

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA 2 LP, BRIDGING SMA 2 GP INC., and BRIDGING PRIVATE DEBT INSTITUTIONAL RSP FUND

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED

**FACTUM OF AIRD & BERLIS LLP, IN ITS CAPACITY AS REDEMPTION
REPRESENTATIVE COUNSEL FOR THE REDEMPTION CLAIMANTS
(Unitholder Priority Motion Returnable November 16 and 17, 2022)**

November 3, 2022

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PART I - OVERVIEW

1. The principal issue on this motion is whether Unitholders in the Bridging Funds who submitted redemption requests prior to the Appointment Order should be paid in priority to Non-Priority Claimants based upon their contractual entitlements under the constating documents of the Bridging Funds.¹

2. Both Representative Counsel and the Receiver submit that it would be unfair for the claimants with Potential Redemption Claims (the “**Redemption Claimants**”) to receive priority over claimants without any Potential Priority Claims (the “**Non-Priority Claimants**”). They assert that the relief requested would be “*entirely novel and without precedent*”², although the recognition of contractual rights is hardly novel.

3. The Redemption Claimants empathize with all Unitholders. Certainly, none of the Unitholders – including Redemption Claimants - wish to be in their present position.

4. Nevertheless, all Unitholders struck a bargain in entering into the limited partnership agreements and trust agreements, and the fact that a lesser realization will be realized for Non-Priority Claimants is not grounds to dispense with the entitlement which the constating documents provide to the Redemption Claimants.

5. In the context of the Unitholder Priority Motion, fairness will accordingly be dictated by whether the contractual rights of the Redemption Claimants, which were agreed to by Non-Priority Claimants, are recognized by this Court.

¹ Capitalized terms not otherwise defined herein are intended to have the meaning ascribed to them in the Agreed Statement of Facts (“**Agreed Statement of Facts**” or “**ASF**”) located as Schedule “A” to the Thirteenth Report of the Receiver dated October 12, 2022, in the Motion Record of the Receiver, PwC, dated October 12, 2022 (“**MR**”).

² Representative Counsel Factum dated October 21, 2022 (“**Representative Counsel Factum**”) at para. 65.

6. The position of the Redemption Claimants can accordingly be summarized as follows.

7. The agreements for the limited partnerships and trusts created an enforceable liability pursuant to which Redemption Claimants are required to be paid within 30 days of the Redemption Date as specified by the contract. The BIF RSP Trust Agreement itself provides that a Unit is only outstanding until the Valuation Date on which the redemption price is calculated, after which time the redemption price “*of such Unit shall be deemed to be a liability of the Fund...*”.³ Similar language is found in the offering memoranda to the LP Agreements.⁴ Consistent with the foregoing, the Funds’ financial statements reflected redemption payments owing as liabilities of the Funds.⁵

8. It would be inherently *unfair* to disregard the liabilities owing to those Unitholders whose contractual rights were exercised not fortuitously, nor by luck, but were the consequence of their own considered business decisions, and then treat them the same as those Unitholders who had not exercised such rights, had chosen to maintain their investment with Bridging, and had no vested future benefit or certainty of a future claim.

9. In arguing that the *pari passu* rule ought to be applied to trump the contractual entitlement of Redemption Claimants, the Receiver and Representative Counsel have incorrectly assumed that the Bridging Funds are insolvent. No such finding has been made by the Court. This is

³ 4.3(c) of the Second Amended and Restated Trust Agreement for BIF RSP as of January 1, 2021 (“**BIF RSP Trust Agreement**”), MR, Appendix E to the ASF, p. 1097.

⁴ Amended and Restated Confidential Offering Memorandum for BIF as of January 1, 2021 (“**BIF LP Offering Memorandum**”) at p. 24, MR, Appendix D to the ASF, p. 207.

⁵ See the ASF at para 57, MR, p. 62; BIF Financial Statements showing “Redemptions payable” under “Liabilities”, MR, Appendix P to the ASF, pp. 1467, 1471. See also, BIF Financial Statements, MR, Appendix P to the ASF, p. 1484. The Notes to the Financial Statements reflects that “The Partnership’s redeemable units are classified as financial liabilities on the Statements of Financial Position, since the Partnership’s units do not meet the criteria in IAS 32, Financial Instruments: Presentation (“IAS 32”) for classification as equity”.

particularly the case as the receivership is a consequence of the exercise of provincial legislation under the *Securities Act* (Ontario) and is not a proceeding under any federal insolvency regime.

10. In view of these reasons, Redemption Representative Counsel's submission is that in both the limited partnerships and the investment trusts, pursuant to the terms of the Ontario *Limited Partnerships Act* and the constating documents governing these Funds, those who submitted redemption requests should be paid in priority to Non-Priority Claimants.⁶

11. As a related issue, Bridging purported to amend the limited partnership agreements to extend the redemption notice periods from 30 days to 90 days, thereby potentially affecting the calculation of the applicable Redemption Dates of such Redemption Claimants. It is unclear whether the validity of such amendments falls within the scope of the Unitholder Priority Motion. However, Redemption Representative Counsel submits that for two of the Funds (BIF and MMF), the meetings where this amendment were made did not achieve a quorum, such that the amendments were never duly passed, resulting in additional matured redemptions as at the time of the Receiver's appointment on April 30, 2021.

PART II - FACTS

A. THE BRIDGING FUNDS

12. The eight Funds at issue on this motion (each, a "**Fund**", and collectively, the "**Bridging Funds**") have substantially similar offering memoranda, trust agreements (each, a "**Trust Agreement**"), and limited partnership agreements (each, an "**LP Agreement**"). References to each of these documents will refer to the documents for all the Funds generally, except where the documents for one of the Funds are specifically identified.⁷ Although the LP Agreements and Trust

⁶ Investment trusts are creatures of contract and are governed solely by the contract in which the investment trust is created. There are no statutes that govern investment trusts.

⁷ Copies of the offering memoranda, LP Agreements, and Trust Agreements, MR, at Appendices D and E to the ASF.

Agreements are substantially similar, the same clauses may be located at different sections of the agreements. With respect to the LP Agreements, for the purposes of this factum, reference will primarily be made to the language in the BIF LP Agreement, which represent the highest quantum of Redemption Claims in the limited partnership Funds.

13. Three of the Bridging Funds at issue were organized as limited partnerships pursuant to the Ontario *Limited Partnerships Act* (the “**Limited Partnerships Act**”), where limited partners purchased units in the limited partnerships. Five of the Bridging Funds were organized as flow through investment trusts. For the investment trusts, Unitholders would purchase units in the Fund, and the trust would in turn purchase units in the limited partnerships.

14. The table below sets out the pre-Receivership AUM and the aggregate of Potential Redemption Claims currently estimated by the Receiver:⁸

	Fund	Type	Reported NAV (\$mil)	Estimated Value of Redemption Claims (\$mil)	Estimated Number of Redemption Claim Units	Estimated Value of Redemption Claim Unit
1	Bridging Fern Alternative Credit Fund (“ FERN ”)	Trust	\$39.29	\$0.01	100.89	\$107.45
2	Bridging Income Fund LP (“ BIF ”)	Limited Partnership	\$1,018.99	\$96.38	969,162.12	\$99.45
3	Bridging Income RSP Fund (“ BIF RSP ”)	Trust	\$364.32	\$24.86	236,580.03	\$105.08
4	Bridging Indigenous Impact Fund (“ BIIF ”)	Trust	\$60.67	\$0.75	7,118.92	\$102.77
5	Bridging Mid-Market Debt Fund (“ MMF ”)	Limited Partnership	\$505.63	\$82.85	817,194.40	\$101.38

⁸ ASF at para 19, MR, p. 50. The estimated value of the individual units are extrapolated from the data provided in paragraph 19 of the Agreed Statement of Facts by dividing, for each Fund, the Receiver’s estimated number of Redemption Claim Units by the Receiver’s estimated value of Redemption Claims.

6	Bridging Mid-Market Debt Fund RSP (“ MMF RSP ”)	Trust	\$135.95	\$13.80	135,703.3	\$101.69
7	Bridging Private Debt Institutional Fund (“ BPDI ”)	Limited Partnership	\$71.06	\$0.18	1,724.26	\$104.39
8	Bridging Private Debt Institutional RSP Fund (“ BPDI RSP ”)	Trust	\$8.88	\$0.01	93.86	\$106.54

B. THE REDEMPTION PROCESS

i. The LP Agreement Redemption Process

15. The process for redemptions at the option of the limited partners is described in section 5.1 of the LP Agreements:

Section 5.1 Redemptions at the Option of the Limited Partner

(a) **Units may be redeemed by Limited Partners at their Series Net Asset Value per Unit on a Valuation Date** (each a “Redemption Date”), provided that the request for redemption is submitted at least 30 days prior to such date.

[...]

(c) Redemption proceeds (net of any redemption penalty) **will be paid to the withdrawing Limited Partner not later than the 30th day following the applicable Redemption Date** (60 days if such date is the Partnership’s Fiscal Year end).⁹

(emphasis added)

16. The redemption process pursuant to the LP Agreements can be summarized as follows:

(a) the limited partner submits a request for redemption (section 5.1(a));

⁹ Section 5.1 of the Amended and Restated Limited Partnership Agreement for BIF as of October 15, 2018 (“**October 15, 2018 BIF LP Agreement**”), MR, Appendix F to the ASF, p. 1220.

- (b) the applicable “Redemption Date” is the first Valuation Date at least 30 days (or 90 days where such period was amended) after the request for redemption is submitted (sections 1.1 and 5.1(a));¹⁰
- (c) the redemption proceeds are valued as of the Redemption Date (section 5.1(a));
and
- (d) the redemption proceeds must be paid not later than 30 days following the Redemption Date (section 5.1(c)).

17. Once a limited partner submitted a redemption request to redeem a specified number of units (the “**Redemption Units**”), the limited partner was not required to take any further steps, and the request is subject only to the specified discretion of the general partner to refuse the redemption prior to the Redemption Date in circumstances where, in the view of the general partner, it would be prejudicial to the partnership (section 5.1(g)).¹¹

18. The liability to limited partners created by a redemption is distinguished from a return of contribution. This distinction is made clear in section 10.1(f) of the LP Agreements, which provides that the limited partners have no right to request a return of their contribution except upon dissolution.¹²

¹⁰ The Limited Partnership held special meetings of the Unitholders on December 18 and 21, 2020 in an attempt to amend the 30 day notice period to 90 days. The effect of these special meetings is discussed later in this factum.

¹¹ Section 5.1(g) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1221.

¹² Section 10.1(f) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1233; Section 10.1(f) of the Limited Partnership Agreement for the Bridging Mid-Market Debt Fund LP as of November 1, 2017 (“**November 1, 2017 MMF LP Agreement**”), MR, Appendix F to the ASF, p. 1179; Section 10.1(6) of the Amended Limited Partnership Agreement for Bridging Private Debt Institutional LP as of July 15, 2017 (“**BPDI LP Agreement**”), MR, Appendix E to the ASF, p. 930.

19. Certain of the LP Agreement offering memoranda also provide that “*the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Partnership*”.¹³

A Unit of a class of the Partnership being redeemed or Unit that has been redesignated as no longer being a part of that class shall be deemed to remain outstanding as part of that class until immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the redemption price or redesignation basis of such Unit is determined; thereafter, **the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Partnership** attributable to the applicable class and the Unit which has been redesignated will be deemed to be outstanding as a part of the class into which it has been redesignated.

(emphasis added)

ii. The BIF RSP Trust Agreement Redemption Process

20. The BIF RSP investment trust was a flow-through investment vehicle, and in respect of redemptions, adopted the same terms as the BIF LP Agreement. The BIF RSP Offering Memorandum provides:

Redemption by the Trust

The Fund shall be entitled to redeem its units of the Trust in the same manner and subject to the same limitations as a Unitholder may redeem Units of the Fund. See “Redemption of Units”. On receipt from time to time of a redemption request from the Fund, the Trust intends to redeem its LP Units to the extent necessary to fund the Fund’s redemption requests.¹⁴

21. The BIF RSP Trust Agreement also includes a right of redemption for Unitholders. The process for an investment trust Unitholder to redeem their units is set out at sections 4.3(c) and 6.1 of the BIF RSP Trust Agreement, which together provide that a Unitholder shall be entitled to

¹³ Amended and Restated Offering Memorandum for Bridging Mid-Market Debt Fund LP as of January 1, 2021 (“**MMF LP Offering Memorandum**”) at p. 24, MR, Appendix D to the ASF, p. 207.

¹⁴ Amended and Restated Confidential Offering Memorandum for BIF RSP as of January 1, 2021 (“**BIF RSP Offering Memorandum**”), MR, Appendix D to the ASF, p. 498.

redeem their units on a Valuation Date, after which time the redemption price shall be deemed to be a liability of the Fund:

Section 4.3 Class Net Asset Value and Class Net Asset Value Per Unit

(c) **A Unit of a Class of Fund being redeemed or a Unit that has been redesignated out of a Class shall be deemed to remain outstanding until immediately before the next calculation of the applicable Class Net Asset Value following the receipt by or on behalf of the Trustee of a redemption or redesignation request therefor** in the manner provided in the relevant Offering Document and the determination of the applicable Class Net Asset Value per Unit that is the redemption price or redesignation basis of such Unit; **thereafter, until paid, the redemption or designation price of such Unit shall be deemed to be a liability of the Fund attributable to the applicable class.**¹⁵

[...]

Section 6.1 Right to Redeem

A Unitholder shall be entitled, subject as hereinafter provided, to require payment of the Class Net Asset Value of all or any of his Units on a Valuation Date in accordance with such terms and conditions as the Manager may, from time to time, prescribe and set out in the Offering Document and by giving written notice to the Manager in such form as the Manager, from time to time, may prescribe....

...The redemption price for all Units which a Fund is required to redeem shall be deemed to be outstanding until payment therefor is made in accordance with Section 6.1...

Redemption and redemption requests of Units by Unitholders shall be subject to any additional terms, conditions and requirements as may be prescribed by the Manager, from time to time, and set out in the Offering Document.

Notwithstanding any other provision herein, the Manager has the sole discretion to accept or reject redemption requests and the Manager intends to accept redemption requests in circumstances

¹⁵ Section 4.3(c) of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1097.

where, in the view of the Manager, it would not be prejudicial to the Fund to do so.¹⁶

(emphasis added)

22. Section 6.3(a) of the BIF RSP Trust Agreement provides that, following a redemption, the Unitholder shall cease to have any further rights with respect to such Units except to payment of the redemption price:

6.3 Redemption Price and Payment

(a)... Following a redemption, **the Unitholder shall cease to have any further rights with respect to such Units except the redemption price for such Units which shall be deemed to be outstanding until payment therefore is made.**¹⁷

(emphasis added)

23. Consistent with sections 4.3(c) and 6.1 of the BIF RSP Trust Agreement cited above, the offering memorandum for the BIF RSP, being the “Offering Document” referenced in section 6.1 above,¹⁸ provides that the Redemption Date will be the Valuation Date which is at least 90 calendar days after the Redemption Notice is submitted, with payment of the redemption proceeds being delivered within 30 days of the Redemption Date:

A Redemption Notice **shall be irrevocable** (except as otherwise provided herein or in the Trust Agreement) and shall contain a clear request by the Unitholder that a specified number of Units be redeemed or stipulate the dollar amount which the Unitholder requires to be paid. A Unitholder’s signature on a Redemption Notice shall be guaranteed by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager.

A Redemption Notice must be received by the Manager prior to 4:00 p.m. (Toronto time) on a business day which is at least 90 calendar days prior to a Valuation Date. If a Redemption Notice is received by the Manager, **Units will be redeemed at the Net Asset Value per Unit for the applicable class determined on the first**

¹⁶ Section 6.1 of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1101.

¹⁷ Section 6.3(a) of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1102.

¹⁸ Section 1.1(cc) of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1091.

Valuation Date which is at least 90 calendar days following receipt of the Redemption Notice. The redemption amount (the “Redemption Amount”) will be paid to the redeeming Unitholder as soon as is practicable and in any event within 30 days following the Valuation Date upon which such redemption is effective (or 60 days if such redemption date is the Fund’s fiscal year-end).¹⁹

(emphasis added)

iii. The BIIF, FERN, MMF RSP, and BPD I RSP Trust Agreement Redemption Process

24. The BIIF, FERN, MMF RSP, and BPD I RSP trusts are governed by the same master trust agreement (the “**Master Trust Agreement**”). The Master Trust Agreement contains a near identical process for redeeming a unitholder’s units to the BIF RSP Trust Agreement. Article 4.1 sets out the “Right to Redeem Units”, Article 4.3 provides for the “Method of Redemption”, and Article 4.4 provides for “Payment for Units Redeemed”:

4.1 Right to Redeem Units

(a) Subject to Sections 3.4 and 4.1(d), each Unitholder of the Fund **shall be entitled at any time and from time to time to require the redemption of all or any part of that Unitholder’s Units on a specified Redemption Date** and to be paid an amount equal to the Series Net Asset Value per Unit for the applicable class and series of Units calculated in the manner herein provided, less, in the discretion of the Manager, any redemption deduction, charge or fee determined pursuant to Section 4.2 hereof. **Upon payment to the redeeming Unitholder of the Series Net Asset Value per Unit of the Units redeemed, less any applicable redemption deduction, charge or fee, the Fund and the Manager shall be discharged from all liability to the Unitholder in respect of the Units redeemed.**

[...]

(c) **Redemption requests are irrevocable except with the consent of the Manager** (in its absolute discretion) or following a suspension of redemptions. The Manager may specify in the Fund’s Disclosure Documents any other conditions of redemption it may impose before it will consider a redemption request.

¹⁹ BIF RSP Offering Memorandum, MR, Appendix D to the ASF at p. 522.

4.3 Method of Redemption

[...]

(b) **Redemption requests will be processed in respect of each Valuation Date**, and any partial redemption proceeds shall be allocated pro rata (based on respective numbers of Units to be redeemed on such date) amongst all Unitholders requesting redemption on such date; provided however that **no redemption requests after the cut-off time for redemptions on such Valuation Date (as set out in the Disclosure Documents) shall be fulfilled in whole or in part until all redemption requests received prior to such cut-off (and not withdrawn) have been fulfilled in whole.**

[...]

4.4 Payment for Units Redeemed

Redemption proceeds shall be paid in cash, by cheque or by such other means as the Manager may determine. **Payment for Units that are redeemed shall be made within 30 days following the later of the Redemption Date** specified for such redemption and the receipt by the Manager of properly completed redemption documents or the waiver by the Manager of all such properly completed documents (or 60 days if such Redemption Date is the Fund's fiscal year end).²⁰

(emphasis added)

25. Section 4.1(f) of the Master Trust Agreement affords the Manager the right to suspend the right of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption:

4.1 Right to Redeem Units

[...]

(f) Notwithstanding the foregoing, the Manager may suspend the rights of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption:

(i) for any period not exceeding 120 days during which the Manager determines that conditions exist which render

²⁰ Articles 4.1, 4.3, and 4.4 of the Amended and Restated Master Trust Agreed of the Bridging Funds as of November 1, 2018 ("**Master Trust Agreement**"), MR, Appendix E to the ASF, pp. 975-977.

impractical the sale of assets of the Fund or which impair the ability of the Fund to determine the value of the assets of the Fund; and

(ii) the Manger will immediately advise the Trustee and the record-keeper during any period in which the Manager determines such conditions exist.²¹

iv. Summary: The Redemption Process

26. In summary, and as noted in paragraphs 31 and 32 of the Agreed Statement of Facts:²²

- (a) The constating documents of the Bridging Funds generally provide that redemption of Units may occur upon formal notice by a Unitholder;
- (b) Redemptions could only be made effective as of the applicable Valuation Date following the receipt of a redemption notice, which was generally defined to be the “Redemption Date” under the constating documents;
- (c) Absent a positive action of the general partner to limit or reject the redemption request being exercised prior to the Redemption Date the redemption became an enforceable obligation of the applicable Fund; and
- (d) The required redemption notice period for the Bridging Funds was typically 30 days in advance of a Valuation Date. However, as described in further detail below, in December 2020, Bridging took steps to amend the LP and Trust Agreements, as applicable, to increase the required notice period for redemptions from 30 to 90 days for each of BIF, BIF RSP, MMF, MMF RSP, and BIIF.

²¹ Article 4.1 of the Master Trust Agreement, MR, Appendix E to the ASF, p. 976.

²² ASF at paras 31 and 32, MR, pp. 53-54.

C. THE ADMINISTRATION OF THE REDEMPTION PROCESS

27. Fundserv, an investment exchange that manages trades and fund transactions, was widely used by fund investors to purchase or sell units in the Bridging Funds. When a Unitholder submitted a redemption request on Fundserv, Fundserv would acknowledge the redemption order on the date of its submission and also record the applicable Valuation Date.²³

28. Notwithstanding the clear process for a Unitholder to redeem their Units pursuant to the constating agreements and offering memoranda, SS&C, the administrator appointed by Bridging, followed its own internal process when recording and administering redemption requests. While the effective date of a duly requested and accepted redemption would be the applicable Valuation Date, the redemption would not be priced or considered by the Fund Administrator to be “contracted” until the NAV was calculated for such Valuation Date, which typically occurred approximately three to four weeks following such Valuation Date.²⁴

29. The parties agree that the foregoing redemption administrative procedures were not specified or described in the Funds’ constating documents or offering memoranda,²⁵ nor do the terms “contracted” or “non-contracted” appear in any of the constating documents.

30. Accordingly, the Unitholders with Potential Redemption Claims do not accept that any such procedures are relevant or determinative as to when a requested redemption became a binding liability. The constating agreements govern.

D. THE BRIDGING FUNDS ONLY REJECTED REDEMPTIONS ON TWO OCCASIONS

31. As set out above, absent Bridging taking a positive step to reject a redemption request, the Bridging Funds were obligated to make payment to the redeeming Unitholder and the payment

²³ ASF at para. 37, MR, p. 55; Sample Redemption Order, MR, Appendix H to the ASF, p. 1261.

²⁴ ASF at para. 34, MR, p. 55.

²⁵ ASF at para. 33, MR, p. 54.

would become an enforceable liability of the Fund as at the Redemption Date until such payment was made.

32. Only on two occasions did the Bridging Funds at issue suspend or reject redemptions. Specifically, by notices issued April 13, 2020²⁶ and August 17, 2020²⁷:

- (a) Redemptions were temporarily suspended for the BIF, BIF RSP, MMF, and MMF RSP on April 13, 2020, which suspension was lifted on August 17, 2020. All redemption requests with Redemption Dates of March 31, April 30, and May 31, 2020 were eventually paid in full; and
- (b) A temporary limit was subsequently imposed on redemptions of BIF, BIF RSP, MMF, and MMF RSP, whereby limits on total monthly redemptions of \$10MM in BIF and \$5MM in MMF were put into place.²⁸ The temporary limit was meant to ensure that all redemptions received were “treated equally amongst all unitholders” and would be processed on a *pro rata* basis, in the event that redemptions exceeded these thresholds in any given month. The August 17, 2020 notice provided that “any redemption amount not processed during the month will be cancelled and will need to be re-submitted”.

33. Aside from these two occasions, there is no evidence that redemption requests were ever suspended or rejected with respect to the Bridging Funds.²⁹

²⁶ April 13, 2020 notice, MR, Appendix I to the ASF, p. 1263.

²⁷ August 17, 2020 notice, MR, Appendix J to the ASF, p. 1266.

²⁸ August 17, 2020 Notice, MR, Appendix J to the ASF, p. 1266.

²⁹ ASF at para. 43, MR, p. 58.

E. THE UNFULFILLED REDEMPTIONS

34. On April 30, 2021, the Ontario Securities Commission issued a cease trade order suspending all trading in securities of the Bridging Funds with the exception of BPD I RSP and FERN (the “**Temporary Order**”).³⁰

35. At approximately 4:00 p.m. on April 30, 2021, this Court ordered, pursuant to section 129 of the Ontario *Securities Act*, that PricewaterhouseCoopers be appointed as receiver and manager, without security, over the affairs of Bridging and for each of the Bridging Funds except for BPD I RSP.³¹ The Receiver’s appointment was extended to BPD I RSP on May 3, 2021 and was continued by Order of the Court issued May 14, 2021 (collectively, the “**Appointment Orders**”).³²

36. Also on April 30, 2021, redemptions having a Valuation Date of March 31, 2021 were processed and paid earlier in the day prior to the Appointment Order being granted.³³ It is the position of the Redemption Claimants that redemption requests having an April 30, 2021 Valuation Date had similarly vested prior to the issuance of the Temporary Order and Appointment Order, as the constating documents indicate that the redemption occurs on the Valuation Date, and not at a specified time.

37. Pursuant to paragraph 9 of the Appointment Order, Bridging was ordered not to redeem any of the existing Units in any of the Bridging Funds.³⁴

38. Certain Unitholders had provided notice of their intention to redeem Units prior to April 30, 2021. Some Unitholders had Redemption Dates on April 30, 2021 (or before April 30, 2021 if the

³⁰ ASF at para. 58, MR, p. 63; ASF at footnote 2, MR, p. 52.

³¹ ASF at para. 9 and footnote 1, MR, p. 47.

³² ASF at paras. 10-11, MR, pp. 47-48.

³³ ASF at para. 56, MR, p. 62.

³⁴ ASF at para. 25, MR, p. 52.

Amendments discussed below were invalid) and others had a Redemption Date after April 30, 2021 (the “**Unfulfilled Redemption Requests**”).³⁵ As indicated above, the Receiver estimates that there are Unfulfilled Redemption Requests for approximately 2.2 million Units (across all Bridging Funds) in the aggregate amount of approximately \$218.8 million.³⁶

F. THE AMENDMENTS TO EXTEND THE NOTICE TO BE GIVEN BEFORE A REDEMPTION DATE

39. In December of 2020, Bridging attempted to lengthen the redemption notice period for several of the Bridging Funds, including the BIF and MMF Funds. In respect of the BIF and MMF Funds, Bridging called a meeting of limited partners to pass an amendment to the LP and Trust Agreements, extending the notice period to redeem units from 30 days to 90 days.³⁷

40. The LP Agreements may only be amended in writing, with consent of the limited partners given by Extraordinary Resolution. An “Extraordinary Resolution” is defined as:

[A] resolution passed by 66⅔% or more of the votes cast at a duly constituted meeting of the Limited Partners called for the purpose of considering such resolution, at which quorum (as described in Section 16.7) is present or, alternatively, a written resolution signed in one or more counterparts by (i) Limited Partners holding 66⅔% or more of the Class A Units outstanding, (ii) Limited Partners holding 66⅔% or more of the Class F Units outstanding, and Limited Partners holding 66⅔% or more of the Class I Units outstanding.³⁸

41. When a meeting of the limited partners was called, section 16.7 of the LP Agreements for the BIF and MMF Funds both set out the requirements to achieve a quorum for the meeting:

Section 16.7 Quorum

(a) At any meeting of Limited Partners or Limited Partners of a Class, two or more Limited Partners, or two or more Limited

³⁵ ASF at para. 68, MR, p. 66.

³⁶ ASF at para. 68, MR, p. 66.

³⁷ ASF at para. 45, MR, p. 58.

³⁸ Section 1.1 of the October 15, 2018 BIF LP Agreement, MR, Appendix E to the ASF, p. 1209.

Partners of the particular Class, present in person or represented by proxy and holding not less than 50% of the Units then outstanding (in the case of a meeting of all Limited Partners) or 50% of the Units then outstanding of a Class (in the case of a meeting of a Class) will constitute a quorum at a meeting of the Limited Partners except a meeting called to consider an Extraordinary Resolution at which two or more Limited Partners of each Class present in person or represented by proxy and, in each case, holding not less than 65% of the Units then outstanding of each Class will constitute a quorum. For greater certainty, no particular Class acting without the other Class may pass an Extraordinary Resolution.

(b) If a quorum is not present for a meeting of Limited Partners within 30 minutes after the time fixed for holding the meeting, the meeting, if convened pursuant to a written request, shall be cancelled, but otherwise shall be adjourned to such date as selected by the chair of the meeting. In the event that such meeting is adjourned for less than 30 days, the General Partner will not be required to give notice of the adjourned meeting to the Limited Partners other than by announcement made at the represented by proxy at such adjourned meeting will constitute a quorum for the transaction of any business that might have been dealt with at the original meeting in accordance with the notice calling same.³⁹

42. Bridging appears to have treated section 16.7 to be a “saving clause” that automatically declares a quorum at a second meeting where a quorum was not reached at the first meeting. However, as read, section 16.7(b) is unclear in its wording and on a strict reading fails to set the circumstances by which a quorum would exist at the adjourned meeting.

43. Bridging called a meeting on December 18, 2020 to pass resolutions effecting these proposed changes. Neither the BIF or MMF meetings had a quorum present when convened on December 18, 2020.⁴⁰ Bridging then purported to exercise the “saving clause” and held a second meeting three days later on December 21, 2020, with the same people present. The chair of the meeting, being David Sharpe, then declared that a quorum was reached at the December 21,

³⁹ Section 16.7 of the October 15, 2018 BIF LP Agreement, MR, Appendix E to the ASF, p. 1241.

⁴⁰ ASF at para 48, MR, pp. 59-60.

2020 meeting, and purported to pass the resolutions extending the redemption request notice period from 30 days to 90 days.⁴¹

44. The notices of meeting given prior to the December 18, 2020 meeting contained additional language (bolded and highlighted below) concerning quorum and of the consequence of the absence of a quorum, which language is not contained in the BIF and MMF Fund LP Agreements:

The quorum for the Meeting is two or more Unitholders of each Class present in person or represented by proxy and, in each case, holding not less than 65% of the Units outstanding of each Class. No particular Class acting without the other Classes may pass the Resolutions.

If within one-half hour from the time appointed for the Meeting a quorum is not present, then the Meeting shall stand adjourned to such date as selected by the Chair. In the event that such Meeting is adjourned for less than 30 days, the General Partner will not be required to give notice of the adjourned meeting to Unitholders other than by announcement made at the **Meeting. At the adjourned meeting, the Unitholders then present in person or** represented by proxy, whatever their number and the number of Units held by them, will form the necessary quorum. If the requisite quorum is not present for the Meeting, the Meeting will be adjourned to Monday, December 21, 2020 at 10:00 a.m. (Toronto time) via teleconference at (888)-241-0551.⁴²

45. After the December 21, 2020 meeting, in January of 2021, Bridging circulated amended and restated LP Agreements that contained revised provisions dealing with the absence of a quorum, although the notice of meeting and the minutes from the meeting had not referenced any such amendment.⁴³

46. The clause entitled "Non-Prescribed Rules" in the BIF and MMF LP Agreements empowering the chair of a meeting to make determinations or rulings at a meeting is restricted to

⁴¹ Meeting Minutes from the Special Meeting of Unitholders of Bridging Mid-Market Debt Fund LP dated December 21, 2020, MR, Appendix O to the ASF, p. 1434; Meeting Minutes from the Special Meeting of Unitholders of Bridging Income Fund LP dated December 21, 2020, MR, Appendix O to the ASF, p. 1454.

⁴² Notice of Meeting and Management Information dated November 16, 2020, MR, Appendix K to the ASF, pp. 1282-1283.

⁴³ ASF at para 52, MR, p. 61.

situations where the LP Agreement is silent on a matter,⁴⁴ but in this instance, both the BIF and MMF LP Agreements contained quorum requirements. As such, the chair's powers did not include the discretion to impose a different quorum provision than existed in the agreement.

PART III - THE ISSUE

47. The issue for this Court's determination is whether the Bridging Funds must honour their obligations and liabilities to Redemption Claimants who had submitted redemption requests under the constating documents of those Funds prior to April 30, 2021 before a *pari passu* distribution to Non-Priority Claimants.

PART IV - LAW AND ANALYSIS

A. THE REDEMPTION CLAIMANTS' ENTITLEMENT

i. Contractual Rights Govern

48. Redemption Representative Counsel's position is that the Redemption Claimants' distinct legal rights, derived from the valid exercise of a contractual right afforded to all Unitholders, must be enforced.

49. Contrary to the submissions of Representative Counsel and the Receiver's Counsel, the issue is not a novel one. In other proceedings before this Court where the issue concerned proper distribution, this Court has applied established principles of contractual interpretation to determine the dispute.⁴⁵ It is necessary to focus on the obligations of the Funds, as opposed to the funding challenges faced by them.⁴⁶

⁴⁴ Section 16.13 of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1244; Section 16.13 of the November 1, 2017 MMF LP Agreement, MR, Appendix F to the ASF, p. 1189.

⁴⁵ [Nortel Networks Corporation \(Re\)](#), 2010 ONSC 5584 at paras [76-78](#), [87-89](#), [109](#), [110](#), [112-113](#), [115-118](#), leave to appeal denied at [2011 ONCA 10](#); see also [Urbancorp Toronto Management Inc.](#), 2021 ONSC 5073 at paras [54](#), [57](#), [65](#), and [67](#), leave to appeal denied at [2022 ONCA 181](#). at paras. [25-27](#) and [50](#).

⁴⁶ [Nortel Networks Corporation \(Re\)](#), 2010 ONSC 5584 at para. [117](#), leave to appeal denied at [2011 ONCA 10](#).

50. Pursuant to section 3.6 of the LP Agreements, no limited partner shall, in respect of any unit held by any such limited partner, be entitled to any preference, priority or right in any circumstance over any other limited partner in respect of any unit of the same class or series held by the other limited partner.⁴⁷

51. The Unitholders who did not submit redemption requests, and accordingly did not have a vested future benefit or certain future claim, cannot now be entitled to the same rights as those who did. Preferential treatment of the Non-Priority Claimants would otherwise result.

52. As is set out in detail in paragraphs 15 and 19-24 above, and summarized below, the language of the LP and Trust Agreements, with reference to the offering memoranda, generally reflect that the redemption occurs on a Valuation Date, after which time the obligation to pay the Unitholder shall be deemed to be a liability of the Fund, as reflected in the Funds' unaudited interim financial statements:

Fund	Redemption occurs on a Valuation Date and the proceeds become a liability of the Fund	Caselines
BIF	Section 5.1(a) BIF LP Agreement ⁴⁸ BIF LP Financial Statements ⁴⁹	
MMF	Section 5.1(a) MMF Agreement ⁵⁰ MMF Offering Memorandum ⁵¹	
BPDI	Section 5.1(a) BPDI Agreement ⁵² BPDI Offering Memorandum ⁵³	

⁴⁷ Section 3.6 of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1217.

⁴⁸ Section 5.1(a) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1220.

⁴⁹ BIF Financial Statements as of December 31, 2020, MR at pp. 1471 and 1484.

⁵⁰ Section 5.1(a) of the November 1, 2017 MMF LP Agreement, MR, Appendix F to the ASF, p. 1169.

⁵¹ MMF LP Offering Memorandum, MR at p. 207.

⁵² Section 5.1(a) of the BPDI LP Agreement, MR, Appendix E to the ASF, p. 918.

⁵³ Confidential Offering Memorandum for BPDI as of May 1, 2020, MR, Appendix D to the ASF, p. 281.

BIF RSP	Section 4.3(c) BIF RSP Trust Agreement ⁵⁴ Section 6.1 BIF RSP Trust Agreement ⁵⁵ Section 6.3(a) BIF RSP Trust Agreement ⁵⁶ BIF RSP Offering Memorandum ⁵⁷	
BIIF, FERN, BPD I RSP, MMF RSP	Section 4.1(a) Master Trust Agreement ⁵⁸ Section 4.3(b) Master Trust Agreement ⁵⁹ Section 4.4 Master Trust Agreement ⁶⁰	

53. Redemption Representative Counsel submit that there is no basis to disregard the contractual rights exercised by Redemption Claimants, and the corresponding liability of the Funds. To do so would elevate the Non-Priority Claimants to a position to which they are not entitled under the constating agreements.

54. The Non-Priority Claimants, in not exercising their redemption rights, elected to remain invested in the Bridging Funds, despite the risk that future events could arise which would impede their ability to redeem their Units or to realize a return of their contribution otherwise under section 24 of the *Limited Partnership Act*:

(a) The offering memorandum for the Funds generally provide:

(i) *“As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units”*;⁶¹

⁵⁴ Section 4.3(c) of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1097.

⁵⁵ Section 6.1 of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1101.

⁵⁶ Section 6.3 of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, p. 1102.

⁵⁷ BIF LP Offering Memorandum at p. 34, MR, Appendix D to the ASF, p. 522

⁵⁸ Section 4.1(a) of the Master Trust Agreement, MR, Appendix E to the ASF, p. 975.

⁵⁹ Section 4.3(b) of the Master Trust Agreement, MR, Appendix E to the ASF, p. 977.

⁶⁰ Section 4.4 of the Master Trust Agreement, MR, Appendix E to the ASF, p. 977.

⁶¹ Amended and Restated Confidential Offering Memorandum for Bridging Mid-Market Debt RSP Fund as of January 1, 2021 (“**MMF RSP Offering Memorandum**”), MR, Appendix D to the ASF, pp. 81, 92; MMF LP Offering Memorandum, MR, Appendix D to the ASF, p. 182;

(ii) **“An investment in the Fund [or Partnership] is not guaranteed and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund [or Partnership]”**;⁶² (emphasis in original)

(b) The LP Agreements provide that:

(i) No Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided for in this Agreement and as permitted by law. Any payment made on the redemption of Units shall be applied to reduce the Capital Contribution⁶³ of the Limited Partner redeeming its Units;⁶⁴ and

Confidential Offering Memorandum for Bridging Private Debt Institutional LP as of May 1, 2020 (“**BPDI LP Offering Memorandum**”), MR, Appendix D to the ASF, p. 242;

Confidential Offering Memorandum for Bridging Private Debt Institutional RSP Fund as of November 1, 2018 (“**BPDI RSP Offering Memorandum**”), MR, Appendix D to the ASF, p. 319;

BIF RSP Offering Memorandum, MR, Appendix D to the ASF, p. 475;

Amended and Restated Confidential Offering Memorandum for Bridging Indigenous Impact Fund as of January 1, 2021 (“**BIIF RSP Offering Memorandum**”), MR, Appendix D to the ASF, pp. 574, 585;

BIF LP Offering Memorandum, MR, Appendix D to the ASF, pp. 644, 654;

Confidential Offering Memorandum for Bridging Fern Alternative Credit Fund as of April 1, 2020 (“**FERN RSP Offering Memorandum**”), MR, Appendix D to the ASF, p. 719.

⁶² MMF RSP Offering Memorandum, MR, Appendix D to the ASF, pp. 92, 139, 142;

MMF LP Offering Memorandum, MR, Appendix D to the ASF, pp. 182, 215;

BPDI LP Offering Memorandum, MR, Appendix D to the ASF, pp. 250, 288;

BPDI RSP Offering Memorandum, MR, Appendix D to the ASF, pp. 328, 371, 374;

BIF RSP Offering Memorandum, MR, Appendix D to the ASF, pp. 486, 541, 544;

BIIF RSP Offering Memorandum, MR, Appendix D to the ASF, pp. 585, 616;

BIF LP Offering Memorandum, MR, Appendix D to the ASF, pp. 654, 689;

FERN RSP Offering Memorandum, MR, Appendix D to the ASF, pp. 719, 730.

⁶³ “Capital Contribution” is defined as “with respect to each Partner, as of a specified date, means the aggregate amount of cash received by the Partnership from such Partner, or a predecessor Partner, including, in the case of a Limited Partner, in respect of Units subscribed for by such Limited Partner, or a predecessor Limited Partner where subscriptions therefore have been accepted by the General Partner up to and including such specified date”. See, for example, s. 1.1 of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p.1208.

⁶⁴ Section 4.3 of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1220; Section 4.3 of the November 1, 2017 MMF LP Agreement, MR, Appendix F to the ASF, p. 1169; Section 4.3 of the BPDI LP Agreement, MR, Appendix E to the ASF, p. 917.

- (ii) Except upon dissolution of the Partnership, no Limited Partner (aside from the Initial Limited Partner pursuant to section 3.3(d)) shall request any reimbursement of the capital contributed by it to the Partnership;⁶⁵
- (c) The BIF RSP Trust Agreement provides:
 - (i) The Manager may terminate and dissolve the Fund, and after the 90 day period of such notice of termination, the rights of Unitholders of the Fund to require payment for all or any of their Units shall be suspended;⁶⁶
- (d) The Master Trust Agreement provides:
 - (i) The Manager may, in its discretion, terminate the Fund by giving notice, fixing the date of termination not earlier than 90 days following the mailing or other delivery of notice, to the Trustee and the Unitholders. Unless permitted by the Manager in its absolute discretion, no Units affected by such termination may be redeemed at the option of the Unitholder from the date that such notice of termination is given until the date that is fixed for termination.⁶⁷

55. The Bridging Funds have not been formally dissolved or terminated. The LP Agreements provide for a dissolution to occur should the general partner be placed into receivership and provided that a receiver performs its function for 60 consecutive days.⁶⁸ The Funds were not dissolved at the time the redemption requests were made, and no order has been made declaring

⁶⁵ Section 10.1(f) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1233; Section 10.1(f) of the November 1, 2017 MMF LP Agreement, MR, Appendix F to the ASF, p. 1179; Section 10.1(6) of the BPD LP Agreement, MR, Appendix E to the ASF, p. 930.

⁶⁶ Sections 21.1 and 21.2 of the BIF RSP Trust Agreement, MR, Appendix E to the ASF, pp. 1134-1135.

⁶⁷ Section 11.1 of the Master Trust Agreement, MR, Appendix E to the ASF, p. 988.

⁶⁸ Section 10.1(a)(ii) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1232; Section 10.1(a)(ii) of the November 1, 2017 MMF LP Agreement, MR, Appendix F to the ASF, p. 1178; Section 10.1(1)(b) of the BPD LP Agreement, MR, Appendix E to the ASF, p. 929.

them dissolved. The trusts are different in that there is no provision for their dissolution on a receivership, but only on a notice of termination, which has never been given.

56. If redemption requests are found to be a demand to return the limited partner's contribution given the corresponding reduction to the limited partner's Capital Contribution, subsection 15(2)(a) of the *Limited Partnerships Act* permits such proceeds to nevertheless be paid to the Redemption Claimants provided that all liabilities of the limited partnership (excluding liabilities to general partners and to limited partners on account of their contributions) have been paid or there remains sufficient limited partnership assets to pay them,⁶⁹ and the Receiver's information states that such qualification has been met.

57. Even if the limited partnerships were dissolved, that would not alter the outcome, as section 10.1(c)(ii)⁷⁰ of the LP Agreement and section 24 of the *Limited Partnerships Act*⁷¹ permit Redemption Claimants to be paid the liability owing to them prior to a distribution to Non-Priority Claimants.

ii. The Effect of the Amendments

58. All parties to this motion agree that "*the effective date of a duly requested and accepted redemption would be the applicable Valuation Date*".⁷² The Redemption Claimants' position is that for many of the Unfulfilled Redemption Requests, the Redemption Date arrived on or before April 30, 2021 prior to the Appointment Order and Temporary Order being issued later that day.⁷³

⁶⁹ *Limited Partnerships Act*, RSO 1990, c L.16 at section [15\(2\)\(a\)](#).

⁷⁰ Section 10.1(c)(ii) of the October 15, 2018 BIF LP Agreement, MR, Appendix F to the ASF, p. 1232.

⁷¹ *Limited Partnerships Act*, RSO 1990, c L.16 at section [24](#).

⁷² ASF at para. 34, MR, p. 54.

⁷³ See section [6\(1\)](#) of the *Interpretation Act*, RSC 1985, c I-21 and subsection [9\(1\)](#) of the *Legislation Act*, 2006, SO 2006, c 21, Sch F, both of which state that where time is not specified, legislation comes into force at the first instant of the day. Similarly, since no time was indicated for when the redemptions would be effected, the redemptions should be effected at the first moment of the day.

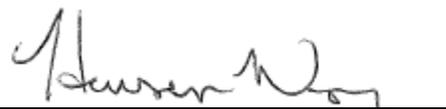
59. As set out in paragraphs 39-46 above, the Redemption Claimants' position is that the amendments to the BIF and MMF LP Agreements were not valid. If the amendments to the redemption notice period are not valid, the notice period for BIF and MMF remains 30 days (instead of 90 days).

60. As a result, all limited partners who submitted a redemption request in those two Funds from January through March 2021 would have vested Redemption Dates as of February 28, 2021, March 31, 2021 or April 30, 2021, being earlier than as recorded by Bridging or currently recognized by the Receiver. This is relevant should the Court determine that a Redemption Date must have arrived, as opposed to being pending, for the obligation to become binding.

PART V - RELIEF REQUESTED

61. Based on the foregoing, the Redemption Claimants accordingly request that they be paid their redemption proceeds in their entirety before any *pari passu* distribution to Non-Priority Claimants.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of November, 2022.



Aird & Berlis LLP
Redemption Representative Counsel

SCHEDULE "A"

LIST OF AUTHORITIES

Case Name	Paragraphs Cited
1. Nortel Networks Corporation (Re) , 2010 ONSC 5584, leave to appeal denied at 2011 ONCA 10	76-78 , 87-89 , 109 , 110 , 112-113 , 115-118
2. Urbancorp Toronto Management Inc. , 2021 ONSC 5073, leave to appeal denied at 2022 ONCA 181	25-27 , 50 , 54 , 57 , 65 , and 67

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY – LAWS

Limited Partnerships Act, RSO 1990, c L.16

Return of limited partner's contribution

15 (1) A limited partner has the right to demand and receive the return of the limited partner's contribution,

- (a) upon the dissolution of the limited partnership;
- (b) when the time specified in the partnership agreement for the return of the contribution occurs;
- (c) after the limited partner has given six months notice in writing to all other partners, if no time is specified in the partnership agreement for the return of the contribution or for the dissolution of the limited partnership; or
- (d) when all the partners consent to the return of the contribution. R.S.O. 1990, c. L.16, s. 15 (1).

Idem

(2) Despite subsection (1), a limited partner is not entitled to receive any part of the limited partner's contribution out of the limited partnership assets or from a general partner until,

- (a) all liabilities of the limited partnership, except liabilities to general partners and to limited partners on account of their contributions, have been paid or there remains sufficient limited partnership assets to pay them; and
- (b) the partnership agreement is terminated or so amended, if necessary, to set forth the withdrawal or reduction of the contribution. R.S.O. 1990, c. L.16, s. 15 (2).

Idem

(3) A limited partner has, irrespective of the nature of the limited partner's contribution, only the right to demand and receive money in return therefor, unless,

- (a) the partnership agreement provides otherwise; or
- (b) all the partners consent to some other manner of returning the contribution. R.S.O. 1990, c. L.16, s. 15 (3).

Dissolution

(4) A limited partner is entitled to have the limited partnership dissolved and its affairs wound up where,

- (a) the limited partner is entitled to the return of the limited partner's contribution but, upon demand, the contribution is not returned to the limited partner; or

(b) the other liabilities of the limited partnership have not been paid or the limited partnership assets are insufficient for their payment as required by clause (2) (a) and the limited partner seeking dissolution would otherwise be entitled to the return of the limited partner's contribution. R.S.O. 1990, c. L.16, s. 15 (4).

Settling accounts on dissolution

24 In settling accounts after the dissolution of a limited partnership, the liabilities of the limited partnership to creditors, except to limited partners on account of their contributions and to general partners, shall be paid first, and then, unless the partnership agreement or a subsequent agreement provides otherwise, shall be paid in the following order:

1. To limited partners in respect of their share of the profits and other compensation by way of income on account of their contributions.
2. To limited partners in respect of their contributions.
3. To general partners other than for capital and profits.
4. To general partners in respect of profits.
5. To general partners in respect of capital. R.S.O. 1990, c. L.16, s. 24.

Interpretation Act, RSC 1985, c I-21

Day Fixed for Commencement or Repeal

Operation when date fixed for commencement or repeal

6 (1) Where an enactment is expressed to come into force on a particular day, it shall be construed as coming into force on the expiration of the previous day, and where an enactment is expressed to expire, lapse or otherwise cease to have effect on a particular day, it shall be construed as ceasing to have effect on the commencement of the following day.

Legislation Act, 2006, SO 2006, c 21, Sch F

Time of commencement and repeal

Commencement

9 (1) Unless otherwise provided, an Act comes into force at the first instant of the day on which it comes into force. 2006, c. 21, Sched. F, s. 9 (1).

ONTARIO SECURITIES COMMISSION
Applicant

-and- BRIDGING FINANCE INC., et al.

Respondents
Court File No. CV-21-00661458-00CL

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

PROCEEDING COMMENCED AT
TORONTO

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