

Q. Okay. So earlier, Mr. Rossi asked you did Mr. McCoshen or companies related to Mr. McCoshen make any other payments to BFI's officers, directors or shareholders, and you answered no, to the best of your knowledge. Is that correct?

A. That's correct.

Q. So I take it that Mr. McCoshen has never paid you directly for anything. Is that correct?

A. That's correct.

Q. Has Mr. McCoshen ever transferred any money to you personally?

A. To the best of my knowledge, no.

Q. Did any companies in which Mr. McCoshen is related ever transfer any money to you directly?

A. To the best of my knowledge, no. He did introduce me to the opportunity in Turks and Caicos, but that is it.

Q. Okay. Thank you.

BY MR. ROSSI:

Q. Can you explain the circumstances surrounding that, Mr. Sharpe?

A. Sure. That he -- well, he has lots of business dealings globally and that he introduced the project to me.

Q. So he sort of referred you to an investment, but from that point on that was between you and whoever was operating the project. Mr. McCoshen had no ongoing involvement in that?

A. That's correct.

BY MR. TOURANGEAU:

Q. Just to confirm, you have never received any money from Sean McCoshen or a company affiliated or controlled directly or indirectly by him. Is that correct?

A. Yes, to the best of my knowledge.

Q. And even more specifically, have you ever received any money from the company called 7047747 Manitoba Ltd.?

A. To the best of my knowledge, no.

Q. For the record, this is a company controlled by Mr. McCoshen.

I want to move to the next exhibit, which I believe is Exhibit 12.

I'm sorry, go back to the loan

schedule, so it's not a new exhibit.

MR. ROSSI: Is that the one in the document brief that we looked at earlier?

MR. TOURANGEAU: The condensed one.

MR. ROSSI: So I believe that's tab 3 of Exhibit 1. I'm going to pull it up on the screen right 93.

BY MR. ROSSI:

Q. Again, Mr. Sharpe, this is the one that I believe you had the paper copy. It might be easier for you to pull that up, but I will share the screen as well.

A. Great. Thank you.

Q. You're welcome.

BY MR. TOURANGEAU:

Q. If we scroll down to GrowForce, a bit further down, please, on the next page, I believe. It might be on the next page. Yes, thank you.

The second loan that we can see on the screen, which is November 6 of 2018 titled amendment, working capital and general corporate purposes, is a loan for \$10 million Canadian. Can you see that?

A. Yes.

Q. Why did you make this loan to GrowForce at that time?

A. I don't know.

Q. To your knowledge, did the BFI funds send the money to GrowForce/MJardin?

A. Well, it appears that way, but I don't have specific knowledge.

MR. ROSSI: Daniel, I'm just going to jump in for a second.

MR. TOURANGEAU: Sure.

BY MR. ROSSI:

Q. First, we had been talking about a company a second ago, and it's come up a few times, 7047747 Manitoba Ltd. Just so we don't have to keep reading out that full number, I'm going to call that 747 Manitoba.

You'll recall we saw that payment going to that company in the Peguis document we looked at earlier and I believe you identified that as a company related to Sean McCoshen. I can certainly represent to you that we have run a corporate profile on that company and have also confirmed that Mr. McCoshen, prior to the company being dissolved, was an officer, director and shareholder of that

company. Okay?

A. Okay.

Q. So in connection with this loan that we've been looking at, which is the second one on the screen that I'm sharing, which is dated November 6 2018, \$10 million to GrowForce Holdings. So I'm just going to represent to you, and if you want me to turn up the bank records, I can, but I'll represent to you that at this time, in November 2019, there was a \$10 million transfer made from the Bridging income fund directly to 747 Manitoba. Okay? And it was made on the same date, which is November 6, 2018. So it certainly appears to us that the payment made to 747 Manitoba is somehow a payment under this loan that BFI was making to GrowForce.

Does that in any way sound familiar to you, Mr. Sharpe?

A. It does sound familiar. I think it had to do with the -- with Peguis and the property in Winnipeg called Warman.

Q. Can you elaborate a little bit on your understanding of this transaction?

A. I really can't recall that specifics of the transaction, but it had something to do with a building, the former Maple Leaf Foods

building, that was sourced by Mr. McCoshen.

Q. Do you find it odd that the funds under a loan to GrowForce are being sent directly from the Bridging income fund to McCoshen's company rather than GrowForce or another company within the GrowForce umbrella of companies?

A. I think it would have been at GrowForce's direction.

Q. And do you have any specific recollection of being involved in any discussions surrounding that issue?

A. I may have been, yes.

Q. So my question was whether you have any specific recollection of being involved in those discussions?

A. Possibly. I possibly would have been because it had to do with Peguis First Nation and the Warman property.

Q. Did anyone from GrowForce and/or Mr. McCoshen explain to you that this \$10 million loan was in any way related to the guarantee that Mr. McCoshen provided on an earlier loan that the BFI funds made to GrowForce?

A. I believe that's correct.

Q. So someone brought that to

your attention?

A. Not specifically, but it sounds correct.

Q. So, Mr. Sharpe, the last time we spoke I had asked you about whether you had any knowledge of a guarantee fee in connection with the guarantee Mr. McCoshen provided, and you indicated that you're not familiar with the issue of a guarantee fee.

Just if you can tell me what you know about the existence of a guarantee fee, it would be helpful to have that information.

A. Sure. I really know too specific, but I know there was a transaction. I know that Mr. McCoshen sourced the money, sourced the building, I should say, and he brokered that. He had a relationship with that building and he brought it to the First Nation, so apart from that, I don't know much.

Q. Mr. Sharpe, did you ask GrowForce to include Mr. McCoshen as a guarantor on the earlier GrowForce loan? So you specifically, did you place that request of GrowForce or Mr. Gautam?

A. No, I wouldn't have done that.

Q. Were you in any way involved in negotiating the guarantee fee that we've been discussing?

A. Not that I recall.

Q. Okay. I think we'll move. Daniel, did you have any further questions on this?

MR. TOURANGEAU: No.

MR. ROSSI: Okay. Daniel, please go ahead.

BY MR. TOURANGEAU:

Q. That transaction occurred on November 6, 2019. And by that transaction, I mean the income fund sending 747 Manitoba \$10 million.

We have seen an incoming wire on November 8, 2019, two days later, of \$5 million going in a personal account in your name, Mr. Sharpe, and that deposit is coming from 747 Manitoba.

Do you know which transaction I'm talking about?

A. Not specifically.

Q. Do you recall receiving \$5 million from 747 Manitoba?

A. No, I don't. But it could have been a real estate transaction.

Q. It could have been a real

estate transaction?

A. Mm-hmm. Yes.

Q. That you would have had with Mr. McCoshen?

A. Or somebody he introduced me to.

Q. I'm sorry, I'm not sure I'm following. Earlier I asked you if you received any money from 747 Manitoba and your answer was no. Is that correct?

A. Correct. What bank account are you referring to, Mr. Tourangeau?

Q. Bank of Montreal bank account number [REDACTED].

A. Okay. Is that in my name?

Q. It is in your name.

A. Okay. I would have to look at that.

Q. Okay. So you don't recall receiving \$5 million from 747 Manitoba. Is that correct?

A. That's correct.

Q. So you do not know what it would be about?

A. Not at this time.

Q. Why would Sean McCoshen transfer you money?

A. It could be for a real estate transaction. It could be for a number of things.

Q. If it was for a real estate transaction, what kind of real estate?

A. I would have to go back to my notes and have a look.

Q. Carlo, please, over to you.

BY MR. ROSSI:

Q. So, Mr. Sharpe, you can appreciate in the context of the investigation, as you're aware of it, that we've been making enquiries relating to conflicts of interest. We have asked you today very clearly whether you had any other transactions with Mr. McCoshen and whether you received any other payments from Mr. McCoshen and you denied that that had taken place.

We've now identified a \$5 million payment coming from a company that Mr. McCoshen owns and controls directly into a personal chequing account of yours. We're giving you an opportunity to explain to us the circumstances surrounding that payment, so I'll give you another opportunity if you

want to clarify anything at this point.

A. I think I'll have to look at it and get back. I'll talk to Linda as well.

Q. Mr. Sharpe, I'm just going to advise you that we've obtained the bank records for that personal chequing account, your personal chequing account, and in addition to that \$5 million transfer, we've identified \$19,500,000 in transfers from 747 Manitoba into your personal chequing account. Okay?

These transfers are taking place during the same period that BFI is extending loans from the BFI funds to Mr. McCoshen's companies, including, as we've discussed, well over \$100 million to Alaska to Alberta Railway Development Corporation.

I'm giving you another opportunity. Do you want to explain to me why those payments were not disclosed and what they relate to?

A. Perhaps we can take a break and I can speak to Linda.

Q. Well, I would like to hear your answer to that.

A. Yeah. I'm not exactly certain and I would have to look at those transfers and those records.

Q. Are you denying that you have received over \$19 million from Mr. McCoshen?

A. No. I'm saying I'll have to look at it.

Q. So I'm prepared to give you a ten-minute break to speak to your counsel, Mr. Sharpe, but we're going to continue this examination. As I'm sure you can appreciate, this is very serious and we want your evidence on this.

So it is 2:22. We're going to resume in ten minutes, so at 2:32, and we're going to continue questioning about this. Thank you.

--- Recess taken at 2:22 p.m. .

--- Upon resuming at 2:34 p.m.

BY MR. ROSSI:

Q. Mr. Sharpe, you asked for an opportunity to speak with your counsel. I've given you that opportunity, so now I'll give you another opportunity to respond to my questions about the information I presented to you.

A. Sure. So I've had some personal financial dealings with Sean McCoshen and in the way of loans from him.

Q. And why did you not disclose this to staff previously?

A. I honestly didn't think it was applicable.

Q. So, Mr. Sharpe, you understand that, when I spoke to you on October 23 and 27 as well as today, that you're under oath?

A. Yes.

Q. And you also understand that you're the CEO and UDP of Bridging Finance obviously. Correct?

A. Yes.

Q. And so you agree I asked you today directly whether you had any other dealings with Mr. McCoshen and you told me no. Correct?

MS. FUERST: I don't see any point at rehashing all of this. If there's a new question, please ask it.

MR. ROSSI: Okay.

BY MR. ROSSI:

Q. Is your evidence as we sit here right now that Mr. McCoshen loaned you the \$19.5 million?

A. That's right, and that we have looked at investments together.

Q. So those funds were loaned to you. Are there loan agreements in place?

A. There's probably one.

Q. Is there a loan agreement in place? You're saying probably.

A. Yeah, there's a loan agreement.

Q. I'm asking for you to produce that loan agreement to staff by 5:00 p.m. today. I want an undertaking for that.

MS. FUERST: All right. I think that's unreasonable in the middle of an examination right now. It's 2:36 p.m.

MR. ROSSI: I've asked for the undertaking. If you are going to refuse, I'll give you that opportunity, but that is the undertaking that I'm requesting in the context of this investigation, in the context of Mr. Sharpe's role as CEO and UDP of Bridging Finance. I'll give you an opportunity to state your position.

MS. FUERST: As I said, we're in the middle of an examination. I'm not sure how long we're going to be going. It may not be realistic to say by 5:00 today if we're continuing until 4:45 or 5:30, so...

MR. TOURANGEAU:

BY MR. ROSSI:

Q. Mr. Sharpe, do you have a copy of that loan agreement on your computer?

A. I don't.

Q. How do you have a copy of that loan agreement?

A. It likely is in the office.

Q. Do you have access to your office network from home?

A. It's a hard copy.

Q. So the only copy of the loan agreement is a hard copy?

A. Correct.

MS. FUERST: And it would appear that Mr. Sharpe is in his residence just from the background. Is that correct, Mr. Sharpe, or are you in the office today?

THE WITNESS: I'm in my house.

BY MR. ROSSI:

Q. That one loan agreement, what is the amount of the loan covered by that agreement?

A. There's a schedule with tranches and I'm not certain what the grand total is, but yes.

Q. When was that loan

agreement entered into?

A. To the best of my knowledge,
in '17.

Q. 2017?

A. Yes.

Q. And what is the purpose of
the loans being extended under the agreement?

A. For investments.

Q. So Mr. McCoshen is lending
you money to make personal investments?

A. Yes. That's correct.

Q. And why is he willing to
lend you \$19.5 million to make personal investments?

A. Just based on our
relationship.

Q. And what specifically do
you mean when you say our relationship?

A. The fact that we know each
other and we do First Nation work together.

Q. Are the tranches of this
loan connected to Bridging extending financing to
Mr. McCoshen's companies?

A. Not to the best of my
knowledge.

Q. What about to other loan

counterparties, such as Peguis and GrowForce?

A. Not to the best of my knowledge.

Q. Okay. So, Mr. Sharpe, I just want to put it squarely to you. Are these kick backs that Mr. McCoshen is paying you in connection with extending loans to his companies?

A. No, they're not.

Q. So, Mr. Sharpe, I can advise you that, based on our review of the dates of the advances under loans to Alaska to Alberta Rail, in certain situations, Peguis and the GrowForce loan that we were discussing earlier, the \$10 million loan in November, that within five business days of Bridging advancing funds under those loans, Mr. McCoshen is making a corresponding transfer into your personal banking account. Can you explain that?

A. It certainly does not look good. That's for sure. I wouldn't characterize them as kick backs, but Sean McCoshen is a person that has a lot of money and does well, so it may be one and the same monies, but I have no evidence of that.

Q. Have you disclosed the existence of the loan to anyone else at Bridging Finance?

A. No.

Q. And I'm going to specifically go down a list. Have you disclosed it to Jenny Coco?

A. No.

Q. Rock-Anthony Coco?

A. No.

Q. Hugh O'Reilly?

A. No.

Q. Is your wife aware of this situation?

A. No.

Q. Andrew Mushmore?

A. No.

Q. Graham Marr?

A. No.

Q. So I presume you did not seek the approval of Mr. Mushmore before entering into this loan arrangement with Mr. McCoshen. That's correct?

A. That's correct.

Q. Have you made any disclosure of the loan, as you've characterized it, or any of these payments to unit holders in the Bridging funds?

A. No.

Q. Mr. Sharpe, you agreed with us or it was your evidence during the last examination that you understood yourself to owe a fiduciary duty to unit holders in the BFI funds. Do you agree?

A. Yes.

Q. As UDP of Bridging Finance, do you think you've complied with your duty to unit holders by not disclosing these transactions with Mr. McCoshen?

A. I think it's arguable.

Q. So you're saying you're not sure whether you have or you haven't? You're not willing to take a position on it right now?

A. Yeah, correct.

Q. Daniel, do you have anything else on this topic before I move on?

MR. TOURANGEAU: I do. I would like to go back to Exhibit 8, please, which is Sean McCoshen's net worth statement as of January 2021.

MR. ROSSI: Just give me a moment to pull that up.

BY MR. TOURANGEAU:

Q. If we look at Sean McCoshen's assets, these are his businesses. I know

that on the statement, 747 Manitoba is not listed. Is that correct, Mr. Sharpe?

A. Yes. I don't see it.

MS. FUERST: Can you see the whole document?

THE WITNESS: No. From what I can see, I don't see it.

BY MR. ROSSI:

Q. Mr. Sharpe, I'm happy to scroll through the document for you to give you an opportunity to look at the whole thing. Just let me know when you're good and I'll scroll. We're on page 1 in the first third, and when you tell me, I'll scroll down.

A. Okay. I'm ready.

Q. Okay.

A. Yes. I don't see it.

Yeah. It's not there, from what I can see so far.

Q. Okay. So we've now reached the end of the document. Are you satisfied you've had an opportunity to review the whole document?

A. Yes.

BY MR. TOURANGEAU:

Q. You mentioned earlier that Mr. McCoshen has a lot of assets?

A. Yes.

Q. If we take out from this list of assets the \$4 billion from A2A, the valuation as to how it's valued if it was to go forward, we are roughly at \$100 million. And if we look at liabilities, we look at significant liabilities, especially when we look at the personal property.

My question to you is: Where did the money come from from Mr. McCoshen for him to be able to loan to you?

A. That's a good question. I'm not exactly sure the source.

Q. Is it possible that it would come from investor funds?

MS. FUERST: I don't see how that's helpful. That's speculation. How is he to know that?

BY MR. ROSSI:

Q. Mr. Sharpe, did you take any steps to ensure that the monies Mr. McCoshen was loaning to you, I'm using your words, did not originate from the loans BFI extended to companies related to him?

A. Just by asking the question.

Q. So you specifically asked Mr. McCoshen whether he was using the funds that BFI had loaned to his companies to loan back to you? You asked that question?

A. Maybe not that specific, but I know that he has a lot of business dealings around the globe, so I wasn't that specific, no.

Q. Okay. I'm not trying to put words in your mouth, but is it fair to say you took no steps to verify that the funds Mr. McCoshen was paying you did not originate from the BFI funds?

A. I wouldn't say no steps. He has a lot of very wealthy friends who are billionaires that he does business with, so I wouldn't say no steps, but certainly asked the question.

MS. FUERST: Just in fairness to Mr. Sharpe, you've shown him a list of Mr. McCoshen's assets. That's not a statement of his revenues or income.

MR. ROSSI: Okay. Daniel, did you have anything else on this before I move on?

MR. TOURANGEAU: No. You can move on.

BY MR. ROSSI:

Q. I guess before we leave this

topic, you agree you used the proceeds from these loans for your own personal benefit. Correct?

A. Yeah, for -- yes, correct.

Q. Mr. Sharpe, I'm going to give you another opportunity. If there's anything else that you would like to clarify before I ask any further questions, I'm going to give you that opportunity.

So a few times I've asked you whether there were any other transactions involving any of the loan counterparties that resulted in compensation flowing directly to Bridging's officers or directors. I've also asked you whether there were any other transactions involving Mr. Gautam or Mr. Ng that you have not disclosed to us.

So I'm going to have some more questions, but right now I'm going to give you the opportunity if there's anything else you want to tell us before where continue.

A. That is it to the best of my knowledge.

Q. Mr. Sharpe, next I want to talk about the loan from 891 Nova Scotia, so that was the loan that, as we understand Bridging's position, your position, whereby Mr. Gautam through his