under the laws of its jurisdiction of incorporation, in the case of 1905247;
- (b) it is duly registered and qualified to carry on business and has and will continue to have all requisite authority, licences and permits to carry on the business of the Corporation, in the case of 1905247;

- (c) it has the capacity and corporate authority to act as a Shareholder and make its capital contribution to the Corporation as contemplated by this Agreement, in the case of 1905247;
- (d) it can fulfil its obligations as a Shareholder without violating the terms of its constating documents, by-laws or any agreement to which it is or will become a party or by which it is or will become bound by any law or regulation applicable to it;
- (e) it has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (f) this Agreement constitutes a valid and binding obligation of it, enforceable in accordance with its terms;
- (g) it is and shall be a "resident" of Canada within the meaning of the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.); and
- (h) it is not a non-Canadian within the meaning of the *Investment Canada Act*, R.S.C. 1985, c. L.8 (1st Supp.).

**2.2 *Number and Class of Share.*** Each of Surace and 1905247 warrants that:

- (a) he/it is the registered and beneficial owner of that number and class of the issued and outstanding shares of the Corporation set out opposite its name below:

<b>Name</b>	<b>Number and Class of Shares</b>
Nick Surace	51 Common Shares
1905247 Ontario Inc.	49 Common Shares

**2.3 *No Other Shares.*** The Corporation warrants that:

- (a) The shares and securities listed in Section 2.2 hereof are the only issued and outstanding shares or securities convertible into shares of the Corporation; and

- (b) except as provided in this Agreement no person has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued shares of the Corporation or any securities convertible into shares of the Corporation.

2.5 *Survival.* The covenants, representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and, notwithstanding such execution and delivery and regardless of any investigation made by or on behalf of any Shareholder with respect thereto, shall continue in full force and effect for the benefit of each Shareholder to which such covenants, representations and warranties were made until the expiry of three years following the termination of the Shareholders' Agreement.

### ARTICLE THREE -- MANAGEMENT OF THE CORPORATION

3.1 *Board of Directors.* Subject to the provisions of this Agreement, the business and affairs of the Corporation shall be managed by the Board of Directors (the "Board") which shall at all times consist of two (2) directors. The Board shall consist of such individuals as the Shareholders may elect from time to time by ordinary resolution. Notwithstanding any provision in this Agreement and subject to the provisions of Section 3.3 each of the Shareholders shall be entitled to appoint their own representative as a director of the Corporation.

3.2 *Appointment of Board of Directors.* With respect to the appointment of Directors, the Parties agree as follows:

- (a) as long as Surace is a Shareholder, Surace shall be entitled to appoint one (1) Director to the Board; and

- (b) as long as 1905247 is a Shareholder, 1905247 shall be entitled to appoint one (1) Director to the Board;

**3.3 *Appointment of Directors.*** The following individuals have been appointed as the Directors of the Board:

- (a) Surace has been appointed by Surace to be its appointed representative on the Board; and
- (b) 1905247 has appointed Jason Reis to be its appointed representative on the Board.

**3.4 *Board Vacancy.*** Should any vacancy occur on the Board, such vacancy shall be filled forthwith by the appointment of a nominee by the Shareholder who is not then represented by the nominee to which he is entitled hereunder.

**3.5 *Officers of the Corporation.*** The officers of the Corporation, unless changed by resignation or Board decision, shall be:

President: Nick Surace

Vice President: Jason Reis

and such additional officers as the Board may determine from time to time. Where an above-named officer resigns his office, then the Board shall be entitled to appoint a replacement.

**3.8 *Quorum for Meetings of Directors.*** A quorum for all meetings of the Board shall be two (2) Directors present in person or by means of such telephone, electronic or other communication facilities whereby all persons participating in such meeting can hear and speak to each other simultaneously and instantaneously or such other number as the Shareholders may agree upon in writing from time to time.



3.9 *Quorum for Meetings of Shareholders.* A quorum for a meeting of Shareholders shall be two (2) Shareholders, present and representing by proxy or in person not less than one hundred percent (100%) of the issued and outstanding shares entitled to vote at such meeting.

3.10 *Unanimous Number of Votes.* Except as may be otherwise provided in this Agreement, all decisions of the Board and of the Shareholders of the Corporation shall be decided by a unanimous number of votes cast.

3.11 *Resolutions in Lieu of Meeting.* A resolution in writing, signed by all of the Directors or all of the Shareholders, is as valid as if such resolution had been passed at a meeting of the Directors or Shareholders.

3.13 *Contracts and Documents.* Subject to the terms thereof, all contracts and documents binding the Corporation shall require the signature(s) of both the President and Vice President, or such other individual(s) as may be determined by the unanimous decision of the Board of Directors from time to time.

#### ARTICLE FOUR -- OPERATION AND FINANCE

4.1 *Accounting Records.* Proper books of account shall be kept by the Corporation and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with GAAP and each of the Shareholders shall at all times furnish to the others correct information, accounts and statements of and concerning all transactions pertaining to the Corporation without any concealment or suppression.

4.2 *Accountants.* The accountants of the Corporation shall be Dennis H. Saxon Professional Accountant or such other firm of chartered accountants as the Shareholders shall appoint from time

to time (the "Accountants"). The Accountants shall, at the fiscal year end of the Corporation, prepare financial statements for such fiscal year, including a balance sheet, a statement of earnings and retained earnings, a statement of source and application of funds and a compilation report. For the foregoing purposes, such Accountants shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Corporation, including those of the Shareholders to the extent to which such books, records, vouchers, cheques, papers and documents relate to the Corporation.

**4.3 Bank Accounts.** The Corporation shall maintain a bank account or bank accounts at such bank or trust company as the Board shall from time to time determine. All bank accounts shall be kept in the name of the Corporation and all cheques, bills, notes, drafts or other instruments shall require the signatures of both Surace and Jason Reis or such individuals as the Board may from time to time determine. All monies received from time to time for the account of the Corporation shall be paid immediately into those bank accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received and all disbursements on account of the Corporation shall be made by cheque on such bank or trust company.

**4.4 Additional Borrowing.** The Shareholders agree that all funds required for the purposes of the Corporation shall be obtained, to the greatest extent possible, by borrowing from a chartered bank or other lender. The decision whether such funds are required, from whom such funds will be borrowed and the terms and conditions of such borrowing shall be determined by the Board from time to time. Each of the Shareholders covenants to use his/its reasonable best efforts to obtain such funds and covenants to execute and deliver all necessary documents, statements and assurances as may be required by such bank or other lender. The Shareholders and their respective Principals further agree that they shall attempt to obtain such funds upon their several guarantees only limited in an amount which is proportional to their holdings of fully-participating shares of the Corporation; provided that if such funds can only be obtained upon the joint and several guarantees of the Shareholders and their respective Principals, the Shareholders and the Principals covenant to execute and deliver such guarantees or other assurances as may be required in that regard.

**4.5 *Shareholder Loans.*** If, notwithstanding compliance by the Shareholders with the provisions of Section 4.4, the Corporation shall not have obtained all or part of the said funds from a bank or other lender, then, within ten (10) days after a demand in writing by the Corporation is given by the Corporation to the Shareholders, each Shareholder shall advance to the Corporation such portion of the said funds, or the part thereof that the Corporation shall not have obtained from a bank or other lender, as is proportionate to their then beneficial ownership of fully-participating shares of the Corporation. All advances made to the Corporation pursuant to this Section shall be treated as Shareholder's loans and shall be upon the security and at the rate of interest (which shall be the same for all Shareholders), if any, as shall be determined by the Board from time to time and, if required by the Corporation at the time of the making of the loan or at any time thereafter, shall be subordinated to any other secured arm's length indebtedness of the Corporation made in accordance with the terms hereof. None of those loans shall be called by the Shareholders or repaid to them, in whole or in part, except as is determined by the Board; provided that whenever any amounts on account of such loans are repaid to the Shareholders, they shall be repaid to them on a basis proportionate to their then total outstanding advances to the Corporation.

**4.6 *Non-Advance of Compulsory Shareholders Loans.*** If any Shareholder (in this Section referred to as a "Defaulting Shareholder") does not make the full or any part of the advance or advances required to be made by him pursuant to the provisions of Section 4.5 hereof, then the other Shareholder(s), if not so in default, shall be entitled to advance to the Corporation those amounts (in this Section referred to as the "Additional Loan"). If more than one of the other Shareholders wishes to make the Additional Loan, each of such Shareholders shall pay a portion of such Additional Loan equal to the proportion which their beneficial ownership of fully-participating shares of the Corporation bears to the aggregate beneficial ownership of fully-participating shares of the Corporation of the Shareholders who wish to do so. If only one of the Shareholders wishes to make the Additional Loan, he shall be entitled to make the whole Additional Loan to the Corporation. In the event that an Additional Loan is made, the Additional Loan shall be deemed to be a loan or loans (in this Section called the "Default Loan(s)") to the Defaulting Shareholder by the Shareholder(s) that made that Additional Loan (in this Section

called the "Lending Shareholder(s)") and to have been advanced to the Corporation on behalf of the Defaulting Shareholder. The Defaulting Shareholder shall pay to the Lending Shareholder(s) daily interest on so much of the Default Loan(s) as is outstanding from time to time, at the Prime Bank Rate plus five (5) percentage points, calculated and payable daily, not in advance, computed from the first day upon which the Additional Loan is made. For the purposes of this Section, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The Defaulting Shareholder hereby irrevocably directs the Corporation to make all payments of interest which are payable to the Defaulting Shareholder, directly to the Lending Shareholder(s), to be credited by the Lending Shareholder(s) against the amount of interest payable by the Defaulting Shareholder to the Lending Shareholder(s). The Default Loan(s) shall be payable on demand. The Defaulting Shareholder shall be entitled to repay the whole or any part of the Default Loan(s) at any time or times and the Corporation is hereby irrevocably directed to pay any dividend, salary, bonus, withdrawal or other distribution whatsoever payable to the Defaulting Shareholder (to a maximum of the amount of the Default Loan(s) plus accrued and unpaid interest), directly to the Lending Shareholder(s), if more than one Lending Shareholder, to be shared by them proportionately to the amounts of their respective Default Loan(s) to be credited by the Lending Shareholder(s) on account of the amount owing by the Defaulting Shareholder to the Lending Shareholder(s).

**4.7 *Personal Guarantees.*** If a Shareholder or Principal (hereinafter in this Article sometimes called a "Guarantor") has guaranteed, with the consent of the other Shareholder(s), the obligations of the Corporation to any bank or other lender and the Guarantor makes payment to such bank or other lender under such guarantee, then each of the Shareholders other than the Guarantor (hereinafter in this Article sometimes called an "Indemnifier") shall pay to the Guarantor, forthwith upon demand, a proportionate amount of such payment equal to the proportion which the number of fully-participating shares of the Corporation then beneficially owned by the Indemnifier bears to the total number of fully-participating shares of the Corporation then outstanding.

**4.8 *Loan Payment of Pro-Rata Portion of Shareholder(s) Guarantee.*** In the event that any one or more of the Indemnifiers shall not make a payment required herein, (hereinafter in this

Article sometimes referred to as a "Defaulting Indemnifier(s)"), then the aggregate amount to be paid to the Guarantor by the other Indemnifier(s) shall be adjusted by excluding the number of fully-participating shares of the Corporation then beneficially owned by the Defaulting Indemnifier(s) from the total number of fully-participating shares of the Corporation for purposes of the calculation contemplated pursuant to Section 4.7 above, and such additional amount shall be paid to the Guarantor by the other Indemnifier(s) forthwith upon demand. Provided that nothing herein shall relieve the Defaulting Indemnifier(s) from its obligation to pay to the Guarantor or the other Indemnifier(s), as the case may be, its proportionate share of the amount paid by the Guarantor, determined without having regard to its default. In addition, the Defaulting Indemnifier(s) shall pay to the Guarantor or the other Indemnifier(s), as the case may be, interest at the Prime Bank Rate plus five (5) percentage points calculated and payable daily, not in advance, computed from the first day upon which such payment should have been made on the amount owing by such Defaulting Indemnifier(s) to the Guarantor or other Indemnifier(s), as the case may be. For the purposes hereof, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The amount payable by the Defaulting Indemnifier(s) hereunder together with interest thereon, calculated as aforesaid, shall be fully paid to the Guarantor, or the other Indemnifier(s), as the case may be, before any dividend, salary, bonus, withdrawal or other distribution whatsoever from the Corporation is made to the Defaulting Indemnifier(s) and the Corporation is hereby authorized and directed to pay the amount of any such dividend, salary, bonus, withdrawal or other distribution (to the extent of the amount owing by the Defaulting Indemnifier(s) to the Guarantor or other Indemnifier(s), as aforesaid) to the Guarantor or other Indemnifier(s) in reduction of such amount.

## **ARTICLE FIVE -- RESTRICTIONS ON TRANSFER OF SHARES OF CORPORATION**

**5.1** *No Dealing with Shares.* Each of the Shareholders covenants that they will not sell, assign, donate, encumber, transfer, mortgage, pledge, charge, subject to a security interest, hypothecate, or otherwise dispose of or in any way whatsoever directly or indirectly, deal with the ownership

of any of the shares of the Corporation or securities convertible into shares of the Corporation now or hereafter beneficially owned by them, except in accordance with the terms of this Agreement, or except with the prior written unanimous consent of the other Shareholder(s).

#### **ARTICLE SIX – DEATH & DISABILITY**

6.1 Upon the death of Surace, his shares shall be transferred to his estate which shall be entitled to all income, dividends and other payments which would have reasonably been made to Surace as an employee, officer, director and shareholder up to and including the winding down and dissolution of the Corporation as contemplated herein. Upon the death of Jason Reis, 1905247 Ontario Inc.'s shares shall be maintained by Jason Reis' estate which shall be entitled to all income, dividends and other payments which would have reasonably been made to Jason Reis as an employee, officer and director as well as 1905247 Ontario Inc. as a shareholder, up to and including the winding down and dissolution of the Corporation as contemplated herein. The aforementioned compensation shall also be paid in the event of a *bona fide* illness or disability, physical or mental, which prevents Surace or Jason Reis from being able to devote the time and attention to the affairs of the Corporation required of such individual. It is the intention of the parties to "bridge" each other or their respective estates from the date of disability or death through the winding down period and dissolution of the Corporation.

#### **ARTICLE SEVEN – GENERAL WINDING DOWN PROVISIONS**

7.1 *Winding Down the Corporation.* Each of Shareholders agree that once the jobs listed in Schedule "A" attached hereto have been completed the property of the Corporation shall be distributed and the liabilities shall be discharged, and the Corporation shall be dissolved.

7.2 *No Further Jobs.* The parties agree that no further jobs shall be taken on by the Corporation other than those listed in Schedule A from the date of this Agreement onward.

**7.3 Shareholders' Loans / Shareholders' Advances.** The parties agree that the Shareholders, Principals and other third parties have loaned monies to the Corporation and/or have taken advances from the Corporation that are required to be repaid prior to the dissolution of the Corporation. The Shareholders and Principals shall act reasonably during the winding down period to reduce these loans/advances so that upon the dissolution of the Corporation no amounts are owed by or to the Shareholders or Principals. If required, before any dividend, salary, bonus, withdrawal or other distribution whatsoever from the Corporation is made to the Shareholders or Principals, the Corporation is hereby authorized and directed to pay the amount of any such dividend, salary, bonus, withdrawal or other distribution to the extent of the amount owing by the Shareholder or Principals in order to reduce any amount(s) outstanding. The parties agree that the loans and advances as of the date of this Agreement are attached hereto as Schedule B.

## **ARTICLE EIGHT – ARBITRATION**

**8.1** If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator. The arbitrator shall be appointed by agreement between the parties or, in default of agreement, such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region, upon the application of any of the said parties and a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region shall be entitled to act as such arbitrator, if he so desires. The arbitration shall be held in the Municipality of Metropolitan Toronto. The procedure to be followed shall be agreed by the parties or, in default of agreement, determined by the arbitrator. The arbitration shall proceed in accordance with the provisions of the *Arbitrations Act* (Ontario), S.O. 1991, c. 17. The arbitrator shall have the power to proceed with the arbitration and to deliver his award notwithstanding the default by any party in respect of any procedural order made by the arbitrator. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The decision arrived at by the board of

arbitration, howsoever constituted, shall be final and binding and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

## **ARTICLE NINE – COMPETITION & SOLICITATION**

9.1 Each Shareholder and Principal covenants and agrees with the other parties bound hereby and with the Corporation that 1905247 Ontario Inc. and/or Jason Reis shall be entitled to incorporate a new corporation named V.G.A. Carpentry (2023) Ltd. or such other similar name (the “New Company”) which will be a competitive business of the Corporation. 1905247 Ontario Inc., Jason Reis and New Company will not solicit, interfere with or endeavour to entice away from the Corporation any jobs listed on Schedule “A” attached hereto. 1905247 Ontario Inc., Jason Reis and New Company shall be entitled to solicit any customer, client or any person in the habit of dealing with the Corporation for any new trim and finish carpentry work not listed on Schedule “A” and shall be entitled to employ any employees, independent contractors or others currently employed by the Corporation.

9.2 1905247 Ontario Inc., Jason Reis and New Company shall be entitled to use all confidential records, material and information and copies thereof, and all trade secrets (and without restricting the generality of the foregoing, including inventions, discoveries and methods of processing and production) concerning the business or affairs of the Corporation.

9.2 Upon the dissolution of the Corporation, New Company shall be entitled to amend its name to that of the Corporation.

## **ARTICLE TEN -- GUARANTEE**



**10.1 *Guarantee.*** Each Principal hereby unconditionally guarantees that the Shareholder of which he is the Principal will duly and punctually observe and perform all of the covenants and obligations on its part to be observed and performed pursuant to the provisions of this Agreement or pursuant to any instrument or agreement delivered pursuant to or contemplated by this Agreement and hereby undertakes and agrees to indemnify and save harmless the other Shareholders and Principals from and against all liability, harm, loss, costs, charges, damages and expenses of any nature whatsoever (including legal fees on a solicitor and client basis) occasioned by any act or default of the Shareholder of which he is the Principal contrary to such covenants and obligations or which may be incurred, suffered or sustained by reason of any failure to observe and perform all or any of such covenants and obligations.

**10.2 *Continuing Guarantee.*** This guarantee shall be continuing, unconditional and irrevocable and a fresh cause of action shall be deemed to arise in respect of each such default. Without limiting the generality of the foregoing, the obligations of each Principal hereunder shall not be released, discharged, impaired or in any way affected by any extensions of time, indulgences or modifications granted by any party in favour of another, to enforce any of the terms or provisions of this Agreement or by the bankruptcy, insolvency, dissolution, amalgamation, winding-up or reorganization of the Corporation, or the Shareholder of which he is the Principal or by any other act or proceeding in relation to the Corporation, the Shareholder of which he is the Principal or this Agreement whereby the Principal might otherwise be released or exonerated, and each Principal hereby waives any right to require the Shareholders and Principals to exercise or exhaust any action or recourse against any other party before requiring performance by such Principal pursuant to this guarantee.

## **ARTICLE ELEVEN -- GENERAL CONTRACT PROVISIONS**

**11.1** All share certificates of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement and from time to time thereafter:

"The transfer of shares represented by this certificate is subject to an agreement dated the 1<sup>st</sup> day of October, 2022, made among Nick Surace, 1905247 Ontario Inc. and V.G.A. Carpentry Limited.

**11.2 Notices.** All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

if to: Nick Surace - 170 Lloyd Manor Road, Toronto, Ontario, M9B 5K3;

if to: 1905247 Ontario Inc. - 534 Perth Avenue, Toronto, Ontario, M6N 2W7; and

if to the Corporation: To both 170 Lloyd Manor Road, Toronto, Ontario, M9B 5K3 and 534 Perth Avenue, Toronto, Ontario, M6N 2W7;

or at such other address as may be given by such person to the other parties hereto in writing from time to time. If any party bound hereby or any permitted Transferee of shares hereunder shall not have given the parties hereto Notice setting forth an address for the giving of Notices, the Notice for such person shall be deemed to have been properly given if given in accordance with the terms hereof as if given to the Transferor(s) of such shares.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

**11.3 Additional Documents.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

**11.4 Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

**11.5 Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

**11.6 Entire Agreement.** This agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. The Schedules referred to herein are incorporated herein by reference and form part of the Agreement.

**11.7 Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

**11.8 Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

**11.9 *Headings for Convenience Only.*** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**11.10 *Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

**11.11 *Gender.*** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

**11.12 *Calculation of Time.*** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

**11.13 *Legislation References.*** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

**11.14 *Extended Meaning of "Shares".*** Any reference to Shares of the Corporation means Shares in the capital of the Corporation, as such Shares exist at the close of business on the date of

execution and delivery of this Agreement; provided that in the event of a subdivision, redivision, reduction, combination or consolidation, then a reference to Shares of the Corporation shall thereafter mean the Shares resulting from such subdivision, redivision, reduction, combination or consolidation.

**11.15 Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

**11.16 Termination of Prior Agreements.** All Agreements among some or all of the parties hereto regarding the organization and affairs of the Corporation and/or the sale of any Shareholder's Shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated. This does not include the Agreement entered into between the parties and Anna Surace dated October 18, 2019.

**11.17 Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile, e-mail or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

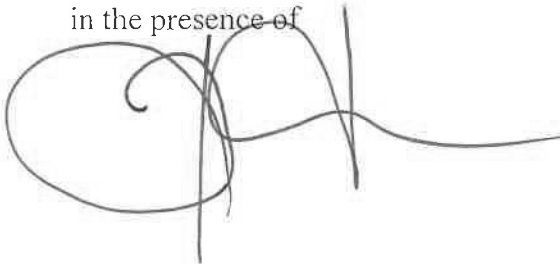
**IN WITNESS WHEREOF** the parties have duly executed this Shareholder Agreement

this 1<sup>st</sup> day of October, 2022.

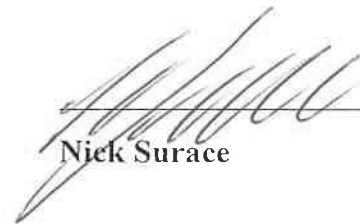
SIGNED,

SEALED AND DELIVERED )

in the presence of )

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal tail.

)  
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)  
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)  
)

  
\_\_\_\_\_  
Nick Surace

**1905247 ONTARIO INC.,**

Per: \_\_\_\_\_

Jason Reis – President

*I have authority to bind the Corporation*

**V.G.A CARPENTRY LIMITED**

Per: \_\_\_\_\_

Nick Surace – President

*I have authority to bind the Corporation*

Per: \_\_\_\_\_

Jason Reis – Vice President

*I have authority to bind the Corporation*

SCHEDULE A

VGA Carpentry Limited Current Projects			
No	Builder	Project	Total Contract Amount
1	Reliance / Malen	71 Redpath	\$ 581,000.00
2	Reliance / Malen	293 The Kingsway	\$ 1,377,458.00
3	Tucker / DK	Reunion Crossing	\$ 1,064,551.00
4	Oben Build	Lofthouse	\$ 223,879.00
5	Gilliam / Clifton Blake	871-899 College	\$ 793,890.00
6	Freed / FirstCon	346 Davenport	\$ 480,000.00
7	Daniels / DK	Keelesdale Ph#2 & 3	\$ 1,385,000.00
8	CentreCourt	55 Mercer	\$ 2,985,000.00
9	CentreCourt	The Forest Hill	\$ 2,045,850.00
10	EllisDon / Westbank	Mirvish Village	\$ 5,676,950.00
11	Reliance / Canderel	900 St Clair W	\$ 690,000.00
12	EllisDon / Bentall	45 Strachan	\$ 3,600,000.00
13	Daniels / Thornhill	The Thornhill	\$ 5,210,000.00
14	Daniels	OMG2	\$ 600,000.00
			\$26,713,578.00
	Future Project	Daniels Block 8 - Phase #1 Condo & Rental	Address is 4235 Confederation Parkway in Mississauga

SCHEDULE B

	Item	Amount
1	SHAREHOLDERS LOAN PAYABLE TO 1905247 ONTARIO INC.	\$203,000.00
2	MANAGEMENT FEE PAYABLE TO 1905247 ONTARIO INC.	\$188,000.00
3	OUTSTANDING FEES PAYABLE TO 1905247 ONTARIO INC. (TO BE PAID WEEKLY IN THE SUM OF \$1,500.00 PLUS HST)	\$250,000.00 plus HST
4	CORPORATION TO PAY 1905247 ONTARIO INC. AS REIMBURSEMENT FOR MISCELLANEOUS ITEMS	\$88,000.00



# **APPENDIX “E”**

## ASSIGNMENT OF CONTRACT

**THIS AGREEMENT** made as of the 30<sup>th</sup> day of April, 2024 (the “Effective Date”)

**BETWEEN:**

**V.G.A. Carpentry Limited**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 170 Lloyd Manor Road, Toronto, Ontario M9B 5K3,

(hereinafter referred to as "VGA")

OF THE FIRST PART,

-- and --

**Dupont Carpentry Limited**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 315 Trowers Road, Woodbridge, Ontario L4L 6A2,

(hereinafter referred to as "Dupont")

OF THE SECOND PART

-- and --

**Daniels BAIF Thornhill Inc.**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 130 Queens Quay East, 8<sup>th</sup> Floor, Toronto, Ontario M5A 0P6  
(hereinafter referred to as "Daniels")

OF THE THIRD PART.

**WHEREAS** Daniels and VGA entered into a Trade Contract for Tender Package 323 (the “Trade Contract”), dated June 2, 2022, for the rough, finish carpentry and millwork Work (the “Work”) on Project 20-06;

**AND WHEREAS** Daniels has agreed to permit VGA to assign the Trade Contract to Dupont, in whole, and subject to the terms and conditions set out herein, without any further or additional steps or formalities;

**AND WHEREAS** VGA and Dupont have agreed that VGA will assign the Trade Contract to Dupont in whole and subject terms and conditions set out herein, without any further/additional steps or formalities;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the

respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other two parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

1. ***Consent to the Assignment the Trade Contract.*** Daniels hereby provides its consent, in accordance with Section 5.5 of the Trade Contract, for VGA to assign the Trade Contract to Dupont in accordance with the terms of this Agreement.

2. ***Assignment of Letter and Trade Contracts.*** VGA hereby assigns to Dupont, VGA's interest in the Trade Contract and all benefits to be derived therefrom, subject to the observance and performance of the covenants, provisos, and conditions on the part of Dupont contained therein.

3. ***Immediate Effect.*** Immediately upon this Assignment Agreement coming into effect, Daniels shall deal with Dupont as if Dupont had been originally named in place of VGA in the Trade Agreement.

4. ***"As is" Basis.*** Dupont shall take on the Trade Contract and the Work on an "as is" basis and will assume all responsibility for the proper performance of all Work and other obligations under the Trade Contract, including all warranties. Dupont shall be responsible to Daniels as if they had originally performed the Work to date, including without limitation, in respect to the correction, remediation, or replacement of any Work that is deficient, defective, or otherwise do not conform with the Trade Contract's contract documents and any warranted work, at no additional cost to Daniels.

5. ***Consideration.*** In consideration for the assignment of the Trade Contract, VGA and Dupont hereby jointly direct Daniel to remit to VGA ten percent (10%) of all amounts payable to Dupont for the Work performed on the Project after the Effective Date. For clarity, if \$100 (net) is payable to Dupont for the Work, then Daniels shall pay \$90 to Dupont and \$10 directly to VGA.

6. ***Unpaid Amounts Prior to the Effective Date.*** All billings, holdbacks and any other amounts, including but not limited to all unbilled amounts for which work was completed prior to the Effective Date, due by Daniels to VGA prior to the Effective Date shall be payable directly to VGA.

7. ***Waiver.*** Dupont and Daniels each waives, relinquishes and abandons the right to make any claims whatsoever against VGA for any deficiencies, defects, incomplete work, or non-conformances in the Work performed prior to the Effective Date, including without limitation, any costs to correct, repair, redo, replace, etc. any Work performed by VGA prior to the Effective Date of this agreement.

8. **Indemnity.** Dupont shall indemnify and save harmless VGA, its directors, officers, employees, and agents from any and all losses, costs, or damages arising out of any failure on the part of Dupont to observe and perform any of the covenants and agreements in the Trade Contracts or this Agreement. VGA shall indemnify and save harmless Dupont, its directors and officers, employees and agents from any expenses and/or liabilities arising out of any failure on the part of VGA to pay all liabilities and expenses incurred as a result of the Trade Contract up to the Effective Date, including but not limited to amounts owed by VGA to suppliers, employees, subcontractors, union(s), WSIB and CRA.

9. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

10. **Severability.** Should any provision of this Agreement be held to be void or unenforceable, the remaining provisions shall remain in full force and effect, to be read and construed as if the void or unenforceable provisions were originally deleted.

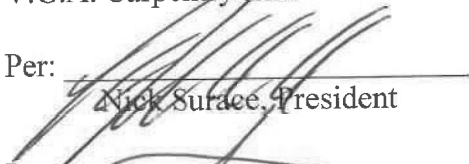
11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12. **Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device including e-mail and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**IN WITNESS WHEREOF** the parties have duly executed this Assignment of Contract Agreement this 12<sup>th</sup> day of June, 2024.

V.G.A. Carpentry Limited

Per:

  
Nick Surace, President

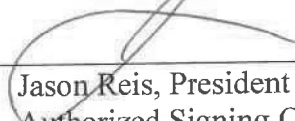
Per:

  
Jason Reis, Vice President

Authorized Signing Officers


Dupont Carpentry Limited

Per:

  
\_\_\_\_\_  
Jason Reis, President  
Authorized Signing Officer

Daniels BAIF Thornhill Inc.

Per:

  
\_\_\_\_\_  
Name: Antonella Spano  
Title: VP, Contracts & Estimating  
Authorized Signing Officer

## ASSIGNMENT OF CONTRACT

**THIS AGREEMENT** made as of the 30<sup>th</sup> day of April, 2024 (the “Effective Date”)

**BETWEEN:**

**V.G.A. Carpentry Limited**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 170 Lloyd Manor Road, Toronto, Ontario M9B 5K3,

(hereinafter referred to as "VGA")

OF THE FIRST PART,

-- and --

**Dupont Carpentry Limited**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 315 Trowers Road, Woodbridge, Ontario L4L 6A2,

(hereinafter referred to as "Dupont")

OF THE SECOND PART

-- and --

**Daniels Humber River Corporation**, a corporation incorporated under the laws of the Province of Ontario and having its head office at 130 Queens Quay East, 8<sup>th</sup> Floor, Toronto, Ontario M5A 0P6 (hereinafter referred to as "Daniels")

OF THE THIRD PART.

**WHEREAS** Daniels and VGA entered into a Trade Contract for Tender Package 341 (the “Trade Contract”), dated on June 22, 2021, for the rough, finish carpentry and millwork Work (the “Work”) on Project 19-04;

**AND WHEREAS** Daniels has agreed to permit VGA to assign the Trade Contract to Dupont, in whole, and subject to the terms and conditions set out herein, without any further or additional steps or formalities;

**AND WHEREAS** VGA and Dupont have agreed that VGA will assign the Trade Contract to Dupont in whole and subject terms and conditions set out herein, without any further/additional steps or formalities;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the

respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other two parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

1. ***Consent to the Assignment the Trade Contract.*** Daniels hereby provides its consent, in accordance with Section 5.5 of the Trade Contract, for VGA to assign the Trade Contract to Dupont in accordance with the terms of this Agreement.
2. ***Assignment of Letter and Trade Contracts.*** VGA hereby assigns to Dupont, VGA's interest in the Trade Contract and all benefits to be derived therefrom, subject to the observance and performance of the covenants, provisos, and conditions on the part of Dupont contained therein.
3. ***Immediate Effect.*** Immediately upon this Assignment Agreement coming into effect, Daniels shall deal with Dupont as if Dupont had been originally named in place of VGA in the Trade Agreement.
4. ***"As is" Basis.*** Dupont shall take on the Trade Contract and the Work on an "as is" basis and will assume all responsibility for the proper performance of all Work and other obligations under the Trade Contract, including all warranties. Dupont shall be responsible to Daniels as if they had originally performed the Work to date, including without limitation, in respect to the correction, remediation, or replacement of any Work that is deficient, defective, or otherwise do not conform with the Trade Contract's contract documents and any warranted work, at no additional cost to Daniels.
5. ***Consideration.*** In consideration for the assignment of the Trade Contract, VGA and Dupont hereby jointly direct Daniel to remit to VGA ten percent (10%) of all amounts payable to Dupont for the Work performed on the Project after the Effective Date. For clarity, if \$100 (net) is payable to Dupont for the Work, then Daniels shall pay \$90 to Dupont and \$10 directly to VGA.
6. ***Unpaid Amounts Prior to the Effective Date.*** All billings, holdbacks and any other amounts, including but not limited to all unbilled amounts for which work was completed prior to the Effective Date, due by Daniels to VGA prior to the Effective Date shall be payable directly to VGA.
7. ***Waiver.*** Dupont and Daniels each waives, relinquishes and abandons the right to make any claims whatsoever against VGA for any deficiencies, defects, incomplete work, or non-conformances in the Work performed prior to the Effective Date, including without limitation, any costs to correct, repair, redo, replace, etc. any Work performed by VGA prior to the Effective Date of this agreement.

8. **Indemnity.** Dupont shall indemnify and save harmless VGA, its directors, officers, employees, and agents from any and all losses, costs, or damages arising out of any failure on the part of Dupont to observe and perform any of the covenants and agreements in the Trade Contracts or this Agreement. VGA shall indemnify and save harmless Dupont, its directors, officers, employees and agents from any expenses and/or liabilities arising out of any failure on the part of VGA to pay all liabilities and expenses incurred as a result of the Trade Contract up to the Effective Date, including but not limited to amounts owed by VGA to suppliers, employees, subcontractors, union(s), WSIB and CRA.

9. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

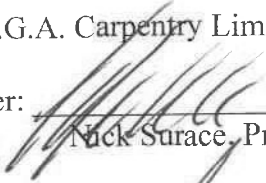
10. **Severability.** Should any provision of this Agreement be held to be void or unenforceable, the remaining provisions shall remain in full force and effect, to be read and construed as if the void or unenforceable provisions were originally deleted.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12. **Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device including e-mail and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**IN WITNESS WHEREOF** the parties have duly executed this Assignment of Contract Agreement this 12<sup>th</sup> day of June, 2024.

V.G.A. Carpentry Limited

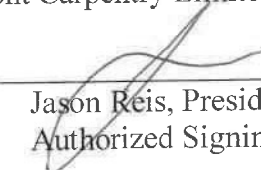
Per:   
\_\_\_\_\_  
Nick Surace, President

Per:   
\_\_\_\_\_  
Jason Reis, Vice President

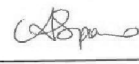
Authorized Signing Officers



Dupont Carpentry Limited

Per:   
Jason Reis, President  
Authorized Signing Officer

Daniels Humber River Corporation

Per:   
Name: Antonella Spano  
Title: VP, Contracts & Estimating  
Authorized Signing Officer

# **APPENDIX “F”**



Naomi Lieberman &lt;naomi.lieberman@dodick.ca&gt;

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**RE: Response to Letter to Westbank Corporation dated January 8, 2025 (VGA Carpentry Limited)**

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Jeremy Rankin <Jeremy.Rankin@mcmillan.ca>  
To: "rahn.dodick@dodick.ca" <rahn.dodick@dodick.ca>  
Cc: "naomi.lieberman@dodick.ca" <naomi.lieberman@dodick.ca>

Tue, Jan 14, 2025 at 9:34 PM

Mr. Dodick,

We are counsel to Westbank and 500 Bloor Street Commercial Partnership ("**500 Bloor**") in respect of the above-noted matter.

We have your letter of January 8, 2025 (attached) and would respond as follows:

1. In or about August 2021, 500 Bloor and V.G.A. Carpentry Limited ("**VGA**") entered into a contract for VGA's supply and installation of millwork and interior doors at **500 Bloor's Mirvish Village** project.
  - a. A copy of the parties' contract in that regard is attached.
  
2. VGA was paid \$796,538.55 under the contract.
  
3. As a consequence of VGA's non-performance, the contract was terminated by mutual agreement of the parties in January 2024. VGA was therefore not required to complete its scope of work. See attached Termination Agreement in that regard dated January 4, 2024.
  - a. Among other things, the parties agreed in the Termination Agreement that, (i) 500 Bloor shall retain the holdback and shall not make payment of the holdback to VGA; and (ii) VGA released 500 Bloor from all Claims which it or the TC Entities have or could have in respect to the contract and the project.
  
  - b. 500 Bloor therefore does not owe any further amounts to VGA under the contract or otherwise.

We trust this information satisfies the requests made in your January 8, 2025 letter. We would appreciate your confirmation of same by reply email.

Regards,

Jeremy

**Jeremy Rankin**

Partner

Pronoun: he/him

d 647.943.8059 | f +1.416.865.7048

[Jeremy.Rankin@mcmillan.ca](mailto:Jeremy.Rankin@mcmillan.ca)Assistant: Marisa Filice | 416.307.4028 | [marisa.filice@mcmillan.ca](mailto:marisa.filice@mcmillan.ca)**McMillan LLP**

Lawyers | Patent &amp; Trademark Agents

Brookfield Place, 181 Bay Street, Suite 4400

Toronto, Ontario M5J 2T3

[my bio](#) | [mcmillan.ca](http://mcmillan.ca)

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McMillan s'engage à vous envoyer des communications électroniques appropriées pour vous et votre entreprise. Pour vous abonner et recevoir des communications électroniques de notre part, ou pour vous désabonner et ne plus recevoir de telles communications, veuillez visiter le [centre d'abonnement en ligne de McMillan](#).

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**3 attachments** **20240204 VGA Mirvish Village Termination FINAL.pdf**  
540K **VGA contract.pdf**  
8469K **Ltr\_Westbank Corporation\_Jan 8 2025.pdf**  
699K

# **APPENDIX “G”**



**DELIVERED BY COURIER AND EMAIL:** [jason@vgacarpentry.com](mailto:jason@vgacarpentry.com),  
[jason@dupontcarpentry.com](mailto:jason@dupontcarpentry.com)

January 26, 2025

Mr. Jason Reis  
1905247 Ontario Inc., and  
V.G.A Carpentry (2023) Ltd, now known as Dupont Carpentry Limited  
(collectively the “**Respondents**”)

Attention: Mr. Jason Reis

Re: V.G.A Carpentry Limited, in Interim Receivership

Dear Mr. Reis,

As you are aware, on October 22, 2024, Dodick Landau Inc. was appointed as Interim Receiver (“**Interim Receiver**”) over the assets, undertakings and properties of V.G.A. Carpentry Limited (“**VGA**” or the “**Company**”) pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) issued under section 248 of the Business Corporations Act, as amended, and section 101 of the Courts of Justice Act, as amended and signed by the Honourable Justice Penny on October 29, 2024. On November 28, 2025 Justice Penny issued an amended Interim Receivership order (“**Amended Order**”).

As you are further aware, pursuant to the Amended Order the Interim Receiver is now authorized, among other things, to (i) receive and collect all monies and accounts now owed or hereafter owing to the Company and (ii) upon prior notice to and consultation with the parties, to exercise all remedies of the Company in collecting such monies and to settle, extend or compromise any indebtedness owing to the Company. This letter is further to emails sent to you on January 21, 2025 with respect to the collection of certain VGA receivables.

#### **Email #1**

As detailed in the Interim Receiver’s first report to Court, Gilliam Group Inc. (“**Gilliam**”) advised the Interim Receiver by way of a letter from Les Weidman (“**Weidman Letter**”) that on May 18, 2023 Gilliam issued a notice of default (“**Default Letter**”) to Reis’ attention for failing to comply with VGA’s contractual obligations for the project. As noted in the Default Letter, “VGA agreed for Gilliam to engage a third-party trade to complete the remaining scope items that were outstanding as at that time... As the cost of the back charge exceeds the cost of all work completed by VGA, prior to their default, there are no further payments pending. In fact, there is currently a balance owing to Gilliam on VGA’s account”. As requested in Email # 1, please advise whether you are in agreement with the position taken by Gilliam that nothing further remains owing to VGA. In addition, with regards to Gilliam invoice #202416 dated January 24, 2024 for \$421,732.06 (\$414,682.46 less 10% HB plus HST), please provide us with the related labour timesheets/charges and material charges.

## Email #2

VGA's books and records show a balance receivable in connection with the Lofthouse Project. Oben Group advised that payments to VGA are withheld on account of a number of different back charges and on January 16, 2025 Oben group provided support for these back charges, which was included in Email #2. At this time, we require your feedback as to the validity of the proposed back charges in order to determine to what extent it is appropriate to compromise any indebtedness owing to VGA with respect to this project. We have requested the same feedback from Nick Surace but he advised that he could not comment as by this time he was no longer involved on a day-to-day basis with the business.

## Daniels (The Thornhill) Project Labour Charges

On or about May 15, 2024, Dupont issued invoice #202422 to VGA, which totaled \$206,210.00+HST for labour provided by Dupont employees on the Daniels' Thornhill project, and \$221,000 plus HST for materials. In order for the Interim Receiver to evaluate this charge by Dupont it requires the project specific timesheets detailing number of employees onsite and their respective hours worked, as well as copies of Dupont purchase orders, supplier invoices and delivery slips with regards to the material charged on the invoice. Please provide the necessary documentation to support this invoice.

As the Interim Receiver is required to produce a report to Court by February 10, 2025, we continue to operate under a tight timeline. As such, please provide the above information as soon as possible and in any event by no later than February 3, 2025. Please email the information to Naomi Lieberman at: [naomi.lieberman@dodick.ca](mailto:naomi.lieberman@dodick.ca).

Should you have any questions regarding the above or require additional information, please contact Naomi Lieberman via email [naomi.lieberman@dodick.ca](mailto:naomi.lieberman@dodick.ca).

Yours very truly,

**Dodick Landau Inc.,**  
Interim Receiver, V.G.A Carpentry Limited  
and not in its personal or corporate capacity.

Per:



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Rahn Dodick CPA, CIRP, Licensed Insolvency Trustee

Cc: Paul Stern: [pstern@sternlaw.ca](mailto:pstern@sternlaw.ca) – Legal Counsel for Respondents  
Margot Davis: [margot@sternlaw.ca](mailto:margot@sternlaw.ca) – Legal Counsel for Respondents  
George Benchetrit: [george@chaitons.com](mailto:george@chaitons.com) – Legale counsel for Interim Receiver

# **APPENDIX “H”**



**VGA Other Accounts Receivable & Holdbacks Summary**

2025-02-04

<u>Amounts to be collected</u>	<u>Job</u>	<u>HB (Excl HST)</u>	<u>A/R (Excl HST)</u>	<u>HB+A/R (Excl HST)</u>	<u>HB+A/R (Incl HST)</u>
<b>Accounts receivable &amp; HBs (confirmations completed or in progress)</b>					
Fram Slokker 55 Port L.P.	55 Port St East (Holdback)	63,031.40		63,031.40	71,225.48
Ellis Don	The Well	9,157.88		9,157.88	10,348.40
Daniels HR Corporation	Unknown	9,052.50		9,052.50	10,229.33
Misc A/R	Unknown	75,693.52		75,693.52	85,533.68
First Gulf	Unknown	21,554.20		21,554.20	24,356.25
Broccolini (Toronto) Construction Inc.	Unknown	33,496.75		33,496.75	37,851.33
<b>Subtotal (unconfirmed)</b>		<b>139,796.97</b>	<b>0.00</b>	<b>139,796.97</b>	<b>157,970.58</b>

# **APPENDIX “I”**



Dodick Landau Inc., in its capacity as Interim Receiver of V.G.A. Carpentry Inc.  
951 Wilson Avenue, Suite 15L  
Toronto, ON  
M3K 2A7

10 February 2025

Dear Mr. Dodick,

**Subject: V.G.A. Carpentry Inc. (“VGA”)**

### **Scope of Engagement**

We confirm that we were engaged by Dodick Landau Inc., in its capacity as court-appointed interim receiver of VGA (“**Dodick**”), to assist in its mandate as it relates to email and other electronic records of VGA in accordance with paragraph 6(a) of the Amended Interim Receivership Order dated November 28, 2024, which requires that Jason Reis and Dupont Carpentry Limited (“**Dupont**”) cooperate with the Interim Receiver to provide:

“immediate and unfettered access to all business records of the Company, providing access to email and other electronic records, including, but not limited to: (i) Reis’ email at “jason@vgacarpentry.com”; (ii) providing the Interim Receiver with access to the Company’s email server, Google Drive account, and any other account necessary to carry out the Interim Receiver’s duties in Paragraph 2, above; and (iii) Reis will provide the Interim Receiver with all computers belonging to the Company for imaging.”

### **Forensic Restitution**

Forensic Restitution is a specialized forensic accounting and digital investigation firm with extensive experience in analyzing electronic records, recovering deleted data, and uncovering potential fraud. We utilize industry-leading forensic tools and methodologies to identify missing communications, reconstruct email chains, and assess whether data was intentionally removed. Our expertise in digital forensics allows us to detect patterns of deletion, recover critical evidence, and provide defensible findings that support legal and investigative proceedings.



416.525.1510



Unit 205, 3465 Rebecca Street  
Oakville, Ontario. L6L 6X9



forensicrestitution.com

## Qualifications

Forensic Restitution has not been asked to review in detail the data that was collected. We were asked to collect the data (as described below), check the data for completeness, and present a searchable image to Dodick. During the course of our limited review, we noticed that some emails were missing, and identified this issue to Dodick. We were later asked to provide a description and examples of these emails, as summarized below.

## Access Issues

In late November 2024, Dodick approached us to assist with its mandate.

We attempted to obtain a Google Takeout<sup>1</sup> of the Google records maintained by Mr. Reis. We asked Dodick for and were given the Google password which we understand was supplied by Mr. Reis. We were unable to access the records using that password, and requested through Mr. Reis's lawyer the correct email password. Despite repeated attempts to access the Google records using passwords provided by Mr. Reis or his lawyer, we were unable to successfully log in. We eventually met with Mr. Reis at Dodick's office, where both Mr. Reis and we were unable to log in via Dodick's computer system. However, Mr. Reis was able to access his Gmail account from his own computer without any difficulty. This suggests that the account was configured with enhanced security measures, such as IP or MAC address restrictions, effectively limiting access to Mr. Reis's device only. We requested access by setting up our computers as trusted devices, but Mr. Reis refused this request. As Mr. Reis refused the request, we were forced to start the Google Takeout process from Mr. Reis's computer, and to rely on Mr. Reis to provide us with the Google Takeout folders.

Also, Mr. Reis refused our request to image his computer or allow us to retain his computer for analysis, citing that he needed it for work purposes. As a result, we had to rely on Mr. Reis to access his Gmail account and independently download a Google Takeout folder. This process prevented us from conducting a proper review of the VGA email system in order to determine whether all emails were provided and whether any emails were in fact deleted.

Accordingly, in our view, Mr. Reis did not provide "immediate and unfettered access" to the VGA records.

The VGA Gmail host account provided by Mr. Reis only included his email account and did not include accounts of any other employees or representatives. When asked why other accounts were not included, Mr. Reis informed us that he deleted all other employee email accounts when he transferred the employees to Dupont in or around April 2024. In our experience, normal practice would be to terminate access by the transferred employees to the VGA email systems rather than deleting their email accounts and all of their contents in their entirety. According to

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<sup>1</sup> Google Takeout is a tool developed by Google that allows for the export and download of a copies of various types of data currently stored in a Google account, like Drive or Mail.

Mr. Reis, he did not keep a backup of the emails prior to deletion. Therefore, only Mr. Reis's email account was available for review.

Mr. Reis claimed that he was unable to download the Google Takeout folder or upload the folder to a Google Drive folder. Consequently, we incurred additional costs for meeting with Mr. Reis in person on December 8, 2024 to facilitate the download. However, when we met with Mr. Reis, he was able to download the Google Takeout folder documents without assistance. The transfer of the files to the designated storage location took four days to complete and only became available for our review on December 12, 2024.

### **Missing Emails**

During the course of our review of the emails provided by Mr. Reis, it became evident that emails sent or received by Mr. Reis were missing. Specifically, on certain emails obtained by us, earlier emails in the chain to or from Mr. Reis were not produced. This suggests that emails were deleted or not copied as part of the Google Takeout process. We have not analyzed all emails but have described below three examples selected from a small sample. A more detailed review may reveal that many more emails were deleted or not copied.

#### ***Example 1***

The email message sent on July 8, 2019 attached as **Appendix 1** was included in the Google Takeout folder, but the email sent on June 20, 2019 forming part of that chain was not included.

#### ***Example 2***

The email message sent on January 4 2021 attached as **Appendix 2** was included in the Google Takeout folder, but the initial email sent on December 23, 2020 forming part of that chain was not included.

#### ***Example 3***

The email message sent on January 19, 2022 attached as **Appendix 3** was included in the Google Takeout folder, but the initial email sent on January 19, 2022 forming part of that chain was not included.

Also, Mr Reis had a private email account ([Jreis1@live.com](mailto:Jreis1@live.com)) which was used in at least some instances for emails that were work-related. See samples attached as **Appendix 4** and **Appendix 5**. We were not provided with any access to Mr. Reis's live.com email account for the purpose of this mandate.

As we have not conducted a full analysis of all emails provided by Mr. Reis, the examples cited above should not be taken to be an exhaustive list of all emails missing from the email database provided by Mr. Reis.

## Conclusion

Our analysis identified several issues, including (a) restricted access to Mr. Reis's Gmail account, (b) limited cooperation in providing access to his computer, (c) delays in downloading and transferring critical files, (d) alleged deletion by Mr. Reis of all other employee email accounts, (e) missing emails as described above and (f) non-production of or access to other email accounts used by Reis for business purposes.

*Dave Oswald*

Dave Oswald  
CPA CA, CA(SA), CFE, CFI  
Founder  
Forensic Restitution  
Website: [forensicrestitution.com](http://forensicrestitution.com)  
Telephone 416 525 1510

Type text here

## Appendix

	Description	Date
Appendix 1	Email from Daniel to Jason – Email included with date of 20 June 2019 missing from Jasons emails	07/08/2019
Appendix 2	Email from Daniel to Jason – Email included with date of 03 December 2020 missing from Jasons emails	04/01/2022
Appendix 3	Email from Daniel to Jason – Email included with date of 19 January 2022 missing from Jasons emails	19/01/2022
Appendix 4	Email from Mary Anne to Jason at Jasons <a href="mailto:jreis1@live.com">jreis1@live.com</a>	24/09/2019
Appendix 5	Email from Allan Sauder to <a href="mailto:jreis1@live.com">Jreis1@live.com</a> for desks	30/11/2020

Appendix 1

SUBJECT: Fwd: 7th floor takeoff 875 Queen E  
FROM: daniel Pinzan <daniel@vgacarpentry.com>  
TO: jason reis <jason@vgacarpentry.com>  
DATE: 07/08/2019 10:43

As requested

----- Forwarded message -----

From: **daniel Pinzan** <daniel@vgacarpentry.com>  
Date: Thu., Jun. 20, 2019, 8:01 a.m.  
Subject: Re: 7th floor takeoff 875 Queen E  
To: Jim Laird <jim@tofinodoor.com>  
Cc: jason reis <jason@vgacarpentry.com>

Hi Jim,

Can you please add the following doors to this order.

- (3) 30LH
- (4) 30RH

One of the 30LH needs a 9-1/4" jamb

- (4) 26" closet doors
- (2) 32" closet doors

If you have any questions please give me a call.

Thanks  
Daniel

On Tue., Jun. 18, 2019, 1:53 p.m. daniel Pinzan, <daniel@vgacarpentry.com> wrote:  
Hi Jim,

Can you please order the following material and let me know when it can be delivered.

- (65) 30LH
- (65) 30RH
- (2) 24RH
- (1) 28LH
- (1) 30LH with a rough opening height of 79"
- (1) 30RH with a rough opening height of 79"



(1) 30RH with a rough opening height of 54"

All door jambs need to be 3-5/8" with the exception of the following.

(3) 30RH

(2) 30LH

These need to be 4-3/4".

The sliding doors need to be 83" in height.

(18) 26" closet sliding doors

(2) 30" closet sliding doors

(16) 32" closet sliding doors

(6) 38" closet sliding doors

Please provide the following tracks for closet sliding doors.

(18) 6ft top tracks

(3) 8ft top tracks

(36) 3ft bottom tracks

(6) 4ft bottom tracks

Please include (60) 8ft lengths of casing for inside of suite entry doors.

Please include 96 bundles of baseboard.

Window sill and step count to follow.

Stair trim to follow.

If you have any questions please give me a call.

Thanks

Daniel

## Appendix 2

SUBJECT: Fwd: 75 The Esplanade - Suite schedule Dec 23rd /2020  
FROM: Jason Reis VGA Carpentry <jason@vgacarpentry.com>  
TO: Daniel Pinzan <daniel@vgacarpentry.com>  
DATE: 04/01/2021 07:35  
ATTACHMENTS (20210104-073530-0045606 ): [Suite Schedule1.0.docx](#)

Regards

Jason Reis

VGA Carpentry Limited

Begin forwarded message:

**From:** Pat Torchia <ptorchia@harhay.ca>  
**Date:** December 23, 2020 at 2:49:10 PM EST  
**To:** Barbara Zee <bzee@architectsalliance.com>, Manish Bajaj <manish@mvshore.com>, Harris Wang <harris@mvshore.com>, Daniel White <dan@andaengineering.com>, Mauro@matrexwindow.com, Amir Kouhpour <Amir@matrexwindow.com>, Bryan Abiera <Bryan@matrexwindow.com>, Devin@matrexwindow.com, Norm <Norm@matrexwindow.com>, Jenny@matrexwindow.com, MKhan@gottardogroup.com, rfiamengo@gottardogroup.com, BGrossi@gottardogroup.com, agottardo@gottardogroup.com, Eamsing@blackfiresprinklerco.com, sneal@blackfiresprinklerco.com, Mike Delledonne <Mike@delgant.ca>, Rick@delgant.ca, albinos\_markhag@live.com, isullivan@delgant.ca, eddie@dolvin.ca, cam@dolvin.ca, jasond@mriw.com, michael@mriw.com, Jason Reis VGA Carpentry <jason@vgacarpentry.com>, bozena.pawlaczek@gmail.com, Paul Bidan <paulb@newgenerationgroup.ca>, garys@newgenerationgroup.ca, emilio@newgenerationgroup.ca, Alfie Ferraro <alfie@panson.ca>, Pat Paniccia <pat@panson.ca>, Mauro Benincasa <maurob@panson.ca>, jp.pmsheetmetal@gmail.com, agaleota@pmsheetmetal.com, scelio@pmsheetmetal.com, carlag@pro-bel.com, Jesrael.Agua@pro-bel.com, tanya.s.regan@selco.ca, ornel\_b@yahoo.ca, jim.parker@selco.ca, serviceuhe@bellnet.ca, leighbellinger63@gmail.com, robertcorreia@vianarroofing.com, tdacosta@vianarroofing.com, Horia Gruia <horia@dekla.ca>, Paul Sharpe <paul@dekla.ca>, maryam@dekla.ca, bob@relativespace.com, dom@citywidedh.com, cvella@thecitywidegroup.com, dermott.magill@gmail.com, Jeff Lucato <jlucato@fmcl.ca>, John Pertili <johnpertili@rockfordtile.ca>, Jenny <Jenny@matrexwindow.com>, Maryam Tavakolirad <maryam@dekla.ca>, vio@dekla.ca, paul@dekla.ca  
**Cc:** Chris Harhay <charhay@harhay.ca>, Tyler Lalonde <tlalonde@harhay.ca>, jzoras@harhay.ca, Mahtab Pezhman <mpezhman@harhay.ca>, Amir Lajevardi <alajevardi@harhay.ca>, Clint Sankar <csankar@harhay.ca>, Giovanni De Santis <gdesantis@harhay.ca>, Karen Javier <kjavier@harhay.ca>, Porch Jan <pjan@harhay.ca>  
**Subject:** 75 The Esplanade - Suite schedule Dec 23rd /2020

Good Afternoon,

We hope this email find you all well..

We appreciate everyone's hard work and enthusiasm in meeting our schedule; lets continue to stay focused on the quality of workmanship and attention to detail.

Please see attached true Suite schedule – Collectively it is important that we are all aware of each trades progress to ensure we meet our objective for a successful end result.

Please communicate to our Sr.PM, PM & Superintendent any issues or concerns that my prevent you from doing the work to the highest standards we come to expect.

The Construction Team would like to wish everyone a Safe & Happy Holidays, and good things in the New-year!

Sincerely,

**Pat Torchia**

Director of Construction

Harhay Developments

Tel: 416.677.1336

e-mail: [ptorchia@harhay.ca](mailto:ptorchia@harhay.ca)

Appendix 3

SUBJECT: Fwd: 871 College St. Rough Carpentry  
FROM: Jason Reis VGA Carpentry <jason@vgacarpentry.com>  
TO: Daniel Pinzan <daniel@vgacarpentry.com>  
DATE: 19/01/2022 12:33

Daniel,

Please see below and advise

Regards

Jason Reis

VGA Carpentry Limited

Begin forwarded message:

**From:** Paul Smith <pSmith@gillamgroup.com>  
**Date:** January 19, 2022 at 12:45:33 PM EST  
**To:** jason@vgacarpentry.com  
**Cc:** Sal Assenza <sassenza@gillamgroup.com>, Andrew Lim <alim@gillamgroup.com>  
**Subject:** 871 College St. Rough Carpentry

Jason,

Your guys were onsite today to install the hollow metal frames into the concrete stair openings in the building. The jambs on the openings are not quite square so they need to be ground or cut to enable the frames to be installed properly. I had your installers mark the jambs where the concrete needs to be removed and the concrete finishers will do that before your guys come back. I spoke to Daniel your supervisor on the phone and he was not very accommodating and frankly not very co-operative. He told me to take an inch of concrete from each opening on the jamb before he would send his guys back. I don't operate like this and have no intention of doing so in the future. I spoke to your installer and he is willing to come back when the openings are made plumb and will install the frames then. I will ensure that we have a concrete finisher onsite when they come back to install to ensure the frames will fit. As this your first task onsite I suggest you find someone else to supervise from your end that knows how to deal with people because I won't be dealing with Daniel again. Thanks

Regards,

Paul Smith

*Project Superintendent*

*871-899 College St.*

**Gillam Group Inc.**

36 Northline Road, Unit 3

Toronto, ON M4B 3E2

C: 647-468-2273

T: 416-486-6776

E: [psmith@gillamgroup.com](mailto:psmith@gillamgroup.com)

**PLAN PERFORM INSPIRE**

Appendix 4

SUBJECT: Fwd: Message from KMBT\_C364

FROM: Daniel Pinzan <daniel.pinzan@gmail.com>

TO: jason reis <jason@vgacarpentry.com>

DATE: 24/09/2019 07:29

ATTACHMENTS (20190924-072950-0053984 ): [SKMBT\\_C36419081514090.pdf](#)

----- Forwarded message -----

From: **Mary Anne Amodeo** <[mamodeo@ellisdon.com](mailto:mamodeo@ellisdon.com)>

Date: Thu., Aug. 15, 2019, 1:42 p.m.

Subject: Fwd: Message from KMBT\_C364

To: Jason Reis VGA Carpentry <[jreis1@live.com](mailto:jreis1@live.com)>

Cc: daniel.pinzan <[daniel.pinzan@gmail.com](mailto:daniel.pinzan@gmail.com)>

----- Forwarded message -----

From: <[j70162copier@ellisdon.com](mailto:j70162copier@ellisdon.com)>

Date: Thu, Aug 15, 2019 at 1:39 PM

Subject: Message from KMBT\_C364

To: <[mamodeo@ellisdon.com](mailto:mamodeo@ellisdon.com)>

**This e-mail is CONFIDENTIAL. If you are not its intended recipient, please notify the sender and delete all copies immediately.**

Appendix 5

SUBJECT: Re: Keyboard desk  
FROM: Jason Reis VGA Carpentry <jreis1@live.com>  
TO: Allan Sauder <saudera@windowcraft.com>  
CC: Jason Reis <jason@vgacarpentry.com>  
DATE: 30/11/2020 09:55

Hi Allan,

this looks great to proceed – save for 1 change. The height is a little low – can you raise the height by 3 inches – so the keyboard tray will be 34 ½ and the desktop will move up accordingly too.

Regards  
Jason Reis  
VGA Carpentry Limited

---

**From:** Allan Sauder <saudera@windowcraft.com>  
**Sent:** Thursday, November 26, 2020 8:24:26 AM  
**To:** Jason Reis <jreis1@live.com>  
**Subject:** Keyboard desk

Jason  
See attached dwg. Only basic dims available from the web site, guessed at the rest. You might want to have the client verify that his existing equipment will fit. Material is on order but is coming from Calgary and is expected at the end of next week.

Regards

Allan Sauder

Windowcraft Industries Ltd.  
Innovative Building Systems  
24 Ronson Drive, Unit 4  
Toronto, ON, M9W 1B4  
(T) 416 535 4499  
www.windowcraft.com

# **APPENDIX “J”**



## Delivered by Email

November 18, 2024

### **Dodick Landau Inc.,**

Interim Receiver, V.G.A Carpentry Limited  
and not in its personal or corporate capacity  
951 Wilson Avenue Unit 15L  
Downsview, ON M3K 2A7

Attention: Rahn Dodick (rahn.dodick@dodick.ca)

Dear Mr. Dodick,

Our responses to the letter of November 15, 2024 are provided.

**a) Copies of field reports for each VGA project listed on Schedule “A” to the Shareholder Agreement (the “Projects”), including specifically weekly time records (detailing each site employee’s name and weekly number of hours of work by project), submitted in the form of emails from the applicable field supervisor/foreman, from July 1, 2023 to April 30, 2024. You have provided weekly VGA employee total hour reports which are not by employee and not by project. What you provided is not what the we requested;**

VGA’s standard procedure between Mr. Surace and I, including before our dispute, was I received a call every Friday. There, I was provided with the workers and their hours worked.

After the call, I provided a time sheet to Alice Wu (“Ms. Wu”), my accountant’s assistant. I prepared an Excel sheet, which was converted into a PDF, with the worker, their hours worked, any overtime hours worked and parking costs. Ms. Wu made payments to the workers on behalf of VGA.

These times sheets are found in the material I provided on November 11, 2024. They are referred to as “Time Sheets”.

**b) Cost and profit estimates, as originally produced at the tendering stage, remain outstanding for all Projects. You have provided the pricing estimates for certain contracts, while we requested the cost and profit estimates. Furthermore, we note that you provided the pricing estimates for all Projects except for Block 8 and Strachan. Kindly provide the pricing schedules for those final two contracts as well;**

VGA never provided costs and profits estimates. VGA provided comprehensive material costs which I provided November 11, 2024. The relevant material for Block 8 and Strachan is attached in the folder “Pricing Estimates”.

**c) Collection status of ALL outstanding invoices payable to the Company. An accounts**

**receivable subledger by project from your accounting system would be ideal, otherwise, should this not be available, a schedule summarizing this information. In addition, all email correspondence with customers relating to the collection of these accounts**

My accountant's firm, Saxon Group, provided this material to me the morning of November 18, 2024. The invoices are found in the attached folder "Accounts Receivable-Subledger".

**d) On November 13th, a VGA email address was created for Naomi Lieberman but "super administrator" access has not been granted to date. Ms. Lieberman has only received regular user access. As previously requested, please provide Ms. Lieberman with "super administrator" access (complete access) to the email server and all files on the Google Drive with domain: [vgacarpentry.com](http://vgacarpentry.com). Please also provide to Ms. Lieberman full access to your email at the email address: [jason@vgacarpentry.com](mailto:jason@vgacarpentry.com);**

I had IT trouble and have received IT consulting advice. I have created an email address for Ms. Lieberman. I have listed her as a super-administrator on the file. She needs to send me the confirmation and I think I then need to approve it. So I am about to initiate the link – she will need to respond to me - she will have to acknowledge she has received access from Gmail and she then sends me that notification from Gmail. Then, I will agree to her access within Gmail as directed.

**e) Certain contracts for the Projects were provided to us, however, the following contracts remain outstanding: Daniels for Block 8, Ellis Don for 45 Strachan, Reliance Construction for 71 Redpath and 293 The Kingsway; and**

Daniels for Block 8: I have found the contract and will send the Novation Agreement. Mr. Surace already has a copy of the contract, including the Assignment Agreement and the Novation Agreement.

Reliance Contracts: I have not located the link from three years ago. I have asked their project coordinator to provide the paperwork. I expect it imminently.

Ellis Don for 45 Strachan: Currently, there is no contract due to the current dispute and the job being delayed from 2022 to 2024. They have asked Dupont to take over the project. Dupont have started work on the job. We expect a contract within the next two weeks. It will provide for 10% back to VGA as in the Daniels agreements.

**f) Further, as previously requested, we require contact information for all customers in connection with the Projects including contact name, mailing address, email addresses and phone numbers**

This material is in the attached .pdf “Company Directory”.

**In addition to the November 4 letter**

**a) Copies of field reports for each Dupont project, including specifically weekly time records (detailing each site employee’s name and weekly number of hours of work by project), submitted in the form of emails from the applicable field supervisor/foreman, from July 1, 2023 to April 30, 2024; and**

As noted, there were not time sheets – there was a telephone call, every Friday, by the site supervisor to me, put into a spread sheet and sent to Alice.

**b) Please provide the name of the foreman for each VGA or Dupont project who was responsible for emailing the weekly time reports.**

The Dupont time sheets are attached as “Dupont Time Sheets”.

The foremen are David Glasbergen and Kevin Furtado.

Please note that Mr. Saxon would appreciate receiving from you or through you from Mr. Surace details concerning funds taken for personal expenditures but recorded as business expenses, so that he may complete the financial statements.

Your very truly,

Jason Reis

Paul Stern: [pstern@sternlaw.ca](mailto:pstern@sternlaw.ca) – Legal Counsel for Respondents

Margot Davis: [margot@sternlaw.ca](mailto:margot@sternlaw.ca) – Legal Counsel for Respondents

# **APPENDIX “K”**



Naomi Lieberman &lt;naomi.lieberman@dodick.ca&gt;

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## Payroll

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**Margot Davis** <margot@sternlaw.ca>

Mon, Dec 23, 2024 at 4:08 PM

To: "Dodick, Rahn" &lt;rahn.dodick@dodick.ca&gt;, naomi.lieberman@dodick.ca

Cc: Jason Reis &lt;jason@dupontcarpentry.com&gt;, "Stern, Paul" &lt;pstern@sternlaw.ca&gt;

Hello,

Jason believes the Quickbook access provides information regarding payroll.

For your further convenience, the payroll excel sheets are attached.


They include the payroll sheets from VGA and Dupont Oct 1, 2022 to end of 2023 and 2024.

Best regards,  
Margot Davis  
Associate Lawyer  
SLC LLP

---

### 3 attachments

 **Dupont Payroll Summary Oct 01, 2022 to Dec 31, 2023.xlsx**  
302K

 **Total Payroll.xls**  
418K

 **VGA Carpentry Ltd Payroll.xlsx**  
132K

# **APPENDIX “L”**



Naomi Lieberman &lt;naomi.lieberman@dodick.ca&gt;

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## Payroll

---

Naomi Lieberman <naomi.lieberman@dodick.ca>

Tue, Dec 24, 2024 at 12:49 PM

To: Margot Davis <margot@sternlaw.ca>

Cc: "Dodick, Rahn" <rahn.dodick@dodick.ca>, Jason Reis <jason@dupontcarpentry.com>, "Stern, Paul" <pstern@sternlaw.ca>, George Benchetrit <George@chaitons.com>, "Mills, Craig" <cmills@millertomson.com>

Margot

I have reviewed the information provided below and note that it does not address the requirements under the amended Court Order and specifically section 6(c) of the Order.

Pursuant to the Order, Mr Reis was to provide "weekly payroll records by staff member AND BY JOB for each of the Company and Dupont.....by December 20, 2024."

The payroll information provided is by staff member but the critical breakdown BY JOB has not been provided.

Mr Reis indicated that he could and would provide this information. When can we expect to receive the breakdown of the payroll for each of VGA and Dupont by JOB to be provided, which is now already past due?

Best,  
Naomi

**Naomi Lieberman, CPA, CA, CIRP, LIT | Senior Manager**

Dodick & Associates Inc. and Dodick Landau Inc.

951 Wilson Avenue, Suite 15L, Toronto, ON, M3K 2A7

Mobile: [416 525 4212](tel:4165254212) | Fax: [1-866-874-1791](tel:18668741791)

[naomi.lieberman@dodick.ca](mailto:naomi.lieberman@dodick.ca)

[www.dodick.ca](http://www.dodick.ca)

[Quoted text hidden]



Naomi Lieberman &lt;naomi.lieberman@dodick.ca&gt;

---

## Payroll

---

**Jason Reis** <jason@dupontcarpentry.com>

Tue, Dec 24, 2024 at 1:13 PM

To: Naomi Lieberman <naomi.lieberman@dodick.ca>

Cc: Margot Davis <margot@sternlaw.ca>, "Dodick, Rahn" <rahn.dodick@dodick.ca>, "Stern, Paul" <pstern@sternlaw.ca>, George Benchetrit <George@chaitons.com>, "Mills, Craig" <cmills@millerthomson.com>

Naomi,

As per court order you were provided ALL information as requested. You have ALL emails related to VGA, you have ALL payroll records from both Dupont and VGA.

If you require specific information on projects and jobs please outline it in email format and send to me and my counsel including jobsites and dates.

Looking forward to your response

Regards

Jason Reis  
Dupont Carpentry Limited  
[315 Trowers Rd](#)  
[Woodbridge, Ontario](#)

On Dec 24, 2024, at 12:49 PM, Naomi Lieberman <naomi.lieberman@dodick.ca> wrote:

[Quoted text hidden]

[Quoted text hidden]





Naomi Lieberman <naomi.lieberman@dodick.ca>

---

## Payroll

---

**Rahn Dodick** <rahn.dodick@dodick.ca>

Tue, Dec 24, 2024 at 2:31 PM

To: Jason Reis <jason@dupontcarpentry.com>

Cc: Naomi Lieberman <naomi.lieberman@dodick.ca>, Margot Davis <margot@sternlaw.ca>, "Stern, Paul" <pstern@sternlaw.ca>, George Benchetrit <George@chaitons.com>, "Mills, Craig" <cmills@millerthomson.com>

Jason,

The Court order is very clear. We are not required to provide you with an additional request. To date, you have not provided to us what is required in the order.

Rahn

[Quoted text hidden]

# **APPENDIX “M”**

<b>VGA Carpentry Limited - Timesheet</b>									
<b>Project : Harhay</b>			<b>Period ending : Jan 5</b>						
<b>No.</b>	<b>Employee Name</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Total</b>	<b>Parking</b>
1	Mark	0	8	8	8	8		32	
2	Dwayne	0	8	8	8	8		32	
3	Sansão	0	0	8	8	8		24	
4	Daniel	8	8	8	8	8		40	
5	Z	0	8	8	8	8		32	
6	Wade	0	8	8	8	0		24	
7	Steve	0	8	8	8	8		32	
8	Giuseppe	0	8	8	8	8		32	
9	David	0	8	8	8	8		32	
10	Rui	0	8	8	8	8		32	
11								0	
12								0	
13								0	
14								0	
15								0	
	<b>TOTAL HOURS</b>	8	72	80	80	72	0	312	

# **APPENDIX “N”**

## April 22 - April 26

	M.	T.	W.	T.	F.	Total.
Sebastian A.	8	8.	8.	8.	8	40
Michael M.	8.	8.	8.	8.	8	40
Donrick D.	0	8.	8.	6.	8.	30
Sansao D.	8.	8.	8.	8.	8.	40
Darrell B.	8	8.	8.	0	8.	32
Lucius.	8	8.	8.	8.	8.	40
Mathew A.	8	8.	8.	8.	8.	40

VGA Carpentry (2023) Ltd - Timesheet

Project: Multiple Stations  
Whitby

Period ending: April 20/24

No.	Employee Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total	Parking
1	David Asborgsen	8 1/2	8	8 1/2	10	8	N/A	43	
2	David Dieta	8 1/2	8	8 1/2	8	8	N/A	41	
3	Lylo Collier	8	8	8	8	8	N/A	40	
4	Andre Deas	Byo 8?	Byo 8?	8	8	8	N/A	40 + 8 hrs overtime week	2 hrs
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
TOTAL HOURS									

VGA Carpentry (2023) Ltd - Timesheet

Project: Multiple Stations  
Whitby

Period ending: April 20/24

No.	Employee Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total	Parking
1	David Asborgsen	8 1/2	8	8 1/2	10	8	N/A	43	
2	Daniel Dieta	8 1/2	8	8 1/2	8	8	N/A	41	
3	Kyle Collier	8	8	8	8	8	N/A	40	
4	Andre Deas	Byo 8?	Byo 8?	8	8	8	N/A	40 + 8 hrs overtime week	2 hrs
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
TOTAL HOURS									

# **APPENDIX “O”**



January 17, 2025

**VIA EMAIL**  
**pstern@sternlaw.ca**

Paul Stern  
Stern Landesman Clark LLP  
Barristers & Solicitors  
31 Sunnydene Crescent  
Toronto, ON M4N 3J5

**Re: V.G.A. Carpentry Limited**

Dear Mr. Stern,

We are following up with respect to your client's ongoing obligations under the Amended Interim Receivership Order (the "**IR Order**").

As you know, Mr. Reis stated in his letter to the Interim Receiver on November 18, 2024 ("**November 18th Letter**") as follows:

VGA's standard procedure between Mr. Surace and I, including before our dispute, was I received a call every Friday. There, I was provided with the workers and their hours worked.

After the call, I provided a time sheet to Alice Wu ("**Ms. Wu**"), my accountant's assistant. I prepared an Excel sheet, which was converted into a PDF, with the worker, their hours worked, any overtime hours worked and parking costs. Ms. Wu made payments to the workers on behalf of VGA.

These times sheets are found in the material I provided on November 11, 2024. They are referred to as "Time Sheets".

As detailed in the Interim Receiver's First Report, Daniel Pinzan, a VGA and later a Dupont foreman, provided contradictory information to the Interim Receiver, i.e., that it was his practice to email Reis weekly, through his VGA email, an excel file that summarized total hours by day, by employee, including job site name and address.

In light of this evidence, at the last Court attendance, Mr. Reis agreed to provide weekly payroll records by staff member by job for each of VGA and Dupont, and this procedure was incorporated in the IR Order. Specifically, paragraph 6 the IR Order provides as follows:

6. THIS COURT ORDERS that, in addition to the provisions in Paragraphs 4 and 5 above, the Respondents Jason Reis and Dupont shall fully cooperate with the Interim Receiver and provide:

(a) immediate and unfettered access to all business records of the Company, including providing access to email and other electronic records, including, but not limited to: (i) Reis' email at "[jason@vgacarpentry.com](mailto:jason@vgacarpentry.com)"; (ii) providing the Interim Receiver with access to the Company's email server, Google Drive account, and any other account necessary to carry out the Interim Receiver's duties in Paragraph 2, above; and (iii) Reis will provide the Interim Receiver with all computers belonging to the Company for imaging. These obligations shall be fulfilled on or before December 4, 2024.

The Interim Receiver will have 48 hours to complete the imaging of the computers;  
(b) any and all cheques payable to the Company; and

(c) weekly payroll records by staff member and by job, for each of the Company and Dupont for the period from October 1, 2022 to date. The schedule should include hours worked by employee by job by week and include net pay, deductions to calculate to gross pay earned. Reis shall use his best efforts to provide this information, to the extent not already provided by the disclosure and access in para. 6(a), by December 20, 2024.

We understand from the Receiver that to date, the Respondents, Mr. Reis and Dupont have still not complied with paragraph 6(a), nor have they provided the information in paragraph 6(c).

While Mr. Reis has provided some email records, he has not provided the Receiver with:

1. email folders/files of any other VGA employees;
2. any other computers, other than Mr. Reis's, owned by VGA; and
3. complete payroll records by job for either VGA or Dupont.

As for paragraph 6(c), no payroll information by job was provided for either VGA or Dupont.

Based on the Interim Receiver's review of the email folders provided to date, it has identified weekly emails from Mr. Pinzan to Mr. Reis with timesheets by job site consistent with what Mr. Pinzan explained to the Interim Receiver and contrary to Mr. Reis's comments in the November 18th Letter mentioned above.

The Interim Receiver has also identified emails from other foremen that also contain photos of handwritten timesheets kept in three ring binders that detail hours by employee by project/job site as well other typed summaries of hours by employees. Specifically, the Interim Receiver has located timesheets by employee by job site being emailed to Mr. Reis in late April 2024 or early May 2024 from the 3 foremen, Sebastina Ahumada, David Glasbergen and Mark Burgess (see samples attached). These foremen are reporting on hours for Dupont jobs which commenced prior to these emails - as evidenced by Dupont having issued billings in respect of such projects in earlier periods - but the payroll emails from these earlier periods are not in the email inbox provided by Mr. Reis.

We are asking yet again that all emails be produced by Mr. Reis as required under the IR Order. Furthermore, the aforesaid payroll binders form part of the financial information which pursuant to paragraph 2(b) and (c) of the IR Order must be produced to the Interim Receiver. We are hereby requesting that all this information be provided by Mr. Reis no later than January 23, 2025.

As you know, the Interim Receiver has been directed to report to the Court by February 10, 2025 in advance of the case conference scheduled for February 13, 2025. The Interim Receiver's report will include details of the information provided by Mr. Reis pursuant to the IR Order, as well as details of any non-compliance with the IR Order. Accordingly, it is essential that Mr. Reis provide the information listed in the IR Order as soon as possible.

Yours truly,  
CHAITONS LLP



George Benchetrit  
PARTNER\*  
\*Denotes Professional Corporation  
GB/ac  
Encl.

c. Rahn Dodick and Naomi Lieberman, Dodick Landau Inc.  
[rahn.dodick@dodick.ca](mailto:rahn.dodick@dodick.ca) and [naomi.lieberman@dodick.ca](mailto:naomi.lieberman@dodick.ca)

Craig Mills, Miller Thomson, [cmills@millerthomson.com](mailto:cmills@millerthomson.com)

## April 22 - April 26

	M.	T.	W.	T.	F.	Total.
Sebastian A.	8	8.	8.	8.	8	40
Michael M.	8.	8.	8.	8.	8	40
Donrick D.	0	8.	8.	6.	8.	30
Sansao D.	8.	8.	8.	8.	8.	40
Darrell B.	8	8.	8.	0	8.	32
Lucius.	8	8.	8.	8.	8.	40
Mathew A.	8	8.	8.	8.	8.	40

VGA Carpentry (2023) Ltd - Timesheet

Project: Multiple Stations  
Whitby      Period ending: April 20/24

No.	Employee Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total	Parking
1	David Asborgsen	8 1/2	8	8 1/2	10	8	N/A	43	
2	Daniel Dieta	8 1/2	8	8 1/2	8	8	N/A	41	
3	Kyle Collier	8	8	8	8	8	N/A	40	
4	Andre Deas	Byo 8?	Byo 8?	8	8	8	N/A	40 + 8 hrs	outside work to be done
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
TOTAL HOURS									

VGA Carpentry (2023) Ltd - Timesheet

Project: Multiple Stations  
Whitby      Period ending: April 20/24

No.	Employee Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total	Parking
1	David Asborgsen	8 1/2	8	8 1/2	10	8	N/A	43	
2	Daniel Dieta	8 1/2	8	8 1/2	8	8	N/A	41	
3	Kyle Collier	8	8	8	8	8	N/A	40	
4	Andre Deas	Byo 8?	Byo 8?	8	8	8	N/A	40 + 8 hrs	outside work to be done
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
TOTAL HOURS									

# **APPENDIX “P”**

January 31, 2025

VIA EMAIL [pstern@sternlaw.ca](mailto:pstern@sternlaw.ca)

Paul Stern  
Stern Landesman Clark LLP  
Barristers & Solicitors  
31 Sunnydene Crescent  
Toronto, ON M4N 3J5

**Re: V.G.A. Carpentry Limited**

Dear Mr. Stern,

In our letter to you dated January 17, 2025 (“**January 17 Letter**”):

- we reminded you that Mr. Reis and Dupont Carpentry Limited (“**Dupont**”) had still not complied with paragraph 6(a) of the Amended Interim Receivership Order (the “**IR Order**”), nor had they provided the information listed in paragraph 6(c) of the IR Order, and that the deadlines for doing so under the IR Order had passed;
- Mr. Reis and Dupont had still not provided the Interim Receiver with the following information:
  - email folders/files of any other VGA employees;
  - any other computers, other than Mr. Reis’s, owned by VGA; and
  - complete payroll records by job for either VGA or Dupont;
- Mr. Reis and Dupont had not provided payroll information by job for either VGA or Dupont as required by December 20, 2024; and
- we requested that the payroll binders detailing hours by employee by project/job site as well other typed summaries of hours by employees be provided by Mr. Reis to the Interim Receiver by no later than January 23, 2025;

We understand that the only information provided by your clients to the Interim Receiver subsequent to the January 17 Letter was a set of emails from Mr. Pinzan to Jason Reis sent by your office on January 23, 2025, all of which were already in the possession of the Interim Receiver, as specifically indicated in the January 17 Letter.

We are again asking for delivery of the above-noted information, including all payroll related e-mail communication from all former VGA foremen through to April 2024 and specifically the payroll records submitted by Sebastian Ahumada for the 2 Forest Hill Road Project, David Glasbergen for the Multiplex Station No.3 Project and Mark Burgess for the Monza Condos.

We are also asking that your clients provide the weekly time sheets submitted by Mr. Pinzan to Mr. Reis for payroll processing purposes for the period after February 9, 2024 up to and including April 12, 2024 irrespective of whether Mr. Pinzan was corresponding through his VGA email account or his Dupont email account.

As previously indicated, the Interim Receiver's report due February 10, 2025 will include details of any non-compliance by your clients with the IR Order.

Yours truly,  
CHAITONS LLP



George Benchetrit

PARTNER\*

\*Denotes Professional Corporation

GB/ac

c. Rahn Dodick and Naomi Lieberman, Dodick Landau Inc.  
[rahn.dodick@dodick.ca](mailto:rahn.dodick@dodick.ca) and [naomi.lieberman@dodick.ca](mailto:naomi.lieberman@dodick.ca)

Craig Mills, Miller Thomson, [cmills@millertomson.com](mailto:cmills@millertomson.com)



# **APPENDIX “Q”**

Pinzan Payroll Summary																			
(compiled based on weekly emails to Reis)																			
VGA Employees on Identified Dupont Jobs																			
Period Ending	Dewayne	Lucius	Daniel	Roni	Sansao	Steve	Rui	Mark	Diogo	Z	Wade	Giuseppe	Pino	Jason	Brian	Kevin Varga	Quimars	Total Hrs	All-inclusive VGA Cost
																			Per Wkly Detail
<b>Project: Harhay</b>																			
Sept 22/2023	40	32																72	5,172.60
Sept 29/2023	40	40	40	24	24	32	29.5											229.5	17,860.23
Oct 6/2023	40	40	40	40	40	40	37.5											277.5	18,835.70
Oct 13/2023	32	32	40	31	40	32	32											239	16,212.89
Oct 20/2023	40	40	16	32	32.5	40	24	40	8									272.5	18,908.54
Oct 27/2023	32	40			24	8	40	40										184	13,353.84
Nov 3/2023	40	40			40		40	40										200	14,148.95
Nov 10/2023	40	40			40		40	40										200	14,148.95
Nov 17/2023	40	38			40		32	40										190	13,394.56
Nov 24/2023	40	40			40		40	40										200	14,327.79
Dec 1/2023	32	40			40	32	40	40										224	15,015.01
Dec 8/2023	32	40	40	28	40		35	32										247	17,778.90
Dec 15/2023	40	40	40		40		40	40										240	17,367.44
Dec 22/2023	32		40		40	24		24		24	24							232	16,089.67
Dec 29/2023			40							24		24						88	6,800.25
Jan 5/2024	32		40		24	32	32	32		32	24	32						280	20,624.65
Jan 12/2024		40	40					40		24			24					168	14,123.55
Jan 19/2024		40	40	24				40										144	12,332.60
Jan 26/2024		40	40		24			40										144	11,222.56
Feb 2/2024		40	40	40				32										152	13,014.19
<b>Project: Bluescape</b>																			
Feb 9/2024			40											40	40			120	7,990.43
<b>Project: Erin Mills</b>																			
Sep 22/2023 - 32 hrs							32											32	2,469.53
Sep 29/2023 - 8 hrs							8											8	609.86
<b>Project: T3 Sterling</b>																			
Feb 17/2023 - 24 hrs	8															8	8	24	1,267.32
<b>Project: 348 Dupont</b>																			
Dec 23/2022 - 8 hrs																8		8	574.73
<b>Total</b>	<b>560</b>	<b>662</b>	<b>536</b>	<b>219</b>	<b>528.5</b>	<b>240</b>	<b>502</b>	<b>560</b>	<b>8</b>	<b>104</b>	<b>48</b>	<b>80</b>	<b>24</b>	<b>40</b>	<b>40</b>	<b>16</b>	<b>8</b>	<b>4175.5</b>	<b>303,644.77</b>
Full name per Employee Centre (QBx)	Dewayne ASIBEY	Lucius HENRY	Daniel PINZAN	Ronierison Queiroz Monte DE OLIVEIRA	Sansao DE SOUSA FILHO	Per D Pinzan txt = Steve SOURIEL	Rui EUGENIO	Per D Pinzan txt = Mark PATTERSON	Diogo FRANCIS	Per D Pinzan txt - Gizachew Kassaye ESHETE	Wade CRUISE	Giuseppe CORRADO (Giuseppe = Pino)	Giuseppe CORRADO (Giuseppe = Pino)	Per D Pinzan txt - Jason D'ALESSANDRO	Per D Pnzan txt - Brian PHILLIPS				<b>Avg Hourly =</b> <b>\$72.72</b>

# **APPENDIX “R”**

**VGA - DUPONT PAYROLL ANALYSIS (October 2022- March 2024)**

		Dupont (see NOTE 1)					VGA (See NOTE 2)					COMBINED Dupont+VGA (see NOTE 3)				
		%			%	%			%	%			%			
		# Employees	Base Payroll	Billings per GL	Payroll/Billings	Cumulative Payroll / Billings	# Employees	Base Payroll	Billings per GL	Payroll/Billings	Cumulative Payroll / Billings	Base Payroll	Billings per GL	Payroll/Billings	Cumulative Payroll / Billings	
	Reported to	Union	(EXCL Vac Pay)			Union	(EXCL Vac Pay)			Union	(EXCL Vac Pay)	(EXCL Vac Pay)			Union	
2022	October	0	-	-	0.0%	0.0%	36	222,178	820,423	27.1%	27.1%	222,178	820,423	27.1%	27.1%	
2022	November	0	-	-	0.0%	0.0%	41	256,674	639,158	40.2%	32.8%	256,674	639,158	40.2%	32.8%	
2022	December	0	-	44,275	0.0%	0.0%	46	293,610	622,806	47.1%	37.1%	293,610	667,081	44.0%	36.3%	
2023	January	0	-	-	0.0%	0.0%	45	273,357	760,932	35.9%	36.8%	273,357	760,932	35.9%	36.2%	
2023	February	0	-	105,225	0.0%	0.0%	45	273,357	806,752	33.9%	36.1%	273,357	911,977	30.0%	34.7%	
2023	March	0	3,755	27,050	13.9%	2.1%	48	365,073	884,379	41.3%	37.1%	368,829	911,429	40.5%	35.8%	
2023	April	2	10,280	207,800	4.9%	3.7%	50	295,859	929,636	31.8%	36.2%	306,139	1,137,436	26.9%	34.1%	
2023	May	2	10,505	27,350	38.4%	6.0%	56	347,464	1,070,071	32.5%	35.6%	357,969	1,097,421	32.6%	33.9%	
2023	June	2	14,018	49,600	28.3%	8.4%	70	522,608	1,691,731	30.9%	34.6%	536,627	1,741,331	30.8%	33.3%	
2023	July	2	5,165	-	0.0%	9.5%	71	436,519	865,024	50.5%	36.2%	441,684	865,024	51.1%	34.9%	
2023	August	2	12,305	117,800	10.4%	9.7%	72	442,102	1,969,369	22.4%	33.7%	454,408	2,087,169	21.8%	32.5%	
2023	September	2	10,927	107,768	10.1%	9.7%	72	539,746	1,974,743	27.3%	32.7%	550,673	2,082,511	26.4%	31.6%	
2023	October	2	10,058	247,634	4.1%	8.2%	75	441,972	87,302	0.0%	36.4%	452,030	160,332	281.9%	34.5%	
2023	November	3	21,049	164,787	12.8%	8.9%	84	536,021	1,594,677	33.6%	36.1%	557,070	1,759,464	31.7%	34.2%	
2023	December	4	22,488	320,447	7.0%	8.5%	87	573,185	1,047,091	54.7%	37.3%	595,673	1,367,537	43.6%	34.9%	
2024	January	9	29,981	151,542	19.8%	9.6%	82	462,945	2,163,198	21.4%	35.4%	492,926	2,314,740	21.3%	33.3%	
2024	February	8	56,405	361,917	15.6%	10.7%	67	440,147	161,635	272.3%	37.5%	496,553	523,552	94.8%	34.9%	
2024	March	8	47,484	467,800	10.2%	10.6%	66	521,239	-	0.0%	40.4%	568,723	467,800	121.6%	36.9%	
<b>TOTAL</b>			<b>254,421</b>	<b>2,400,994</b>				<b>7,244,059</b>	<b>17,914,323</b>			<b>7,498,480</b>	<b>20,315,317</b>			

**NOTE 1**

Per "Pre Apr 2024 Revenue tab" and "Pre Apr 2024 Payroll tab"

**NOTE 2**

Per "VGA IS" tab

**NOTE 3**

Dupont data combined with VGA data and analysis applied to March numbers

<b>SUMMARY</b>	
Dupont Billings (A)	\$ 2,400,994
VGA Billings	\$ 17,914,323
<b>Total Billings</b>	<b>\$ 20,315,317</b>
Dupont Payroll	\$ 254,421
VGA Payroll	\$ 7,244,059
<b>Combined Payroll</b>	<b>\$ 7,498,480</b>
<b>Combined payroll as a % of cumulative billings (B)</b>	<b>36.9%</b>
Expected Dupont Payroll (C= AxB)	\$ 886,218
Payroll per Dupont's General Ledger	(\$254,421)
Estimated Understatement of Dupont's payroll	\$ 631,797
<b>Estimated Understatement (inclusive of vacation pay, EI, CPP, union dues, WSIB, and EHT)</b>	<b>\$ 971,155</b>
Comprised of:	
Estimated understatement per above (base payroll)	\$ 631,797
Employer portion of union contributions	\$ 187,012
Vacation pay @ 10%	\$ 63,180
Employer portion of CPP @ 5.95%	\$ 41,351
Employer portion of EI @ 2.3%	\$ 15,984
WSIB @ 2.63	\$ 18,278
EHT @ 1.95%	\$ 13,552
<b>Total</b>	<b>\$ 971,155</b>

# **APPENDIX “S”**

**Daniels - Block 8 Remaining Contract Balance**

**Daniels Block 8  
Ph#1 Condo &  
Rental &  
Parking Levels**

**Original contract value** 4,371,530.00

**Draw requests submitted by VGA:**

Nov-23	47,600.00
Dec-23	92,500.00
Jan-24	25,600.00
Feb-24	0.00
Mar-24	0.00
Apr-24	222,229.00

**Total invoiced by VGA** 387,929.00

**Balance to complete @ 2024-04-30** 3,983,601.00

**Dupont 10% Assignment clause** \$ 398,360.10

# APPENDIX “T”



DUPONT CARPENTRY LTD. invoices to V.G.A. Carpentry Limited for period post 2024-04-12 (termination date of VGA employees)

**Per Dupont, labour charges detail:**

Week Ending	Hrs	Rate	Amount Charged	Cost Rate	Cost	Mark-up	Mark-up Rate
<b>Inv #202421 re CentreCourt (2024-05-13)</b>							
2024-04-19	528	\$98.00	\$ 51,744.00	\$72.72	\$ 38,396.16	\$ 13,347.84	25.8%
2024-04-26	393	\$98.00	\$ 38,514.00	\$72.72	\$ 28,578.96	\$ 9,935.04	25.8%
2024-05-03	336	\$98.00	\$ 32,928.00	\$72.72	\$ 24,433.92	\$ 8,494.08	25.8%
2024-05-10	588	\$98.00	\$ 57,624.00	\$72.72	\$ 42,759.36	\$ 14,864.64	25.8%
			<u>\$ 180,810.00</u>		<u>\$ 134,168.40</u>	<u>\$ 46,641.60</u>	
		HST	\$ 23,505.30		\$ 17,441.89	\$ 6,063.41	
		<b>Total</b>	<b>\$ 204,315.30</b>		<b>\$ 151,610.29</b>	<b>\$ 52,705.01</b>	
<b>Inv #202422 re Daniels (2024-05-15)</b>							
2024-04-19	979	\$85.00	\$ 83,215.00	\$72.72	\$ 71,192.88	\$ 12,022.12	14.4%
2024-04-26	1047	\$85.00	\$ 88,995.00	\$72.72	\$ 76,137.84	\$ 12,857.16	14.4%
2024-05-03	400	\$85.00	\$ 34,000.00	\$72.72	\$ 29,088.00	\$ 4,912.00	14.4%
			<u>\$ 206,210.00</u>		<u>\$ 176,418.72</u>	<u>\$ 29,791.28</u>	
		HST	\$ 26,807.30		\$ 22,934.43	\$ 3,872.87	
		<b>Total</b>	<b>\$ 233,017.30</b>		<b>\$ 199,353.15</b>	<b>\$ 33,664.15</b>	
<b>Inv #202431 re CentreCourt (2024-05-28)</b>							
2024-05-17	97	\$98.00	\$ 9,506.00	\$72.72	\$ 7,053.84	\$ 2,452.16	25.8%
2024-05-24	25	\$98.00	\$ 2,450.00	\$72.72	\$ 1,818.00	\$ 632.00	25.8%
			<u>\$ 11,956.00</u>		<u>\$ 8,871.84</u>	<u>\$ 3,084.16</u>	
		HST	\$ 1,554.28		\$ 1,153.34	\$ 400.94	
		<b>Total</b>	<b>\$ 13,510.28</b>		<b>\$ 10,025.18</b>	<b>\$ 3,485.10</b>	
<b>TOTAL</b>			<b>\$ 450,842.88</b>		<b>\$ 360,988.62</b>	<b>\$ 89,854.26</b>	
Total EXCLUDING HST			398,976.00		319,458.96	79,517.04	

Invoice # 202422 re Daniels includes an additional charge of \$221,000.00 plus HST re "Trim supply materials". All of the known suppliers invoiced VGA directly for all deliveries up to April 30, 2024. 2024; Dupont has not provided any support for these deliveries.

# **APPENDIX “U”**

### VGA Jobsite Totals - Oct 1, 2022 - November 8, 2024

Job Site	Total	Outstanding amount	
19 Blueking CrescentScarborough Total	19,112.41	-	completed
23 Blue King CrescentScarborough Total	10,109.45	-	completed
794 Gerrard Street Total	3,196.95	-	completed
794 Gerrard Street875 Eglinton Avenue West Total	3,060.28	-	completed
84 Mariott RoadMaple Total	2,081.36	-	completed
Daniel - Erin Mills Total	248.96	-	completed
Daniels - 2175 Keele Street Total	66,912.18	27,081.72	ongoing
Daniels - Block 30 Total	56.71	-	completed
Daniels - Square One Total	54,041.33	22,667.77	ongoing
Daniels - The Thornhill Total	182,317.64	127,751.89	ongoing
Miscellaneous Total	168.64	-	n/a
Reliance - 293 The Kingsway Total	7,616.43	-	completed
Reliance - 71 Redpath Ave Total	1,735.95	-	completed
Reliance - 900 St. Clair Total	132.75	132.75	completed
Reunion Crossing Total	2,096.60	-	completed
<b>VGA Total</b>	<b>352,887.65</b>	<b>177,634.12</b>	

### Dupont Jobsite Totals - Oct 1, 2022 - November 8, 2024

Job Site	Total	Outstanding amount		
Daniels - 2175 Keele Street Total	122,853.48	14,008.14	ongoing	30th April 2024 moved from VGA to Dupont
Daniels - The Thornhill Total	173,714.72	21,877.65	ongoing	30th April 2024 moved from VGA to Dupont
Daniels - Square One Total	241,814.50	103,078.83	ongoing	30th April 2024 moved from VGA to Dupont
Daniels - Strachan Total	424,037.68	230,329.83	ongoing	
<b>Dupont Total</b>	<b>962,420.38</b>	<b>369,294.45</b>		