

Court File No.:

**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, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

**FIRST SUPPLEMENTAL AFFIDAVIT OF
DANIEL TOURANGEAU**

(Sworn via Videoconference on April 30, 2021)

I, **Daniel Tourangeau**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Forensic Accountant with staff of the Enforcement Branch (**Enforcement Staff**) of the Ontario Securities Commission (the **Commission**). I joined the Commission as a Senior Forensic Accountant in March 2019.
2. I am the lead investigator assigned to the Investigation that Enforcement Staff are conducting into BFI and certain of its officers, directors and shareholders. I swore an initial affidavit (the **First Affidavit**) in connection with this matter yesterday. Unless otherwise noted, capitalized terms not defined in this affidavit have the same meaning as in the First Affidavit.
3. In the First Affidavit I noted that Enforcement Staff had scheduled further examinations with certain BFI witnesses for April 29, 2021, and that to the extent anything arising from those examinations materially impacted any statements I made in the First Affidavit I would address them in a supplemental affidavit.

4. This is that supplemental affidavit. I have personal knowledge of the matters referred to in this affidavit, except where I am informed by others and I do believe this information to be true.

5. On April 29, 2021, Enforcement Staff conducted examinations of BFI's CEO, D Sharpe,¹ and CCO, Mushore.²

River Cities Loan & Loans to Mjardin Group

6. Enforcement Staff asked D Sharpe about the reasons for the Ninepoint Transaction. He said he was unaware of Ninepoint ever raising concerns about transfers out of the Income Fund.³

7. D Sharpe and Mushore both recognized a company by the name of River Cities as being one of Gautam's corporations.⁴ D Sharpe said he was not aware of any loans from BFI to River Cities⁵ and "wouldn't have knowledge of the specifics" of whether a loan from the MM Fund of approximately \$40 million to River Cities funded the 891 Loan to BFI.⁶ He denied proposing the Back to Back Arrangement to Gautam but would neither confirm nor deny that a Back to Back Arrangement existed.⁷ He recognized N Sharpe's signature on the River Cities Loan commitment letter,⁸ and agreed that BFI would have been prohibited from borrowing from the BFI Funds.⁹

8. Mushore said he didn't recall River Cities or 891 Nova Scotia being borrowers from the BFI Funds.¹⁰ When presented with the River Cities Loan documentation, Mushore said he "didn't remember" the document.¹¹ Mushore stated his understanding was that Gautam funded the 891 Loan because that is what D Sharpe told him and that those discussions led him to prepare the Mushore Note recording the conclusion that BFI borrowing funds from 891 Nova Scotia was not a conflict of interest.¹² Mushore stated that it would have been helpful if D Sharpe had told him about the River Cities Loan and that had he known about it that would have impacted his analysis in October 2018 about whether the 891 Loan was a conflict of interest.¹³

9. D Sharpe acknowledged that he represented to Enforcement Staff that the funds that BFI borrowed under the BlackRock Loan were used to repay the 891 Loan but said he didn't actually know what Chaitons, BFI's counsel, did with the funds received from BlackRock.¹⁴ He had no explanation for why Chaitons would have sent funds from BlackRock to the MM Fund and said his involvement in dealings with BlackRock were very limited.¹⁵ He agreed that the signature

¹ Attached as **Exhibit 1** is a rough draft transcript of Enforcement Staff's examination of D Sharpe on April 29, 2021

² Attached as **Exhibit 2** is a rough draft transcript of Enforcement Staff's examination of Mushore on April 29, 2021

³ Exhibit 1 page 138-139

⁴ Exhibit 1 page 140, 141; Exhibit 2 page 44

⁵ Exhibit 1 page 141

⁶ Exhibit 1 page 141

⁷ Exhibit 1 page 142

⁸ Exhibit 1 page 145

⁹ Exhibit 1 page 146

¹⁰ Exhibit 2 pages 45-46

¹¹ Exhibit 2 page 47

¹² Exhibit 2 pages 50-51

¹³ Exhibit 2 pages 52-53

¹⁴ Exhibit 1 pages 147-148

¹⁵ Exhibit 1 page 148

pages on the Amended 891 Loan Agreement and the Payout Statement appeared to be the same page but claimed that the signatures were “electronic” signatures.¹⁶

10. D Sharpe confirmed that as of December 31, 2020 the total amount owing by Mjardin Group to the BFI Funds was approximately \$153 million.¹⁷

Relationship with McCoshen and Companies connected to McCoshen

11. D Sharpe told Enforcement Staff that he was not involved in 405 Ontario’s assumption of the Bondfield Loan. He said that N Sharpe led the process.¹⁸ D Sharpe confirmed that 405 Ontario simply assumed the Bondfield Loan at cost and there was no payment received by BFI and no payment to McCoshen.¹⁹ D Sharpe stated that \$46 million remained outstanding on the Bondfield Loan that was assumed by 405 Ontario.²⁰

12. D Sharpe and Mushore confirmed that McCoshen was the principal owner and operator of AARDC.²¹ Mushore said he thought AARDC was the single largest borrower from the BFI Funds.²²

13. D Sharpe claimed that the AARDC Project was moving forward. He mentioned meetings with the Canada Infrastructure Bank but confirmed that the Infrastructure Bank has not committed any funding to the Project.²³ He also referred to potential funding and said that President Biden had expressed support for the AARDC Railway Project, and that it was going through permitting, clearing and other engineering work.²⁴ He also stated that AARDC had authorization to start building in Alberta and in Alaska,²⁵ but that it still required authorizations from the federal government including permitting and environmental approvals.²⁶ D Sharpe agreed it was implicit in the McKinsey Valuation of \$4 billion that the AARDC Railway Project would go ahead.²⁷ Mushore said he was not aware of there being any final governmental approvals for the AARDC Railway Project.²⁸ Mushore also said he was unaware of any governments committing any funding to the AARDC Railway Project.²⁹

14. D Sharpe stated that as of December 31, 2020, BFI had loaned approximately \$180 million from the BFI Funds to AARDC.³⁰ He also confirmed that the last loan BFI made to AARDC was for \$ 20 million in February 2021.³¹ He told Enforcement Staff that BFI originally became involved in the AARDC Railway Project due to the involvement of First Nations. He said that a majority or close to a majority of the AARDC Railway Project would be owned by First Nations.³² D Sharpe

¹⁶ Exhibit 1 page 150-154

¹⁷ Exhibit 1 page 85

¹⁸ Exhibit 1, pages 27-29

¹⁹ Exhibit 1 pages 32-33

²⁰ Exhibit 1 page 38

²¹ Exhibit 1 pages 54-55, Exhibit 2 pages 37 and 125

²² Exhibit 2 page 132

²³ Exhibit 1 pages 45-46

²⁴ Exhibit 1 pages 45, 48

²⁵ Exhibit 1 pages 48 and 49.

²⁶ Exhibit 1 page 58.

²⁷ Exhibit 1 page 63.

²⁸ Exhibit 2 page 128-130

²⁹ Exhibit 2 page 130

³⁰ Exhibit 1 page 44.

³¹ Exhibit 1 page 88

³² Exhibit 1 pages 43-44

referred to a potential investment of \$160 million from First Nations.³³ D Sharpe admitted that the AARDC Railway Project was not generating revenues and said that BFI would not be advancing any more money to the AARDC Railway Project. He said it was time for equity investors to step in and for BFI to be repaid.³⁴

15. D Sharpe was asked about the McCoshen Guarantee on the April 2018 Growforce Loan and the payment of the Guarantee Fee through a November 2018 loan to Growforce. He said that the McCoshen Guarantee had something to do with Peguis and a building “sourced” by McCoshen³⁵ and thought that the transfer of \$10 million to 747 Manitoba by the Income Fund would have been done at Growforce’s direction.³⁶

16. D Sharpe originally denied receiving the \$19.5 million in Undisclosed Payments from 747 Manitoba, a company owned and controlled by McCoshen.³⁷ He recognized 747 Manitoba as a McCoshen company,³⁸ but repeatedly told Enforcement Staff that McCoshen never paid him directly for anything, and that, to the best of his knowledge, neither McCoshen nor companies related to McCoshen ever transferred any money to him.³⁹

17. Mushore told Enforcement Staff that D Sharpe had never sought his approval as CCO for any outside business activities (OBAs) relating to McCoshen⁴⁰ and that as far as BFI was aware, there was no outside relationship between McCoshen and D Sharpe.⁴¹

18. Mushore said he was not aware of the \$19.5 million in Undisclosed Payments from 747 Manitoba to D Sharpe.⁴² He said that, as CCO, that would have been important information for him to know relating to any conflicts of interest.⁴³

19. Enforcement Staff asked D Sharpe about the \$5 million transfer to the D Sharpe Chequing Account from 747 Manitoba two days after 747 Manitoba received \$10 million from the Income Fund. D Sharpe first claimed he didn’t know about or recall the transaction but speculated it may have been a real estate transaction with someone McCoshen introduced him to.⁴⁴ Enforcement Staff then confronted D Sharpe with the fact that we had identified \$19.5 million in Undisclosed Payments from 747 Manitoba to the D Sharpe Chequing Account. D Sharpe asked for a break and an opportunity to speak with his counsel, which Enforcement Staff granted.⁴⁵

20. After a ten minute break, D Sharpe told Enforcement Staff that he had had some personal financial dealings with McCoshen and had taken loans from him.⁴⁶ He said he had not disclosed this previously because he “[h]onestly didn’t think it was applicable.”⁴⁷ He stated that he had

³³ Exhibit 1 page 46.

³⁴ Exhibit 1 page 49.

³⁵ Exhibit 1 page 119-120

³⁶ Exhibit 1 page 120

³⁷ Exhibit 1 pages 79-81

³⁸ Exhibit 1 page 107

³⁹ Exhibit 1 pages 115, 116

⁴⁰ Exhibit 2 pages 32-33

⁴¹ Exhibit 2 page 38

⁴² Exhibit 2 page 136

⁴³ Exhibit 2 page 137-138

⁴⁴ Exhibit 1 pages 122-124

⁴⁵ Exhibit 1 pages 124 126

⁴⁶ Exhibit 1 page 126

⁴⁷ Exhibit 1 page 127

borrowed \$19.5 million from McCoshen⁴⁸ in order to make personal investments,⁴⁹ but denied there was any connection between the Undisclosed Payments and loans to AARDC, Peguis or Growforce.⁵⁰ He claimed no one else at BFI knew about the Undisclosed Payments.⁵¹ He admitted that he used the Undisclosed Payments for his personal benefit.⁵²

21. D Sharpe claimed that a physical loan agreement existed with respect to the Undisclosed Payments and was located at his office.⁵³ At the end of the examination, Enforcement Staff requested that D Sharpe produce the loan agreement at the earliest possible opportunity.⁵⁴ At 8:14pm on April 29, 2021, D Sharpe's counsel emailed Enforcement Staff and advised that D Sharpe had attended at his office, thoroughly searched his files and was unable to locate the loan agreement.⁵⁵

Dealings with Ng

22. Enforcement Staff gave D Sharpe an opportunity to disclose any dealings that BFI, he, or anyone else at BFI may have had with Ng that he did not disclose previously. D Sharpe told Enforcement Staff that there were no aspects to the relationship with Ng that had not been disclosed to Enforcement Staff.⁵⁶

23. D Sharpe claimed he was not aware of the \$500,000 transfers from Ng into the D Sharpe Chequing Account or to N Sharpe's bank account on November 14, 2019.⁵⁷

24. Mushore also said he was not aware of the \$500,000 transfers from Ng into the D Sharpe Chequing Account or to N Sharpe's bank account on November 14, 2019.⁵⁸ He said that the payments did not appear to be appropriate, and agreed it was possible that a reasonable investor in the BFI Funds would want to know about the payments.⁵⁹ Mushore said that D Sharpe and N Sharpe should have disclosed those payments to him.⁶⁰

25. D Sharpe discussed a "dividend" that was paid to Ng, but not to any other BFI Shareholders in February 2020. He told Staff that his understanding, as he was not directly involved, was that Ng asked for an "advance" on his dividend and that N Sharpe and J Coco agreed with the intention that Ng would receive a "dividend" and use it to pay down the balance owing on the Ng Loans.⁶¹ D Sharpe's recollection was that the dividend advance was paid in February 2020 prior to BFI learning that Ng falsified some collateral on the Ng Loans.⁶²

⁴⁸ Exhibit 1 page 127

⁴⁹ Exhibit 1 page 130

⁵⁰ Exhibit 1 page 130-131

⁵¹ Exhibit 1 page 131-132

⁵² Exhibit 1 page 137

⁵³ Exhibit 1 page 128 -129

⁵⁴ Exhibit 1 page 180

⁵⁵ Attached as **Exhibit 3** is a copy of the email from D Sharpe's counsel.

⁵⁶ Exhibit 1 page 95

⁵⁷ Exhibit 1 page 168

⁵⁸ Exhibit 2 page 82

⁵⁹ Exhibit 2 page 82

⁶⁰ Exhibit 2 page 82-83

⁶¹ Exhibit 1 pages 97, 101-102

⁶² Exhibit 1 page 101

26. D Sharpe claimed that the \$9,895,000 transfer from the MM Fund to 947 Manitoba on February 12, 2020 was the result of an administrative error in paying Ng his dividend advance. D Sharpe claimed that once the error was discovered, the corporate entity, which I assume is a reference to BFI, repaid the MM Fund.⁶³ D Sharpe first claimed the error was reversed within a week,⁶⁴ but later admitted the MM Fund was not repaid until February 27, 2020 – the day that D Sharpe said BFI discovered that Ng falsified the collateral on Ng Loans.⁶⁵ D Sharpe claimed that Mushore was in charge of looking into the matter.⁶⁶

27. Mushore said he understood there was supposed to be an “early dividend” paid to Ng and that there was some mention of a mistake being made out of the MM Fund and that the mistake was corrected.⁶⁷ Mushore did not know why Ng was to receive an early dividend and didn’t know much about it – what he did know, he heard from “maybe N Sharpe or one of the Sharpes.”⁶⁸ Mushore did not describe being the head of an internal review into how the alleged mistake was made.

28. Enforcement Staff had previously questioned J Coco about a dividend referred to in the unaudited quarterly financial statements of BFI for the period from January 1, 2020 to March 31, 2020. Those statements indicate that a \$10 million dividend was declared and paid in the first quarter of 2020.⁶⁹ In a response to written interrogatories on January 20, 2021, J Coco stated that she had “no record of approving this dividend”, was “not aware of any board resolution before the dividend was apparently declared” and had “no recollection and has no record of directly or indirectly [...] receiving any portion” of the dividend.⁷⁰

29. On April 27, 2021, Enforcement Staff contacted Ms. Coco, through her counsel, to request that Ms. Coco provide a written update, if one was available, on the matters addressed in her response to written interrogatories dated January 20, 2021. In her response on April 28, 2021, J Coco confirmed her prior recollection but indicated that, as a result of her own inquiries and the preparation of the 2020 BFI Financial Statements, she had been provided with additional information which emanated from BFI management. Ms. Coco indicated that she was “advised” that, beginning in December 2019, there were repayment issues regarding loans made to companies controlled by Ng and, to mitigate the risk of default, BFI used its prior year’s earnings to make a dividend payment to Ng in priority to the other shareholders to assist him in servicing the Ng Loans. She also stated that she had been advised that “BFI management believed this course of action to be in the best interest of unitholders in the funds”. J Coco indicated that she has since been advised that N Sharpe recalls discussing this dividend with her, but J Coco confirmed that she continues to have no recollection or record of such discussion. J Coco further indicated that as part of the preparation and approval of the 2020 BFI Financial Statements, she signed a resolution ratifying the declaration of the dividend in good faith and in reliance upon BFI

⁶³ Exhibit 1 page 161-163

⁶⁴ Exhibit 1 page 164

⁶⁵ Exhibit 1 page 167

⁶⁶ Exhibit 1 page 165

⁶⁷ Exhibit 2 page 87-88

⁶⁸ Exhibit 2 page 88-89

⁶⁹ The \$10 million dividend is also referred to in the 2020 BFI Financial Statements there were an exhibit to the First Affidavit

⁷⁰ Attached as **Exhibit 4** is a letter from John Fabello, J Coco’s counsel, to Enforcement Staff dated January 20, 2021 attaching J Coco’s response

management that BFI effected the payments in compliance with applicable legal and regulatory requirements.⁷¹

Payments to BFI Employees

30. D Sharpe denied that he transferred funds to BFI employees. He denied transferring \$260,000 to Ian Baele and denied transferring \$180,000 to Mushore.⁷²

31. Mushore admitted that D Sharpe transferred \$180,000 to him in three payments between July 2019 and August 2020.⁷³ Mushore said the payments were gifts and that D Sharpe is “a generous man.”⁷⁴ Mushore said that D Sharpe transferred the money to him in recognition that Mushore was underpaid at BFI and because D Sharpe was unable to give Mushore a raise.⁷⁵ Mushore said there were others at BFI that D Sharpe had transferred money to in 2021⁷⁶ because they were also underpaid and D Sharpe was unable to raise their salaries.⁷⁷ Mushore said he did not know that D Sharpe had transferred \$260,000 to Ian Baele,⁷⁸ but that that was something he would have expected D Sharpe to have disclosed to him.⁷⁹

⁷¹ Attached as **Exhibit 5** is a letter from John Fabello, counsel to J Coco, to Enforcement Staff dated April 28, 2021 attaching J Coco’s response

⁷² Exhibit 1 pages 168-169

⁷³ Exhibit 2 page 160

⁷⁴ Exhibit 2 page 162

⁷⁵ Exhibit 2 page 162

⁷⁶ Exhibit 2 page 168

⁷⁷ Exhibit 2 page 169

⁷⁸ Exhibit 2 page 164-165, 168

⁷⁹ Exhibit 2 page 165

Conclusion

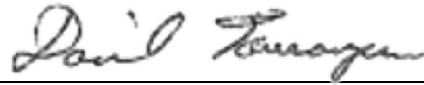
32. I make this affidavit in furtherance of the Investigation and the enforcement of Ontario securities laws and for no other purpose.

Sworn remotely by Daniel Tourangeau stated as being located at the Town of Oakville in the Province of Ontario, before me at the City of Mississauga in the Province of Ontario, on April 30, 2021, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely



Commissioner for taking affidavits

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**



Daniel Tourangeau

This is Exhibit "1" referred to
in the First Supplemental Affidavit of Daniel Tourangeau
sworn before me, this
30th day of April, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", with a long horizontal flourish extending to the right.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**

--- Upon commencing on Wednesday, April 28, 2021
at 10:02 a.m.

AFFIRMED: DAVID SHARPE

EXAMINATION BY MR. TOURANGEAU:

Q. Today is Thursday,
April 29, 2021. We're here to conduct a compelled
interview of David Sharpe by way of a videoconference.
Present today is myself, Daniel Tourangeau, as well
as Carlo Rossi, for staff of the Commission. Also
present is a court reporter to ensure that there is
an accurate record of the interview. David Sharpe is
present today together with his counsel, Linda
Fuerst.

Mr. Sharpe, can you please
confirm that you are alone in the room and that no one
else can hear us?

A. Yes, confirmed.

MS. FUERST: Before we begin, I
just wanted to indicate that while it appears it may
not have found its way into the transcript on
October 23, Mr. Sharpe wishes to confirm that with
respect to every question being put to him in response
to the summons issued to him by OSC staff, he claims
and continues to claim the protections against self
incrimination available to him under Canadian and

Ontario law, including section 9 of the Ontario Evidence Act and objects to answering each question pursuant thereto.

MR. TOURANGEAU: Thank you.

BY MR. TOURANGEAU:

Q. So this is a continuation of the interview we began on October 23 and 27, 2020. There were three exhibits that were entered on the first two days of the examination: Exhibit 1, which is the document brief dated October 23, 2020; Exhibit 2, document brief dated October 27, 2020; Exhibit 3, loan schedule produced by BFI.

I would like to remind you that you affirmed to tell the truth and that it is an offence to make a statement that is misleading or untrue to the Ontario Securities Commission, including through the omission of any facts.

Please listen to my full questions before answering. For the benefit of the court reporter, it is important that only one person speak at a time. If for any reason you have technical issues, we ask that you immediately call back the telephone number that was provided with the invitation.

Do you have a telephone near you,

Mr. Sharpe?

A. I do.

Q. Is it a landline or a mobile phone?

A. It's a mobile phone.

Q. Is it fully charged?

A. It is.

Q. Okay. Thank you. Before we begin, do you have any questions for us?

A. I do not.

Q. Thank you. I would like to start by asking you some questions about the 2020 audited financial statements for the income fund. I'm going to mark those statements as Exhibit 4, and we will be putting the statements on the screen.

I would like to confirm that you're able to see the document on the screen?

A. I am.

MR. ROSSI: I'm going to take you to the cover page first so you can see what we're looking at. Just in case this wasn't put on the record, these are the December or the annual financial statements for the Bridging income fund LP for the year 2020, a 31-page document.

EXHIBIT NO. 4:

[Description].

BY MR. TOURANGEAU:

Q. And I would like to turn to page 28 of the PDF, please. We are going to look at note six, which is titled Participation Interest.

Are you familiar with this note, Mr. Sharpe?

A. Yes, I am.

Q. Can you explain in your own words what this note is addressing?

A. Sure. If you don't mind, I'm having trouble seeing that, but I have a hard copy, if I could look at that?

Q. Absolutely.

A. Thank you. I'm just going to go to the note. I can see that better. Thank you.

So this note relates to a participation note that we put in place and it was due to COVID in the calendar year 2020 where we had to gate the funds and -- due to a rush on redemptions in the income fund, and so we were putting in liquidity for investors to be able to honour their redemptions, so we were selling loans at par, so not at a discount, and we also came to an agreement with R.C. Morris on the participation with respect to many of our loans

in our book to create liquidity.

Q. Thank you. Why did the income fund require help with short term liquidity?

A. There was a number recognition that came in. The income fund was approximately, to the best of my knowledge, 11 percent of the fund was redeemed and investors and advisors, the rationale as told to us by them was it was a great equity buying opportunity in the marketplace because the market had suffered greatly, and so there was a lot of redemptions that came through. So we immediately -- we have the act in the best interest of all investors, not just the folks who the investors want to redeem, so we gated the funds, so we didn't permit redemptions, and this was a mechanism to create liquidity for the income fund.

Q. There is a reference to a lender in the note. Do you see that?

A. I do see it in the second -- yes, I do see it in the second line.

Q. Who is the lender being referred to here?

A. That is R.C. Morris.

Q. Did you negotiate this arrangement?

A. I was part of a team that negotiated this arrangement on behalf of the funds and Bridging Finance.

Q. Who was part of the team?

A. It would be our president, our CIO, our portfolio managers and in discussions with the board.

Q. Did BFI have a professional advisor leading those discussions as well with the team?

A. We did. If I recall correctly, we had a law firm who was assisting us, McMillan, so they would have been part of this. It was a fairly complex transaction, so we had advisors, lawyers, accountants, and also R.C. Morris as well.

BY MR. ROSSI:

Q. Mr. Sharpe, was there any investment bank advising you on the transaction? I think previously you've talked about Raymond James providing advice to Bridging. Was Raymond James or a similar organization like that involved?

A. To the best of my knowledge and recollection, there was not.

Q. Okay. Thank you.

BY MR. TOURANGEAU:

Q. What is the current status of the participation note?

A. So the note was approximately \$120 million and it wasn't a loan, it was a participation -- I think it's defined as lender because that's what R.C. Morris does for a living, so this was institutional money that they had arranged led by, I think it was OPG pension plan and other institutional money.

So we have paid back \$60 million of the \$120 million and we have given R.C. Morris notice that we're paying the other \$60 million, the remaining \$60 million, back on June 1 of this year.

Q. I now would want to turn to a letter that counsel for BFI sent that relates in part to the sale of the loans made to Mr. Gary Ng. This is a letter from Kevin Richard of staff dated January 8, 2021. I will mark the letter as Exhibit 5.

EXHIBIT NO. 5:

[\[Description\]](#).

BY MR. TOURANGEAU:

Q. I presume you have seen this letter before?

A. Yes.

Q. I would like to take you

to -- for the benefit of the court reporter, this is again a letter from Kevin Richard to staff dated January 8 re: Bridging Finance Inc.

I would like to take you to page 2 and I want to ask you about the fifth paragraph. I can give you a moment to read the entire section, if you would like?

BY MR. ROSSI:

Q. On that point, Mr. Sharpe, if you would like me to scroll through, you can just let me know when you're ready and I'll scroll down the page.

A. Thank you. Would that be the part starting "the third part involves"?

Q. I'll let Mr. Tourangeau confirm.

BY MR. TOURANGEAU:

Q. I misheard.

A. Sorry about that.

MR. ROSSI: I believe Mr. Sharpe was asking which was the fifth paragraph, and he pointed that the paragraph beginning the third part involves.

BY MR. TOURANGEAU:

Q. That is correct, yes.

A. I've read it,
Mr. Tourangeau.

Q. Thank you. The fifth paragraph refers to the sale of the remaining portion of the Ng loans to an SPV set up by R.C. Morris, so you read that.

First, does this transaction have anything to do with the participation note we just discussed?

A. Yes, it does. There were excluded assets in the participation note and part of the excluded assets would have been the Ng loans, but it's making reference to that mechanism that was put in place with R.C. Morris.

Q. Okay. So it is not a coincidence that R.C. Morris is involved in both?

A. It is not a coincidence, no.

Q. Were you involved in negotiating this sale as well?

A. It was all part of the same mechanism that was used on the participation agreement, so I would have been part of the team that comprised the CIO, our portfolio managers, external counsel, and our accounting firm.

Q. Anyone different in the

team regarding this transaction compared to the one we just discussed prior?

A. It would have been the same team. Ernst & Young was heavily involved as part of that team. They were really leading us on what would be prudent under the circumstances with respect to valuation in matters such as that.

Q. Could you please explain to us how the sale price was determined?

A. I think it's less and there might be a degree of -- this is the way I think it works, Mr. Tourangeau. It's less of a sale ask more of their taking a percentage of the loans, but I'm probably not as well-versed as I should be on the actual mechanism. For lack of a better word, they were clipping the loans, so they're getting part of the return, and that's the way it worked. I suppose you could call it a sale of part of the loan book with a right to repurchase by BFI, by Bridging Finance.

BY MR. ROSSI:

Q. If I may just, I want to make sure we're talking about the same thing. So we talked about the participation note. We're now talking about the sale of the Ng loans to the SPV. I appreciate you're saying there's a connection and

I'll let Mr. Tourangeau clarify, but at least I understood his question in terms of the sale price to be relating to the sale of the Ng loans to the SP, so I'll give you that clarification, but I'll also say, Mr. Sharpe, it may just be helpful for you to take a step back and try to explain in your own words the exact relationship between the two transactions.

A. Thank you, Mr. Rossi.

That's very helpful.

Yes, they are related; however, this is referring, as you rightly pointed out, the Ng loans and they were sold to the SPV at par. And so that would be 100 cents on the dollar with respect to the outstanding amounts of the Ng loans after the shareholders had paid \$62 million of the Ng loans down and then the SPV, there is approximately \$43 million remaining.

Q. And so I appreciate that clarification. Now that we have that, can you help me understand how this is related to the participation note? I believe you said there were some excluded loans or assets that maybe I'm just not understanding, but just in simplest words possible, if you could help me understand how the two are related?

A. Thank you. I think I'm

confusing matters for you and I apologize. They're related because of R.C. Morris, of course, in that R.C. Morris was part of the liquidity solution. But when it comes to the Ng loans, we were anxious to have somebody assist us with collection. We know there's assets there, so the main role played by R.C. Morris would be to chase Mr. Ng and his assets to try to make the funds whole or those loans whole, and that's the role they played. We liked R.C. Morris acting in this role because they were defrauded as well, so there would be their well versed with the situation, there would be no risk of misrepresentation if it was another third party. R.C. Morris is a lender, as you know, but they're more of a special situations type lender and they have lots of experience tracing assets, so that's what they're doing as part of this arrangement, is that they're tracing assets and trying to recover, because we know that Mr. Ng does have assets that he has misled us about.

Q. So were the two transactions negotiated together as a package?

A. No, there were not. They were not ever together in time. So one would have been more in the March, April, to the best of my knowledge, 2020. The other, the SPV, would have been

more in December of 2020.

Q. Okay. So the SPV transaction was negotiated after, months after, the participation note had already been sort of finalized?

A. Yes. To the best of my knowledge, that would have been the time, Mr. Rossi.

BY MR. TOURANGEAU:

Q. You mentioned earlier that R.C. Morris would receive a portion of the return or am I quoting this right? I just want to make sure that I understand what you meant.

A. So any monies recovered by R.C. Morris will go to pay down the loans. As you mentioned, there's \$43 million outstanding and anything up until \$43 million goes to the loans. Anything thereafter goes to R.C. Morris, so that's the commercial aspect of the arrangement. But we were very keen to ensure that the shareholders of BFI, Bridging Finance, that they're not taking dividends, they're not taking any profit from the corporation and all it's going towards paying down the \$43 million and that will happen at least once per annum.

So the R.C. Morris efforts, we're working with them on that, but it's not an exclusion

to profit for BFI going to the loan amounts.

Q. Okay. Do you know whether any amounts have been paid towards that promissory note?

First of all, R.C. Morris provided a promissory note rather than making an upfront payment. That's correct. Right?

A. Could you repeat that, please?

Q. Absolutely. R.C. Morris provided a promissory note rather than making an upfront payment. Is that correct?

A. That is correct.

Q. Do you know whether any amounts have been paid towards that promissory note?

A. To the best of my knowledge, there's going to be a payment that is imminent on some of the assets. It's somewhere between \$5 million and \$9 million.

Q. Just to confirm, so at this time, the outstanding balance remains at \$43 million?

A. That's correct.

Q. The paragraph we're looking at refers to the fact that, and you covered this a little bit earlier:

"BFI understands that R.C. Morris is confident in its ability to recover amounts owing on the loans in exchange for the sale of the loans to the SPV." (As read)

Is that consistent with your understanding?

A. Well, my understanding is that any recoveries will be applied to the loan amounts. That would be the first application of the recovery. Mr. Tourangeau, I don't know if that answers your question.

Q. No, it does. Do you know on what days this -- you said earlier they have experience in tracing assets. Do you know if R.C. Morris has identified assets of Mr. Opening they can recover the amounts owing?

A. Yes. We have identified some assets. There's some assets that we believe were fraudulently conveyed by Mr. Ng.

Q. Do you know at this time which kind of ballpark amount were you looking at?

A. Well, we believe, to the

best of our knowledge, there's more assets than there is money owing, so there's more assets than \$43 million. But we know that it is a lengthy process to recover and it could involve going to court. It takes some time.

The first asset that is being sold will be, as I mentioned, more imminent. But the other assets, and I can give you examples, Mr. Tourangeau, if you wish.

BY MR. ROSSI:

Q. Please do.

A. Okay. We know that Mr. Ng conveyed a property that's on Lake Simcoe and we know a lot about the property, we know when the conveyance occurred. The properties were approximately \$13 million. And that would give you an example of a fraudulent conveyance in our opinion and that it was conveyed to his brother and that's something that we will -- we're going after.

Q. If I may, Mr. Sharpe, just to make sure I've understood it correctly, I'm going to repeat back what I understood in a general sense your evidence was there.

So you and/or -- by you, I mean Bridging and/or R.C. Morris -- has identified certain

assets that Mr. Ng has previously owned but has conveyed to others that BFI and/or R.C. Morris considers to be potential fraudulent conveyances.

So far, is that correct?

A. Yes.

Q. And those assets that have been identified, the assessed value by BFI and/or R.C. Morris, exceeds \$43 million, which is the amount outstanding on the promissory note?

A. Yes. To the best of my knowledge, Mr. Rossi, it would exceed.

Q. So you just mentioned a property, approximately \$13 million. Can you just let us know what, and just based on what you know, what the other assets are?

A. Sure. A lot of the assets are real property; a condo in Vancouver, condos in Toronto. Some of these properties have leverage on them, so certainly they won't be 100 percent recovery on those properties. Those are the main properties I know, but we know there's offshore properties as well. He owned Rothenberg in addition, the IIROC dealer, so there will be recovery on that because as you know we had a loan to Rothenberg, to purchase Rothenberg, so that will be another asset as well.

Q. And I know we didn't get into specific numbers, but in your calculation that it was in excess of \$43 million of value, was Rothenberg part of that calculation?

A. It would part of that calculation. And we know, because the amounts went to Mr. Ng, that money is somewhere and it's a considerable amount of money. I think what Mr. Ng told us is he poured all the money back into the corporations, which we believe to be false.

Q. I just want to make sure we're on the same page. Is it that BFI and R.C. Morris have identified specific assets which are being valued in excess of \$43 million, or you've potentially identified assets of a lower value but have a reasonable belief that there may be further assets that you have not yet identified? I just want to make sure I'm clear on what you're saying.

A. I think, Mr. Rossi, it would be a combination of both. I think we have pretty good authority to the best of our knowledge that it would exceed, but we haven't identified all assets, so it's really a belief that we have and certainly a belief that R.C. Morris has. I'm not speaking on behalf, but that was the commercial aspect

of the transaction.

Q. What's the current status of sort of the enforcement of collection efforts as it relates to the Rothenberg shares?

A. There is a sale in principle agreed to and the reason I said \$5 million to \$9 million is that I think -- and I would have to get an update on this -- it's \$5 million cash upfront with an earnout to \$9 million.

Q. So the actual, the anticipated payment coming in, I think maybe you used the word imminent, if not, I apologize, but you anticipate coming in relatively soon, that relates to the sale of the Rothenberg asset?

A. That's correct. And I'm just going to elaborate on that. Rothenberg the company is taking ownership back, so we would release our collateral, our charge, on that asset and they're I just repatriating 100 percent ownership of their company.

Q. Mr. Sharpe, I'm going by memory here, so please correct me if I'm wrong. But I seem to recall the Rothenberg purchase being valued -- I'm using that loosely, but a reference to a valuation of \$20 million.

Does that ring a bell at all?

A. I believe that's correct.

Q. Okay. And I can't, as we sit here, recall whether that was a Bridging valuation or simply the cost that Mr. Ng paid to acquire it. I'm not sure if you recall?

A. I don't recall.

Q. Okay. I guess what I'm wondering, just because I do have that independent recollection of being \$20 million associated with Rothenberg. During this process, because the Rothenberg shares were offered as collateral, I believe, on one of Mr. Ng's loans. Is that right?

A. Yes.

Q. So during this process, the process we've been discussing, has it been the case that Bridging has learned that the Rothenberg asset was worth less than was believed at the time it was offered as collateral?

A. I'll say this, that Rothenberg, it's well known that they were embroiled in the Ng matter and that has certainly devalued that asset. And they've had to go through the pain of speaking to investors because Ng made it well known that he had bought that firm and people knew in the

investment industry. And I know by speaking to Robert Rothenberg that it's been challenging and I think the value of the firm has gone down.

Q. I think I understand that. It's not necessarily that you learned the asset was overvalued in the past; it's just that recent events may have impacted upon the valuation of the firm?

A. Yes.

Q. Okay. I think I understand. Thank you, Mr. Sharpe.

A. Thank you.

BY MR. TOURANGEAU:

Q. And you believe that the value that you will be able to draw from this asset to be in the range of \$5 million to \$9 million?

A. That's correct.

Mr. Tourangeau, if I could just elaborate on that. The value would be \$9 million. It would be \$5 million upfront with an earn out to \$9 million, so it would be \$9 million, not \$5 million. I misspoke early, five to nine, but it's \$5 million upfront that would go to pay down the \$43 million, and then over time it's going to be \$9 million.

Q. Thank you for this clarification. So it's \$9 million.

BY MR. ROSSI:

Q. Just before Daniel moves on, do you have an anticipated timeline on when that transaction is supposed to close?

A. I would need to get an update, Mr. Rossi, but it certainly involves IIROC as well and I know that they have been discussing with IIROC and I think they're almost there and that IIROC is blessing that transaction.

Q. Okay. So it's a transaction that requires IIROC approval, to the best of your understanding at least?

A. Yes.

Q. Okay. Thank you.

BY MR. TOURANGEAU:

Q. You mentioned earlier that you believed that the assets available would exceed the \$43 million of the SPV. Did that take into consideration -- we refer to it as the devaluation of Rothenberg?

A. It did, yes.

Q. In other words, at \$9 million, is \$9 million consistent with your predictions or planning or forecast of how much you expected to receive from the sale of Rothenberg?

A. It was a ballpark in that range. We would have liked more, but because of the state of Ng, it's just very difficult.

Q. So based on this transaction, this first transaction towards repaying the SPV, you still believe -- do you still believe that the assets, the value of the assets, exceed \$43 million?

A. Yes.

Q. Thank you. Next I would like to turn to another letter from Robb Cacovic. I will mark this as Exhibit 6. It is a letter from Kevin Richard to staff dated February 3, 2021.

EXHIBIT NO. 6:

[\[Description\]](#).

BY MR. TOURANGEAU:

Q. I am going to have some questions about the letter, but first I would like to show you the summons that the letter is responding to. This is a summons from staff to BFI and it is directed to the attention of David Sharpe and it is dated February 3, 2021. I will mark this as Exhibit 7.

EXHIBIT NO. 7:

[\[Description\]](#).

MR. ROSSI: Just give me one

second.

MR. TOURANGEAU: No problem.

BY MR. ROSSI:

Q. Are you able to see the document on the screen, Mr. Sharpe?

A. It's a little small.

That's much letter. Thank you.

Q. You're welcome.

BY MR. TOURANGEAU:

Q. Mr. Sharpe, are you familiar with the summons?

A. Yes, I am.

Q. I want to take you to the first two requests in the summons on page 4:

"Explain the relationship between BFI, the BFI funds, the BFI shareholders and directors, David Sharpe and Sean McCoshen, and identify all loans from the BFI funds that were approved, funded, amended and/or remain outstanding in the relevant period and in respect of which Mr. McCoshen had any

involvement." (As read)

So I would like turn back to the letter that we marked as Exhibit 6. Have you seen this letter before?

A. Yes.

Q. I take it that you were involved in preparing the responses included in this letter?

A. Yes.

Q. Does the content reflect your own understanding of the relationship between BFI, the BFI funds, the BFI shareholders and directors, yourself, and Mr. McCoshen?

A. Yes.

Q. Looking at item two, Mr. McCoshen is acting as an advisor to First Nations, for example, Peguis. Do you see that?

A. I do.

Q. Can you help me understand what that means?

A. Yes. Mr. McCoshen is very active with first nations across Canada and he introduced us to Peguis first nation because he had a strong relationship with chief and council and other members of Peguis first nation.

Q. So is it in a brokerage role? Is he an advisor? What exactly does he provide as service?

A. He was advising the First Nation on their finances, advising them on access to capital for equity projects and/or debt projects.

Q. And is he a related person?

A. He is by Peguis, yes.

Q. So BFI does not provide the compensation?

A. No, he doesn't. What could happen in cases -- and I don't know in this case, Mr. Tourangeau. What he would do is he would negotiate with First Nation. The First Nation would agree that it would be some payment and they could leverage from BFI should they wish. So they could add it to the loan amount or it could be subtracted from the loan amount.

Q. I want to talk about some of the other loans included on the list.

You may recall that the last time you were here we talked about the Bondfield loan that was assigned to a company controlled by Mr. McCoshen and I understand that this is the loan to 2665405 Ontario Inc. on the list.

Is that correct?

A. Yes.

Q. Just to make it easier, I'm going to refer to that company as 405 Ontario. I should also note that, Mr. Sharpe, I might refer to some of your prior answers during this discussion. Do you have a copy of the transcript from your prior interviews?

A. I do.

Q. Have you had a chance to review before today?

A. I have.

Q. I guess I should have asked this upfront, but is there anything that you wanted to clarify from that transcript before we continue?

A. I don't believe so.

Q. I believe the last time we spoke, you indicated that you didn't know the exact economics, but understood that Mr. McCoshen was interested in a litigation claim that Bondfield had against the City of Toronto. Do you remember that?

A. I do, yes.

Q. I was hoping to have a little bit more detail here. Do you recall the circumstances surrounding Mr. McCoshen acquiring

this loan?

A. Yes.

Q. Were you involved in the negotiations?

A. No.

Q. Who was?

A. It would have been our CIO and perhaps other members of the investment management team.

BY MR. ROSSI:

Q. Mr. Sharpe, I'll just ask, when we're dealing with titles, if you could identify the individual by name simply because I believe there has been some turnover during the period we're talking about.

So I take it at that time, the CIO, chief investment officer, was your wife, Natasha Sharpe?

A. That's correct.

Q. And I think I might have heard another title referenced there, but I apologize, I missed it, so if there was someone else you mentioned, if you could clarify who that was as well?

A. Sure. I'm not exactly

sure, but other members of the investment management team were probably involved. To the best of my knowledge, they would have been in something like this.

BY MR. TOURANGEAU:

Q. Would you know exactly whom?

A. I don't. I think Natasha Sharpe would know, but I -- she led the process. Natasha Sharpe led the process.

Q. Since we spoke last, I've had a chance to review the loan file that BFI produced in connection with the Bondfield loan, including the assignment to 405 Ontario. I understand that 405 Ontario acquired the Bondfield loan at cost. Is that consistent with your understanding?

A. Yes, to the best of my knowledge.

BY MR. ROSSI:

Q. Sorry to interrupt. Before we continue, I might have missed this. I think you said generally you had familiarity with the loan process here, even though you didn't negotiate it.

Can you tell us how did this come about? And if you want to start with a general

explanation of how Bridging, in what circumstances Bridging would sell a loan, that might help and then you could explain how this fits in with that explanation?

A. Sure. At Bridging, we're also looking to offset or mitigate risk, so Bondfield is a file with some hair on it, why don't we say? When we took Bondfield on, it came from, I believe, National Bank. There was no indication of problems with the family, this family called the Aquino family that owns Bondfield, and it sensed the discovery down the road and I don't know if it was before Mr. McCoshen acquired the loan or not. I tend to think it was after the discovery that there was some fraud potentially involved by the CEO of Bondfield.

So when we look at a credit like Bondfield, we would look for synergies because we want to get loans off our books as quickly as possible, meaning that we are lenders, you will see an ROM, we generally try to stay within 12 months to 36 months or even two years to bridge out of the loan.

Q. That's helpful. So I take it you think you had already identified issues with the Bondfield loan at the time of the transfer to Mr. McCoshen, including potential fraud, I think you

said.

A. I might clarify that. The discovery, and Natasha would be better to speak to this, but the discovery was after. So I believe, to the best of my knowledge, Mr. Rossi, it was after that we discovered that there was these issues and they're well documented in the press, of course.

Q. Okay. Maybe I'll just turn it back over to Daniel, then.

BY MR. TOURANGEAU:

Q. Thank you. 405 Ontario did not make any upfront payment; it was more of an assignment of the existing loan. Is that correct?

A. That's correct.

Q. And I understand that Mr. McCoshen put up a personal guarantee on the loan. Is that right?

A. That's correct.

Q. As part of your business model, was it normal for BFI to sell loans liquidity this?

A. To the best of my knowledge, we have done it in other circumstances where there is a market for these loans, right when you get called the secondary market, but there is a market as

evidenced by selling loans to create liquidity. But often if it fits with the strategy of a third party, we would like to have a back stop on the loan if we could get it. And for Mr. McCoshen, this fit into his advantage of what he was trying to accomplish on a couple different fronts.

BY MR. ROSSI:

Q. What were those, to your knowledge?

A. One, he was very interested in that litigation. I believe it's a \$150 million lawsuit. As you know, once we get paid back, he can have any upside with respect to recovery. So once funds are paid back, it's Mr. McCoshen's loan to do what he wishes with.

The other was this is a storied long-standing construction company doing large infrastructure projects. He was keenly interested in Bondfield and the synergies with A2A and the construction of the rail line.

Q. So on the first piece, I might just be missing something. My understanding of this transaction is that it was just a straight assignment of a loan from Bridging, so a loan Bridging made from the BFI funds, to Bondfield and that was

assigned to Mr. McCoshen at cost.

Am I correct so far?

A. Yes, correct. And there was no payment received by BFI or no payment to Mr. McCoshen.

Q. Okay. Because you just referred to some upside potentially as a result of the -- and I believe earlier in the last interview you talked about TTC litigation. Again, I could just be not understanding something, but would Mr. McCoshen have any upside just by virtue of acquiring the loan? Isn't a loan, you know, a set amount? You know, BFI loaned Mr. McCoshen's companies, I think it was \$80 million. Once that \$80 million is cleared, isn't that it? Bondfield has complied and has no further obligation to make any other payments under that loan?

A. There's another component to it, Mr. Rossi, is there is property in Brampton and it's a highly desirable property that we can force upon. It's a development property. And Mr. McCoshen was keenly interested in that upside. We were interested in the downside protection and getting involved if there was ever an issue, but he understands that market very well, so he was

interested in those three areas of potential upside.

To the best of my knowledge, we may have controlled that property on behalf of, so we're still collecting out on the assets because that's what we are doing on this file. So we have Goodmans, who are on for us in the TTC litigation for instance, but we just want to get the funds paid back, principal and interest.

Q. So I'm still not following one part of it, Mr. Sharpe. This is your world, not mine. You're the expert on loans and lending.

But I take it again from this further clarification that you're suggesting it's possible that Mr. McCoshen could make more than the \$80 million face value of the loan plus interest as a result of this litigation or enforcement against this property. Again, maybe I just don't have the right background in this space, but I would have thought that the recovery was capped at the value of the loan plus any accrued interest. Am I missing something?

A. So our value is capped at Bridging because we just get our principal and interest back. And I should let us know that the face value of the loan was \$80 million. It's now

\$46 million, so we have been collecting and selling off machinery.

And Natasha Sharpe would be better versed in this, but with respect to the potential synergies, there are potential synergies with his construction projects and also the Brampton property, so that would be his upside.

If he sees the Brampton property, a development property in a desirable area, that would be his upside. We just care about getting the face value of the remaining \$46 million paid back and we're very comfortable that it will be paid back.

Q. So the suggestion is that he may view a property that he could realize on as collateral. Effectively, he may value it more than its book value or whatever value the court may ascribe to it in the CCAA proceeding?

A. On the Brampton property, as I understand it, it has to be, the zoning has to be changed and experts are fairly confident that the zoning can be changed to make it much more desirable and that would be the upside.

Q. Okay. But I'm still not -- especially with that additional clarification, I'm still not understanding. If

there are experts that are saying it's worth more than whatever it's listed at right now, presumably that's going to get factored into the court process. I'm still not getting how anyone would think they're going to recover more than the face value of a loan plus the interest by acquiring that loan.

A. To the best of my knowledge, the way it works is that some people bet on projects, like St. Michael's Hospital. We bet on assets, so we have no exposure to whether Bondfield gets paid back or gets paid by, I should say, St. Michael's Hospital by way of example. So that would be Zurich in that part of the proceeding. We have assets that will be worked out of the proceeding that we can realize on.

And my explanation is probably fairly rudimentary. The portfolio management team, Natasha, could give you a much more detailed answer.

Q. Do you know how this transaction with Mr. McCoshen originated? And what I mean by that is did Mr. McCoshen approach Bridging or did Bridging approach Mr. McCoshen?

A. That, I don't know.

Q. And if we wanted to ask someone about that, to your understanding, who would we speak to?

A. I think Natasha Sharpe.

Q. So we've had a look at the Ernst & Young website, so Ernst & Young is the monitor for Bondfield. It maintains a website with the court materials posted on it. So I'm just going to represent to you that in the first report of Ernst & Young, so the monitor's first report, it indicates that in October 2018, so before the loan was assigned to Mr. McCoshen, that BFI had issued demand letters to Bondfield in connection with the Bondfield loan.

I'm not a bankruptcy lawyer, but I note that the materials referred specifically to the fact that there were demand letters under a section of the Bankruptcy and Insolvency Act. Is that generally consistent with your recollection?

A. It is.

Q. I also saw reference to the fact that the same day of the assignment agreement, which I believe is November 15, 2018, that Bridging had actually filed an application to have a receiver appointed over Bondfield and all of its assets and properties.

Is that consistent with your understanding?

A. Mr. Rossi, you're getting a

little bit out of my knowledge base on this file. I think Natasha Sharpe would be better -- she would know exactly how that played out. It may have been in court as well. Goodmans would accept instructions from Natasha and the investment management team. I would be on the periphery of that transaction.

Q. But I presume you would have been -- at the time, this is an \$80 million or more, \$84 million loan on the books of Bridging. I presume if Bridging was taking the view that such a step as appointing receivership was required, you would have some sense that there were issues with that loan. Is that fair?

A. When you say issues, we're very comfortable with the collateral, as evidenced by going from \$84 million to I believe it's \$46 million today. So we're very comfortable. It's a timing issue on recovery.

Q. So still today you're comfortable -- you quoted us a number, I apologize, I think it was \$46 million still outstanding?

A. Yes. I'm just looking at my notes. It's \$46 million as of December 31, 2020.

Q. So you're still confident as we sit here today on the ability to recover that

\$46 million?

A. Absolutely, and that would be thoroughly discussed in our audit with KPMG and it's a valuation audit so it's not just a financial statement audit. They would be going through every loan as it relates to the valuation.

Q. I guess the difficulty I'm having, Mr. Sharpe, and I understand what you're saying about valuation, but it seems a little odd to me that Mr. McCoshen would acquire a loan for full value in circumstances in which the company was facing demands from -- demand letters from a senior lender as well as potential receivership proceedings. Is there anything you can offer that can help me here?

A. I don't think that's uncommon where you're an asset-based lender. There may be a proceeding. I know there was many hours spent on this with Ernst & Young, spent with Goodmans, but I wouldn't be in those rooms and having those discussion. This is really the expertise of the credit people at our shop. I would certainly be very, very interested on how the process is going, but Natasha would be running the day-to-day of that and working with Zurich, who is the bonding company, with respect to Bondfield.

Q. Does BFI ever acquire loans from others?

A. We absolutely do.

Q. Are there ever circumstances where you would acquire a loan at face value when facing a receivership application from one of its lenders?

A. We're not distress lenders, we're special situation lenders. We're a bridge of lenders, so I don't know if there are cases where we've done that. We have acquired loans and paid out other lenders because they may have needs at the other lending shop, liquidity needs, other -- a variety of needs where we would come in and purchase the loan at face value, but I'm uncertain if there were proceedings at the time or not. That would be a better question for the investment management team led by Natasha Sharpe.

Q. I think we're going to move on and I'll let Daniel move on to the next topic. But just that last answer, is Natasha still the head of the -- I thought we had heard some evidence that there was a new chief investment officer at Bridging. Am I mistaken?

A. I'll just clarify.

Natasha is the co-CIO --

Q. So still today? Still today she is?

A. Absolutely. Rob Cacovic, who is the other co-COO and he has a lot of banking experience. But Natasha is doing all the registerable activity because Rob Cacovic is going through the process with the commission to be registered.

Q. Okay. Thank you for that clarification.

A. Thank you.

Q. Daniel, I'm seeing we're on to a completely new topic. Maybe we'll take the morning break?

MR. TOURANGEAU: I have one question related to this.

MR. ROSSI: Sure.

BY MR. TOURANGEAU:

Q. You just mentioned that loans have in the past been acquired from other lenders. Is that correct?

A. I believe it is correct, yes.

Q. At face value?

A. Yes.

Q. In the list that was provided to us of all loans since 2017, do you know which ones, if any, were acquired from other lenders?

A. Mr. Tourangeau, I would have to go through the list. I can look at it on break if you wish.

Q. That would be fine. Thank you.

MS. FUERST: Do you have the list handy, Mr. Sharpe?

THE WITNESS: I do. I have a list here somewhere. Yes, I do. I found it. I think it's the correct -- I'll just verify, if you don't mind. Yes, I have a list. Again, it might be better put to someone from the investment management team. I would know generally all these credits, but the acquisition of -- but I'll have a look and I'll do my best.

BY MR. ROSSI:

Q. Okay. Mr. Sharpe, have a look, see if you can identify some examples, but take a break as well. If you need to look at the list over lunch, that's fine. But I just want to make sure you also have a break here. Okay?

A. Thank you, Mr. Rossi. If you're fine, maybe I'll do that.

Q. Look at it over lunch?

A. I appreciate that.

Q. That's okay. So we'll take a ten-minute break, we'll come back at 11:15. Linda, is that okay with you?

MS. FUERST: Yes, it is. Thank you.

MR. ROSSI: Thank you.

--- Recess taken at 11:04 a.m.

--- Upon resuming at 11:14 a.m.

BY MR. TOURANGEAU:

Q. Next, I want to turn to the Alberta to Alaska Railway Development Corporation. I will be referring to it as AARDC. Can you tell me a little bit about this project?

A. Yes. So it's an infrastructure project of a rail line going from Fort McMurray, Alberta to the tidewater in Alaska.

Q. How and why did BFI come to be involved?

A. It was mainly because of we liked the project. We thought it was an excellent project, but it was the First Nation's involvement.

It would be owned close to majority or even majority by First Nation and Métis throughout the rail line, so that would be Alberta, Northwest Territories, Yukon and they call them tribes in Alaska, so we were very interested in the economic reconciliation aspect of it.

Q. How much has BFI loaned to AARDC?

A. I have the number as at December 31, 2020 and it's approximately \$180 million Canadian dollars.

Q. What is the status of the project?

A. Right now, the First Nation and Métis are buying equity into the project, so they're going through the process. I understand that that is imminent. I understand that A2A, the project, they have their fourth meeting with the Canada Infrastructure Bank tomorrow and there is the proposal at a minimum of \$150 million from the Infrastructure Bank, so it's moving forward.

The President of the United States has confirmed his support for the project, so as you may have seen, there was a presidential permit by President Trump and when President Biden came to

power, he cancelled some major projects, but he confirmed his support for this. So it appears that it's moving forward, it's going through permitting, it's going through engineering. There's been millions and millions of dollars spent on engineering and on consultation with indigenous groups. I think the outlook is quite strong for the project.

Q. You referred earlier to AARDC as A2A, I believe. Is that one and the same?

A. Yes. I just thought it might be easier, Mr. Tourangeau, but I'll refer to it however you want.

Q. It's completely fine. We interchangeably can use them for the benefit of the record so we'll know. A2A or AARDC, it does not matter.

A. Thank you.

Q. Then you mentioned potential funding from the infrastructure Bank of Canada and you also talked about other funding that would be coming from First Nation. Is that correct?

A. Yes.

Q. Has it happened as of yet? I'm not sure if I completely followed.

A. No. It's in process and

these are often very slow processes, so that is in process as I understand it. I'm not involved in the meetings with the Infrastructure Bank. As a lender, we just get updates. But I know there's a meeting tomorrow and it would be the fourth meeting. And some of the First Nation have reached out to me because I'm indigenous, so they have reached out to me to talk about the project and their excitement for it. So they often reach out to indigenous people when they know that you're the lender and you're involved, and we call it the moccasin telegraph.

Q. You talked about \$150 million from the infrastructure Bank of Canada. Would that be the minimum? Did I understand that right?

A. That's correct. That's my understanding.

Q. And what would be the funding through the First Nation that is expected?

A. I believe the initial tranche is a minimum of \$160 million.

Q. But, again, we're confirming at this moment everything is in process?

A. Yes. I've had some of the First Nation, prominent First Nations, reach out and

it is a slow process, but it's been ongoing for quite some time. The First Nation, we call them Treaty 8 First Nations, I happened to speak to all the Treaty 8 First Nations approximately three weeks ago and they asked that I get on the line with them during their legislative gathering, so their gathering of the Treaty 8 chiefs. You may have seen that recently in the news that the Treaty 8 First Nations have affirmed their belief in the project and having what they call -- I believe they're calling it an energy corridor through their territory, so that is quite significant. But this would go to the highest levels of government in Alberta, the territories and in Ottawa as well.

BY MR. ROSSI:

Q. Just before you continue, I'm curious, how do you know specifically that there's a meeting with the Infrastructure Bank tomorrow?

A. As the lender, that would be part of our monitoring. I want to get regular updates and they have quite a large team, so I would get updates from their president, would be the main person who would give me updates. He's an indigenous person by the name of J.P. Gladu.

Q. I think I missed the name.

J.P?

A. Yes.

Q. What's the last name?

A. Gladu, G-L-A-D-U.

Q. So there's sort of a regular line of communication between you and Mr. Gladu?

A. Yes.

Q. Thank you. Sorry, Daniel.

Go ahead.

BY MR. TOURANGEAU:

Q. Has construction started?

A. The surveying, aerial surveying is done, so that would determine the optimal route for the rail line. A lot of the -- Alberta is very anxious and the premier of Alberta is very anxious to get rolling this summer. COVID has certainly slowed it down, but to get on the prep work. But I believe the prep work for construction has started. That means the clearing and other aspects and the engineering firm would be in charge of that. It's HDR engineering and AECOM who are the main engineering firms involved.

Q. At this moment, though, do you have authorization to start building?

A. Yes. In Alberta, yes, they

do.

Q. In Alberta?

A. Yes.

Q. In other territories?

A. Not in Yukon, I believe, and to my knowledge not in Northwest Territories. It's Alaska, yes.

Q. At this point, is the project generating any revenue?

A. Not to the best of my knowledge, it is not?

Q. Has A2A made any payments since the loan inception?

A. I'm uncertain of that. They may have.

Q. Do you know how much approximately?

A. I don't. I think that would be better for the investment management team. But they may have made payments certainly. I think the view at Bridging is that we're not going to be advancing any more money. Now it's time for the equity to step in. And that's a means for us to be repaid obviously, is through equity and through government grants and through the offtake companies,

so that would be companies that involve container traffic, it would be companies that involve bitumen and it would be stranded mining assets in the north.

Q. When was the last time that you advanced funds to -- that BFI advanced funds to A2A?

A. I'm uncertain of that.

BY MR. ROSSI:

Q. So appreciating that you're not 100 percent sure whether or not there have been any payments, just in a general sense, is it your understanding that interest is being capitalized on the loans to A2A?

A. Yes.

BY MR. TOURANGEAU:

Q. To your knowledge, I understand you're uncertain as to when the last advance to A2A was made. Was there any in 2021, to your knowledge?

A. I'm not certain of that as well. I would have to check.

Q. Okay. And you've mentioned a few, maybe a minute ago, that you were not going to extend any more funds to A2A at this time?

A. That's correct.

Q. Does BFI monitor how the funds loaned are spent by A2A?

A. Yes.

Q. How?

A. It would be engineering work, preliminary construction work, permitting, fleets, fleets of lawyers, very complex, travel, big money is consultation with indigenous groups.

Q. Are you provided by A2A or someone else, anyone on behalf of A2A, with spreadsheets monitoring the expenses?

A. I believe so.

Q. In the due diligence file BFI provided, we did not find a breakdown of actual money, loan and expenses day to day [CK THAT]. Is it somewhere in the file that you have sent to us?

A. It may very well be. I haven't checked that. I have the documents on my screen here that you provided, but I haven't checked whether that's in the file.

BY MR. ROSSI:

Q. Could we ask you over the lunch break if you could have a look and see if there's a specific document that addresses what you were just referring to, so potential accounting of how the

monies were spent. Is that okay, Mr. Sharpe?

A. Sure.

Q. And just before Daniel continues, when you were listing examples of costs, expenses, that you attributed to the project, I believe you indicated in that list consultation with indigenous groups and I just wasn't clear. What is the cost component of that?

A. It would be travel, spending time over a number of years, I think they have been consulting for a long period of time, it would be advisors, it would be law firms as well. That would, I believe, be the main cost, but really fleets of lawyers involved who specialize in this type of work and also indigenous firms. I know they've had two or three indigenous firms that travel through the territories and travel through the north to meet with the groups. And in the indigenous context, it can be very sometimes disheartening and complex. You could be in the north and travel long and far to get there and there's a death in the community and it just shuts down and you leave and you repeat, you repeat and you repeat. I think what we've seen in Canada is you get the government approval and then you go to the First Nations, talk to First Nations, and it's sort of

backwards. If you want to have a successful project, you must do the consultation over time. And governments, indigenous governments, change, so if a new chief and council comes in, where you start over again.

Q. Okay. That's helpful to understand. Thank you, Mr. Sharpe.

A. Thank you.

BY MR. TOURANGEAU:

Q. I will now introduce Exhibit 8, which is the net worth statement from Sean McCoshen as of January 2021.

EXHIBIT NO. 8:

[\[Description\]](#).

MR. ROSSI: It will just take me one second to pull up that document.

BY MR. ROSSI:

Q. Now that Mr. McCoshen's name just came up, I'm not sure we touched on it in the context of the discussion we were just having.

In these consultations with the indigenous groups, is Mr. McCoshen sort of the lead person to your understanding at least representing A2A in the process?

A. Mr. McCoshen is not

indigenous, and so you need to have indigenous people in the room. He has, I believe, over the years done some of the consultations, but it's mainly people who are indigenous who really understand the culture, and so it would be consultants.

Q. I think I misunderstood because of the reference in the letter to him sort of being a point of contact for other First Nations in its relationships with Bridging. So he can have some relationships, but he doesn't identify within the community?

A. Yes. So he's had other relationships that he's introduced us to, but with respect to the Treaty 8 First Nations, by way of example, or up in the Yukon or Northwest Territories, they would use, A2A would use, local firms, people who are familiar. And they don't always have to be indigenous. There are folks who are well-versed.

I'll give you one example. An individual from the Yukon who is well-regarded, an academic, but he is not indigenous but just understands our culture very well.

Q. But it's correct that Mr. McCoshen is the principal owner and operator of A2A. Is that right?

A. Yes, that's correct.

Q. I think I have the exhibit, so I'm going to put it on the screen, Mr. Sharpe. I realize this document, the scan is not perfectly crystal clear. I've tried to increase the size, but take a moment first before we ask you any questions and let me know if you're able to read it.

A. Yes, I am.

Q. Perfect. Daniel, go ahead?

BY MR. TOURANGEAU:

Q. Thank you. What is the purpose of this document?

A. Well, Mr. McCoshen would have a personal guarantee as part of the collateral package, and so we would want to know -- we would want to have an idea of his net worth.

Q. So did you ask for Sean McCoshen to provide you with this document?

A. I'm uncertain of that. I think we would probably have over the course of the file, but I'm uncertain. I'm speculating that we would have something similar to this.

Q. So to your knowledge, does this summary include the assets and liabilities of all

Sean McCoshen's companies?

A. To the best of my knowledge, it should.

Q. And all of his personal assets?

A. It should, to the best of my knowledge.

Q. Now, you've mentioned that to your knowledge, Mr. McCoshen is the owner operator of AARDC. Is he the only owner of AARDC?

A. Bridging Finance, as part of its loan, we have a convertible aspect to our loan. I'm uncertain whether we've exercised that. I know that we want to. The investment management team wants to and it's a convertible for 20 percent equity ownership for the funds, I might add, not for Bridging Finance corporation, but for the funds. And for this type of project, that is significant and that helps us derisk the loan absolutely. So our intent is to exercise on that conversion.

Q. To your knowledge, is Mr. McCoshen the sole owner of all the other companies listed on this document?

A. To my knowledge, yes.

Q. Under the Alaska Alberta

Railway Development Corp. headline, there is a line in the Asset column indicating \$4 billion. What is that?

A. Yes. That is the McKinsey valuation of the project. I think they're valuing it at \$3.8 billion or it might be \$4 billion, so McKinsey is working with A2A out of the United States and Canada and they're doing valuation work.

Q. We briefly discussed earlier about, when I asked about whether there was authorization to start construction, and you mentioned yes there is in Alberta and Alaska, but not in other territories. Does this project still require authorizations from governments?

A. Yes, it does. They're going through the permitting process with the federal government. The governments in the Yukon and the Northwest Territories are very keen on the project. They want the project to go ahead, but it's really indigenous driven. So Mr. McCoshen and A2A, they're still in the middle of their consultation to the best of my knowledge with the indigenous groups.

And I'll give you an example. In the Yukon, the indigenous groups there are very, very interested in the patterns of caribou and the impact

of a rail line. There's a north herd and a south herd and the impacts of a rail line going through the caribou herds' territories. I believe that's being studied and that has to be recorded to the First Nations up there. But they're very sophisticated First Nations in the north and very economic development oriented.

Q. You mentioned earlier the federal government. Does the project require federal authorization?

A. It requires permitting, yes. It requires the permitting process to be completed with the federal government, which is in process now.

Q. Any environmental authorizations are required?

A. That's part of that federal government process.

Q. In the U.S., does the federal government have to approve it as well?

A. It is fast-tracked. I believe they have their approvals in Alaska. In the United States, it's much easier than it is in Canada, to the best of my knowledge, that they're much more economically driven with respect to these types of

infrastructure projects, as evidenced by President Biden's commitment to rail and spending on infrastructure and rail on infrastructure.

BY MR. ROSSI:

Q. Just on that point, I just wanted to ask I think in the file we've seen a permit, the permit you referred to from president T. I'm not sure we've seen anything from President Biden, so I'm just wondering is there a specific document or otherwise some sort of verification for B's support that you're referring to?

A. There isn't. It's evidenced by not cancelling the project. I think his first day in office, President Biden cancelled -- I forget -- one of our big projects in Canada, and I just can't remember which one.

Q. I think it was the Keystone?

A. The Keystone. Thank you, Mr. Rossi. He cancelled that and this was his affirmation. On this team, there's a gentleman by the name of Chris Dodd who is very close with President Biden.

Q. Sorry, on whose team?

A. On the A2A team. So he is -- I think he's a former senator. The Dodd-Frank

legislation a named after him, so Chris Dodd is on the A2A team and he speaks to President Biden most days.

Q. What does it mean he's on the team? Is he an advisor or is he part of the management or a director? Maybe you can explain what you mean.

A. To the best of my knowledge, he is an advisor to the team, so he's on the team as part of advising on government affairs and relations in the United States.

Q. I'm not sure it matters one way or the other, but advisor could mean a couple different things. Is it your understanding that he works for A2A, like as an employee, officer, director, you know, consultant or he works for a separate firm that A2A has retained?

A. To the best of my knowledge, he works for A2A as a consultant.

Q. Okay. Thank you.

BY MR. TOURANGEAU:

Q. So I think you have as of now given formal authorization to proceed. In other words, if the Canadian government was to give the green light, is it already automatic that the U.S. said yes, it's a go-ahead?

A. To the best of my knowledge, yes.

If I can just elaborate, and this is also amazing to me, the strategy of the United States government, they're really gung-ho just to military purposes. It's very odd, I know, but they're very worried about the Russian threat and they want to be able to get military equipment to Alaska very quickly if needed, so that was explained to me and I found that very interesting.

BY MR. ROSSI:

Q. Mr. Sharpe, I believe in the McKinsey materials there was a reference to expected government financing. Does that sound familiar?

A. It does sound familiar.

Q. And I think they were described as milestone payments. I don't know if that's consistent with your recollection?

A. I would have to familiarize myself with that again.

Q. If we need to pull it up, I can. Maybe I'll just ask the general question. We don't need to get down to the dollar. I believe there was a reference to upwards of \$14 billion being

expected in government milestone payments in the McKinsey report. Is that generally, gave or take a few billion dollars, consistent with your understanding?

A. Yes, it is.

Q. So that's a pretty major assumption, then, in the McKinsey report that there will be, you know, over \$10 billion in government funding for the project?

A. I don't think the project really worries about the capital through government, through pension plans, through other sources of equity. It's a lot of money, I know, but it's a very important project to North America, so I think the money, quite frankly, is the easy part. The more difficult part -- this is the reason I was very interested in this -- is the indigenous part.

Q. Okay. Daniel?

BY MR. TOURANGEAU:

Q. So you mentioned the status of the authorization, that it's ongoing. As of this moment, what is the status of the authorizations and what's the expectation?

A. Premier Kennedy wants to really get rolling on construction this summer, so

there's been all the surveying as mentioned with respect to the route. So Alberta is very straightforward, as I'm led to believe. In the times before COVID, I would be invited to some of these meetings as part of our monitoring role, so I would go and be very interested in what the government had to say. So Alberta is a go and they have said through Premier Kennedy and they have, I think they call them MLAs, who is assigned to this project and so they're very, very anxious because of the state of their economy to have infrastructure spending.

Q. Does the \$4 billion value assume that the project will go ahead?

A. I think that's implicit in that number.

Q. What happens if the does not go ahead?

A. I think it's just the -- you have to push on and ensure that it moves forward. We like the collateral that we have, we like the fact that the work is portable, you can sell this project, they have a 99-year lease with the Alaska railway, which is there's commercial aspects to that. They have a port agreement in Alaska as well, so there would be things that you could do, that we could do, to recover.

But we're keen to see equity come into the project, so we lead the project, and we like to see that starting this calendar year.

Q. These assets that you just mentioned, are they included in the assets listed in this document?

A. They should be.

Q. Because you mentioned assets in a port?

A. Yes, a port agreement.

Q. I'm sorry, I missed that?

A. A port agreement for Alaska.

Q. In which category would it be included in this document?

A. This document that we have in front of us, Mr. Tourangeau?

Q. That is correct.

A. It wouldn't be included in this document. It would be included in the collateral and the assets with respect to the project.

Q. So what collateral did you obtain as part of the loans?

A. So I have a list here. I just jotted down a couple of notes. We have

Mr. McCoshen's personal guarantee, we have a share pledge with respect to an account at Canaccord. We regard the presidential permit as collateral, the permitting work done as collateral, the engineering, the port deal as mentioned, and the Alaska railway lease.

Q. You said you see the president permit as collateral?

A. Yes. They're very, very difficult to obtain and it means that you have a project that has a crossing, an international crossing, between the United States and Canada.

BY MR. ROSSI:

Q. Is the permit transferable, to your understanding?

A. It would be on that crossing with respect to rail.

Q. And you referred to the work done as being collateral, so I take it both of those, the permit and the work done, are only valuable to the extent they can be sold to someone else pursuing a very similar project. Is that right?

A. I think the exit would be either CN or CP and that's certainly, I think, for the project itself, the rail project, that is a very

viable purchaser. I think they're trying to go it alone without them, but there's been discussions with CN and CP.

Q. And you referred to a share pledge at Canaccord. I just wasn't sure I knew what that was referring to. What shares and whose account?

A. It would be Mr. McCoshen's account and, as we like to do, we like to have belts and suspenders in taking the collateral that we can take, so in conjunction with his personal guarantee, there's an account there and with marketable securities. I don't have all the specifics on that, but there are securities with that account and a control agreement. I think you probably have that.

Q. I think you said the current outstanding balance on the loan, I'm just looking, was \$180 million?

A. That's right.

Q. So do you feel like these assets would cover \$180 million?

A. I do, yes.

Q. Even in sort of a liquidation CEO?

A. In a sale CEO to CN or CP.

I know it's a big number, but as evidenced by the transaction in Kansas City and I believe it's CP made the offer and out bid them, these are large numbers, but it's in keeping with what we understand is market.

Q. Okay. Daniel, go ahead.

MR. TOURANGEAU: Thank you.

MR. ROSSI: Daniel, if you're done, I'll take the document down?

MR. TOURANGEAU: Yes, thank you.

BY MR. ROSSI:

Q. Before we move on, in connection with those assets, does Bridging have any independent valuation of the collateral, so the assets that you just referred to there in that list?

A. We would on some of his assets. We would certainly on the investment account, the valuation of the project. That would be independent of course. McKinsey is not our relationship, so we're independent of Mr. McCoshen and of Bridging, so yes.

Q. So I'll rephrase slightly. I understand the McKinsey report, I think we talked about it, it's an implicit assumption the project is going to move forward.

What I'm trying to ask is: In any

event the project doesn't move forward and Bridging has to realize on the collateral, do you have any, does Bridging have any, independent valuations that support your belief as you shared it with us that those assets would cover the \$180 million outstanding on the loan?

A. Yeah, I believe the answer would be on the McKinsey report, it's not just -- I touched on it a little bit earlier with Mr. Tourangeau. It's not just incumbent on full completion of the project. The project is portable, so as you move or as they move along, A2A, along in the process of permitting and consultation, it's just -- it becomes a reality and it becomes something that there could be a quick exit. If we had to see the project, because the shares of the project or the project itself is part of our collateral, we believe that we would easily find a buyer. And that would be a major railway company or a major oil company or an offtake company.

BY MR. TOURANGEAU:

Q. Does that assume that the authorization by the federal government would be received?

A. Yeah. Every indication is

that that it happening. This has been a process and we didn't start off saying to A2A, here is \$180 million. There was milestones as they went with respect to the projects. We were quite happy with those milestones and it's at a stage now where we feel that it could be sold. If we had to take it over, we know that it could be sold. There's enough progress on the project, so we're very happy with that.

BY MR. ROSSI:

Q. Just looping back to the discussion where you were having with Mr. Tourangeau, I think what we're trying to -- I remembered my question.

I take it you were the lead at Bridging dealing with the A2A project. Is that correct?

A. I wouldn't say I'm the lead. I'm part of a team. Natasha Sharpe would be involved, Graham Marr would be involved. I think from a portfolio management standpoint, it would be Graham Marr. I would be the lead on indigenous issues, as mentioned, so they might ask me to participate in a call and I've done that recently with some First Nations where they would cart me out as the indigenous person to speak and there's very few of us on Bay

Street, so it's somewhat novel for First Nations in Alberta and they like that. So I would say, you know, we're the lender, that sort of thing, and just given a description of the project and our involvement.

Q. Is there a designated lead person sort of with ultimate responsibility for managing this relationship, this very large loan to Alaska, to Alberta rail?

A. At Bridging, we do most things by committee, so it would be discussed every week and it would be the co-COO, Rob Cacovic, it would be myself, Natasha Sharpe, Graham Marr, Brian Champ. As I think I've mentioned before, we call it sharing the liability, so it would be that, that team approach.

Q. Is this the largest loan by total value that Bridging has made from the BFI funds, like in aggregate?

A. It would be up there. I'm not sure if it's the largest, but it would be up there.

Q. So whether or not it's the single largest, you know, based on the fact that it is one of the largest, would you be involved in all of the discussions surrounding extending additional financing to A2A?

A. I would be -- because of my role with the credit committee, I would be on those calls.

Q. Just moving back to the issue of the collateral, I do I want to avoid hypotheticals, but you were discussing some hypotheticals, so I just want to make sure we're getting both sides of this so we have the full picture here.

So you had discussed one hypothetical in which A2A doesn't move forward and the project is sold to someone else. So what I'm wondering is, you know, in a situation where that sale -- let's just go with a very clear example.

If either the Canadian government or the U.S. government withdraws or does not provide approval for the project, is Bridging going to suffer a loss on that loan? Is this really conditional on, at the very least, government approval?

A. We don't think so. Our rationale is this: That if it gets stalled under this regime, under this group at A2A, and it's sold to a CP or CN, it will move forward. We're certain of that. The project is just too important to the country and too important to the north, and we know

that CN and CP have expressed a lot of interest to take this project over, and you might expect groups of that size would be very successful with this type of project. So that is an exit for us, but we are motivated to see sales of equity to offtake companies and also to indigenous, and it's anticipated that at least 49 percent of rail line will be owned by indigenous groups.

Q. I don't have any further questions on that, Daniel. Please go ahead.

BY MR. TOURANGEAU:

Q. Thank you. So if we turn back to Exhibit 6 --

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

MR. TOURANGEAU: Of course.

BY MR. TOURANGEAU:

Q. You will see that the first full paragraph on page 2 -- that's okay, Carlo.

MR. ROSSI: I just wanted you to give Mr. Sharpe an opportunity to see the letter.

MR. TOURANGEAU: No problem.

MR. ROSSI: Is this the letter from Kevin Richard dated February 3?

MR. TOURANGEAU: That is

correct.

BY MR. ROSSI:

Q. Are you able to see that?

A. I am.

Q. Please tell me where you would like me to go in the document.

BY MR. TOURANGEAU:

Q. It's the first full paragraph on page 2, and you will see it refers to Mr. McCoshen donating to the David Sharpe Professorship in Indigenous Law Campaign at Queen's University, Faculty of Law.

I take it this is an initiative that you are spearheading?

A. I'm the chair of the law school at Queen's and it's something that the school was spearheading, Queen's was, not just the law school, but Queen's overall, so they're really -- because of my commitment to the law school and to Queen's, they came up with this idea.

Q. What is your relationship to Queen's University?

A. Well, I'm on the board of trustees. I've been on the board of trustees for three years. I am the chair of Dean's council, as

they call it, and that is members of the bar across Canada, so that is the stewardship of the law school and most recently was on the search committee for a new chancellor that was just announced yesterday. It was Murray Sinclair, a former senator and judge. And I teach at the law school, too. I forgot about that. I teach First Nations negotiations at Queen's law.

Q. Do you recall the amount Mr. McCoshen donated?

A. I do.

Q. How much was it?

A. In total, there was \$250,000.

Q. Is that similar to the amount others have contributed?

A. I don't know exactly. I know that the Coco family donated \$250,000 as well. There's a campaign ongoing right now that I'm not really involved with. There's a committee, and so they're going through that process. There is a goal of a dollar amount to get to.

Q. Have any other individuals that are related to the loan counterparties made similar donations?

A. No. Not to the best of my

knowledge, no.

Q. Okay.

BY MR. ROSSI:

Q. I think Daniel is done with this section, Mr. Sharpe, so I'm just going to ask a wrap up question. I think a lot of the questions will sound familiar based on your last interview, so just bear with me. I'm going to do a little preamble and then I'm going to ask you a series of questions. I would just ask that you listen to the preamble and if you need me to slow down or repeat something, ask me to do that and I will be happy to. Okay?

A. Okay.

Q. We have discussed several aspects of BFI's relationship with Mr. McCoshen today and I'm going to list those out for you and then I'm going to ask you some questions just to confirm that you have given us your complete evidence on the relationship between BFI and Mr. McCoshen. Okay?

A. Okay.

Q. So we've talked about loans that BFI made from the BFI funds to 405 Ontario and Alaska to Alberta Railway Development Corporation, so that's one.

We've talked about the fact that

Mr. McCoshen has introduced various First Nations to BFI and may have acted as an advisor to certain First Nations that obtained loans from BFI, so that's point 2.

We didn't talk about it today, but the last time we spoke, we discussed the fact that Mr. McCoshen was a guarantor on a loan that the BFI funds made to GrowForce. Okay? So that's item three.

And you and Mr. Tourangeau just discussed the fact that Mr. McCoshen made a donation, as I understand it, directly to Queen's University for the David Sharpe professorship and indigenous law campaign.

So those are the four things that I believe we've discussed, so I want to ask you a series of questions.

First, is that the extent of the relationship between BFI and Mr. McCoshen?

A. Yes, to the best of my knowledge.

MS. FUERST: Let me just clarify. I just want to be clear. In paragraph 2, there's a chart that lists loans that BFI approved or funded in respect of which Mr. McCoshen had any

involvement, and I think there's at least one that you didn't refer to expressly, the Douglas Cardinal Housing Corporation.

MR. ROSSI: Thank you very much.

MS. FUERST: Just to be fair to Mr. Sharpe.

MR. ROSSI: Absolutely.

MS. FUERST: There's information in Exhibit 6 as well.

MR. ROSSI: So maybe we'll just pause before I ask that question because I think I just inadvertently left that off.

BY MR. ROSSI:

Q. Mr. Sharpe, can you give us a general explanation for the loan that we see referenced -- it should be on the screen -- which appears to be a loan to Douglas Cardinal Housing Corporation and we see that Mr. McCoshen is identified as a director, officer, shareholder and guarantor on that loan?

A. Sure. I met Mr. Cardinal through Sean McCoshen and Douglas is an indigenous leader, architect, elder. And so Douglas Cardinal had a vision of sustainable housing for First Nations and sustainable housing in his mind was

cross-laminated timber, so Douglas designed some of these houses and these are the houses that, through his design, were used in Misipawistik that is listed, which is also known as Grand Rapids First Nation, so we have been refinanced out of that project by the Bank of Montreal, so we used Douglas's design in cross-laminated timber and also some houses in Peguis, so that's part of the funding to the Douglas Cardinal housing corporation for Douglas's designs and through the IP on the project and on his designs as well.

Q. Do you, as we sit here today, recall how much Bridging advanced in connection with that loan?

A. Yeah. I think it's less than a million dollars.

Q. And it says in the notes here on the letter, Exhibit 6, collateral remains in place with repayment expected in 2021. I don't want to put you on the spot, but do you know whether this has been repaid as we sit here today?

A. I don't know. I'm fairly confident that it will be repaid in 2021. The collateral behind the loan is property that Mr. Cardinal owns in Ottawa, where he's from, where

he resides.

Q. Does Bridging have any other involvement in the sustainable housing project being referred to here in the footnote on the page?

A. No. We like indigenous housing, but because of Mr. Cardinal's declining health, he's up in age, he's probably mid80s, very lucid, but his health isn't that great, so his projects have really been stalled because of that.

Q. Okay. Daniel, did you have any questions about this? No.

Thank you very much, counsel, for pointing that out. I appreciate it.

Mr. Sharpe, I'm just going to it again. I'm going to read the whole list but make sure I refer to this loan as well.

So the four categories that we've discussed, number 1, loans that BFI has made to 405 Ontario, A2A or what we've referred to as AARDC today, and the Douglas Cardinal housing corporation, so that's Category 1.

Category 2 is the fact that Mr. McCoshen has introduced various First Nations to BFI and also acted as an advisor to various First Nations that BFI has made loans to.

Again, last time we discussed the fact that Mr. McCoshen was a guarantor on a loan that BFI made to GrowForce.

And finally, the donation we discussed today that Mr. McCoshen made to the David Sharpe professorship and indigenous law campaign at Queen's University.

Taking into account those four categories, is that the extent of the relationship between BFI and Mr. McCoshen?

A. Yes, it is, to the best of my knowledge. And I also just want to say I don't like the name of the scholarship, just for the record. I would rather not have my name on there, but he insisted. It seems rather egotistical.

Q. So next, did BFI or any of its officers, directors or shareholders, to your knowledge, have any other dealings with Mr. McCoshen, other than what we've discussed?

A. No.

Q. Did Mr. McCoshen ever invest in BFI?

A. No.

Q. Did Mr. McCoshen or companies related to Mr. McCoshen ever make any loans

to BFI?

A. No.

Q. What about personal loans to BFI directors, officers or shareholders?

A. No.

Q. Did --

A. To the best of my knowledge.

Q. I think we spoke over each other. Think you said to the best of your knowledge, no?

A. That's correct.

Q. Did Mr. McCoshen or companies related to Mr. McCoshen make any other payments to BFI's officers, directors or shareholders?

A. No.

Q. Were there any other transactions involving Mr. McCoshen or companies connected to Mr. McCoshen that we've not discussed today?

A. Not that I'm aware of.

Q. Okay. What time is it?
It's 1210:00. We have a couple small topics that I think we might as well cover and then we'll take the lunch break, if that's okay.

Daniel, over to you?

BY MR. TOURANGEAU:

Q. Thank you. Now I want to turn back to discuss some issues we touched on during the last interviews regarding transactions involving Mr. Gautam and Mr. Ng. If we go to Exhibit 1, tab 3, please, it will be the loan schedule that was prepared by BFI.

MR. ROSSI: Sorry, Daniel, I think I just missed which loan schedule you wanted me to pull up.

MR. TOURANGEAU: Of course. It's Exhibit 1, tab 3. It is the small --

MR. ROSSI: Okay.

MS. FUERST: The condensed schedule.

MR. ROSSI: Sorry, Linda, I missed that comment?

MS. FUERST: I said schedule, not the full schedule of all the loans. Right?

MR. ROSSI: That's correct.

BY MR. ROSSI:

Q. Mr. Sharpe, I'm going to share the schedule, but I'm just recognizing because it contains a lot of information, it might be the case

that you have to ask me to scroll to make sure that you can see the information. But could just ask, is this one of the documents? This is the exhibit, confidential document brief of staff dated October 23, 2020.

Do you have that document with you? Because it might just be easier for you to view it, this one, in a paper copy? But of course I'm happy to do whatever is going to be of the most assistance for you.

A. Yes, I have it.

Q. Okay. You have a paper copy with you?

A. I do, yes.

Q. Okay. Thank you.

BY MR. TOURANGEAU:

Q. Thank you. So this is a condensed schedule of certain loans to HR Holdings, GrowForce and companies related to Mr. Ng.

I believe you previously confirmed that the schedule includes all the loans from the BFI funds, companies related to Mr. Gautam or Mr. Ng. Is that correct?

A. Yes.

Q. And please, if you want to

take a moment to review the list, please do so.

A. It looks to me to be the full list to the best of my knowledge.

Q. Are you able to tell me what the current status is for the loans to MJardin?

BY MR. ROSSI:

Q. Just before you do that, Mr. Sharpe, I think, so it's clear for the record, this schedule refers to loans under two different headings for the Gautam loans, as I understand it. The first is MJar Holdings Corp, the second is GrowForce Holdings Inc., but I believe we've been told by Bridging that Bridging treats the loans as all under the same umbrella, being the MJardin Group, which is now the public company.

First, I'll make sure that that's correct?

A. Yes.

Q. And so I just wanted to be clear when Mr. Tourangeau is asking you about the loans to MJardin, he's referring to the totality of the loans outstanding to the MJardin Group.

A. Thank you.

Q. You're welcome. Maybe ask your question again, Daniel.

BY MR. TOURANGEAU:

Q. Absolutely. Considering that GrowForce loans would be part of MJardin, are you able to tell me what the current status is for the loans to MJardin? And by that, I mean how much is outstanding on those loans?

A. Yes. I have the number as at December 31, 2020. The total outstanding balance is approximately \$153 million.

Q. Are the loans in good standing?

A. Yes, they are.

Q. Do you have any current business dealings with Mr. Gautam?

A. No.

Q. I believe we covered this in the last interview, but other than your mutual involvement with BFI, whether you loaned directly or indirectly any other companies with Mr. Ng?

A. Just to clarify, are you asking if I did own any other companies or Bridging?

Q. I'm sorry. Let me repeat the question.

A. Okay.

Q. Whether other?

MR. ROSSI: Daniel, I'm going to interrupt. I think the premise of the question is a little bit misplaced and that may be the issue.

BY MR. ROSSI:

Q. Other than Mr. Ng's involvement as a shareholder in BFI, and we understand you are not a shareholder in BFI, are there any other businesses in which you and Mr. Ng are co-owners?

A. No.

Q. Okay. At any point in time, was that the case?

A. It never was the case, so no.

Q. Daniel, you can continue if you have a further question on that.

BY MR. TOURANGEAU:

Q. Thank you. I would like to look at Exhibit 2, tab 2, please. This was, Mr. Sharpe, the questionnaire.

MR. ROSSI: I think you cut out for a second. Where are you taking us?

MR. TOURANGEAU: Exhibit 1, tab 2.

MR. ROSSI: So we're in the same document, tab 2. Give me one second.

BY MR. TOURANGEAU:

Q. This is the background questionnaire that you are completed before the first interview on October 23, 2020. Can you see this document?

A. Yes, I can.

MS. FUERST: Just to clarify, I think there were some corrections to this that were made.

MR. ROSSI: Counsel, I also have that recollection. What I can't recall is whether that happened before or after the interview. But if you would like, we can come back to this when I've had an opportunity to confirm that this is the most recent version that was provided by you, because I do recall that you did provide an amended version. I just can't remember if this is that one. So if you would like, maybe that's best.

MS. FUERST: If we could make circle back to this after the lunch break, just in fairness again.

MR. ROSSI: Absolutely. I'm happy to do that. Daniel, we can leave this. I'm not sure if you have anything else you want to deal with before lunch.

MR. TOURANGEAU: No. In this case, let's just wait for after lunch.

MR. ROSSI: Okay. We can go off the record.

--- (Off-record discussion)

--- Luncheon recess taken at 12:20 p.m.

--- Upon resuming at 1:28 p.m.

BY MR. ROSSI:

Q. We're back on the record. It's about 1:29 p.m.

Mr. Sharpe, I understand before the lunch break, you indicated you were going to go look into a few matters. Can you let us know what you found?

A. Sure. On A2A, the last tranche was February of this year for \$20 million. And with respect to the other matter, I looked at the list of loans and I just don't know. I wouldn't have the knowledge of where they came from, if it's a purchase or an assignment, so I think that's better left with investment management.

Q. And investment management, I think you indicated earlier, the best person to speak to on that would be Natasha Sharpe?

A. Yes.

Q. Okay. Thank you for doing that. I hope you had the time to take a lunch break.

A. Yes. Thank you.

Q. Mr. Tourangeau, do you want to take it from here?

BY MR. TOURANGEAU:

Q. Just give me a moment.
Okay.

So I would like to show the questionnaire, the revised questionnaire, which will be Exhibit 9, that, Mr. Sharpe, you had completed prior to the interview of October 23, 2020.

MR. ROSSI: I'll just introduce the exhibit a little bit differently. Just one second. I apologize. So the next exhibit is going to be a revised questionnaire which was provided by counsel to Mr. Sharpe by e-mail on October 26, 2020.

EXHIBIT NO. 9:

[\[Description\]](#).

BY MR. ROSSI:

Q. I'm going to pull up the questionnaire right now and share it. Please let me know if it's visible.

A. Yes. Is it possible to make it a bit larger?

Q. Absolutely.

A. Thank you.

Q. How is that, Mr. Sharpe?

A. That's great. Thank you.

Q. You're welcome.

BY MR. TOURANGEAU:

Q. If you could please scroll to question 7.

MR. ROSSI: We're on page 2, question 7. The heading is Privately Held Firms. Go ahead, Daniel.

BY MR. TOURANGEAU:

Q. The last item of question 7 starts with 2717277 Ontario Limited. Do you see that?

A. I do.

Q. It says that you were an indirect owner and director from December 2019 to January 2020. Is that correct?

A. Yes.

Q. Who owns that company?

A. I don't even know what it is, quite frankly. I don't know who owns that company?

Q. I would like to introduce a

new exhibit, Exhibit 10.

BY MR. ROSSI:

Q. Just before you do that, again, Mr. Sharpe, just help me with this: If you're an indirect owner and director, how is it that you don't know who owns the company?

A. I'm not exactly sure. I see that it's been around for about a month or two, so I'm not exactly sure what it was. I think probably, in filling out the form, it would include it, but I have no clue what it is.

Q. Is it the case that you just own or have interest in so many companies that you can't recall?

A. No. I do have a lot of OVAs, as you can see, but I really don't have any idea what it is.

Q. Okay. Go ahead, Daniel.

BY MR. TOURANGEAU:

Q. So I would like to introduce Exhibit 10, which is a corporate search of 2717727 Ontario Limited.

EXHIBIT NO. 10:

[\[Description\]](#).

MR. ROSSI: Just give me a moment

to switch the documents.

BY MR. TOURANGEAU:

Q. Can you see this corporate profile, Mr. Sharpe?

A. Yes.

Q. Okay. It is the corporate profile of 2717727 Ontario Limited. If we scroll down a little bit, please, you will see here that the name of administrator as director, Gary Ng's name appears?

A. Yes.

Q. Does Gary Ng own 2717727 Ontario Limited?

A. I have no idea. I don't even know what it is. Maybe he incorporated that. I'm not certain. The address is a BC address and of course I don't know if that's PI's address or not, but I'm not familiar with the address at all.

Q. So -- go ahead.

MR. ROSSI: Sorry, Daniel, I'll just jump in.

BY MR. ROSSI:

Q. We're trying to understand the situation, Mr. Sharpe. You disclosed in your questionnaire that you had some involvement with this

business. You did not identify Mr. Ng as having any involvement in the business. We've run the corporate profile, we see Mr. Ng has some involvement, so if you can offer any explanation for this, you know, did you have any other business ventures, coventures, with Mr. Ng?

A. No, not at all. I would be speculating. Perhaps I shouldn't, but I will. It could be for the purposes, Gary's purposes of investments, but absolutely no investment with Mr. Ng, so it's unusual that it was around such a short period of time.

Is there any idea of who discontinued the company? And is the company still active, I wonder?

Q. I'm going to scroll through the document, Mr. Sharpe, but I think that's all that we can offer, is what's on the paper here.

A. I wish I knew what it was about. Gary was always talking about investments and that sort of thing, and this could be one of his grand scheme for investments, but I'm not certain at all.

Q. So I'll just note for the record that the corporate profile report indicates it was produced on May 14, 2020 and the status of the

corporation is active.

BY MR. TOURANGEAU:

Q. Mr. Sharpe, did you complete the -- sorry, Carlo, go ahead.

MR. ROSSI: No, Daniel.

Continue. That's fine.

BY MR. TOURANGEAU:

Q. Did you complete the questionnaire yourself, Mr. Sharpe?

A. With the assistance of our general counsel?

Q. And my question is: If you don't know the company, how did you know to add it on the questionnaire?

A. I am thinking that he did, because I really don't know anything about the company.

Q. And how would you or he, if he completed it, know that you're an indirect owner?

A. I don't know. It's a very good question. I have no idea and certainly if I -- it's nothing I was involved in. That's for certain.

Q. Thank you.

BY MR. ROSSI:

Q. I think we're going to move off this. But I just want to say, Mr. Sharpe, I'm sure you can appreciate that the relationship between Bridging and Mr. Ng and Bridging's officers and directors and Mr. Ng is extremely important and relevant to the enquiries that staff has, so I'm sure you can appreciate why we have questions about this.

I just want to give you an opportunity. During your last interview, we did ask you a similar series of questions to the ones I asked you after we talked about Mr. McCoshen today, including whether you had any other business dealings, whether anyone at BFI, officers, directors or shareholders, had any other dealings with Mr. Ng.

So we've seen this and I appreciate you don't have any more information to offer us at this time and we may have further enquiries of you, but I just want to pause before we continue and give you an opportunity. Is there anything else that we have not discussed, any other relationship between yourself and Bridging and Mr. Ng, that has not been brought to the attention of staff, to your knowledge?

A. Not at all.

Q. Okay. Daniel, go ahead.

BY MR. TOURANGEAU:

Q. Thank you. In 2020, BFI paid out a \$10 million dividend. Is that correct?

A. Yes.

Q. Carlo, could you please close the exhibit still showing? Thank you.

When was that dividend declared?

A. To the best of my knowledge, it was February of 2020, I believe it was.

Q. When was it paid?

A. I think February of 2020.

Q. Did the Cocos approve payment of this dividend?

A. I'm told Jenny Coco did. I have no direct knowledge.

Q. To whom was it paid to?

A. It was paid to Mr. Ng.

Q. It was paid to Mr. Ng?

A. Yes. The dividend, it was paid to Gary Ng.

Q. The entire dividend?

A. I believe so, yes.

Q. Why was it paid only to Mr. Ng?

A. As I understand it and as

told to me, I wasn't involved, is that he asked for an advance on his dividend and Jenny Coco and Natasha Sharpe speak offer, at least during that time, many, many times per day, and Natasha was forcing or putting a lot of pressure on Gary to start paying back on the loans, and he asked for that and I think the intention was to take the money as a dividend and pay as down, pay the loans down, I should say, and that's my understanding of it.

Q. Do you know what happened to the \$10 million dividend after it was paid to Gary Ng?

A. I don't think we saw it come back. I think Gary just took it and that was that.

Q. Okay.

BY MR. ROSSI:

Q. So a couple of questions I have.

As CEO of Bridging, do you have any role in approving dividends?

A. I do not.

Q. Are you asked to certify in connection with dividends that, for instance, Bridging is solvent and so forth?

A. No.

Q. Is your authorization

required to make a payment, a \$10 million payment, out of Bridging's bank account?

A. No. I don't have anything to do with the bank accounts. I don't have any signing authority, so I don't get involved in that.

Q. Sorry, you have no signing authority on the Bridging bank accounts?

A. That's correct.

Q. Is that just the corporate entity or is that also the BFI funds?

A. It's both.

Q. So you have no signing authority over the accounts for the BFI funds, either?

A. That's right. That's correct.

Q. So who has signing authority on the bank accounts?

A. It would be -- I think it's dual signing authority, and I believe it's -- it can be two of Natasha Sharpe, and Mushmore, our CCO, and it might be one of the portfolio managers, but I'm not certain. And today, it might be the CFO, but back then I think that's what it was to the best of my knowledge, but I've never had signing authority for bank accounts.

Q. So, Daniel, please interrupt if I'm misstating anything here. But I believe, and I'll have to look for an exhibit, but I believe I've seen e-mails where you were being asked to approve a payment out of one of the bank accounts. I can't recall at this moment which account that was from, so I'm just giving you that bit of background, Mr. Sharpe.

But my question is: Do you have any role in approving payments before they are made out of any of the bank accounts?

A. No, I don't. What you might be thinking of is wires, which is Nat cutting cheques, so if there is money coming out of wire, I would likely know about it. But it's not necessary because again I don't have the signing authority.

I'll give you another example. If there was a fund expense, I would probably know about it, I may know about it, but I don't think it was required that I sign off on it.

Q. But practically speaking, so let's not use technical terminology like signing authority, practically speaking, when Bridging is going to make an advance, so we'll start with the dividend, if a dividend is going to be paid out of the

Bridging bank account by a wire, practically speaking, will the financial group seek your approval or someone else's approval to make that payment?

A. Not mine. I think it would be Natasha Sharpe, our CFO at the time, and maybe Mr. S.

Q. And a similar question for the BFI funds. When the BFI funds are advancing monies under a loan or otherwise, will the finance group seek your approval or someone else at BFI's?

A. They would seek the signing authorities' approval. I may or may not know about it, but something like that, in your example, Mr. Rossi, would know through the credit committee and they don't need my approval because, again, I don't have bank account signing authority. It may be that I had at one point in time through the course of my tenure at BFI, but I generally don't sign off on the movement of cash from our bank accounts. I may know about it, but in the case of a dividend, I likely would not even know about it. I might know that it's happening, but I wouldn't authorize it.

Q. Thank you. Daniel, go ahead.

BY MR. TOURANGEAU:

Q. I'm going to go back on the mechanics of the dividend. Was the dividend declared? You mentioned earlier that it was declared in February 2020. Correct? And it was paid as well in February 2020. Is that correct?

A. Yes. To the best of my knowledge, it was February 2020 when it was paid. It may have been declared earlier, but I think it was February 2020.

Q. Now, am I correct to say -- I'm going by recollection -- that you found out about Mr. Ng's [CK THAT] at some point in February. Is that correct?

A. Yes. I think it was end of February. I think it was February 27 or around that time.

Q. Was the dividend declared prior to you discovering that Mr. Ng had defrauded BFI.

A. Yes, to the best of my knowledge.

Q. Was it also paid prior to you and BFI learning that Mr. Ng had defrauded BFI?

A. To the best of my knowledge, yes.

Q. So when the dividend was declared, \$10 million was declared and fully paid to Mr. Ng?

A. To the best of my knowledge, yes.

Q. Normally, is the process normally of a dividend to pay all the shareholders?

A. Normally it would be. Certainly I think, as explained to me, there was a strategy around this dividend, so that's with Jenny and Natasha.

Q. So that implies -- and correct me if I'm wrong. Does that mean that if the dividend had been paid to everyone, it would have been \$5 million, about \$5 million, to Mr. Ng and the rest to the Cocos and the rest to Natasha Sharpe since Mr. Ng was 50 percent owner? Am I correct?

A. Yes. I think it was characterized as an advance on the dividend and that we normally, at BFI, Bridging, I think, declared it as in and around that period. It might be later, it might be in March, but certainly that would be the normal occurrence, that it would be a pro rata, but in this case it was an advance.

Q. Okay. It was an advance on

a dividend, but was it recorded right there and then as a dividend or as an advance to a dividend?

A. That, I don't know.

Q. Okay. Thank you. I would like to discuss the loan to Peguis for a minute. I'm going to introduce Exhibit number 11, which is the Peguis trust ledger that was provided by BFI in response to a prior enquiry.

EXHIBIT NO. 11:

[\[Description\]](#).

BY MR. TOURANGEAU:

Q. Can you see this?

MS. FUERST: Can you make it bigger?

BY MR. TOURANGEAU:

Q. If we could go to the next tab, the Ledger Gas and Housing, please. What we have here is the trust ledger that was provided by BFI in response to an enquiry by the OSC with regards to the support for the Peguis loan.

On this tab called Ledger Gas and Housing --

BY MR. ROSSI:

Q. Just before we continue, Mr. Sharpe, if you would like me to click through any

of the tabs or scroll through before Daniel asks you any questions, just let me know. I don't want to rush you through it.

A. Thank you. I think I'm fine.

Q. Daniel, go ahead.

BY MR. TOURANGEAU:

Q. First of all, we see on the top first two lines receipt and it's showing Bridging as MALP and Bridging Capital Inc. and it's saying loan proceeds.

If we could scroll to the right.

MR. ROSSI: My apologies, I unintentionally unshared. Daniel, if you could, when you're referring to a particular line, if you could just give the line number just so it will be easier to follow.

BY MR. TOURANGEAU:

Q. Line 2 and 3. Then it shows that on the 17th of August, and if we're able to scroll right it will show deposits totalling just over \$30 million. Can you see that? It's \$6,870,000 --

A. Yes.

Q. And then \$23,334,000?

A. Yes, I see it.

Q. So that is the loan that Bridging -- the BFI funds extended to Peguis. Is that correct?

A. It appears that way, yes.

Q. And if we go to line eight and nine, we're seeing two transfers to 5321328 Manitoba Inc., the USAND Group.

A. I see that, yes.

Q. What is that fee?

A. What did you ask?

Q. What is that fee, that expense?

A. Can I see the amount of what it is?

Q. If we please scroll to the right, there is \$580,000 on line eight and \$1,330,000 on line nine.

A. To the best of my knowledge, that would be the fee by Mr. McCoshen at the time, the USAND Group, for advising Peguis, so that would have been something that he negotiated or his company with the First Nation?

BY MR. ROSSI:

Q. So this is similar to what we discussed earlier when we were talking about

Mr. McCoshen's role with various First Nations. Believe you indicated that sometimes where he was an advisor sometimes Bridging would have insight into the fees by virtue of the records you, being Bridging, had access to. So this is one of those examples?

A. It looks like that to me, Mr. Rossi, and that would be in the term sheet and also in the loan agreement. We wouldn't have any input in that. It would be chief and council, Peguis and Mr. McCoshen.

Q. So I take it that it's your understanding that the numbered company there that I'll just read the last three numbers, 328 Manitoba Inc., that that is a McCoshen related company?

A. That, I don't know.

Q. Sorry, maybe I didn't follow your answer. I thought you understood that this was a fee to Mr. McCoshen for services?

A. I was focusing more on the USAND Group. I know that to be one of his entities.

Q. Okay.

BY MR. TOURANGEAU:

Q. If we move to the other tab called Peguis FM and we go to line five, if we could scroll to the left completely, it shows receipt on

line five, Peguis purchase of debt, closing funds, and it's dated 11th of January 2017 or it may be November 1, 2017, 2017/01/11.

If we scroll to the right, we're going to see \$30,440,000. That would be the loan extended by the BFI funds. Is that correct?

A. I believe so.

Q. Just for the record, recollection wise, it is November 1, 2017.

A. Okay.

Q. Further down on line seven, wire transfer sent to 7047077 Manitoba Limited. It is dated the 7th of November 2017. And if we scroll to the right, it's an amount of \$2,240,000. Can you see that?

A. I can, yes.

Q. Are you familiar with the company 7047077 Manitoba limited?

A. I think it is a Sean McCoshen company.

Q. Is it also similar to the previous discussion we had, also a fee to Mr. McCoshen?

A. Yes. I think on the Peguis transaction, the fees were quite high.

Q. Do you know why?

A. I wouldn't get involved in that. That would be the First Nation and Mr. McCoshen.

Q. Okay. Thank you. When we asked you about outside business activities at your last interview, you explained that you engaged in outside business activities, but did not receive any compensation for such activities. Is that correct?

A. Yes.

Q. I'm going to go through a certain recap about your salary and bonuses for the last three years. Over the last three years, approximately what was the amount of salary and bonus combined?

A. Well, it would be a million dollars and then I think one year Jenny Coco gave me, and the Coco group, gave me more money. It could have been upwards of \$2 million. And I can't remember what year that was.

MS. FUERST: Just to be clear, Mr. Sharpe, when you say \$1 million, was that in one year?

THE WITNESS: Yes, in one year. And then I think there was one year where it was, I

believe, \$2 million.

BY MR. TOURANGEAU:

Q. \$2 million in addition to the \$1 million or \$2 million in total?

A. In total, to the best of my recollection.

Q. At which bank do you have bank accounts? And I'm referring here to personal bank accounts.

A. I have bank accounts at TD where my salary goes, HSBC, and I do some investment account stuff at BMO.

Q. Which branches do you work with?

A. All downtown.

Q. Did you open or close any accounts in the last two years?

A. Possibly. I can't be certain.

Q. You mentioned investment accounts. You said you do investments with BMO?

A. I do.

Q. Is it with BMO? Which division of BMO? Any particular one?

A. Yes. It would be Nesbitt

Burns. And I do some with TD Securities as well.

Q. Any other investments?

A. Well, yes. I would have investments, real property, that sort of thing. I used to have commercial real estate, ventures.

Q. You said you used to have?

A. Yeah. Well, I bought and sold properties.

Q. Okay. Do you still own properties?

A. I sold most of them.

Q. So you said you sold most of them. Do you still have any?

A. No, I don't believe so.
No.

Q. When was the last property you sold?

A. I really can't recall, but it was probably in the last couple years.

Q. Since you became CEO and UDP of BFI, did you have any other sources of wealth?

A. Just through the sale of properties. I think I became CEO in, I believe it was 2016. I would have sold properties and that sort of thing.

Q. And I'm sorry, it's going to show a repeat on the record. Earlier it cut when you said when you sold your properties.

A. Yes. I'm not certain. I've had numerous properties.

BY MR. ROSSI:

Q. Anything in the last two years, three years?

A. Yeah. There certainly would be. I had some stuff here in Canada.

BY MR. TOURANGEAU:

Q. What was the approximate value of the transactions?

A. It would be in the millions. It would be, with the real estate market being what it is, it would be certainly in the millions.

Q. What did you do with the proceeds?

A. Invested. Often bought other properties.

Q. So you bought other properties?

A. Yes, absolutely.

Q. But do you still own other properties?

A. Yeah. I think they're all -- I think Natasha and I have sold all the properties.

Q. Through which vehicle were you owning those properties?

A. Just in our names and generally in our names.

Q. Okay. So you owned them personally?

A. That's correct.

Q. And you said when you sold them, all you did was invest?

A. Yeah. We would buy securities, that sort of thing.

Q. Where were these properties located?

A. Toronto, there's one in the Caribbean, in Turks and Caicos in around the downtown core in Toronto.

Q. How many properties did you own?

A. Five or six. At one time, I had about five or six on the go.

Q. And you said they were commercial?

A. A combination of commercial and residential.

Q. Other than the property in Turks and Caicos, in Turks and Caicos, was it also a commercial property?

A. Yes, it is.

Q. Other than the property in Turks and Caicos, do you keep any of your assets outside of Canada?

A. No, generally not. Our son has a trust, so there's where we have some money or he does.

Q. What is the name of the trust?

A. I don't even know the name of the trust. I would have to check with the lawyers.

Q. In the trust, because you mentioned that you do not have outside of the country but you have some in a trust?

A. Yeah, a trust that I don't know and I don't control.

Q. I may have misunderstood. Is the trust keeping some of the assets outside of the country?

A. Yes. Yeah.

Q. When you sold your properties, you said you took investments. Did you take the investments yourself or through a trust, through --

A. Generally, it was all personal.

BY MR. ROSSI:

Q. Do you and your wife share investment accounts or do you have separate investment accounts?

A. We're separate.

Q. Do you have any shared investment accounts?

A. I don't believe so.

Q. Okay.

BY MR. TOURANGEAU:

Q. The trust, you said you have a trust for your son. Are you both controlling the trust? Like, are you both trustees?

A. No. We don't control it. We're not trustees.

Q. Who is the trustee?

A. You're going to test my memory here. I don't know. He's a professional trustee.

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 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

contacts in New York extended \$35 million in financing to Bridging to complete the Ninepoint acquisition. You with me so far?

A. Yes, I am.

Q. Before we get to the specifics of the payment, I understood from your evidence the last time that your evidence was that the Ninepoint transaction arose at Ninepoint's behest and really it was because you understood they required funding to meet certain obligations.

Generally speaking, is that consistent?

A. It is.

Q. Was there anything else to your knowledge that contributed to the severing of the relationship between Ninepoint and Bridging?

A. There's some conflict between the executives. That was an issue. That's pretty much it.

Q. Isn't it true that Ninepoint had actually raised complaints with Bridging relating to transactions in the accounts of the income fund? Is that true?

A. No, not at all.

Q. So Ninepoint, you're

denying that Ninepoint ever raised any concerns relating to transfers that Bridging authorized from the account of the Bridging income fund?

A. Not that I'm aware of.

Q. Are you also denying that Ninepoint threatened BFI with litigation surrounding that dispute?

A. Well, they threaten litigation a lot, not on that issue. There's a variety of other issues that they had, unhappy with us just generally, but never about that.

They did raise -- and this is maybe what you're referring to, Mr. Rossi. They did raise that on allocations, so allocation, that we're not an investment fund, so we're not permitted to do that. That was the only issue that we had that would sound similar to that.

THE COURT REPORTER: Sorry to interrupt. You said "they did raise that on allocations, that we're not an investment fund, so we're not permitted to do that"?

THE WITNESS: Right. They said we could not reallocate, and we said we're permitted to reallocate as we're not an investment fund.

THE COURT REPORTER: Thank you.

BY MR. ROSSI:

Q. I want to get to the loan from 891 Nova Scotia. I'm going to paraphrase your evidence from the last time we spoke, and that is you didn't know 100 percent how 891 Nova Scotia funded the loan to BFI. Is that correct?

A. Yes.

Q. You understood that Mr. Gautam likely funded it through his contacts at Goldman Sachs. Is that correct?

A. Correct.

Q. So again, Mr. Sharpe, is there anything else that you would like to add to that answer?

A. No.

Q. Mr. Sharpe, I'm aware of a loan that had been extended from BFI funds to companies related to Mr. Gautam that you have not disclosed to us and that Bridging Finance has not disclosed to us. Do you know what I'm talking about?

A. No, I don't.

Q. Are you familiar with a company by the name of River Cities?

A. I think it was one of Mr. Gautam's corporation.

Q. Did Bridging make a loan to River Cities?

A. Not that I'm aware of.

Q. Mr. Sharpe, I've spoken with Mr. Gautam. I have his evidence. I'm going to give you another opportunity. Is there anything you would like to tell me about this situation?

A. No, that Mr. Gautam controlled River Cities, it was a corporation. Yeah, to the best of my knowledge, that's it.

Q. Mr. Sharpe, I'm going to put it to you that Bridging funds, specifically the mid-market debt fund, extended a loan to River Cities, approximately \$40 million loan, and that loan was used to fund the loan back to Bridging through 891 Nova Scotia.

Is that consistent with your understanding?

A. I wouldn't have knowledge of the specifics about that.

Q. I'm going to put it to you that in fact you asked Mr. Gautam to put forward this arrangement?

A. That would not be correct.

Q. So you deny asking

Mr. Gautam to assist you in funding the Ninepoint acquisition through a series of back to back loans that would result in \$35 million flowing from 891 Nova Scotia to Bridging?

A. I don't think that was me.

Q. Okay. So you're saying I don't think that was you. Is it possible it was you?

A. It's possible that I had knowledge of it, but I just can't recall.

Q. Okay. So you're not denying that that took place?

A. I'm not sure that it did take place.

Q. So you're neither confirming nor denying that it took place?

A. Yes. I'm not exactly sure that took place.

Q. Just so I'm clear, are you denying that you asked Mr. Gautam to structure a series of back-to-back loans to help you fund the Ninepoint acquisition?

A. I didn't ask him that.

Q. So you're denying it --

A. I wouldn't have asked him that. It certainly wouldn't be a request from me.

Q. Does it surprise you that there was a loan made from the Bridging mid-market fund to one of Mr. Gautam's companies, to River Cities?

MS. FUERST: I'm not sure what you're getting at in terms of whether it was surprising subjectively. Can you rephrase the question?

MR. ROSSI: He's the CEO and UDP of the company. He has disclosed to us that he understood that Bridging borrowed \$35 million from 891 Nova Scotia, one of Mr. Gautam's companies. We've repeatedly asked Mr. Sharpe about loans made from the Bridging funds to companies relating to Mr. Gautam, and I'm now putting to him that I've seen a loan made from the Bridging funds to River Cities.

BY MR. ROSSI:

Q. I'm happy to put it up on the screen, Mr. Sharpe, if that will assist.

A. Sure.

MS. FUERST: I think he's already said it's possible that he had knowledge of it, but if you could maybe put it up on the screen he so could see, maybe that would assist.

BY MR. ROSSI:

Q. Are you able to see the document on the screen?

A. I am. Thank you.

Q. I'm happy to scroll through the document as much as you need me to. I'll give you a second and you can let me know.

A. Sure. If you can just scroll down, please.

Q. First, I'll introduce this as an exhibit. I'm going to enter as Exhibit 12 a document dated September 12, 2018 titled River Cities Commitment Letter. The reline reads Bridging Finance Inc. as Agent for and On Behalf of Any of the Funds Managed or Comanaged by Bridging Finance Inc., Credit Facility in Favour of River Cities Investments 1 LLC and 3319891 Nova Scotia Company, collectively the borrower, and guaranteed by Rishi Gautam.

Mr. Sharpe, I'm going to scroll down and give you a little bit more of the document. You can let me know when you want me to continue.

A. Sure. I'm fine. Thank you. You can go down. Can I see who has executed at the bottom?

Q. I think they're counterparty signatures, so I'll go one by one.

A. Thank you. Okay.

Q. We're on page 14. Do you recognize that signature?

A. I do.

Q. Whose signature is that?

A. It's Natasha Sharpe.

Q. We're going to go to page 15. We see two additional signatures.

A. Yes.

Q. For River Cities, we see an individual named Art Brown has signed it. Do you know who Art Brown is?

A. I do.

Q. Who is Art Brown?

A. He is the lawyer for MJar at the time.

Q. So that's MJar which is part of the MJardin Group. Correct?

A. Correct, yes.

Q. And the other signature for 891 Nova Scotia?

A. Is Rishi Gautam. Looks like electronic signatures.

Q. Does this in any way refresh your recollection, Mr. Sharpe?

A. Yeah. I certainly can't recall seeing a document. Maybe I did. Yeah, that's my answer.

Q. I just want to make sure. Is there any evidence with respect to the loan from 891 Nova Scotia that you would like to clarify at this time?

A. No, not to the best of my knowledge. There could have been. I would have to go back and look.

Q. There would have been what?

A. As you said, there would have been a loan to this entity, but I would have to see if the money was moved or not.

Q. Mr. Sharpe, as the UDP of Bridging, would you agree with me that Bridging is prohibited from borrowing itself from one of the BFI funds?

A. Yes.

Q. Did Bridging borrow from the mid-market debt fund to acquire Ninepoint's interest in the income fund?

A. Not to the best of my knowledge.

Q. Daniel, is there anything

where you want to address on this?

MR. TOURANGEAU: No.

BY MR. ROSSI:

Q. Mr. Sharpe, you and Bridging as well in correspondence with staff has represented to us that the 891 Nova Scotia loan was repaid with a loan from BlackRock, what we've called the BlackRock loan I think in prior discussions?

A. Yes.

Q. Is that still your evidence?

A. It is. To the best of my knowledge, it is.

Q. Do you know if any monies from BlackRock, from the BlackRock loan, were actually paid to 891 Nova Scotia?

A. I don't know.

Q. So in correspondence with staff -- and again, if you would like to see it, I can certainly turn it up -- it was represented to us that the proceeds from the BlackRock loan were transferred to Chaitons LLP as repayment on the 891 loan. Does that sound familiar?

A. Yes, it does.

Q. Who whose lawyer is

Chaitons?

A. It's our lawyer, BFI's.

Q. Do you know what Chaitons did with the funds that it received from BlackRock?

A. I don't know.

Q. Did you give instructions to Chaitons on what to do with the funds received from BlackRock?

A. I'm uncertain of that.

Q. We've looked the three payments that BFI has represented as payments to 891 Nova Scotia or, rather, to Chaitons to reduce or pay down the 891 Nova Scotia loan and we've compared those against records of the mid-market debt fund. Okay?

In each case, within a day of funds being transferred to Chaitons, a corresponding amount, in two out of the three instances, identical amount, is transferred from Chaitons to the mid-market debt fund. Do you have any explanation for that?

A. I don't.

Q. Mr. Sharpe, were you involved in any dealings with BlackRock in connection with the BlackRock loan?

A. Very limited.

Q. So there was a payout statement that was provided to BlackRock in connection with the BlackRock loan and I understand that related to confirmation that the funds, a portion of the funds, were used to pay down the loan from 891 Nova Scotia. Is that consistent with your understanding?

A. Can you repeat that, please?

Q. Sure. And it may assist for me to just turn up the document, so if you give me a second, I'll do that.

You know what? I'll actually propose let's take the afternoon break now, so we'll take ten minutes. My best guess is that we have under an hour left, just to give you that estimate, so we'll come back at 3:15.

--- Recess taken at 3:04 p.m.

--- Upon resuming at 3:17 p.m.

BY MR. ROSSI:

Q. We're back on the record. Mr. Sharpe, just before we broke, I was referring to a payout statement, so I'm just going to pull that up on the screen. Just give me one second to share my screen.

Mr. Sharpe, can you see the document that I'm sharing?

A. I can. Thank you.

Q. So if you would like me, I can scroll through the document.

First, for the record, this is tab 46 in Exhibit 2.

MS. FUERST: Thanks.

BY MR. ROSSI:

Q. Mr. Sharpe, I'm going to scroll down and you can let me know when to continue.

A. I'm good. Yes. Okay.
Okay. Thank you.

Q. Are you now good with that document?

A. I am. Thank you.

Q. Are you familiar with this document?

A. I can't really recall it.

Q. First, we're on page 111 of the Exhibit 2, still in the same tab, so we're on the signature page. Is that your signature?

A. It's my electronic signature.

Q. So you're saying that's an

electronic signature?

A. It is.

Q. So having gone through this document, do you generally understand what the document is addressing?

A. I do.

Q. Did you sign this document?

A. No, I did not.

Q. Okay. So how did your signature get on this document?

A. Yeah. I'm not sure.

Q. Okay. I just want to be clear that I'm understanding your evidence. Are you suggesting that someone forged your signature on this document?

A. No, not at all. My E-signature was applied.

Q. So you're suggesting someone else might have applied your electronic signature to this document?

A. Well, yes, because I don't know how to.

Q. Okay. Just so I'm clear, is it possible that someone applied your electronic signature to this document with your consent, just

that it wasn't you that applied it?

A. Perhaps. I'm uncertain.

Q. Mr. Sharpe, I'm just going to note for the record that the signature page for this document, it stands alone, so the content on the document simply states:

"In witness whereof, the parties have executed this agreement as of the effective date."

And then we have signature blocks for 891 Nova Scotia and Bridging Finance, but no date or other information specific to this agreement. Do you agree with me?

A. Yes.

Q. I'm going to show you another document. It's the previous tab, tab 45, of Exhibit 2. This is a loan agreement between Bridging and 891 Nova Scotia. Actually, my apologies, I pulled up the wrong tab. Tab 46 and also a loan agreement but it's titled Amendment to Loan Agreement. Do you see that?

A. I do.

Q. I'm going to take you to the signature page for this document. So you would agree

with me that the signature page here looks virtually identical to the one we just looked at. Correct?

A. Yes.

Q. I'm going to put it to you that those are the same signature pages. Do you agree with me?

A. Yes.

Q. Okay. Do you know how the signature page from the amended loan agreement came to be used on the payout statement?

A. I do not.

Q. But you don't disagree that that is what appears to have happened?

A. What's your question, Mr. Rossi?

Q. My question was that they appear to be the same signature pages on the two contracts we've just looked at, and I can flip back and forth if you would like.

A. Yeah. It appears that Mr. Gautam has his electronic signature and so do I on these documents.

Q. That's not my question. My question is that it's in fact the exact same document, the exact same page that has been copied from the

amendment to the loan agreement and used for the payout statement. Would you agree with that?

A. I'm uncertain of that.

Q. But you have already agreed with me that they look to be the same. Correct? I'm just going to pull up --

A. They look to be the same, but I don't know.

Q. Did you have any role in providing the payout statement to BlackRock, Mr. Sharpe?

A. No.

Q. I just want to be clear. I don't want to rehash evidence, but when we looked at the loan to River Cities, I believe it was your evidence that you were not familiar with that \$40 million loan to River Cities and 891 Nova Scotia?

A. Yeah. To the best of my knowledge, I'm not familiar.

Q. Okay. So I just want to show you another document, Mr. Sharpe, so I'm going to pull up a new document. Just give me one moment.

I just need a moment's indulgence with. I'm having a bit of a technical issue.

A. Sure.

Q. Before I do that, Mr. Sharpe, we've talked a bit about Raymond James advising BFI in the past. Would you agree with me that Raymond James was one of the advisors to BFI in connection with the Ninepoint acquisition?

A. Yes.

Q. So I'm going to pull up an exhibit. I'll share my screen. You can let me know when the exhibit shows up.

A. Yes, I see it.

Q. So I'm going to mark this as the next exhibit, Exhibit 13, which is a letter on Stikeman Elliott letterhead and it's addressed to Mr. Sean C. Martin, managing director, head of financial institutions and financial technology, senior vice president, corporate development, Raymond James.

EXHIBIT NO. 13:

BY MR. ROSSI:

Q. Are you familiar with Mr. Martin?

A. I am.

Q. Was Mr. Martin one of the individuals advising Bridging on the Ninepoint transactions?

A. Yes.

Q. I'm going to scroll down.

There's not much content in the letter, but I'll give you a moment to read it.

A. I've read it.

Q. Have you seen this letter before today, Mr. Sharpe?

A. I can't recall.

Q. So you agree with me that this letter from Stikeman Elliott to Raymond James is indicating that Stikeman Elliott is holding \$35 million in trust on behalf of River Cities, which is it to represent the cash consideration required by Bridging Finance to complete the Ninepoint acquisition. Do you agree with that?

A. Yeah, I do.

Q. So now that you have seen this, does this in any way help with your recollection of the loan made to River Cities and 891 Nova Scotia that we looked at a little earlier?

A. I cannot recall the specifics. There was probably others involved as well, but I can't recall.

Q. Okay. I need to be very clear here, Mr. Sharpe. You're saying you can't

recall the specifics?

A. Yes.

Q. I'm asking you if you have any knowledge of a loan being made to River Cities by BFI to help fund the Ninepoint acquisition. Do you have any knowledge at all?

A. Not to the best of my recollection.

Q. Do you have any knowledge at all of a loan that Bridging made from the BFI funds to River Cities and/or 891 Nova Scotia?

A. Not to the best -- not to my knowledge, no.

Q. Do you have any explanation to offer in connection with the document up on the screen, Exhibit 13?

A. I don't recall the document. What is the date, Mr. Rossi, on that document?

Q. I can turn it back up, but the date is September 11, 2018.

A. Yeah. It's a long time ago. I don't have specifics.

Q. Daniel is going to take over for a minute here, Mr. Sharpe.

A. Thank you.

BY MR. TOURANGEAU:

Q. Exhibit 14, I'm going to introduce the Bridging mid-market debt fund, December 31, 2018 financial statements.

EXHIBIT NO. 14:

[\[Description\]](#).

BY MR. TOURANGEAU:

Q. Mr. Sharpe, can you confirm that you see them?

A. I do. Thank you.

Q. I'm going to scroll down in those statements to the page that describes the different investments the fund has. On this page, it lists all the loans and different investments. Assets attributable to holders was \$243 million as of December 31, 2018. Can you see that?

A. Yes, I can.

Q. From this, there's a loan about in the middle of the page right now of where I am, loan receivable number 26 at \$42.459985, so \$42,459,985?

A. I see that.

Q. We sent a summons to Ernst & Young to obtain the details of the loans, and this

is the loans that we found was for River Cities. I would like to point out that it is the largest loan, largest investment, of the mid-market fund. Does this help you in your recollection?

A. I wouldn't really be involved in the financial statements.

Q. Do you review the financial statements?

A. I would, yes.

Q. So you have seen these financial statements before?

A. I believe so.

Q. Just to clarify, does that help you? Seeing this information about the River Cities loan, does that refresh your memory on the River Cities loan?

A. It does not, but it looks like it's accurate, but it does not.

Q. Okay. Thank you.

A. Thank you.

BY MR. ROSSI:

Q. Mr. Sharpe, as the ultimate designated person at BFI, so the person in charge of compliance at BFI, does it concern you that there was a loan made to a company related to Gautam that you

were not aware of?

A. That would concern me, yes.

Q. Would you consider this is a conflict of interest?

A. I would have to think about that.

Q. Do you know if this loan was repaid, Mr. Sharpe?

A. I know that BlackRock refinanced a position that -- so BlackRock now holds that leverage.

Q. And that's a reference to which loan, the loan to BFI from 891 Nova Scotia or the loan we've been discussing from the mid-market debt fund to River Cities?

A. Nova Scotia.

Q. Okay. Before we move on, Mr. Sharpe, is there anything else that you would like to add in connection with the discussion we've been having around the loan that BFI obtained from 891 Nova Scotia or the documents we've shown you in connection with the loan to River Cities?

A. Not at this time. Thank you.

Q. So we're going to move on

and I'm going to ask Daniel to introduce some transactions to you and then I'll have some questions.

A. Great, thank you.

Q. Daniel, I think you can just describe the transaction and then if Mr. Sharpe wants to see a document, we can pull it up.

MR. TOURANGEAU: Okay. Thank you. Give me one second. Okay.

BY MR. TOURANGEAU:

Q. In February of 2020, we see an amount of \$9,895,000 transferred from the mid-market fund to 10029947 Manitoba Ltd., which is one company from Mr. Ng to whom BFI made loans. That happened on February 12, 2020.

Do you recall that?

A. Not specifically, no.

Q. Does that have anything to do with the dividend advance of \$10 million you talked to us about earlier?

A. Yes. I do know a bit about that. So I think there was an error made that it went out and discovered and went back in and went through the corporate entity thereafter, so to the best of my knowledge, it was a mistake, it was an administrative error.

BY MR. ROSSI:

Q. Can you just explain? So a payment was to go out to Mr. Ng? Just start from the beginning and step by step walk us through what happened here.

A. So I think it was supposed to -- thank you, Mr. Rossi. I think it was supposed to come from corporate and it came from, I think, one of the funds and was discovered and reversed or it came back in and went out through the proper -- through corporate, so it was an error.

Q. So this was to be the dividend payment we talked about earlier that went to Mr. Ng that was an advance on his dividend?

A. Correct.

Q. So someone made an error and sent the payment directly from the mid-market debt fund to Mr. Ng's company when the payment should have come from Bridging Finance's bank accounts?

A. To the best of my knowledge, yes.

Q. Have you investigated the circumstances that led to this error?

A. We have.

Q. So you personally, were you

involved in that investigation?

A. I was involved in following up on it, yes.

Q. So how specifically was that error made? Like, was it poor instructions, the wrong instructions were given? Was it an error by someone in the finance group? Just walk me through specifically what you know about what happened and name the individuals involved, please.

A. To the extent that I know, it was human error and I think it may have involved someone in finance. I'm not exactly sure. I wasn't really involved.

Q. As UDP, did you ask for a formal investigation into this issue?

A. We discussed it internally.

Q. Okay, so you discussed it. Did you ask for a formal investigation?

A. Well, mistakes were made and I did not ask for a formal investigation.

Q. Was any written document created that set out exactly what happened and how the error occurred?

A. Not that I'm aware of.

Q. Was this error disclosed to

unit holders in the mid-market debt fund?

A. I'm not sure it would have to be. It was, I think, probably a week in time or one week, so I think that would be overkill.

Q. So the answer is no?

A. The answer is no.

Q. Has Bridging implemented any additional internal controls as a result of this error?

A. We have a new CFO.

Q. So can you just help me connect the two?

A. Well, I think there was some inexperience in the department, in finance, and we have a very experienced CFO now so that that would be the remedial action and I don't think that would ever happen again.

Q. Did someone with signing authority on the mid-market fund accounts authorize that specific transfer?

A. Not that I'm aware of.

Q. So someone from the finance group, do you know the individual that actually effected the transfer?

A. I don't.

Q. But someone without signing authority on the bank account authorized this transfer. Is that right?

A. That, I'm not sure of. I really don't have a lot of direct knowledge of the -- I just know that there was an issue and there was a mistake. Mistakes do happen.

Q. Okay. Are there any other mistakes similar to this that have occurred during your tenure as UDP?

A. Not that I'm aware of, no.

Q. Who was in charge of looking into this issue once it was identified?

A. I believe our CCO.

Q. Mr. Mushmore?

A. That's right.

Q. So, Mr. Sharpe, I just want to turn to -- actually, I think Mr. Tourangeau has questions for you.

BY MR. TOURANGEAU:

Q. You mentioned that the correction happened within a week?

A. I believe so, yes.

Q. So the money was sent on February 12 to 947 Manitoba. How was the error

corrected? What was done?

A. To the best of my knowledge, it was reversed and the correct account was used to send out the money.

Q. And where ultimately was it sent out?

A. I think to, to the best of my knowledge, Mr. Ng.

Q. Okay.

A. I don't know if it was a corporate account or not.

Q. Okay. And does this transaction have anything to do with the dividend? I'm not sure I'm following. Was the objective the dividend advance?

A. Yeah.

Q. Was that the objective of the payment?

A. Yes.

Q. So in the end, it was sent to him?

A. Correct.

Q. In the MM fund bank statements, I can see an incoming \$10 million coming in on February 27, three weeks roughly, I'm not

counting the exact days, but roughly three weeks.
Would that be the correction?

A. I believe so.

Q. Would it have come from
Chaitons?

A. I'm not sure. It could
have, Mr. Tourangeau. It could have. I'm not sure.

Q. February 27, 2020, was that
the day of or the day after that you learned that
Mr. Ng had defrauded you or defrauded BFI?

A. I believe so.

Q. Okay. So the correction
was sent in the MM fund after BFI found out that there
was a problem with Mr. Ng?

A. I'm uncertain of that.

Q. But you believe it happened
on February 27, that that would be the entry?

A. That's, I would think, the
date that we recorded Mr. Ng, is on the 27th, and I
believe he admitted to the fraud.

Q. Okay. Thank you.

A. Thank you.

BY MR. ROSSI:

Q. Mr. Sharpe, I wanted to
come back to the personal chequing account that we

spoke about earlier. In addition to the \$25 million transfer into that account from Mr. McCoshen's company, we also identified another transfer, this one for \$500,000, coming from Mr. Ng.

Can you explain the reason for that payment?

A. I'm not even aware of that.
No.

Q. We also see a corresponding payment into a bank account for Natasha Sharpe, also in the amount of \$500,000, also from Mr. Ng. Do you have any evidence to offer for the reason for that payment?

A. I really truly have no idea what that's about, no.

Q. Okay. Mr. Sharpe, when we reviewed the activity in that account, we noted transfers to certain BFI employees. Is that consistent with your understanding?

A. Not at all, no.

Q. So we saw transfers in the approximate amount of \$260,000 to Ian Baele?

A. No.

Q. \$180,000 to Andrew
Mushmore?

A. I'm not aware of that as well.

Q. And just to be clear, we're talking about your personal chequing account, the same one that received the \$19.5 million from Sean McCoshen.

A. I can't recall that.

Q. Can you think of any reason that you would be making transfers from your personal checking account to Mr. Baele or Mr. Mushmore?

A. The only thing I can think of is gifts.

Q. Is it normal to give gifts in excess of \$100,000 to your employees?

A. I'm a very generous person.

Q. So is the answer yes?

A. I'm uncertain, though.
I'm uncertain.

Q. As you sit here today, can you think of any employees at Bridging that you have personally paid in cash, cheque or wire transfer anything above, we'll set a threshold of \$10,000?

A. No, I cannot think of any.

Q. So we're going to take a very short break just to check our notes, but we're

either very close to done or done. Let's take ten minutes. We'll come back at five to 4:00.

A. Thank you.

--- Recess taken at 3:45 p.m.

--- Upon resuming at 3:57 p.m..

BY MR. ROSSI:

Q. Just a few more questions for you, Mr. Sharpe. I had a couple more questions about the accounts that received the \$19 million from Mr. McCoshen. I want to make sure that you know which account I'm talking about.

A. Okay. Thank you.

Q. According to the records that we obtained from Bank of Montreal, you closed that account on November 2, 2020. Is that consistent with your recollection?

A. I can't recall.

Q. Do you remember closing the account?

A. I have, you know, a few accounts. I may have closed that one.

Q. So that date was four business days after we interviewed you last on October 27, 2020 and asked you questions about Mr. McCoshen.

Did you close that account in any way as a result of us questioning you about Mr. McCoshen?

A. No.

Q. Have you told Mr. McCoshen anything about the OSC investigation?

A. No.

Q. Have you disclosed to Mr. McCoshen that enforcement staff have asked you or BFI questions about BFI's relationship with Mr. McCoshen?

A. No. So we're just going to turn up one last document, Mr. Sharpe, so I'm going to let Daniel open it up. I believe this is going to be Exhibit 15. As Daniel is turning that up, I'll start to identify it.

Exhibit 15 is a document that staff has prepared. It is based on our review of the chequing account, your personal chequing account, that we've been discussing, the one that received the \$19 million from Mr. McCoshen. It's also based on our review of the loan files that Bridging produced, as well as bank records for the BFI funds and the Peguis ledgers, and we looked at one of those earlier today.

EXHIBIT NO. 15:

[Description].

BY MR. ROSSI:

Q. First, I'm going to walk you through the chart, but I just want to make sure you can read it. Do you have a good view of it right now?

A. I do. Thank you.

Q. The title of the document is Undisclosed Transfers from 747 Manitoba Controlled by Sean McCoshen to David Sharpe.

Along the left side of the document, we have a column titled Transaction Number and then you'll see numbers next to each of the transactions. We then have a heading BFI Funds Loans to Peguis, so that's the first one.

We then have a column identified Number of Days Between Transfer from McCoshen Entity to David Sharpe's Account, and you'll see in that column some arrows with an indication of a number of business days between two events.

And finally, we have a column titled Incoming Transfer to David Sharpe's BMO Account.

David, I can walk you through each of these, but really, Mr. Sharpe, I'm not going to

have specific questions other than to point you to the results of our review, which are captured in this document, which are showing very close proximity between loans advanced to Peguis, GrowForce and A2A, advances made in connection with those loans and payments into your personal chequing account.

If we scroll back up, Daniel, to the top, we'll start with the loans to Peguis. You'll see the first column is titled Amount/date Received by Peguis. In this case, we actually have records from the Peguis loan files that show when the funds were received. Okay? So you see amounts and dates there.

The next column over, we have Amount and Date of the transfers by Peguis to companies that we have established links to Sean McCoshen, and those are the two companies we spoke about earlier. The first is a numbered company ending in 328 Manitoba. The second is 747 Manitoba, which we've discussed in some detail today. I won't re-explain the middle column, was the we see arrows, one business day in each instance from the loans advanced from the time amounts were transferred from Peguis to Mr. McCoshen. One business day after that, we see amounts being transferred into your personal

chequing account.

I'll give you a moment, now that I've explained it, to just look at over. If you have any questions about how the information is being presented, please let me know. And then when you're ready, I can move down to the next set of loans.

A. Yeah, I'm good.

Q. Okay. So we'll move down to the next heading, which is titled BFI Funds loaned to GrowForce/MJardin, and that's identified as transaction three.

So the first box or column, we have BFI loan agreement with GrowForce, so that's the loan we spoke about earlier on November 6, 2018 for \$10 million.

The next column is titled BFI Fund Sent \$10 million Directly to McCoshen Co., so we spoke about that earlier as well. That was the \$10 million transfer from the fund, and, Daniel, correct me if I'm wrong, believe that was the MM fund to 747 Manitoba?

MR. TOURANGEAU: I'm going on memory. Yes.

MR. ROSSI: Just while I'm speaking, if you can confirm?

MR. TOURANGEAU: I will confirm.

MR. ROSSI: Thank you, Daniel.

BY MR. ROSSI:

Q. Followed by an arrow that indicates two business days after that amount was advanced to 747 Manitoba that 747 Manitoba made a \$5 million transfer into your personal chequing account.

Before we move on, I just want to give you an opportunity to look at it and can me any questions you may have?

A. I'm fine. Thank you.

Q. Daniel, whenever you're ready, if you could scroll to the next set of transactions.

So I believe this is the last set of transactions, and these are BFI funds loaned to A2A. Again, we have a series of columns. The first is titled loan agreement with A2A, and so this is capturing the date of the loan agreements and the amount of loans.

The second column is titled amount/date funds sent by BFI funds to Chaitons LLP in trust for A2A. Again, we have arrows in the next column indicating business days between the advances to Chaitons and transfers into your personal banking

account.

I will advise, and Daniel can correct me if I'm wrong, that we do not have access at this moment to Chaitons trust account records. As such, Daniel has or staff has inferred that specific advances from the BFI funds to Chaitons relate to these loans. I understand we have been able to trace the amounts down to the cent and are consistent with the advances contemplated in those loan agreements.

I note that there may be a portion of this page that's a bit obscured, so I'll give you a second to review, Mr. Sharpe, and ask any questions. I think we now have the whole page in view.

A. Yes. I don't admit to any of this, but I acknowledge that I've read it.

Q. Okay. I am putting to you that this is the result -- and I apologize. There is a second -- sorry, Daniel. Is this the same page, back up?

MR. TOURANGEAU: It is the same page. When I zoomed out, I scrolled up. I want to say it is not the MM fund. If I go back to Peguis, the \$10 million was the income fund that sent the \$10 million to 747 Manitoba.

MR. ROSSI: Okay. Thank you,

Daniel.

BY MR. ROSSI:

Q. So I'm representing to you that this is staff work product based on the records we've obtained during our investigation and I'm giving you an opportunity to offer any explanations at this time that you would like to offer for what is being presented, which is that very shortly after amounts were advanced under loans in some way related to Mr. McCoshen, you are receiving transfers into your personal account from a company that Mr. McCoshen controls?

A. I think at this time I'll just reserve my thoughts on that.

Q. Okay. Daniel, you can take that down.

Mr. Sharpe, is the Bridging office open right now? Do you ever go into the office or is it closed as a result of the pandemic?

A. And the most part, we have people who go in sporadically, but the building does not like people to go in.

Q. When was the last time you attended the Bridging premises?

A. In the last 48 hours. I've

gone in to get some stuff, but yeah, they're quite strict.

Q. How far away is the Bridging office from your residence?

A. It's about five miles.

Q. Is there any reason that you could not attend the Bridging office to obtain the loan agreement from Sean McCoshen that we've been -- that we discussed earlier?

A. No. I will try to do so.

Q. So there's no reason that you want to raise with us that you cannot attend at the office to obtain that agreement? I just want to be clear.

A. I have to register with our tenant, our -- we're the subtenant.

Q. Any other reason?

A. I would have to get permission.

Q. Any other reason?

A. No.

Q. Okay. Counsel, I'm asking for an undertaking for Mr. Sharpe to produce a copy of that loan agreement as soon as possible. My request is that he produce it by 5:30. It is 4:10:00.

The office is five miles away. I recognize that he has communicated some potential impediments, but the undertaking is to produce it as soon as he possibly can produce it, and I'm adding a request that it be before 5:30 p.m.?

REF MS. FUERST: We hear your request. I'm not giving you that undertaking, but I hear your request.

MR. ROSSI: We'll put aside the 5:30 p.m. part of it.

THE WITNESS: May I interject? My cleaning lady just came in.

BY MR. ROSSI:

Q. Okay.

A. Just so you're aware of that.

Q. Okay. Would you like to pause for a moment while you ask her just to wait in the other room, Mr. Sharpe?

A. Yes, please.

Q. We'll just go off the record for a moment.

--- (Off-record discussion)

MR. ROSSI: We're back on the record.

MS. FUERST: Mr. Rossi, can you just clarify why you need the loan agreement with such urgency?

MR. ROSSI: Counsel, we have just learned of the alleged loan between Mr. Sharpe and Mr. McCoshen, despite repeatedly asking Mr. Sharpe questions to which the loan would have been responsive. At this point, staff has very real concerns that Mr. Sharpe has been intentionally misleading us and withholding relevant documents, including the River Cities loan that we looked at earlier.

We also drew Mr. Sharpe's attention to a payout statement that appears to include a signature page that had been lifted from a separate loan agreement. There's a very real concern that steps are being taken to obstruct and mislead staff in this case.

As a result, I'm requesting that the document be produced at the earliest possible opportunity to reduce the risk of alteration or manipulation of the document. Those are my grounds for requesting an urgent production of the document.

MS. FUERST: Thank you for that explanation. Obviously we don't agree with the

characterization of Mr. Sharpe's conduct.

MR. ROSSI: Putting aside the request for it to be 5:30, I'm asking for an undertaking to produce the document at the earliest possible opportunity. Are you willing to provide that undertaking?

U/A MS. FUERST: As I said, we've heard you. I'm taking that under advisement.

MR. ROSSI: I understand. The request is on the record. The circumstances of the distance to Mr. Sharpe's office are on the record.

With that, I will just give Mr. Sharpe one more opportunity before we end the examination or adjourn the examination.

BY MR. ROSSI:


Q. Is there anything else that you would like to raise with us or clarify before we conclude today?

A. I think I'm fine. Thank you.

Q. Okay. It's 4:14. We're going to adjourn the examination.

--- Whereupon the proceedings adjourned
at 4:13 p.m.

This is Exhibit “2” referred to
in the First Supplemental Affidavit of Daniel Tourangeau
sworn before me, this
30th day of April, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**

1 ***ROUGH DRAFT ONLY - NOT A CERTIFIED TRANSCRIPT***

2 IN THE MATTER OF THE SECURITIES ACT
3 R.S.O. 1990, c. S.5, as amended

4 - and -

5
6 IN THE MATTER OF BRIDGING FINANCE INC.

7
8 SECTION 13
9 *****
10 CONFIDENTIAL
11 *****

12 PURPOSE: CONTINUED COMPELLED INTERVIEW OF
13 ANDREW MUSHORE

14 HELD ON: Thursday, April 29, 2021

15 HELD AT: Ontario Securities Commission
16 Microsoft Teams Virtual Interview

17 APPEARANCES:

18 Adam Gotfried For the Staff of the Commission
19 Jody Sikora

20 Mr. Kevin Richard For Andrew Mushore

21 VOLUME 2

22 Arbitration Place © 2021
23 940 - 100 Queen Street 900 - 333 Bay Street
24 Ottawa, Ontario K1P 1J9 Toronto, Ontario M5H 2R2
(613) 564-2727 (416) 861-8720

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AFFIRMED: ANDREW MUSHORE

EXAMINATION BY MR. GOTFRIED AND MR. SIKORA

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ROUGH DRAFT ONLY - NOT A CERTIFIED TRANSCRIPT

1 via Microsoft Teams

2 --- Upon commencing on Thursday, April 29, 2021,

3 at 10:00 a.m. EDT

4 AFFIRMED: ANDREW MUSHORE

5 MR. GOTFRIED: Thank you. So

6 today is April 29th, 2021. The time is 10:03 a.m.

7 We are here to conduct a continuation of the

8 interview of Andrew Mushore by video conference.

9 Present today is myself, Adam Gotfried, and Jody

10 Sikora, for Staff of the Ontario Securities

11 Commission. Also present is a court reporter to

12 ensure there's an accurate record of the interview.

13 Andrew Mushore is present today, along with counsel

14 to Bridging Finance Inc., Mr. Kevin Richard.

15 EXAMINATION BY MR. GOTFRIED:

16 1 Q. Mr. Mushore, can you confirm
17 that you're alone in a room and no one else can hear
18 us?

19 A. I can confirm that, yes.

20 2 Q. Thank you. You're here today
21 on a compelled basis to continue your interview and
22 answer questions regarding Bridging Finance Inc. and
23 its directors and officers?

24 A. Yes. Sorry.

25 3 Q. And I'll just confirm for the

1 record, that this is a continuation of the
2 examination held on October 14th, 2020 pursuant to a
3 summons issued to you dated September 23rd, 2020.
4 That summons was at tab 1 of Exhibit 1 of the
5 examination. I'll confirm again that, as this is a
6 continuation, that will remain Exhibit 12. For the
7 record, Exhibit 1 was a PDF document with 12 tabs:
8 The first tab being the summons, the last tab being a
9 notice to the Manitoba Securities Commission and the
10 Ontario Securities Commission dated April 29th, 2019.

11 A. Okay.

12 4 Q. Mr. Mushore, I would like to
13 remind you that you have been affirmed or sworn to
14 tell the truth, and it is an offence to make a
15 statement that's misleading or untrue to the Ontario
16 Securities Commission, including through the omission
17 of any facts. Please listen to my full questions
18 before answering. For the benefit of the court
19 reporter, it is important that only one person speak
20 at a time. I understand that your counsel has
21 something that he would like to say on the record.
22 Before I let him do that, do you have any questions
23 for us?

24 A. I do not. Thank you, Mr.
25 Gotfried.

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1 MR. GOTFRIED: Mr. Richard.

2 MR. RICHARD: Okay, thank you.

3 Just briefly, I just wanted to confirm on behalf of
4 Mr. Mushore, that he is taking any and all
5 protections that are available to him under the
6 Ontario Evidence Act, Canada Evidence Act, the
7 Charter, or at common law. And I propose that we
8 simply take those protections on a global basis,
9 rather than on a question-by-question basis, as it
10 speeds things up. And as I generally do, I'm not
11 asking staff to -- I don't expect staff to have to
12 say what they think is covered and what is not. I
13 simply want to put the protections on the record, and
14 if staff is content with that, we can go forward.

15 MR. GOTFRIED: Yeah, that's fine.

16 BY MR. GOTFRIED:

17 5 Q. Mr. Mushore, you were the --
18 we spoke about this last time, that you're the chief
19 compliance officer at Bridging Finance Inc.; is that
20 right?

21 A. Yes, sir.

22 6 Q. And I understand you were
23 recently named the chief operating officer as well?

24 A. Yes, sir.

25 7 Q. When did that happen?

1 A. I believe it was August --
2 some date in August 2020.

3 8 Q. Okay. Is that -- do you
4 consider that to be a promotion?

5 A. You know, it's an interesting
6 question. In some respects no, because, you know, a
7 lot of those, a lot of the things as it relates to
8 helping to, to run the operations, I had been doing.
9 You know, we are a small shop. So in some respects,
10 I would say perhaps not. It's perhaps just an
11 acknowledgement of, of things I had been doing.

12 9 Q. Okay. And you mentioned just
13 now that some of the things involved in actually
14 running the shop. Can you tell me, what are some of
15 those things?

16 A. Well, maybe I should clarify
17 specifically on operations, and some of those things
18 would be liaising with our fund administrator, kind
19 of managing, you know, managing that relationship a
20 bit more by way of dealing with a lot of operational
21 issues, as it relates to clients, you know, through
22 advisors and the advisory channel that we have. I
23 guess just specifically the fund operations would,
24 would make it more clear.

25 10 Q. Okay. Can you give me a

ROUGH DRAFT ONLY - NOT A CERTIFIED TRANSCRIPT

1 little bit of detail on the funds, fund operations?
2 Like, what kinds of specific, like, functions or
3 tasks are included in fund operations? What does
4 that mean?

5 A. Right, yeah. So I mean, as
6 you know, we would distribute our products primarily
7 through the retail channel. This would be, you know,
8 advisors, ^^ banks or other dealerships, they
9 distribute our products. From that, we have a lot of
10 inbound questions that come from that, and a lot of
11 responsibilities as it relates to kind of getting
12 information out to them and answering their queries.
13 That is a big, that is a big part of it. And then
14 just dealing, working with the fund administrator on
15 various things, be that, you know, tax reporting, and
16 any other reporting that needs to go to clients, and
17 then just basically understanding the fund sort of
18 world, the back and forth there. It's a lot of work
19 with our fund administrator as we, as we outsource
20 our function.

21 11 Q. Okay. Who told you -- like,
22 how did you learn that you were going to be named the
23 chief operating officer as well?

24 A. It was in conversation with
25 UDP, David Sharpe.

1 12 Q. Okay.

2 A. Yeah.

3 13 Q. My understanding is that
4 David Sharpe was the, was the person at Bridging who
5 hired you; is that right?

6 A. I don't know if that's
7 correct to say. You know, my, my hiring process was
8 really done through the Coco office, that's where my
9 interview was. And you know, as for, as for who
10 hired me, I would have said it's more accurate to say
11 that it was, you know, Jenny and -- it was Jenny and,
12 Jenny Coco and Natasha, that's where the interview
13 process went through.

14 14 Q. David Sharpe didn't interview
15 you?

16 A. He did not actually, no.

17 15 Q. Did you work with him
18 somewhere before you moved to Bridging?

19 A. Yes, I did.

20 16 Q. Okay. Where was that?

21 A. A company called ROI Capital.

22 17 Q. Okay. And what was the
23 period of time that you two worked together at ROI
24 Capital?

25 A. Oh, gosh. Testing my memory

1 here. I think it was...

2 18 Q. Ballpark it for me.

3 A. Two, three -- 2012, I
4 believe. I want -- I think it's Q3. It was some
5 point in 2012 until 2013. And March of 2013, I
6 think, is when, when David Sharpe had left.

7 19 Q. Okay. So you were only
8 working together at ROI Capital from Q3 2012 until
9 whenever Mr. Sharpe left in 2013. So roughly six
10 months or so?

11 A. Yes, roughly. To my, to my
12 recollection.

13 20 Q. Okay. And was he your
14 supervisor there, at ROI Capital?

15 A. No, it was a gentleman by the
16 name of Gil Garbus.

17 21 Q. This time at ROI Capital, was
18 that the first time you met Mr. Sharpe?

19 A. No.

20 22 Q. How long have you known David
21 Sharpe?

22 A. Gosh. I think it's 2010 or
23 2011, the beginning of 2011. 2011, I believe.

24 23 Q. Okay. How did you meet him?

25 A. Working, working for him at

1 CI Financial.

2 24 Q. Okay.

3 A. Assante Wealth Management,
4 which is a company of CI Financial.

5 25 Q. Did he hire you there?

6 A. No, he -- well, again, there
7 I would say no. You know, I -- there was a manager
8 there that I worked under by the name of Carlos
9 Betancourt, who hire -- who I would say hired me.

10 26 Q. Was Mr. Sharpe's that
11 person's manager or supervisor?

12 A. I think he was a level, a
13 level above his, his supervisor or manager.

14 27 Q. Okay. I understand. So is
15 it fair for me to say that, other than maybe a small
16 gap when you were at ROI and Mr. Sharpe had already
17 gone to BFI, that, in some way, shape, or form you
18 basically worked for David Sharpe for the better part
19 of 10 years?

20 A. Yeah, for, or with. I like
21 to think I work for the company, but, yes.

22 28 Q. Okay. I appreciate that.
23 Thank you. So when we spoke in October, we talked
24 about the loan approval process at Bridging. Do you
25 recall that?

1 A. I do.

2 29 Q. We talked about how a loan
3 would be approved by the credit committee, then it
4 would move to the allocation committee, and the
5 allocation committee would determine which of the
6 funds would actually fund the loan. Do you recall
7 that?

8 A. I do.

9 30 Q. And we said that your role on
10 the credit committee was to ensure that loans met
11 the, met the investment -- I don't remember what word
12 we used, the investment standards, the investment
13 guidelines for the funds. And if your view was that
14 a loan did meet the investment standards or
15 guidelines for the funds, you would vote in favour of
16 it at the credit committee. Do you recall that?

17 A. Yes. The mandates, yes.

18 31 Q. Mandates. Thank you. That's
19 a better word. I don't recall if we asked you if you
20 sat on the allocation committee. Do you see on the
21 allocation committee?

22 A. Yes. I don't recall either,
23 but yes.

24 32 Q. But you do sit on the
25 allocation committee?

1 A. I am part of it, yes.

2 33 Q. What happens after the
3 allocation committee decides which fund is going to
4 fund the loan?

5 A. So which funds will fund -- I
6 believe a participation agreement is drawn up to that
7 effect, that being the split, and then an instruction
8 provided to the portfolio operations team to, to
9 perform the split in a manner described in the
10 participation agreement.

11 34 Q. Okay. So who is involved in
12 the execution of those participation agreements and
13 providing the instructions to, I think, you said the
14 portfolio operations team?

15 A. That's right. That would be
16 the, the portfolio manager and legal, as related to
17 printing of the participation agreement, and then,
18 obviously, the portfolio manager and for the
19 portfolio operations team in -- you know, within our
20 loan system splitting it in the way that would be
21 described on the participation agreement.

22 35 Q. Okay. And then once that's
23 done, what are the mechanics of the actual funding of
24 the loans?

25 A. So my understanding is

1 there's usually a lead participant. Sometimes there
2 maybe the bigger, the bigger fund. And the monies
3 would -- from the various funds would be, would be
4 sent to, to fund the loan.

5 36 Q. Okay. Who at Bridging is
6 involved in that process of actually sending the
7 money?

8 A. I don't have it in front of
9 me. I mean, there's -- it's a two-step process, if
10 you will, to sign off process, perhaps, a bit more
11 accurate to say, as a sign-off process. People who
12 can set up a wire and then finance -- individuals
13 within the finance team are people that can release a
14 wire.

15 37 Q. Okay. So, sorry, the two
16 step sign-off. Are the people who sign off the
17 people on the finance team or the higher up people?

18 A. No, typically it's the
19 finance team. That's, that's been the process set up
20 for them. At least, it would be the finance team,
21 typically, would be the ones to release. I think
22 there's some members of the fund operations that can
23 set up.

24 38 Q. Okay. Who are the people on
25 that, on that finance team?

1 A. I think it's the members of
2 our finance. So we have -- you mean their names?

3 39 Q. To the extent that you can,
4 you can remember them.

5 A. Yeah, to the extent that I
6 can remember them -- are we talking about currently?
7 Sorry, I just need some clarification.

8 40 Q. Okay. Let's do it this way.
9 Is David Sharpe on that finance team?

10 A. No.

11 41 Q. Is Natasha Sharpe on that
12 finance team?

13 A. No.

14 42 Q. Are you on the finance team?

15 A. No.

16 43 Q. Is Mr. Marr on the finance
17 team?

18 A. No.

19 44 Q. Is Jenny Coco on the finance
20 team?

21 A. No.

22 45 Q. So after the allocation
23 committee meets and the participation agreements are
24 drawn up, do none of those people then have any
25 involvement in the actual money leaving the fund's

1 bank accounts and going to the borrowers?

2 A. As it relates to banking and
3 wires, not to my knowledge, no.

4 46 Q. Okay. So that's the end of
5 those people I just mentioned. That's the end of
6 their role in the funding of the, of the loans. They
7 don't have a part of that?

8 A. Yeah, not to my knowledge. I
9 mean, that's -- yeah, no.

10 47 Q. Okay. Okay. What's the
11 compliance department's role in, I suppose, it would
12 be monitoring the actual movements of money out of
13 the fund's bank accounts?

14 A. It's more from a review
15 perspective on what we call the expense review; and
16 that's where, obviously, we will be monitoring and
17 looking at the fund bank accounts against the
18 expenses and invoices that we receive, and ensuring,
19 obviously, that the expenses charged to the funds are
20 obviously appropriate and in line with guidelines set
21 up by the CSA. And, you know, in that, obviously, we
22 are checking the invoices, along with bank statements
23 and anything, anything outside of that obviously we
24 will be taking note of.

25 48 Q. Okay. What about the loans?

1 Does the compliance department check to make sure
2 that money leaving the accounts matches the loans
3 that have been approved?

4 A. We had not typically been
5 doing that. That wouldn't be part of our expense
6 review.

7 49 Q. Okay. So the compliance
8 department doesn't do that. It doesn't make sure
9 that money that leaves the fund bank accounts is
10 consistent with the loans that are being approved by
11 the credit committee and the allocation committee?

12 A. No, that hadn't been part of
13 what we reviewed, no.

14 50 Q. Okay. I notice how you're
15 answering that question, that it hadn't been part.
16 Is that something that is done now?

17 A. That's a fair comment, Mr.
18 Gotfried. No, you know, perhaps, it was a poor
19 choice of words on my part. No.

20 51 Q. No, that's fine. I just want
21 to clarify. Okay. So the compliance department
22 doesn't monitor money out of the funds to make sure
23 it's consistent with the, with the loans. Does
24 anybody at BFI do that?

25 A. The, the fund operations --

1 sorry, the fund -- the portfolio operations group
2 would be doing that, and obviously ensuring that
3 that's correct and obviously reconciled. So that
4 would be, that would be a duty that falls more
5 adequately to them.

6 52 Q. Okay. Whose in charge of
7 that portfolio operations team?

8 A. That is Brian Champ, he's a
9 registrant as well.

10 53 Q. Okay. And has Mr. Champ been
11 in charge of that portfolio operations team
12 continuously from the period, let's say, 2017 until
13 today?

14 A. Yes, to my knowledge.

15 54 Q. Okay. Is Mr. Marr a part of
16 that portfolio operations team?

17 A. No, I wouldn't say, I
18 wouldn't say that's accurate to say, no. Not part of
19 it, no. His duties are outside of that.

20 55 Q. Okay. I understand that he's
21 the president of BFI now?

22 A. That's correct. I think as
23 of that same date.

24 56 Q. That date in August?

25 A. Yeah.

1 57 Q. So prior to that date in
2 August 2020 when he was a portfolio manager, would he
3 have been part of that portfolio operations team?

4 A. No.

5 58 Q. No. Okay. So Mr. Champ runs
6 that portfolio operations team. Just to cross these
7 off, I'm assuming, then, that David Sharpe's not on
8 that portfolio operations team?

9 A. That's right.

10 59 Q. And Natasha Sharpe's not on
11 that team?

12 A. No. No.

13 60 Q. I'm assuming you're not?

14 A. No.

15 61 Q. And Jenny Coco is not?

16 A. That's right.

17 62 Q. Okay. So based on your
18 answers so far today, and correct me if I'm, if I'm
19 wrong, but my impression based on your answers today
20 is that it would be possible for significant funds
21 of -- or significant amounts of money to leave the
22 fund's bank account without the compliance department
23 knowing about it.

24 MR. RICHARD: And, sorry, Mr.
25 Gotfried, I'm not sure we're here today to deal with

1 your impression of things. We're here to deal with
2 your questions of the witness, not have him agree or
3 disagree with your impression of things.

4 MR. GOTFRIED: That's a fair
5 comment.

6 MR. RICHARD: I don't think that's
7 a proper question.

8 MR. GOTFRIED: That's a fair
9 comment.

10 BY MR. GOTFRIED:

11 63 Q. Is it possible for large
12 amounts of money to move out of the fund's bank
13 accounts without the compliance department knowing
14 about it?

15 A. I wouldn't say so, no. I
16 mean, because as I say, we do look at the bank
17 statements. So to say that we wouldn't know about it
18 would be an inaccurate statement to make. So yeah,
19 I'd say that would be an inaccurate statement to
20 make. We would, we would know about it one way or
21 another.

22 64 Q. Like the compliance
23 department could realize it afterwards when they're
24 doing that expense and invoice review?

25 A. That's right.

1 65 Q. But it's possible for funds
2 to -- or amounts to leave the fund's bank accounts
3 without getting the approval of the compliance
4 department?

5 A. Yes.

6 66 Q. The only, the only pre- --
7 let me think about how I want to phrase this. The
8 only compliance department checks that occur before
9 the money actually leaves the bank accounts would be
10 your role on the credit committee and the allocation
11 committee; is that right?

12 A. That's right, yeah. I mean,
13 I think one has to understand the sheer amount of
14 wires that are involved, even just in accounts
15 receivable, for example. Small amounts it would be
16 inconceivable for compliance to, to check every
17 single time or have an understanding or approve, for
18 that matter, every single wire.

19 67 Q. Okay. Is it possible for
20 large amounts of money to leave the fund's bank
21 accounts without David Sharpe knowing about it?

22 A. Without him knowing about it.
23 I suppose one has to ask the question, kind of, what
24 those amounts are. If it's large amounts of money to
25 fund a loan, I believe everybody would know about it,

1 kind of back to your point there, Mr. Gotfried. So,
2 so that would be the case. But, you know, on a
3 technicality, looking at the process as it relates to
4 approving wires or wires going out, I would say it
5 may be.

6 68 Q. Okay. So when you say -- I
7 appreciate that. When you say, you know, large
8 amounts of money to fund loans, you know, everybody
9 would know about it, that would include David Sharpe?

10 A. That would include David
11 Sharpe. Back to your point there, around the credit
12 committee understanding that an amount was set to be
13 funded.

14 69 Q. That would include Natasha
15 Sharpe?

16 A. That would include the credit
17 committee, which would include Natasha Sharpe.

18 70 Q. Is Mr. Marr on the credit
19 committee? I don't recall.

20 A. I believe he is, yes.

21 71 Q. And has he been on the credit
22 committee prior to him being the president in August
23 of 2020?

24 A. I believe so.

25 72 Q. Thank you. So when we talked

1 last time, we discussed Bridging's -- when I say
2 "Bridging," you'll understand I'm talking about
3 Bridging Finance Inc.?

4 A. Yes.

5 73 Q. Sometimes I may call it BFI?

6 A. That's fine.

7 74 Q. If it's ever unclear, just
8 let me know.

9 A. I will. Thank you.

10 75 Q. Thank you. When we spoke
11 last time, we talked about Bridging's conflict of
12 interest policy. We looked at that policies and
13 procedures manual, I think, is what we called it. Do
14 you recall that?

15 A. Yes, sir.

16 76 Q. I'm going to bring that up,
17 because I want to ask some questions about it, and it
18 gives me a good opportunity to test the technology.
19 So I am going to share my screen.

20 A. Okay.

21 77 Q. We will see if this works.

22 A. Okay. So if everything has
23 worked well, we should be looking at tab 2 of Exhibit
24 1, the policies and procedures manual, and we should
25 be looking at a page that says 3 Registration

1 Requirements?

2 A. It has worked well. I've
3 just moved the screen -- I have two screens here, so
4 I've just moved it to make it a little bit bigger for
5 myself, but I can see it now.

6 78 Q. Excellent, excellent. Okay.
7 If we go -- and you'll have to give me a moment to
8 find the page. I'm going to have to scroll down
9 to -- here it is, Chapter 5, Governance and Business
10 Conduct?

11 A. Yes.

12 79 Q. And section 5.4, Outside
13 Business Activities, do you see that?

14 A. I do.

15 80 Q. So we talked about this
16 section a little bit last time. And I'll just note
17 that the first line under section 5.4, Outside
18 Business Activities, says: An outside business
19 activity is any business activity for which direct or
20 indirect payment or compensation is received in
21 exchange for a service or employment.

22 81 Do you see that?

23 A. I do.

24 82 Q. When we spoke last time, we
25 said that -- I think we agreed that employees could

1 not undertake or engage in an outside business
2 activity, unless they had the approval of yourself,
3 do you recall that?

4 A. That's right. I do recall
5 that, namely registrants, but yes.

6 83 Q. How common are employees
7 engaging in outside business activities? How common
8 is it?

9 A. Can I keep my answer
10 specifically to registrants, because to be honest, I
11 don't think we've had many employees engaging in
12 outside activities. The commonality for registrants,
13 if you want to say employees, for that matter, is, is
14 not common at the lower level, if that makes any
15 sense, but if you're looking at above, at the board
16 level, it is very common -- it is very common. It
17 seems to be very common.

18 84 Q. Okay. How do people go about
19 requesting approval from you for an OBA?

20 A. So prior to the moratorium on
21 the late fee -- because at one point it was every 10.
22 You had to do it within 10 days, s you had to report
23 the OBA within 10 days. Sorry, back to your
24 question, did you ask me how common.

25 85 Q. I wanted to know how, how

1 they go about requesting approval?

2 A. Yeah, so one of the functions
3 that we do in compliance is to try to prompt people
4 to always keep us informed about any change to, to,
5 therefore, that include a change to any OBA activity.
6 That would be a request to us usually by email to
7 say, look, I'm about to engage in this, can I do it.

8 86 Q. Okay.

9 A. That's how.

10 87 Q. That sounds -- go ahead,
11 sorry?

12 A. It's either from prompt from
13 myself, which doesn't usually, which I don't think I
14 ever yielded any results. That is more reminder for
15 people to remain -- to contact me in such a case.
16 Otherwise, it was just informing of myself, this is
17 OBA intent to engage in, can I do it.

18 88 Q. Okay. So would you say it's
19 a pretty informal process?

20 A. Yes.

21 89 Q. Do you keep records of the
22 requests that you get from people to engage in OBAs?

23 A. I have done. I mean, it's
24 not always via email. It sometimes is in person, and
25 then I would have to call and find out the details to

1 kind of perform the findings, if there's no issue.

2 90 Q. What kind of information do
3 you ask people for when you're considering whether to
4 approve a potential outside business activity?

5 A. Well, first off, knowing the
6 entity, the group, knowing what it is, the actual OBA
7 itself. You know, who's involved, is it a listed
8 company, are we talking about another registrants.
9 What space is it in, what degree of influence might
10 this person have, you know, to direct them to our
11 funds or wherever. Understanding how much time this
12 would take: Is it a compensated arrangement by way
13 of money or shares or equity, directly, indirectly.
14 Obviously having an idea for its location. Those are
15 some of the big things.

16 91 Q. Okay. Do you document your
17 consideration of these issues in any way?

18 A. Just by way of the filing it
19 has been.

20 92 Q. Okay. So last time in
21 October, we talked about David Sharpe and Mr. Marr
22 serving as directors of grow force holdings and
23 MJardin Group, do you recall that?

24 A. I do.

25 93 Q. And you told us then that

1 there were no written approvals that were produced,
2 other than the filings that were made with the
3 Commission. Do you recall that?

4 A. I do.

5 94 Q. And I take it from your
6 earlier answer, and please correct me if I'm wrong,
7 that that's sort of the standard process. That is
8 how the approval is documented. It's with the filing
9 of a -- with the filing to the commission?

10 A. That's right.

11 95 Q. Other than to act as a
12 director of grow force holdings, did David Sharpe
13 ever ask you for approval for any other outside
14 business activities?

15 A. Yes.

16 96 Q. All right. Do you remember
17 what they were?

18 A. Off the top of my head, yes.
19 I can elaborate on what those are, if you like.

20 97 Q. Yes, please?

21 A. Native child, I recall. HRT
22 for First Nation children issues. The queens --
23 there's a couple from with Queens, I think is one of
24 the board of trustees, and there's one he kind of
25 teaches a course on First Nations negotiation.

1 98 Q. You're talking about Queens
2 university?

3 A. Sorry, yes, queens
4 university, that's right.

5 99 Q. Sorry for interrupting.
6 Please continue?

7 A. My apologies. Historic of
8 Canada, future preneur, those are entities, black
9 north initiative. Those are some of the ones that
10 come to mind.

11 100 Q. All right. Thank you. Do
12 you recall or was Mr. Sharpe compensated for any of
13 those outside business activities?

14 A. No. Not to my knowledge, at
15 least.

16 101 Q. Okay. Do you recall Mr.
17 Sharpe ever asking your approval for any outside
18 business activities for which he was compensated?

19 A. No. That was always a
20 question I ask and no.

21 102 Q. Do you recall Natasha Sharpe
22 asking you for approval for outside business
23 activities?

24 A. Not off the top of my head.
25 I know a lot of outside business activities that I

1 have had to file for her have been by way of, you
2 know, an entity created to act as GP for the funds,
3 and I'm like, we have to file this. Not really
4 asking for permission or approval at that time,
5 because I'm aware of the creation of that GP and her
6 sitting on it. I'm making that filing anyway.

7 103 Q. What about any outside
8 business activities that don't involve Bridging or
9 the funds. I understand that she has various roles
10 with the general partners of some of the funds, and
11 so there may be filings with that. But other than
12 having to do with Bridging or the funds?

13 A. I can't recall, to be quite
14 honest. I would have to just look at the filing
15 list.

16 104 Q. Okay. Do you recall Natasha
17 Sharpe asking you for approval for any outside
18 business activities for which she was compensated?

19 A. No, I do not recall.

20 105 Q. Okay. I recall when we spoke
21 last time, we discussed how Mr. Marr was compensated
22 by MJardin for serving as a director there. Do you
23 recall that?

24 A. I do.

25 106 Q. Other than that outside

1 business activity for which Mr. Marr was compensated.
2 Do you recall Mr. Marr asking you for approval for
3 any outside business activities task for which he was
4 compensated?

5 A. No, I do not recall that, no.

6 107 Q. Okay. I don't think we
7 talked about a Mr. Ian Baele at all that time. Are
8 you familiar with that name?

9 A. I am.

10 108 Q. Can you tell me who that is?

11 A. Mr. Ian Baele runs the sales
12 group or sales team, I should say.

13 109 Q. At Bridging?

14 A. Sorry, at Bridging Finance.

15 110 Q. What is the sales function at
16 Bridging? What is he selling?

17 A. I guess it's more like a
18 wholesaler function, at a fund manufacturer like
19 ourselves, he's contacting and speaking with advisors
20 at external dealers or third party dealerships to
21 inform them of our products and that.

22 111 Q. Okay. So his role relates to
23 the sale and distribution of units of the funds?

24 A. Yeah, that's right, to some
25 respects. It's not him the relationship with the

1 client, it would be he's got the relationship with
2 the advisor who has the relationship with the client,
3 those relationships being third party.

4 112 Q. He's generally the point of
5 contact between the example market dealers that sell
6 the units of the funds?

7 A. That would be right. I would
8 say that it's not really exempt market dealers, it's
9 more like IIROC dealers --

10 113 Q. Okay.

11 A. -- that are the distributors.

12 114 Q. Does Mr. Baele have any role
13 in loan, like loan original nation? Does he deal
14 with the borrowers at all?

15 A. No.

16 115 Q. No. Okay. Has Mr. Baele
17 ever asked you for approval for an outside business
18 activities?

19 A. I don't recall, actually, no.

20 116 Q. Okay. I take it, then, you
21 don't recall if he's asked you for approval for an
22 outside business activity for which he was
23 compensated?

24 A. Sorry, no, I do not.

25 117 Q. Okay. Has David Sharpe ever

1 asked you for approval for any outside business
2 activities relating with -- or relating to an
3 individual names Sean McCoshen.

4 A. Not to my knowledge.

5 118 Q. Okay. Do you recognize that
6 name, Sean McCoshen?

7 A. I do.

8 119 Q. Do you know Sean McCoshen?

9 A. I have met him.

10 120 Q. Okay. When did you meet him?

11 A. Gosh I don't recall a date.

12 He has come to our office before.

13 121 Q. Recently, a long time ago?

14 A. I would say, I don't know
15 what people's definition of recent is, but probably,
16 you know, three maybe four years ago. Time does fly,
17 especially with this pandemic.

18 122 Q. Yes.

19 A. I might be a year or two off,
20 but roughly.

21 123 Q. Roughly three or four years
22 ago, that would be when you first met him?

23 A. I would say so, yes.

24 124 Q. What can you tell me about
25 him?

1 A. I guess I would have to ask
2 what you want to know. Description or.

3 125 Q. I mean, I'm not interested
4 in, you know, height, weight, that type of thing?

5 A. Okay.

6 126 Q. What does he do, what's his
7 relationship with Bridging, how often have you met
8 him in, in what capacity, those types of things?

9 A. Thank you for the
10 clarification. I would say, you know, when I met
11 him, it was under the context of him, I suppose, a
12 good word to use would be an advisor, so to speak, to
13 First Nations communities. He had relationship
14 with -- it would appear that he had a relationship
15 with a number of chiefs in different First Nations
16 communities and was involved to helping to source
17 financing for those communities in order to uplift
18 those communities in one way or another, to create
19 grocery stores, pharmacies, basically to help
20 increase the economic out put of those First Nations
21 communities and bring resources to those communities
22 that they hadn't had in the past.

23 127 Q. Do you know if Mr. McCoshen
24 is First Nation?

25 A. I do not know, I'm afraid.

1 He may be. I don't know.

2 128 Q. That's okay so. So can you
3 give me anymore details about his advisory
4 relationship with these First Nations? Do you have
5 any particulars about what the relationship is?

6 A. I don't. I mean, I guess
7 that would have been my understanding. I know that
8 in some cases he wasn't part of those particular
9 communities, but he was certainly -- I'm using the
10 word advisor, for lack of a better word, but he was
11 certainly an individual if you sat between us to
12 liaise with those First Nations. I don't have much
13 more information on the specifics. That's what I was
14 led to understand.

15 129 Q. How did you gain that
16 understanding?

17 A. It would have just been in
18 conversation. Understanding when a deal is about to
19 come on, who we're dealing with, the group we were
20 dealing with, the group that perhaps referred the
21 deal or the group that has the information on the
22 First Nations, so on the transaction.

23 130 Q. Does Mr. McCoshen have a
24 relationship with Bridging?

25 A. I would say under that

1 context, that being the advisory relationship, either
2 he's referring those opportunities to us or involved
3 in bringing those opportunities to us to some extent,
4 yes.

5 131 Q. Okay. And those
6 opportunities or relationships that he brought to
7 Bridging, are those exclusively like First Nations
8 funding opportunities or are there other
9 opportunities?

10 A. There had been -- I don't
11 want to say exclusively. I mean, I would have to
12 look at all of them. I can't say for sure, but I
13 would say for the most part that the opportunities
14 that he has brought have been First Nations, yes, or
15 involving First Nations.

16 132 Q. Is Mr. McCoshen connected to
17 any of the actual borrowers from the Bridging funds?

18 A. Perhaps just in the sense
19 that I was describing in terms of connection.

20 133 Q. Okay. To your knowledge, is
21 he, for example, a director or officer of any
22 borrowers from the funds?

23 A. One that I know of, that I
24 can remember, you know, best to my knowledge. I
25 don't know about others.

1 134 Q. Which one can you remember?

2 A. A2A , I believe it's Alaska
3 to Alberta rail.

4 135 Q. Okay. Alaska to Alberta I
5 think it's called railway development company or
6 corporation, that one?

7 A. Yes, you know better than I
8 do. I think that's the full name or the legal name
9 of the entity.

10 136 Q. Let's call it A2A because
11 that's easier and roles off the tongue. What is
12 Mr. McCoshen's relationship to A2A?

13 A. I believe he's the owner or
14 director there. He's the main person there is my
15 understanding.

16 137 Q. Okay. Your understanding is
17 he's the main person there. Does Mr. McCoshen have a
18 relationship with David Sharpe?

19 A. In the sense that David
20 Sharpe is First Nations and there's a lot of
21 discussion around First Nations and the transactions,
22 that's my understanding. I mean, beyond that
23 business relationship, I'm unaware of.

24 138 Q. Okay. Does Mr. McCoshen have
25 a relationship with Natasha Sharpe?

1 A. Under the context of BFI
2 or -- sorry, Bridging and its business dealings,
3 that's the extent that I know of.

4 139 Q. Okay. And I take it from
5 your answer about that, and from David Sharpe, and
6 this may be my fault for not asking a clear enough
7 question. I'm talking about personal relationships.
8 Are they friends? Do they socialize, you know, do
9 they go to each other's kids hockey games, you know,
10 that type of thing. I take it, then, from what
11 you've said before, that you don't have any knowledge
12 of David or Natasha Sharpe having that kind of
13 relationship with Mr. McCoshen?

14 A. Yeah, I don't know. I don't.

15 140 Q. Okay. What about Jenny Coco;
16 do you know if she has any relationship with
17 Mr. McCoshen?

18 A. I don't. I really don't
19 know.

20 141 Q. Okay. But as far as to --
21 back to something you mentioned earlier, then, as far
22 as Bridging is aware, there's no outside business
23 relationship between Mr. McCoshen and David Sharpe?

24 A. Not to, not to my knowledge,
25 no.

1 142 Q. As the CCO, he would have to
2 get your approval for any sort of business activity?

3 A. That would be the case, yes.

4 143 Q. When we spoke in October -- I
5 realized I'm still sharing my friend, I can turn that
6 off?

7 A. I will just move you back to
8 my screen.

9 144 Q. I could have turned that off
10 a while ago. My apologies. You would think a year
11 into things I would be a little bit better at doing
12 things?

13 A. Understood.

14 145 Q. When we spoke last October,
15 we talked about a 35 million dollar loan that
16 Bridging took from a company called 3319891 Nova
17 Scotia, do you recall that?

18 A. I do.

19 146 Q. And that company, I will call
20 it 891 Nova Scotia?

21 A. Okay.

22 147 Q. That was owned by Rishi
23 Gautam, do you recall that?

24 A. I do.

25 148 Q. Let me know if you want me to

1 bring the loan back up on the screen, but I just want
2 to reorient you with it generally. So it was a 35
3 million dollar loan, and it was dated October 14th,
4 2018. Do you recall the timing of that loan or do
5 you want me to bring it up?

6 A. No, I recall the timing.

7 Thank you.

8 149 Q. You're welcome. And my
9 recollection is that we said that that was a loan
10 that BFI took out in order to fund the acquisition of
11 a management interest that ninety point had in the
12 income fund, do you recall that?

13 A. I do.

14 150 Q. Okay. We also discussed some
15 notes that I am, I am about to show you. Okay, let's
16 see if this works again. Do you see the notes on the
17 screen?

18 A. I do.

19 151 Q. Are they visible?

20 A. They are on my end, yeah.

21 152 Q. These notes were at tab 5 of
22 Exhibit 1. These are notes. It says Rishi Gautam at
23 the top left, and on the top left there's a date, the
24 date October 18, do you recall us discussing these
25 notes during your interview in October?

1 A. I do.

2 153 Q. You told us that these were
3 notes that you had made and that they recorded a
4 meeting between you and David Sharpe I think it was
5 on or around October 8th, 2018, do you recall that?

6 A. I do.

7 154 Q. You told us this note
8 reflects the reasons that you and David Sharpe
9 determined that Bridging borrowing 35 million dollars
10 from a goth company was not a conflict of interest.
11 Do you recall that?

12 A. I do.

13 155 Q. At the second dash near the
14 top of the page, at tap 5, it says Rishi Gautam has
15 proposed providing financing for the purpose of the
16 agreements.

17 Do you see that?

18 A. I do.

19 156 Q. Okay. And I assuming that
20 the agreements there -- it says, actually, in the
21 first point above, to acquire the management
22 agreements of the Ninepoint Bridging income. When we
23 spoke in October you told us you knew there was some
24 type of process took place when Bridging trying to
25 find financing from a traditional lender, do you

1 remember that?

2 A. Yeah. I remember that.

3 Sorry to cut you off.

4 157 Q. Okay. Tell me about that
5 process by which Bridging tried to find a traditional
6 lender?

7 A. Well, I hope I didn't profess
8 to say I was an expert in that full process. I
9 wasn't. I had an understanding that there was a
10 process that went about to seek financing. I was not
11 involved in that process from traditional lenders.
12 My understanding, after hearing from them, was that
13 they had gone the road -- gone down the road, I
14 should say, with a couple of traditional lenders, but
15 as for timing, it wasn't feasible.

16 158 Q. Okay. When did you learn
17 that there was this process by which Bridging tried
18 to, try to get funds from a traditional lender?

19 A. Probably -- I suppose I can't
20 speculate -- I don't want to speculate, I should say,
21 but it would have been before, before this note or
22 before this, this potential outcome.

23 159 Q. Okay. How did you gain that
24 understanding? Did someone tell you there was a
25 process?

1 A. Yes. Yes.

2 160 Q. Who told you that?

3 A. I heard from somebody else.

4 161 Q. Who did you hear that from?

5 A. It would have been multiple.

6 You know, Natasha Sharpe, David Sharpe who, who are
7 involved. I think the portfolio manager was involved
8 as well.

9 162 Q. Okay. So was it presented to
10 you that Bridging has been unable to secure funds
11 from a traditional lender, and, you know, therefore
12 we have to borrow from Mr. Gautam?

13 A. I don't recall it being
14 presented to me in that fashion. Just along the line
15 of here's an update on where the financing is.

16 163 Q. Okay. But you recall
17 Bridging being una I believe to obtain financing from
18 a traditional lender?

19 A. I don't know whether they
20 would have been unable in doing so. I think as it
21 relates to timing, it wasn't possible in the time
22 required.

23 164 Q. Okay. And is your whole
24 understanding about this traditional lender process,
25 that's from conversations with David Sharpe, Natasha

1 Sharpe and others?

2 A. That's right.

3 165 Q. Okay. Do you recall having
4 conversations with anyone specifically, other than
5 David and Natasha Sharpe?

6 A. The portfolio manager I think
7 who was doing that would have been Graham Marr, so
8 likely himself as well.

9 166 Q. Okay. Likely Mr. Marr as
10 well. The October 14th, 2018 loan that Bridging took
11 from 891 Nova Scotia, Mr. Gautam company. Is that
12 the only transaction that Bridging entered into with
13 891 Nova Scotia?

14 A. To my understanding or
15 recollection, yes.

16 167 Q. Okay.

17 168 Q. You're not aware of any other
18 transactions with 891 Nova Scotia?

19 A. If there were, I don't recall
20 at this time.

21 169 Q. Okay. Have you ever heard of
22 an entity called river cities investments L LC?

23 A. I believe so, yes. I think
24 that was with -- wasn't that the group of Mr. Gautam.

25 170 Q. Sorry, when did you become

1 aware of this entity called river cities investments?

2 A. I think it would have been in
3 and around the same time at this.

4 171 Q. So right around October 2018?

5 A. I believe so.

6 172 Q. Okay. What's your
7 understanding of this entity, River Cities
8 Investments?

9 A. I don't have great
10 recollection of, of who they are. I thought, I
11 thought this was a group or prior group of
12 Mr. Gautam.

13 173 Q. Okay. So there's some
14 connection with Mr. Gautam. What else do you know
15 about River Cities Investments?

16 A. Not a lot. That's, that's
17 the bulk of it that I can recall at this time.

18 174 Q. Okay. Does it have any
19 connection with 891 Nova Scotia and the loan that
20 Bridging took from 891 Nova Scotia?

21 A. I don't know.

22 175 Q. Are you aware of Bridging
23 making a loan to River Cities Investments and 891
24 Nova Scotia?

25 A. I don't recall them as a

1 borrower.

2 176 Q. Okay. You don't recall a
3 loan to River Cities or 891 Nova Scotia ever coming
4 before Bridging's credit committee?

5 A. I don't recall it. At this
6 time we've had a number of them, but I don't recall
7 at this time.

8 177 Q. Okay. You don't recall a
9 loan to 891 Nova Scotia and River Cities Investments
10 going before Bridging allocation committee no?

11 A. Okay.

12 178 Q. I'm going to show you a new
13 document.

14 179 Q. Do you see this?

15 A. I can. I do.

16 180 Q. So this is going to be
17 Exhibit 2. I think it's Exhibit 2. This is a loan
18 agreement between Bridging financing Inc. as agent
19 for the BFI funds, River Cities Investments I LLC,
20 and 3319891 Nova Scotia company. It's dated
21 September 12, 2018, and it is 19 pages.

22 Mr. Mushore, I'm going to scroll down a little
23 bit so you can see a little bit more of this page.
24 But so far from what we can see, this a loan letter
25 dated September 12th, 2018. Do you see that?

1 A. I see that.

2 181 Q. And then the reline it says
3 Bridging is going to -- I'm going to summarize, but,
4 basically, going to make a loan to River Cities
5 Investments LLC, and 3319891 Nova Scotia company, do
6 you see that?

7 A. I see that.

8 182 Q. And is sees that loan is
9 going to be guaranteed by Rishi Gautam, do you see
10 that?

11 A. I see.

12 183 Q. Okay. And it says that the
13 facility is going to be for up to \$40,386,265. Do
14 you see that?

15 A. I do.

16 184 Q. So were you aware of the
17 existence of this loan before I showed you this
18 document?

19 A. I don't remember it.

20 185 Q. Okay.

21 MR. RICHARD: Sorry, Mr. Gotfried,
22 you referred to the existence of this loan.

23 MR. GOTFRIED: Yes.

24 MR. RICHARD: Before. I mean, in
25 fairness, you've shown him a document.

1 MR. GOTFRIED: That's fair.

2 MR. RICHARD: You've shown him the
3 first page of the document, and haven't even allowed
4 him to scroll through the document yet.

5 MR. GOTFRIED: Would you like me
6 to scroll--

7 MR. RICHARD: I don't know if
8 you're at the point of a loan.

9 BY MR. GOTFRIED:

10 186 Q. Would you like me to scroll
11 through the document, Mr. Mushore, so you can read
12 it?

13 A. Yes, please.

14 187 Q. Okay. So let me know when
15 you're ready for me to scroll down.

16 A. I am.

17 188 Q. Okay.

18 A. I'm ready. Yes. Okay. You
19 can keep scroll. Sorry.

20 189 Q. No, no, that's okay?

21 A. Okay.

22 Okay. You can keep going.

23 190 Q. Sorry, I saw you nod your
24 head. I thought that meant I can continue?

25 A. Yes. It does. Continue.

1 All right. Yes. Okay. Thank you. Okay. That's
2 fine. A little bit more. Okay. Okay. Thank you.
3 Yes. Okay, a bit more, sorry. Okay. Yes.

4 191 Q. I think we're getting. We're
5 close now to the end?

6 A. Okay. Okay.

7 192 Q. We're on page 14 of Exhibit
8 2. The signature page. Do you recognize the
9 signature for Bridging Finance Inc.?

10 A. Yeah, I do.

11 193 Q. I'm sorry?

12 A. I do. It's looks familiar.

13 194 Q. Who's signature does it look
14 like?

15 A. It looks like Natasha Sharpe,
16 but it's not complete.

17 195 Q. Okay.

18 A. Okay. Okay.

19 196 Q. Have you heard of an Art
20 Brown before?

21 A. I have.

22 197 Q. Do you know who Art Brown is?

23 A. He was I believe in a finance
24 function at MJardin -- I don't know about currently,
25 but at one point.

1 198 Q. Do you want me to go through
2 the definitions?

3 A. Yes, please. The whole
4 agreement.

5 199 Q. Okay.

6 A. Okay. A bit more. Okay,
7 okay.

8 200 Q. And that, I think is it?

9 A. Okay.

10 201 Q. We'll go back to the first
11 page. So have you ever seen this loan agreement
12 before, before my showing it to you this morning?

13 A. I don't recall it.

14 202 Q. Okay. Are you aware of
15 Bridging lending approximately 40 million dollars to
16 river sees, or 3319891 Nova Scotia in 2018?

17 A. I don't remember. This is
18 helping to jog some memory, but not entirely.

19 203 Q. What memory is it jogging?

20 A. I don't recall river cities.
21 I don't recall in relation to this agreement that
22 was.

23 204 Q. Okay. What was your
24 understanding of, of where 891 Nova Scotia got the
25 money that it was supposed to lend to Bridging in

1 October of 2018?

2 A. Well, my understanding was
3 that it was from Mr. Gautam and his colleagues.

4 205 Q. Okay. How did you get that
5 understanding?

6 A. Well, it's from discussion
7 with, with David Sharpe.

8 206 Q. Okay. And those were the
9 discussions that led you to make those notes dated
10 October 8th that we've looked at?

11 A. Yes.

12 207 Q. I think it was at tab 5, but
13 the notes in Exhibit 1?

14 A. Yes.

15 208 Q. So you didn't know when you
16 and David Sharpe discussed whether that, whether that
17 relationship or that borrowing from 891 Nova Scotia,
18 whether it represented a conflict, at that time you
19 didn't know that Bridging had lent 891 Nova Scotia
20 and river cities approximately 40 million dollars the
21 month before?

22 A. Yeah, I don't recall that
23 being part of the thought process.

24 209 Q. Okay. David Sharpe never
25 told you about this loan?

1 A. I don't recall discussing it
2 with him.

3 210 Q. And that's why it's not in
4 your note that we looked at?

5 A. I would say that's a fair
6 assumption.

7 211 Q. Do you feel that this is
8 something that he should have told you about when you
9 were having that discussion?

10 A. It would be helpful.

11 212 Q. Why would audit be helpful?

12 A. To understand just the
13 mechanics of any relationship with these groups.

14 213 Q. Does it change your view
15 borrowing money from 891 Nova Scotia was not a
16 conflict of interest.

17 MR. RICHARD: With respect, I
18 don't believe that's a fair question you're asking
19 him for his opinion as he sits here today. You've
20 continued to call this a loan. It's a loan agreement
21 that you've shown him that he said he wasn't aware
22 of.

23 MR. GOTFRIED: Counsel, he's the
24 CCO of the company, his opinion on whether something
25 is a conflict of interest or is not a conflict of

1 interest is relevant to our investigation.

2 MR. RICHARD: But you're asking --
3 you're giving him a situation, which may or may not
4 be a hypothetical situation, and saying would that
5 change your mind. In my respectful view, that's not
6 proper questioning of a witness in this context.

7 214 Q. Okay. We spoke before about
8 how the compliance department didn't have a role in
9 if I'll use the word "vetting". Vetting money coming
10 to out of the funds bank account; do you recall that?

11 A. I do.

12 215 Q. So it's possible that the
13 funds would have loaned, let's say, approximately 40
14 million dollars to 891 or River Cities without you
15 knowing about it; is that right?

16 A. Given the fact that we don't
17 review that, yes.

18 216 Q. Okay. Is the existence of
19 this loan agreement something that would have
20 impacted your analysis in October 2018? Like, had
21 you known that this existed, would it be part of your
22 thought process?

23 A. I think it's fair to say,
24 yes, you want to include in and all variables and
25 facts, so it would certainly be part of it, yeah.

1 217 Q. Did you have any role in
2 Bridging's responses to directions or summons or
3 other requests that the Commission has September to
4 Bridging during this investigation?

5 A. I did, yes.

6 218 Q. Okay. Can you describe with
7 a your role was for me?

8 A. Well, to help, to help, to
9 help a response -- to write a response. In some
10 cases, gather the information.

11 219 Q. Okay.

12 REPORTER'S NOTE: To help craft a response.

13 220 Q. Because I can tell you that
14 this loan has not been produced by Bridging to the
15 commission, so I'm hoping you can tell me how it's
16 possible that threshold issue audit the various loan
17 schedules and various responses, that Bridging has
18 sent during the past eight months, this loan has
19 never been, has never been disclosed.

20 MR. RICHARD: In fairness, you've
21 asked him about this agreement. My recollection is
22 he said he doesn't recall ever seeing it.

23 MR. GOTFRIED: Okay. I can change
24 the question and ask how this loan agreement was
25 never disclosed.

1 MR. RICHARD: Asking a witness who
2 has confirmed for you already that he's never seen
3 it, so we're not getting anywhere by asking someone
4 who has never seen it before how it was never
5 disclosed.

6 BY MR. GOTFRIED:

7 221 Q. Okay. Who led the process at
8 Bridging in responding to the summons and request for
9 loan documentation and loan information?

10 A. That was mostly the UDP,
11 David Sharpe. There was a few of us involved,
12 including counsel.

13 222 Q. Okay. I don't want to get in
14 at all counsel's involved or any discussions with
15 counsel. Okay. Just give me one moment. Let me
16 consult my notes?

17 A. Sure. So I see the time,
18 11:15. We've been at about about a an hour and 15
19 minutes. This would be a good time to take a break.
20 Should we take 15 minutes?

21 A. Okay.

22 MR. RICHARD: Sure. Yeah.

23 MR. GOTFRIED: Okay.

24 MR. RICHARD: I guess the simplest
25 just to turn our cameras and mics off, so that we can

1 all stay connected if that word.

2 MR. GOTFRIED: Turn off your
3 camera and mute. Mr. Mushore, I will take the
4 opportunity to remind you, for the record that while
5 we are on a break, you can't discuss your answers
6 here this morning or your testimony here today with
7 anyone while we are on the break. Obviously I don't
8 want you to take the suggestion that you're going to
9 do that, but I am just going to remind you that this
10 interview is confidential, and while we're on the
11 break, you can't discuss this with anybody.

12 THE WITNESS: Except my counsel,
13 is that right or no.

14 MR. GOTFRIED: I will let you and
15 your counsel discuss what you and your counsel want
16 to discuss. I have every faith that your counsel
17 knows his obligations and comply with them, and we'll
18 leave it at that?

19 A. Thank you.

20 223 Q. Thank you, so 15 minutes.

21 --- Recess at 11:17

22 --- Upon Resuming

23 MR. GOTFRIED: Q. Mr. Mushore, I want to go
24 back to the discussion we had before the break about
25 the responses to the directions and summons and other

1 requests from the commission. I appreciate the fact
2 that you said that counsel would have been involved
3 in some of that process, so I don't want to hear
4 anything at all about what counsel did or what
5 counsel's role was. But can you sort of walk me
6 through what would happen, a letter or summons --
7 let's say the direction, a direction arrive and say
8 produce all the loan and loan documentation. What
9 would happen at Bridging to try to respond to that?

10 A. The request would go out,
11 obviously, you know, in a confidential way, and not
12 specific to who is making the request, like the
13 portfolio manager or portfolio manager to be able to
14 put that information together. That's information
15 that obviously I wouldn't have, but the portfolio
16 team would have record of, and then they put that all
17 together in the way that would have been requested.

18 224 Q. Okay. Who would be making
19 that request of the portfolio managers?

20 A. It could be myself, you know,
21 our internal counsel, Mr. Sharpe.

22 225 Q. Okay. So when that, when
23 that request would go out to portfolio managers, what
24 would they send back up. Would it be a schedule,
25 like listing a bunch of loans, or?

1 A. For that particular question,
2 yes.

3 226 Q. Okay. And then who -- was
4 someone's role or someone's responsibility to sort of
5 review those schedules and make sure that no loans
6 were missing?

7 A. Well, that would with the
8 role of the person who is kind of providing that
9 information, to make sure that it's complete. I
10 mean, it would be difficult for me to review it
11 without a basis to review it on.

12 227 Q. Okay. And what I'm getting
13 at, and I don't want to go through every loan
14 schedule with you, but I can certainly go through
15 them, if we need to. Like, I can tell you that River
16 Cities loan agreement was not listed on any of the
17 loan schedules that we received. So I'm trying to
18 get to how, how that is possible. And maybe before I
19 continue, I'll let you answer that. How is that
20 possible?

21 A. How the loan agreement wasn't
22 noted in -- I don't know. I mean, I think the
23 request was for loans made to in the amounts and
24 such. I'm not too sure how that would have been
25 missed.

1 228 Q. Because I -- I mean, I can
2 think of two possibilities: One is that that loan is
3 not logged in whatever internal system Bridging has
4 to track the loans, or the other is that it is and
5 someone took it off the schedules.

6 MR. RICHARD: If we're talking
7 about possibilities, based on what you've shown
8 today, and I'm speaking no more than that, it could
9 be that there wasn't a loan actually given out. So
10 that's the danger of going through possibilities or
11 hypotheticals in questions like this, is asking it as
12 though, you know, is this what happened. I
13 understand -- I'm not trying to stop you from getting
14 at the issue, but if we're talking about
15 possibilities, there's another one. Staff may know
16 if the money was actually loaned out or not, but
17 based on what we've heard today, we don't know that.

18 229 Q. Well, Mr. Mushore wouldn't
19 necessarily know if the money was loaned out in any
20 event, because the compliance department didn't have
21 a role in checking the money that left the bank
22 accounts, but in any event--

23 MR. RICHARD: That's the fairness.
24 If you're putting to him this was loaned out, without
25 establishing that it was loaned out, that's my issue

1 about asking him about the loan, the loan, the loan.

2 MR. GOTFRIED: I mean, I can
3 certainly put it to you, Mr. Mushore, that there was
4 money advanced pursuant to that loan. Like I know
5 that to be true. I'm not going to go through bank
6 records and such showing lines. I'm certainly happy
7 to represent to you that I know there was money
8 advanced pursuant to that loan. So maybe given that,
9 can you tell me how -- maybe go back and be more
10 specific. So something pushed down to the portfolio
11 managers to basically say list all your loans for me.
12 Is that right?

13 A. Yes.

14 230 Q. Okay. So who would the
15 portfolio managers be providing those schedules to?

16 A. It could be to myself or
17 collectively as a group to myself, to counsel and Mr.
18 Sharpe.

19 231 Q. Okay. So once it came up to
20 yourself or Mr. Sharpe, would you be double checking
21 the work to make sure that none of the loans are
22 missing?

23 A. It's hard for me to double
24 check without anything to check against is what I was
25 saying earlier. I would have to have a list of loans

1 to double check, so not relying on them to provide
2 them.

3 232 Q. Okay. So there's no, there's
4 no, like, central sort of depository or system where
5 all the loans would be kept?

6 A. There is like a software, a
7 loan management system, yes.

8 233 Q. Okay. So was the loan to
9 River Cities and 891 Nova Scotia not in that system?

10 A. I really don't know, because,
11 one, I don't have access to that system, and, two, we
12 were waiting to get information from the people who
13 would have access and pull that information.

14 234 Q. The compliance department
15 doesn't have access to the central system where all
16 the loans are recorded?

17 A. To where all the loans are
18 records, no., Not to my knowledge. It's a system
19 called Cadence, and I've never logged into that.

20 235 Q. Do you know if you could log
21 in if you wanted to. I'm trying to draw the
22 distinction versus I don't check it versus I can't
23 check it?

24 A. That's fair. The question,
25 sorry, if you don't mind repeating? Do I know if I

1 could?

2 236 Q. You said, I want to be fair,
3 you've said both you don't have access to it and
4 never checked it. I want to know if you can and you
5 haven't or you can't?

6 A. Not to my knowledge. If
7 someone has granted me access, and I have, I've never
8 logged on, and I don't even know whether I have
9 access, and I wouldn't even know what those
10 credentials are to be able to access.

11 237 Q. Okay. Okay. So of the key
12 people, the people at the top, you said the portfolio
13 managers, they would provide their list of loans to
14 yourself or Mr. Sharpe and counsel. Of that group,
15 Mr. Sharpe would be the only one who has access to
16 the system where all the loans are recorded?

17 A. You know, I don't even know
18 if he has access, I don't know if he's logged on, so
19 I don't know. I know the portfolio managers have
20 access to that system, and the portfolio operations
21 team, obviously, because running the day-to-day of
22 the loan.

23 238 Q. Okay?

24 A. But other than that, I'm not
25 sure who has access.

1 239 Q. As the CEO and UDP, he could
2 grant himself access to that piece of software,
3 couldn't he?

4 A. I would imagine, yeah.

5 240 Q. Okay. Okay. I want to shift
6 gears and I want to talk about Mr. Ng. You remember
7 we -- give me a moment. I'm not used to -- it's
8 funny, I keep saying how much I miss having paper,
9 and now I'm not used to paper, and I am messing
10 myself up trying to keep track of all paper. Mr. Ng.
11 So you remember when we spoke in October, Mr. Ng is
12 the individual who's companies borrowed funds from
13 Bridging and purchased half of bridging's shares in
14 July of 2019. Do you recall that?

15 A. Yes.

16 241 Q. We spoke about a notice, and
17 a verification that was submitted to the Manitoba
18 securities commission and the Ontario security
19 commission. Do you recall that?

20 A. Yeah.

21 242 Q. I'm going to share my screen
22 again. I'm going to bring up the notice and
23 verification, if my technology cooperates. The
24 notice of verification, they were at tab 12 of
25 Exhibit 1, which I will pull upright now?

1 A. Okay.

2 243 Q. Do you see it?

3 A. I do.

4 244 Q. My recollection is that you
5 told us that Mr. Ng's counsel, they were the ones
6 that drafted the notice, do you recall that?

7 A. Yeah, I think I recall that
8 BLG were his counsel.

9 245 Q. Yeah, I think that's right
10 too. I think it's BLG. So BLG drafted this. And I
11 recall, you know, before we do that -- if I go to the
12 last page of it, you recall there's a verification at
13 the back that was signed by David Sharpe, where David
14 Sharpe authorizes the making and filing of the
15 application by BLG and confirms the truth of the
16 facts contained therein. Do you see that?

17 A. I do.

18 246 Q. Do you know what the purpose
19 of these s. 1 1.9 notices are?

20 A. Well, the purpose of -- well,
21 perhaps not to the extent that you do.

22 247 Q. No. I'm thinking about how I
23 phrased that question. I don't want to give you the
24 impression that this is some sort of test or exam.
25 We went through this notice last time. I believe we

1 went through this notice last time. Let me know if
2 we didn't, we can do it this time. And the notice
3 doesn't contain any information about Mr. Ng's
4 borrowing from the funds. Do you recall that?

5 A. I recall that last time we
6 spoke of that.

7 248 Q. We also spoke about the
8 process that Mr. Sharpe went around signing this
9 verification on the last page. Do you recall that?

10 A. Yes.

11 249 Q. Okay. And you told us last
12 time that you had no involvement in preparing or
13 reviewing this notice. Do you recall that?

14 A. I do.

15 250 Q. Okay. And is that still your
16 evidence today, that you were not involved at all in
17 bridging's review of this 11.9 notice before Mr.
18 Sharpe signed the verification?

19 A. Yeah, I will say that I did
20 not -- I don't recall, I should say, myself,
21 reviewing this or being part of the process, an
22 active role at all.

23 251 Q. Okay. You don't remember
24 having any discussions with anyone about Bridging or
25 anyone at Bridging about whether, about whether the

1 notice should have talked about Mr. Ng's borrowing
2 from the funds or whether Mr. Sharpe could sign the
3 verification, given that the notice doesn't say
4 anything about Mr. Ng's borrowing from the funds?

5 A. I don't recall that, no.

6 252 Q. Okay. I'm going to bring up
7 another tab in Exhibit 1 that we talked about last
8 time. This is actually too big. This is. This is
9 tab 1 9 of Exhibit 1 these are notes it says Ng
10 conflict review, and the date at the to be is March
11 16, 2019. Mr. Mushore, can you see these?

12 A. I can. I think we spoke
13 about these last time as well.

14 253 Q. Yes, we did speak about these
15 last time. We said last time that this looked like
16 David Sharpe's handwriting, is that right?

17 A. Yes.

18 254 Q. And you told us last time
19 that these notes, they represented BFI's reasons for
20 considering that making loans to companies owned by
21 Mr. Ng at the same time Mr. Ng was negotiating to buy
22 half of Bridging was not a conflict. Do you remember
23 that?

24 A. I do.

25 255 Q. And one of the reasons in the

1 middle of the page here, it says -- I think there's
2 technically two reasons, says that Mr. Ng will not be
3 an officer, employee or director of BFI and will not
4 sit on the credit committee, do you see that?

5 A. Yeah.

6 256 Q. And says he will have no
7 active role with BFI and no decision-making authority
8 at BFI. Do you see that?

9 A. I do.

10 257 Q. And do you see the word "no"
11 and "not" are underlined?

12 A. I see that.

13 258 Q. So was Mr. Ng's not having an
14 act i role and not having any decision-making
15 authority, was that an important consideration?

16 A. I thought it was.

17 259 Q. Okay. Why?

18 A. Not having a -- so not having
19 a role in any investment decision making here or any
20 kind of day-to-day I thought removed him, so to
21 speak, in a sense, I suppose, from, from BFI, and the
22 activities of BFI.

23 260 Q. Okay. Why was it necessary
24 to remove Mr. Ng from BFI and from the activities of
25 BFI?

1 A. Why was it necessary to
2 remove him? I don't know. I cannot -- I'm not sure
3 if I can speak to any necessity to do that. I don't
4 know if I was involved.

5 261 Q. I was just trying to mirror
6 your words. I understood your answer to be that it
7 was important that he not have an active role and not
8 have any decision making powers at BFI. So why was
9 that important? Why was that an important
10 consideration?

11 A. Well, if you're looking at --
12 I figured at least I thought if you're looking at
13 Bridging finance and any conflicts that might involve
14 it, who was involved with Bridging finance. If he
15 wasn't -- if it's -- if he wasn't involved in any
16 decision making of Bridging finance, sitting on any
17 committees, is not just effectively an investor, the
18 same way I would invest in a company by way of
19 purchasing stock.

20 262 Q. Okay. And was that important
21 because he was also a borrower from the funds? Like
22 that was the potential, was that he was a borrower?

23 A. Yeah, so looking at that in
24 its entirety, yeah, he was a borrower, and then what
25 would his potential role be at BFI. Looking through

1 that verification, or I can't remember what it was,
2 seemed to be important to IIROC as well that he was
3 not involved.

4 263 Q. Yeah. Obviously and is that
5 because having a borrower have significant
6 decision-making authority at BFI, that would be an
7 obvious conflict?

8 A. Are you talking about in
9 relation to IIROC.

10 264 Q. No, I'm just asking. We know
11 looking at the notes at tab 9, we know at this time,
12 March of 2019, Mr. Ng was a borrower?

13 A. Mm-hmm.

14 265 Q. And we know that there were
15 certainly negotiations going on about Mr. Ng
16 acquiring -- I mean, he ended up being the largest
17 shareholder for the time. So becoming the majority
18 shareholder in Bridging. So is that why it was
19 important that he not have decision-making authority,
20 because if he was a borrower and a majority
21 shareholder at the same time, and he did have
22 decision-making authority, like, that would be an
23 obvious conflict right?

24 A. I see. Yes, given the fact
25 that he was a borrower -- assuming he wasn't, I don't

1 think, as you say, this would be a conflict review.

2 266 Q. Okay. Okay. So if he did
3 have decision making, some sort of decision-making
4 authority at BFI, that would be something that would,
5 at the very least, impact your determination about
6 whether there was a conflict or not?

7 A. Yeah, that would be -- that
8 change in the facts would certainly been part of the
9 decision making process, or at least focus, I should
10 say.

11 267 Q. Okay. We spoke last time
12 about employment agreements for David Sharpe and
13 Natasha Sharpe, do you recall that?

14 A. I do.

15 268 Q. Yeah. We talked a little bit
16 about the fact that -- I think it was a condition
17 that as the condition to the sale that employment
18 agreements were executed, do you recall that?

19 A. I actually didn't recall that
20 at the time, but we might have discussed it at the
21 last time we spoke.

22 269 Q. Okay. I think that actually,
23 to be fair, I think that was your exact evidence. We
24 knew it at the time we spoke, but you did not know it
25 in 2019 when the negotiations were happening?

1 A. Okay.

2 270 Q. Do you know if the execution
3 of a unanimous shareholder agreement was part of Mr.
4 Ng's acquisition of BFI?

5 A. Are you asking if that was --
6 sorry, I'm trying to figure out the actual question
7 here. Was a shareholder agreement part of purchasing
8 or his purchasing of BFI. It was a document -- I
9 understand it to be a document, yes, that was part of
10 the process, yes.

11 271 Q. So you understood that there
12 was a unanimous shareholder agreement that was going
13 to be signed as part of Mr. Ng buying half of BFI?

14 A. I'd say so, yeah. I think
15 that would be a fairly common document on an
16 acquisition.

17 272 Q. Yeah. Did you ever review
18 the unanimous shareholders' agreement?

19 A. Not that my opinion is worth
20 anything had I done so, I can't recall at the time,
21 but it's quite likely that I would have seen it.

22 273 Q. Okay. What do you mean when
23 you say not that your opinion --

24 A. We, I mean that I'm not a
25 lawyer. You know, commenting on a legal document,

1 I'm not too sure whether my words carry much weight.

2 274 Q. Okay. But had there been --
3 or had the USA granted Mr. Ng some sort of
4 decision-making authority or power at BFI, that would
5 have been a problem, right?

6 A. Yeah, that would have been --
7 that would have factored into any other decisions or
8 matters I would be analyzing.

9 275 Q. Okay. So remind me, a minute
10 ago did you say you can't recall if you reviewed the
11 unanimous shareholders' agreement that was part of
12 Mr. Ng's acquisition?

13 A. Yeah, I don't remember going
14 through it. As I said, it's quite likely that I
15 would have looked at it. But prior to I saw a lot of
16 documents that were being drafted at that time by
17 counsel.

18 276 Q. Okay. So why -- I think you
19 fairly remembered what your evidence was about the
20 employment agreements, was that you in 2019 as this
21 was going on, you weren't aware then that employment
22 agreements were being negotiated. So why do you say
23 that you would have been aware and you would probably
24 have reviewed the shareholders' agreement during the
25 same period?

1 A. Are you talking about in
2 juxtaposition or comparing the employment agreements.

3 277 Q. Yeah, so you said last time
4 that you didn't know that there were employment
5 agreements in 2019, but you've said today that even
6 though you can't remember reviewing the unanimous
7 shareholders' agreement in 2019, that you probably
8 would have. So what I'm asking is, if you didn't
9 know that there were employment agreements, why did
10 you know -- or why are you relatively certain that
11 you would have reviewed the shareholders' agreement?

12 A. Well, I can say that I
13 don't -- it's just a matter of recollection some time
14 that has past. I think, I think it would be fair to
15 say that I might have been aware that there was
16 employment agreement discussions. As for what those
17 were, I don't know, because those would have been
18 confidential. I don't know they were contingent upon
19 anything, as you were referring to earlier. That
20 would be the extent of it, if that clarifies
21 anything, sorry. Let me move this back.

22 278 Q. No, I think I can understand
23 that. I'm going to show you another document. Let
24 me find it. I'm going to share this with you.
25 Sorry, I'm just trying to think about how I want to

1 do this. I'm going to show you a copy of the
2 unanimous shareholders' agreement. And we are going
3 to mark that as exhibit -- hold on, I'm having issues
4 with the technology. Obviously what are we at now,
5 Exhibit 3? Exhibit 3. Thank you. And let me know
6 if that pops up?

7 A. It's up on my end.

8 279 Q. Okay. So just taking a look
9 here at this first page of the unanimous
10 shareholders' agreement, I'm cognizant of Mr.
11 Richard's comments last time. I don't want to end up
12 having to scroll through the whole thing. But seeing
13 this first page of the unanimous shareholders'
14 agreement, does this, as I scroll through the first
15 few pages, does this jog your memory at all as to
16 whether you've seen this document or not?

17 A. Does it jog my memory, to
18 some extent.

19 280 Q. So you have seen this before?

20 A. I believe I have, yeah.

21 281 Q. Okay. Do you remember, is a
22 draft of this -- I see it's dated July 8th, 2019, but
23 at the time that conflict meeting was held about Mr.
24 Ng that we looked at the notes for, the March 16th
25 one, and I appreciate I'm asking you to go back in

1 time a couple of years now. But do you remember if
2 this or a draft of a shareholders' agreement is
3 something you would have looked at at the time?

4 A. I do not remember.

5 282 Q. Okay. So you have a
6 recollection of -- you don't have a recollection, but
7 you're fairly certain you would have reviewed the USA
8 in 2019 as part of the determination that Mr. Ng's
9 purchase was not a conflict, but you can't
10 necessarily remember when in 2019 that would have
11 happened?

12 A. I think that's fair.

13 283 Q. Okay. As the CCO, is this
14 something that, you know, whenever the USA was
15 finalized and signed that should have been ensured
16 again to ensure that it didn't grant Mr. Ng any
17 sergeant powers or decision-making authority at BFI?

18 A. Should it have been reviewed
19 before to ensure you are those points were still in
20 place I think is what you're saying.

21 284 Q. Yes.

22 A. I'd say. I'd say yes.

23 285 Q. Okay. So I think we talked
24 about this a little bit last time. And you told us
25 last time that you knew that Mr. Ng was going to have

1 the power to name two out of bridging's four
2 directors. Do you remember that?

3 A. Yes.

4 286 Q. Okay. Isn't being able to
5 name half of the board, isn't that having decision
6 making power, significant decision making power over
7 BFI?

8 A. I don't know whether it is or
9 not. It depends on the decision making power. There
10 was no seats on any management team or committee for
11 any individuals that he might name, so it's
12 representation on the board for him, which, you know,
13 at the time, they were meeting once a year.

14 287 Q. Okay. I mean, you
15 understand, though, that ultimately, like, the board
16 runs the company, and the board can decide to meet
17 more than once a year, the board can make all sorts
18 of decisions. The board can fire David Sharpe,
19 right?

20 A. I would imagine so.

21 288 Q. Okay. So it was really just
22 a function of the fact that at that time, the board
23 didn't meet very often and maybe wasn't so active
24 that led you to think that being able to name two out
25 of four directors was not, was not significant, not

1 having significant decision making authority?

2 A. I would say so.

3 289 Q. Okay. Okay.

4 290 Q. I'm going to show you section
5 2.8 of this. There it is. Right there in the middle
6 of the page?

7 A. I see it.

8 291 Q. It's entitled "deadlock"?

9 A. Mm-hmm.

10 292 Q. And maybe I'll just -- I
11 don't want to read it, but I'm going to paraphrase
12 it?

13 A. Okay.

14 293 Q. Let me know if you agree with
15 my paraphrasing. But it says if there's any matter
16 on the board, other than those things that require
17 unanimous approval that are tied -- so two out of
18 four directors vote to do something and the other two
19 out of four directors don't want to do something,
20 then Mr. Ng, in his sole discretion, gets to decide
21 what's going to happen. Do you see that?

22 A. I do.

23 294 Q. Is that a fair paraphrasing
24 by me of what section 2.8 here says? I'm not asking
25 you to interpret the agreement. I just want to say

1 generally if you think whether my paraphrasing was
2 fair?

3 A. I would. I would say it's
4 fair, yes.

5 295 Q. Okay. I mean, that's pretty
6 significant decision making power, isn't it?

7 A. You know, again, I wouldn't,
8 I wouldn't say so. I mean, given that I am there at
9 least for the most part at the board meetings,
10 knowing what matters get put forward for their
11 approval, I didn't see this to be too significant.
12 It does have some importance, I'm not going to
13 downplay that at all, but, yeah, knowing what got
14 discussed and what happened, I wouldn't say so. And
15 certainly if there was anything that I was, you
16 know, -- that I felt to be an issue, it would
17 certainly have to be raised, but I didn't -- I didn't
18 see it as that significant, given the operations of
19 the board.

20 296 Q. Okay. So do you remember --
21 like, do you remember considering this section 2 (8)
22 in 2019?

23 A. Considering, yeah. I
24 remember, I remember discussion of it, yes.

25 297 Q. Okay. In 2019?

1 A. In 2019.

2 298 Q. Who were those discussions
3 with?

4 A. It would have been with the
5 UDP, with Natasha, with internal counsel, the group
6 drafting this agreement and working through the
7 process.

8 299 Q. Okay, David Sharpe and
9 Natasha Sharpe and then counsel?

10 A. Yeah.

11 300 Q. Okay. And your view, just to
12 close the loop on this, your view was that because
13 the board of directors, you know, didn't really meet
14 very often, it wasn't particular active, didn't
15 really do very much, this wasn't, this wasn't a
16 problem? Didn't make it a conflict, Mr. Ng being
17 able to nominate half the board and being able to
18 break ties on the board?

19 A. Yeah, given how the board
20 interacted, this didn't -- you know, at that time, it
21 wasn't that significant is what I think.

22 301 Q. Okay. So after Mr. Ng
23 purchased half of BFI, after the acquisition went
24 through, you knew that Mr. Ng was the largest single
25 shareholder, right?

1 A. Yes.

2 302 Q. And then around that time, I
3 think it's after August, after that second amount of
4 money is advanced to his 889 Manitoba company, at
5 that point he owed the funds about a hundred million
6 dollars. Do you know ballpark if that's right? I'm
7 not trying to test you on the precise money?

8 A. No, that's fair. I think it
9 is.

10 303 Q. Okay?

11 A. Ballpark, yeah.

12 304 Q. Okay. So there were never
13 any concerns about, about that -- I suppose the
14 decision had been made that that was not a conflict
15 of interest because Mr. Ng wasn't going to have
16 significant decision making power, because he, he
17 wasn't going to be a director, he wasn't going to be
18 on the credit committee, anything like that, right?

19 A. Yes. I would say that was,
20 yeah. I think we said before, an attempt to control
21 any potential conflict that would have been perceived
22 here.

23 305 Q. Okay. Do you know -- I'm
24 going to set a time here before I ask the question,
25 so let me know if this all makes sense to you. So

1 Mr. Ng, he purchases half the company, half of
2 Bridging in July of 2019. And then my understanding
3 is that in late February, like the very end of
4 February 2020, David and Natasha Sharpe, and I
5 suppose through them Bridging, they discover that Mr.
6 Ng had -- I will speak colloquial, he lied about the
7 collateral that he put up for the 889 Manitoba loan;
8 is that right?

9 A. Yes.

10 306 Q. Okay. So between those
11 things happening, so from the time Mr. Ng becomes the
12 largest shareholder to right before David and Natasha
13 Sharpe learn that he lied about some collateral, do
14 you know if there were any transactions with Mr. Ng
15 in that middle period?

16 A. Not that I know or can recall
17 at this time.

18 307 Q. Okay. Okay. Because any
19 transactions with Mr. Ng in that period, you know,
20 those would have to be -- those would be very
21 delicate, let's say, because he's the largest
22 shareholder, and he owes the funds a hundred million
23 dollars, is that fair?

24 A. Right. Yeah. I mean, he was
25 a -- fair to say he was a borrower, so there was

1 obligation to.

2 308 Q. Pay back the funds?

3 A. Right.

4 309 Q. So did you know that Mr. Ng
5 transferred 500,000 dollars to each of David and
6 Natasha Sharpe on November 14th, 2019?

7 A. No.

8 310 Q. No. Okay.

9 311 Q. As you sit here today, the
10 CCO of Bridging, is that something that you think
11 would be appropriate?

12 A. It doesn't strike me to be
13 appropriate. I don't know what the context is,
14 obviously, but it wouldn't strike me to be.

15 312 Q. Okay. Is that something that
16 you think a reasonable investor in the funds would
17 want to know about?

18 A. Yeah, I don't know what the
19 context is, but I would say, yeah, it's quite
20 possible.

21 313 Q. Okay. As the CCO of
22 Bridging, is that something that you think you should
23 have been told about, it should have been disclosed
24 to you by David and Natasha Sharpe?

25 A. I would say that's

1 information that I would have liked to have known,
2 yeah, and the context of which how all that happened,
3 yeah.

4 314 Q. Okay. Is that something that
5 you should have been told about regardless of the
6 context of it?

7 A. I suppose an answer to that
8 would be yes, sir. I mean, I guess, I'm perhaps I'm
9 selfish in wanting to know the context.

10 315 Q. No I appreciate that. But
11 what I'm distinguishing between is, I suppose I could
12 understand a certain context where, you know, maybe
13 we don't have to disclose that to unit holders in the
14 funds?

15 A. Right. Yes.

16 316 Q. But what I'm suggesting is
17 that regardless of the context, that's something that
18 should have been told to the CCO; is that fair?

19 A. I'd say it's fair.

20 317 Q. Okay. During our last
21 interview, we talked about three loans from the BFI
22 funds to one of Mr. Ng's companies, 10029947
23 Manitoba, do you remember that?

24 A. Yes.

25 318 Q. Okay. There were three --

1 I'm still sharing my screen, aren't I. There were
2 three loans to that company, one in December 2018,
3 one in January 2019 and one in May 2019. Do you
4 remember that?

5 A. I do.

6 319 Q. Okay. I'm go I think to
7 share my screen again. Give me one moment. Did it
8 pop up?

9 A. Yes, on my end, yes.

10 320 Q. Great. So this is a three
11 page loan schedule that Bridging provided to staff
12 in -- I think this one was in October. I think this
13 one was in October 2020. For the record, we'll mark
14 this as Exhibit 4.

15 Exhibit 4:

16 321 Q. I can't recall if this was
17 produced before your interview or if we showed this
18 to you during your interview, to be honest with you.
19 Do you have any recollection of seeing this loan
20 schedule?

21 A. Yes.

22 322 Q. Okay. You do, you do
23 recognize this?

24 A. Yes, I do.

25 323 Q. Okay. Great. So we can see,

1 if we go to page 2, there's a loan. At the bottom of
2 page 2, there's a loan to 947 Manitoba December 2018,
3 there's one in January 2019 that's extended in April,
4 and then there's one in May 2019. Do you see that?

5 A. I can.

6 324 Q. Okay. If we go to the next
7 page, we see the 89 Manitoba and shipping ham. So
8 those are the only three loans recording on here to
9 149 Manitoba?

10 A. Yes.

11 325 Q. Were you involved in
12 preparing this loan schedule? You said you
13 recognized it, I should have asked, then, how you
14 recognized it?

15 A. How I recognize it when it
16 was being submitted, right. So I as well can't
17 remember the month or date, but I recall it as being
18 part of the submission.

19 326 Q. Okay. Yeah. I know that it
20 was provided to staff in October?

21 A. Okay.

22 327 Q. Of 2020?

23 A. Okay.

24 328 Q. My recollection is we wanted
25 to simplify, make the interviews a little more

1 efficient, and not have to thumb through large
2 schedules each time, so we asked for a smaller one.
3 So this, this loan schedule here, this doesn't record
4 any other loans to 947 Manitoba, other than those
5 three?

6 A. Okay.

7 329 Q. Do you recall there being any
8 loans to 947 Manitoba, other than these three?

9 A. I don't recall.

10 330 Q. Okay. Do you recall there
11 being any loans to any Mr. Ng companies that went
12 through the credit committee or the allocation
13 committee after Mr. Ng purchased half of BFI?

14 A. I don't.

15 331 Q. Okay. And if I remember
16 correctly when we looked at the notes, the David
17 Sharpe notes in Exhibit 1, one of the factors that
18 led Bridging to conclude it wasn't a conflict was
19 there would be no loans made after Mr. Ng became a
20 shareholder?

21 A. Okay.

22 332 Q. Do you recall that?

23 A. Without it being in front of
24 me, I don't, but I'll take your word for it.

25 333 Q. Okay. And I should say,

1 other than the tail end of that 889 Manitoba loan,
2 that straddled the period.

3 A. Yes.

4 334 Q. Part of it advanced before
5 and part of it advanced after?

6 A. That's right.

7 335 Q. Other than that, there
8 weren't supposed to be any loans to Mr. Ng after he
9 owned the company?

10 A. Yes.

11 336 Q. Right?

12 A. Right.

13 337 Q. So did you know that on
14 February 12th, 2020, \$9,895,000 transferred from the
15 mid market to 947 Manitoba?

16 A. I was aware of, of, of a
17 dividend that was paid to Mr. Ng.

18 338 Q. Okay. Tell me about the
19 dividend that was paid?

20 A. Right. Right. As I
21 understand, there was supposed to be a dividend that
22 was paid to Mr. Ng of that amount, \$10 million, which
23 was supposed to be an early dividend, some request
24 along those lines, and that's what I recall being --
25 there was some mention of a mistake that had been

1 made of the fund that was corrected.

2 339 Q. Okay. Back up. Back up. So
3 tell me about this early dividend. What is this
4 early dividend to Mr. Ng?

5 A. There's an amount that was
6 supposed to go out to him. I mean, I wasn't aware of
7 the reasons or why. I was not involved in any of
8 that.

9 340 Q. Okay.

10 A. But if I recall, at that time
11 there was a dividend that was recorded for which
12 which would be for him at that time.

13 341 Q. In February of 2020?

14 A. I believe so, in the first
15 quart.

16 342 Q. A dividend just for Mr. Ng?

17 A. That's right.

18 343 Q. Okay. What were the
19 circumstances of that dividend what do you know about
20 it?

21 A. No, I don't know much about
22 it.

23 344 Q. Okay. How did you hear about
24 it?

25 A. It would have been from, from

1 maybe Natasha Sharpe or one of the Sharpes.

2 345 Q. From one of the Sharpes. I
3 mean, an early dividend would have to be approved by
4 the board of directors, right?

5 A. I think that's the process, I
6 imagine so, yes.

7 346 Q. Two of whom were appointed by
8 Mr. Ng at that time?

9 A. Two of them who were
10 appointed, yeah.

11 347 Q. Okay. So some sort of early
12 dividend payment in February 2020 to Mr. Ng. Do you
13 know if any part of, any part of that dividend was
14 paid to the other shareholders?

15 A. I don't.

16 348 Q. Okay. Okay, give me one
17 moment. I'm going to -- I'm going to consult my
18 notes for a minute. Just one second. Okay, so some
19 sort of early. You heard about some sort of early
20 dividend payment to Mr. Ng from one of Sharpes in
21 February 2020, right?

22 A. Yes. Yes.

23 349 Q. Can you give me any more
24 information about the early dividend, in particular?

25 A. That's the extent of what I

1 know.

2 350 Q. Okay.

3 A. Or recall.

4 351 Q. Do you remember which of the
5 Sharpes, or whether it was both of the Sharpes who
6 told you about this early dividend?

7 A. I can't remember which
8 specifically. I think it was Natasha.

9 352 Q. Okay. 947 Manitoba is not
10 the company that Mr. Ng purchased half of his BFI
11 shares through. Were you aware of that?

12 A. I think so, yes. I mean, I
13 can't remember off the top of my head. Was it a 26
14 company.

15 353 Q. Yeah, it is a two six
16 company, but you know it's not 947 Manitoba?

17 A. Okay. Yes.

18 354 Q. So can you tell me why a
19 dividend to Mr. Ng would be paid to 947 Manitoba?

20 A. I wouldn't, I wouldn't know
21 why it was directed to that particular entity.

22 355 Q. Okay. And can you think of
23 any circumstance where it would be appropriate for
24 Bridging to pay a dividend to anyone out of one of
25 the funds' bank account?

1 A. I wouldn't regard that to be
2 any, any good reason to. As I understand, it was the
3 fund was reimbursed by because it was a mistake, but
4 that's the extent that I know.

5 356 Q. Okay. Tell me about that
6 mistake, that the fund was reimbursed for, for what?

7 A. As I understand, that money
8 was not supposed to have gone out from the funds, and
9 on your point of the appropriateness of that, I would
10 say it would be inappropriate, and as I understand,
11 that money was reimbursed from corporate to the fund
12 for that error.

13 357 Q. Okay. Is the error that
14 we're talking about in the early dividend to Mr. Ng,
15 is that the same thing or are they different things?

16 A. I believe they're the same
17 thing.

18 358 Q. Okay. So are you saying that
19 there was a decision made to pay an early dividend to
20 Mr. Ng, it was mistakenly paid from one of the funds,
21 and then the fund was reimbursed?

22 A. That's how I understood it.

23 359 Q. Okay.

24 360 Q. And where did you get that
25 under -- how did you have that understanding?

1 A. From the same source, if I
2 can recall correctly.

3 361 Q. One of the Sharpes?

4 A. Yes, sir.

5 362 Q. So after the fund -- after
6 the money was paid from the fund by mistake, and then
7 reimbursed, was it different \$10 million dollars paid
8 to Mr. Ng for the dividend?

9 A. I don't believe so, no.

10 363 Q. So there was no early
11 dividend to Mr. Ng. It's just a mistake paid from
12 the fund.

13 MR. RICHARD: That's not what he
14 said.

15 MR. GOTFRIED: Okay. I could very
16 well be misunderstanding.

17 MR. GOTFRIED: Q. So I feel like
18 we're going around in circles. So you understand
19 there's an early dividend of about \$10 million
20 dollars that's supposed to be paid to Mr. Ng?

21 A. Right.

22 364 Q. Okay. Is your understanding
23 that the \$10 million dollar payment from the mid
24 market fund to 947 Manitoba, like, was that a
25 mistaken attempt to pay that dividend?

1 A. That was my understanding.

2 365 Q. Okay. And your understanding
3 is that corporate paid \$10 million back to the fund?

4 A. That's, yes.

5 366 Q. Okay. Now I'm understanding.
6 Now I'm understanding. Okay. So Mr. Ng did end up
7 with a \$10 million dividend, but to make sure that
8 the fund didn't pay for it, corporate Bridging
9 contributed \$10 million to the fund?

10 A. That's how I understood it,
11 yes.

12 367 Q. Oh. At the risk of further
13 confusing you, is that the 11 million dollar payment
14 into the fund that's described in note 20 of the
15 Bridging 2020 financial statements?

16 A. No, it is not.

17 368 Q. Okay, that's a different 11
18 million dollars that's in the note. We'll get to the
19 note later. If you want to wait, we can do it then,
20 your understanding is it's not the same as this \$10
21 million dollars?

22 A. Yes. I'm happy to address it
23 at the time of the note, because it's a bit easier to
24 explain in that context, all what those amounts are.

25 369 Q. Okay. Okay. So to talk

1 about -- to go back to this \$10 million payment from
2 the fund to 947, at the risk of asking you questions
3 I've already asked, because now I don't remember what
4 I asked you. So you don't know why the early
5 dividend was supposed to be paid to Mr. Ng?

6 A. No.

7 370 Q. And you don't know if any of
8 the other shareholders got any of this early
9 dividend?

10 A. No, I do not. I mean, no.

11 371 Q. Okay. And your understanding
12 of how this worked is that by mistake the mid market
13 fund paid \$10 million to 947 Manitoba to satisfy this
14 dividend, and then when it was discovered that it was
15 a mistake, Bridging itself paid back the MM fund?

16 A. That's my understanding, yes.

17 372 Q. Okay. So you're not aware of
18 any loans or any other payments to Mr. Ng going
19 before the Bridging credit committee after he, after
20 he bought half of BFI?

21 A. No, I don't recall that.

22 373 Q. Okay. And are you aware of
23 any, of any transactions with Mr. Ng going before the
24 Bridging allocation committee after he bought after
25 of BFI?

1 A. No, not to my recollection.

2 374 Q. Okay. So other than that
3 advanced dividend, you're not aware of there being
4 any other payments out of the funds to Mr. Ng or
5 companies connected with Mr. Ng after he became a
6 shareholder, other than that 30 million to 889
7 Manitoba?

8 A. Not that I can remember, no.

9 375 Q. Other than this mistaken
10 dividend?

11 A. Right.

12 376 Q. That eventually was put back
13 in the fund by Bridging itself?

14 A. Yes.

15 377 Q. Okay. Have you -- are you
16 certain that Bridging repaid \$10 million to the MM
17 fund? Have you actually looked at bank records and
18 seen transactions or did someone just tell you this
19 happened?

20 A. Well, I have -- I had been
21 told about it, and I've seen amounts go back to the
22 fund from corporate, yes.

23 378 Q. Okay. How have you seen
24 that?

25 A. Well, it's in -- well,

1 certainly in the financials, I think, for that
2 period, quarter end, and then by way of looking at
3 the bank statements as well, there is a corresponding
4 amount that does correspond to it, yes.

5 379 Q. So you're saying on the mid
6 market fund bank statement at some point, because it
7 may have been March instead of February -- I don't
8 want to quibble about the month. If I look at that I
9 should see an amount coming into the MMfund from
10 Bridging to, to make up a mistaken payment out of the
11 fund to Mr. Ng. That's what you're telling me is in
12 the bank statements. You've seen that?

13 A. I believe so, whether it's
14 through Bridging directly or through counsel, but one
15 of the two.

16 380 Q. Do you know which counsel it
17 would be?

18 A. I don't recall off the top of
19 my head. I would have to look at it again and pull
20 it up.

21 381 Q. Okay. Okay. And just to be
22 absolutely clear, you've actually seen this bank
23 statement that we're talking about?

24 A. With my own eyes, yes.

25 382 Q. Okay?

1 383 Q. Okay. Let's take a look at
2 the financial statements, because that seems a good
3 time to do it, and after that we can break for a
4 short -- well, we can break for lunch. Lunch can be
5 as long as we like. Okay. So 2020 financial
6 statements. These are going to be Exhibit 5?

7 A. It's up on my end. Sorry.

8 384 Q. Great. At a really high
9 level -- I don't want to spend too much time on this,
10 but does the compliance department have a role in
11 preparing the financial statements or in reviewing
12 the financial statements?

13 A. No, not really, no.

14 385 Q. Okay. So if we go to note 20
15 on the last page of Exhibit 4, the Bridging finance
16 Inc. 2020 financial statements. So I'll put note 20
17 up on the screen. I will leave it to you to read.
18 And you let me know when you're done?

19 A. Okay. Okay.

20 386 Q. Okay. So you very kindly
21 offered before to explain this note to me, so rather
22 than try to ask questions, I will just ask you to
23 please go ahead and please explain?

24 A. To the best of my abilities,
25 I'll do that, Mr. Gotfried.

1 387 Q. Thank you very much?

2 A. So in explaining, I will go
3 through the amounts if that's okay with you and
4 explain those.

5 388 Q. Sure. So pursuant to ... the
6 shareholders contributed 39 million. So on that, the
7 39 million was monies contributed or provided from
8 the shareholders, I think it's from shareholders to
9 the company to pay down -- to direct towards the
10 impacted funds, as described.

11 The 11 million I believe is -- would have been
12 corporate profits, which were directed to as well. I
13 think in communication with staff at the OSC, there
14 was conversation about the shareholders, and any
15 dividends, dividends would be from corporate profits,
16 you know, would be committed to paying down the
17 impacted funds. So I believe that's what the 11
18 million constitutes would be the profit -- the
19 corporate portion or piece or the whole of that
20 corporate profit for that year directed in that, in
21 that fashion. The waiving the rights to incentive
22 fees, so incentive fees being accrued throughout the
23 year, 2020. Instead of taking those incentive fees
24 into corporate, I don't know what they would be
25 classified as, profit or just fee revenue, I don't

1 know, that then as well was forgone and rather
2 directed to -- in the same way paying the impacted
3 funds.

4 So I believe that's what those amounts
5 correspond to, to cover the indebtedness of Mr. Ng,
6 in which a balance of 43.467 million was left. That
7 amount representing the remaining indebtedness of Mr.
8 Ng, was then sold off to a third party group, who are
9 managing the recovery of that, of that amount.

10 Do you want me to go through the rest of it.

11 389 Q. Yeah, if you have more to say
12 about it, sure?

13 A. It's just going on to say
14 that shareholders may direct the company to make
15 future payments".

16 390 Q. No, I don't need you to tell
17 me about that. All right. So if we go back up --
18 thank you very much for that. I appreciate that
19 explanation. If we go back up to the beginning of
20 the note, the company became aware that certain loans
21 made by certain funds were made under false
22 representations". That's talking about the Ng loans?

23 A. Sorry, yes.

24 391 Q. So the shareholders of the
25 company, at that time that's Jenny Coco, Rock-Anthony

1 Coco and Natasha Sharpe?

2 A. And also the independent
3 member, Hugh O'riley.

4 392 Q. Is Hugh O'riley a shareholder
5 of the company?

6 A. Sorry. I apologize. I
7 should listen a lot more. No, he's not a
8 shareholder. I was just thinking board. My
9 apologies.

10 393 Q. No, no. That's okay. So the
11 shareholders are Jenny Coco, Rock-Anthony Coco and
12 Jenny Sharpe?

13 A. Yes.

14 MR. RICHARD: Just so we're clear,
15 Mr. Gotfried. Effectively.

16 MR. GOTFRIED: Yeah, indirectly.

17 MR. RICHARD: They have companies,
18 but I think we're all in agreement when you're
19 talking kind of about the ultimate person there as
20 the shareholder.

21 MR. GOTFRIED: Yes. Yes. They're
22 the indirect shareholders.

23 BY MR. GOTFRIED:

24 394 Q. So the note, generally, I
25 think you did a good job describing it, it generally

1 says that they've -- they're going to make certain
2 payments to these funds that made the Ng loans, and I
3 think you pointed out that one of the payments is 39
4 million dollars. That represents cash paid from the
5 shareholders back to the funds. Why are the
6 shareholders doing that? What's your understanding
7 of why they're making these payments?

8 A. My understanding is more
9 for -- well, Mr. Ng was a shareholder at the firm.
10 they took on his indebtedness with black rock, and I
11 guess that he was and provided personal guarantees
12 and such, my understanding is that's how they've come
13 to this arrangement to be able to kind of pay down
14 the funds in this manner. Given that, you know, I
15 guess he was -- or he is a fraudster, so to speak, I
16 think they -- I mean, this is me speculating, but
17 they wanted to return that.

18 395 Q. But if all the loans to Mr.
19 Ng were made in good faith, and it was not a conflict
20 for Mr. Ng to buy half the company while these
21 amounts are outstanding, like, if all of that is
22 true, why did the shareholders, why did they feel
23 they had to make up the short fall to the funds?
24 Like, if the funds are a victim of fraud, the funds
25 are a victim of fraud; why are the shareholders

1 paying this money, do you know.

2 MR. RICHARD: And before you
3 answer that, that question is, do you know why the
4 shareholders are doing that from any discussion or
5 any information from the shareholders, not why do you
6 think they're doing it.

7 THE WITNESS: Right. No, thank
8 you. I don't, I don't know. I'm obviously not
9 involved in those discussions. It's certainly a
10 discussion that's better directed in their direction.
11 I did not hear from any discussions as to kind of
12 why. I know there was a lot of meeting at the board
13 level of them doing so, but as for how they got to
14 their decision and, and reasons why, I certainly
15 wasn't privy to.

16 396 Q. Okay. So you know there have
17 been discussions amongst people about what the
18 shareholders should do and what they decided to do,
19 but you're saying those are sort of above your pay
20 grade?

21 A. Yes.

22 397 Q. And you weren't part of those
23 discussions?

24 A. Or those decisions.

25 398 Q. Why do you think the

1 shareholders are making these payments to the funds.

2 MR. RICHARD: I don't believe
3 that's a proper question.

4 BY MR. GOTFRIED:

5 399 Q. Do you have a view about
6 whether the shareholders should be making these
7 payments to the funds.

8 MR. RICHARD: Again, how is that
9 relevant or a proper question? He's not here to give
10 you his opinion.

11 BY MR. GOTFRIED:

12 400 Q. Okay. So is it your
13 understanding and your view as CCO of BFI at the time
14 these loans were made, that all the loans to Mr. Ng
15 were made in good faith?

16 A. That's my understanding.

17 401 Q. Okay. And is it your
18 understanding -- I know it was your view at the time.
19 Is it still your view -- and I appreciate it's hard
20 now, because we've discovered that Mr. Ng falsified
21 some collateral. Is it still your view that at the
22 time you and Bridging were correct in saying that Mr.
23 Ng buying half the company, when he owes the funds
24 ten of millions of dollars is not a conflict of
25 interest?

1 A. Well, it's tough. I mean,
2 the decision made at the time didn't involve a lot of
3 these facts that we know today.

4 402 Q. No, I understand that.
5 That's fair. So it was the decision at the time that
6 it wasn't a conflict of interest for Mr. Ng to buy
7 half the company when he owes tens of millions to the
8 funds?

9 A. I would say so, yes, at least
10 that we felt it wasn't being controlled adequately.

11 403 Q. Okay. So in that case, if
12 both of those things are true, then the funds would
13 be a victim of a fraud, is that right?

14 A. That's right.

15 404 Q. And Bridging itself is the
16 victim of a fraud?

17 A. Indeed, yes.

18 405 Q. So why is Bridging -- why are
19 the shareholders of Bridging -- I suppose we've
20 already covered this, you don't know why the
21 shareholders of Bridging are taking on the
22 responsibility to pay for Mr. Ng's fraud. Have the
23 funds ever been defrauded by anybody in the past.
24 Any other borrowers that turned out were fraudsters?

25 A. Not to my knowledge, no.

1 It's one of the things you try to guard against, I
2 guess, in this world of lending.

3 406 Q. There was a loan to
4 Bondfield, there was a loan to a Bondfield entity?

5 A. Right.

6 407 Q. I don't remember the
7 specifics of it, I can pull it up if you like, but
8 you recall what I'm talking about, right?

9 A. Yeah, Bondfield, the
10 construction company.

11 408 Q. The Bondfield, the principals
12 there, I'm going to be very colloquial, I don't have
13 the details or specific, they turned out to be,
14 speaking colloquial, they turned out to be fraudsters
15 too. Or certainly allegations that they are, I
16 shouldn't cast judgment. I don't know.

17 A. I don't know either, but I've
18 certainly seen or read the same Globe and Mail
19 reports, perhaps, as you have.

20 409 Q. Did the shareholders pay any
21 money to the funds to make up the loans that were
22 made to Bondfield

23 A. Not to my knowledge, no. I
24 think Bondfield is still going through a recovery
25 process through CCAA.

1 410 Q. Okay. Okay. Do you know, is
2 there anything in your mind that would distinguish
3 this situation with Mr. Ng from the situation with
4 Bondfield, such that the shareholders are, are paying
5 money into the funds? You nodded your head yes, so I
6 assume the answer is yes?

7 A. Yes, yes. I apologize, court
8 reporter, yes. I would say for me, yes, there's a
9 couple of points of distinction there. One of the
10 main ones being, obviously, that Mr. Ng was a
11 shareholder here, and Bondfield guys, you know, have
12 no Nexus to Bridging. That would be my understanding
13 as to kind of why the responsibility is felt from the
14 shareholders, but, again, pure speculation on my
15 part.

16 411 Q. Okay. Okay. So the 39
17 million, that was money that was actually paid by the
18 shareholders. The 11 million, you said that was
19 corporate profits?

20 A. I think that would have
21 represented corporate profits is my understanding.

22 412 Q. Do you know, if you don't,
23 that's fine, do you know are we talking about a
24 payment by the company out of retained earning or
25 talking about dividends declared and proceeds of the

1 dividends are being paid?

2 A. I think it would be more of
3 the former, but, yeah, as to the accounting of which,
4 yeah.

5 413 Q. Okay. So your understanding
6 is that the 11 million that is -- that's the
7 company's money, that's not, like, the shareholders
8 money?

9 A. That's the way I would see
10 it, company profits, which may or may not have been
11 directed to the shareholders, absent of these issues.

12 414 Q. Okay.

13 MR. RICHARD: And Mr. Gotfried,
14 having been involved in a discussion with myself and
15 Mr. Sikora and Staff earlier this year, where we
16 talked about some of these issues, I have an
17 understanding -- I'm raising it this way, I can give
18 you that understanding, recognizing I'm not here to
19 give evidence, or if you would prefer I don't do it
20 now, I can speak with you afterwards to give you an
21 understanding, in relation to the 11 million 14.

22 MR. GOTFRIED: I'm happy to have
23 you say it now, sure. Thank you.

24 MR. RICHARD: I think it was
25 described as well before, you may recall there

1 were -- there was a \$3-million dividend declared
2 during the year --

3 MR. GOTFRIED: Yeah.

4 MR. RICHARD: -- that went to the
5 funds. The other 8 was the 8 that was described in
6 January as the anticipated corporate profits.

7 MR. GOTFRIED: Okay.

8 MR. RICHARD: That went. So
9 that's where the 11 comes from. The 10.6 million is
10 the incentive fees. And my understanding is that's
11 not -- you know, if those had been paid, there would
12 have been HST payable on them.

13 MR. GOTFRIED: Okay.

14 MR. RICHARD: So the 10.6 plus HST
15 would be approximately the 12 million. Again, that
16 was discussed as the approximate amount of incentive
17 fees. And the reason it would still be the same, my
18 understanding -- again, I hope I was
19 clear, this is my understanding. I'm not trying to
20 give you evidence, but you take the 10.6 plus the
21 HST, that obviously also wasn't paid out of the fund,
22 that gets I don't to the approximate 12 million that
23 remained in the funds for the incentive fees.

24 MR. GOTFRIED: Okay. Okay. I
25 think that does make sense. I would consult my notes

1 later, if we have any other questions, we can speak
2 later. But I think that does help. Thank you very
3 much, Mr. Richard.

4 BY MR. GOTFRIED:

5 415 Q. Mr. Mushore, just before we
6 take a break for lunch, the fund loans being sold for
7 43½ million to an arms length third party, what do
8 you know about that transaction?

9 A. A bit. I mean, I'm not a
10 lawyer there, but I'm certainly aware of the
11 transaction.

12 416 Q. Okay. So my understanding,
13 and correct me if this is wrong or if you don't know,
14 but my understanding is that at a general level, the
15 fund loans the Ng loans, the remaining portion of
16 them, they were sold to the arms length party, and an
17 arms length party is a special purpose vehicle
18 established by RC Morris; is that right?

19 A. Yes, that's my understanding.

20 417 Q. And in exchange for the
21 loans, the RC Morris special purpose vehicle, I'll
22 just call it an SPV, it issued a promissory note to
23 the funds; is that right?

24 A. I think so.

25 418 Q. Okay.

1 A. Yeah.

2 419 Q. Tell me if we get to
3 something where you don't understand or you're not
4 aware, and then we can stop. My understanding is how
5 that works is that as you said, I think, that RC
6 Morris through this SPV. They're sort of managing
7 the collection, you know, from Mr. Ng?

8 A. Yes, my understanding as
9 well, yes.

10 420 Q. Okay. And my understanding
11 is as they collect from Mr. Ng, they are going to pay
12 down the promissory note to the funds?

13 A. Yes, sir. That's my
14 understanding as well. Yes.

15 421 Q. Okay. What can you tell me
16 about the collection efforts that the third party is
17 making against Mr. Ng?

18 A. Not much that I can tell you,
19 because I'm obviously not in communication with them
20 myself. I do know that, you know, there are some
21 assets that they -- if they have or will attempt to
22 obtain, and seek realization in order to pay down the
23 note.

24 422 Q. Okay. Who at Bridging is
25 sort of spear heading that? Who's in charge of

1 making sure that, that the funds are eventually able
2 to collect on that note?

3 A. I think that must be work
4 with internal counsel and the portfolio managers, you
5 know, seeing where they are with their collection
6 efforts. You know, my understanding is RC Morris
7 obviously had some familiarity with Mr. Ng and assets
8 earned or controlled by him, and were confident or at
9 least had a plan in place to make certain recoveries.

10 423 Q. Okay. Okay, this looks like
11 a convenient time. We're a little bit early than I
12 like to, but it's a good break. Should we take an
13 hour, s 45 minutes, I don't have too much longer to
14 go after we get back from lunch, so I will leave it
15 in earn else's hand, should we take an hour.

16 MR. RICHARD: Yeah.

17 MR. GOTFRIED: Okay. So we'll
18 come back at ten to two. Okay. Thanks very much.

19 --- Recess at 12:50 p.m.

20 --- Upon resuming at 1:50.

21 BY MR. GOTFRIED:

22 424 Q. Mr. Mushore, I just want to
23 go back quickly to something that we talked about
24 this morning, and that was that September 2018 loan
25 to River Cities and 891 Nova Scotia. So I recall

1 your evidence this morning being that you don't
2 recall, you don't recall that loan, you don't recall
3 being told about that loan. You don't recall that
4 loan being put before BFI's credit committee, and you
5 don't recall that loan being put before BFI's
6 allocation committee; is that right?

7 A. Yes.

8 425 Q. Okay. So let's -- I'm trying
9 to think about how to phrase this. I'm going to take
10 that to mean that it didn't go before the credit
11 committee and the allocation committee. I understand
12 your evidence is that you don't recall it going
13 before the credit committee or the allocation
14 committee, but I haven't seen any evidence it does.
15 My understanding is those committees don't keep
16 records. Do you recall that as well?

17 A. Yes, by way of minutes and
18 stuff, yes.

19 426 Q. Yes they don't keep records?

20 A. Yes, the minutes and stuff
21 like that, yes, that's correct.

22 427 Q. Okay. So let's assume for a
23 moment that that loan did not go through the credit
24 committee and did not go through the allocation
25 committee. How would that be funded?

1 A. What do you mean, like by way
2 of mechanics?

3 428 Q. Yes. Like who is able to say
4 to whomever else at Bridging, you know, there's this
5 loan agreement, send \$38 million here?

6 A. Mm-hmm. And you mean in a
7 typical deal funding way? Like, in a typical loan
8 funding?

9 429 Q. Let's start with a typical
10 loan. You know what, maybe we can -- let's take it
11 away from that loan for a minute, because I can see
12 that would present some difficulty. Let's say it's a
13 normal loan, it goes through the proper process,
14 credit committee, approved by the allocation
15 committee, who, specifically, is involved with having
16 money leave the bank accounts and how does that
17 process work?

18 A. Yes. So typically it would
19 be the portfolio manager, you know, saying, you know,
20 here's this loan, this loan was approved to be
21 funded, and there would be an instruction to those
22 that have to set up the wire, which would likely by
23 the portfolio operations group, and then those that
24 have to release the wire.

25 430 Q. So do you know who has the --

1 I mean, it may be as simple as asking you who has
2 signing authority on the bank accounts. I don't know
3 how Bridging's business works, but who is the final
4 person at Bridging that says send money here, send
5 money there?

6 A. So that will be the
7 instruction before those who have to set up the wire
8 and then release the wire, is I think what you mean,
9 right?

10 431 Q. Yeah, so I'm taking that
11 answer to mean, like, there's finance staff that are
12 given instructions to, you know, implement this and
13 have money wired here or there. But who gives
14 instructions to those people?

15 A. It would typically be the
16 portfolio manager on the file or the managing
17 director on the file to say, like, you know, here's
18 where we are, this was approved, please fund.

19 432 Q. Okay. So my recollection
20 from before is that on the credit committee and on
21 the allocation committee there's a set group, which
22 includes yourself, David Sharpe and Natasha Sharpe,
23 and then there's a portfolio manager on those
24 committees as well?

25 A. Yes. Right. Finance on

1 the -- sorry, finance included on the credit
2 committee or the allocation committee, but portfolio
3 manager, yes.

4 433 Q. And the portfolio manager
5 would change depending on what the credit committee
6 is looking at, right? Like, if it's for different
7 borrowers for different loans, there would be
8 different portfolio managers?

9 A. Right, or manager directors.

10 434 Q. So whoever is that person,
11 the portfolio manager or the managing director for
12 the particular loan, like, is that the person who
13 would leave the allocation committee meeting and say
14 credit committee approved it, the allocation
15 committee committee approved it, I'm going to give
16 direction to the finance people to send money here or
17 there?

18 A. Typically, yes.

19 435 Q. Okay. Do you know who is the
20 portfolio managers for the borrowers connected to
21 Rishi Gautam?

22 A. I think that's Graham Marr.

23 436 Q. Okay. So for the general
24 loans, like not this 891 loan, but for loans to MJar
25 holdings or loans to grow force. Your understanding

1 is the credit committee approves it, the allocation
2 committee approves it, and then it's Mr. Marr who
3 would be giving the instructions to the finance
4 people to say wire money here or there?

5 A. Yes.

6 437 Q. Okay. Of the portfolio
7 managers, they report to the chief investment
8 officer, is that right?

9 A. Yeah, that's right. We
10 described that last time.

11 438 Q. Yeah, yeah. Okay. That
12 person is Natasha Sharpe?

13 A. Yeah.

14 439 Q. Okay. And just to close the
15 loop on this, because you have no recollection of
16 that loan to or 891 Nova Scotia, I'm assuming you
17 can't tell me how that would have been funded, who
18 would have been responsible for having money move out
19 the door pursuant to that loan?

20 A. No.

21 440 Q. Okay. Do you know who has
22 the signing authority on the Bridging bank accounts,
23 on the company's bank accounts?

24 A. Sorry, on the Bridging
25 finance bank accounts?

1 A. Yeah. I believe I do, yeah.

2 441 Q. Do you know who it is? Can
3 you tell us who it is?

4 A. Natasha Sharpe and Jenny Coco
5 are the ones with the sign off.

6 442 Q. Okay. What about for the
7 funds bank accounts. Maybe rather than go through
8 all of them.

9 A. Yeah.

10 443 Q. Maybe just the income fund
11 and the mid market fund?

12 A. I think it's the same across
13 the board. I think it depends what you're talking
14 about. If it's a matter of, like, sending wires,
15 certain people have authority to do so, by way of
16 having a token or whatever they call them, you know,
17 those secure tokens. Certain people have those
18 rights or that ability to set up and/or release wires
19 from those bank accounts.

20 444 Q. Do you know who those people
21 are?

22 A. Not entirely off the top of
23 my head, but I have a good idea of a lot of them,
24 yeah, most of them.

25 445 Q. Okay. Okay. Is Natasha

1 Sharpe, does she have one of those tokens? Is he
2 authorized to approve wires out of the funds bank
3 accounts?

4 A. I don't believe she has one
5 of those tokens, no, and I don't think she's ever
6 sent or approved a wire, no.

7 446 Q. Okay. What about David
8 Sharpe?

9 A. Likewise with him.

10 447 Q. No?

11 A. They're not involved with
12 that usually.

13 448 Q. Okay. Who are some of the
14 people that are involved with that?

15 A. So some of the people who
16 are, and I think you asked the question earlier if
17 Graham Marr does. He may or may not have access, I
18 really don't know if he was set up in that way, but I
19 do know that Brian Champ is a portfolio manager that
20 has wire authority, I think it's either to set or to
21 release. It's a two step process, so you have to
22 have two different people for each. We mentioned the
23 finance team, at least on the second piece of that,
24 the release. So members of the -- one or two members
25 of the operations -- sorry, the fund position --

1 sorry, the portfolio operations group that would as
2 well.

3 449 Q. Okay.

4 A. That's -- yeah, that's all
5 that can come to my mind.

6 450 Q. So these are all, these are
7 all, like, junior people. I don't mean to suggest
8 that Mr. Champ is a junior people, but we're not
9 talking C suite level, not CEO, CIO, you know, Jenny
10 Coco. These people aren't the ones that are
11 actually -- they're not spending their time sending
12 instructions to banks, saying wire this here, wire
13 that there, is that fair?

14 A. That's fair. Yeah, my
15 understanding is that they're not involved or nor do
16 they do that.

17 451 Q. Okay. Are there formalized
18 internal, like, processes or policies at Bridging
19 that relate to -- I should say at Bridging or at the
20 GPs of the funds, the two companies I think for the
21 income fund and MM fund I think they're different,
22 but I think Bridging owns them both?

23 A. Right.

24 452 Q. Are there formalized
25 processes or policies in place for when the people

1 who have tokens will send instructions to the banks
2 to wire money out of the funds bank accounts?

3 A. Not in the policies and
4 procedures manual, I think it's more of a -- like, an
5 operational checklist, like a procedure document, as
6 opposed to a policy.

7 453 Q. Okay. Can you describe that
8 procedure, that checklist document for me? What are
9 the steps in it?

10 A. I think it's kind of as
11 described, where, you know, the person setting up a
12 wire would have to receive kind of back up to be able
13 to do so. They would then do so. Check it off. And
14 then they would move to the next stage in a similar
15 way, as I say, two stage or two step or two person,
16 and then get released in that manner.

17 454 Q. Okay. Who does Mr. Champ
18 report to? You might have told me this before?

19 A. As you mentioned, same as
20 portfolio managers to the CIO.

21 455 Q. He reports to Natasha Sharpe?

22 A. Yeah. Sorry.

23 456 Q. No, no, that's okay. So this
24 checklist that you mentioned, I mean, maybe I'll just
25 ask you if you can produce a copy of it. I will ask

1 for an undertaking for you to do that, if there is an
2 actual piece of paper that says this is the process
3 for wire transfers to be approved, would you
4 undertake to provide that to us?

5 (U/T) A. Yeah, should be there for
6 sure. My understanding is that it is.

7 457 Q. Your understanding is that it
8 is?

9 A. Yeah.

10 458 Q. Okay. Okay. I mean, you're
11 the chief operations officer, so you can hopefully
12 answer these questions about the operations for us.
13 So in a normal course loan, like a normal course
14 loan, one that's been approved through the various
15 committees and a participation agreement has been
16 drafted and signed, what is the -- is there a
17 connection between sort of the C suite level, David
18 Sharpe, Natasha Sharpe, I guess yourself, and we'll
19 include Mr. Marr in that, to the actual instructions
20 to wire the money out?

21 A. Other than what we described.

22 459 Q. Yeah, other than there's an
23 allocation meeting, the participation agreement is
24 done, and then my understanding is after that what's
25 left to the portfolio manager or managing director?

1 A. I would say that Brian Champ
2 would be part of that C suite, if that's fair to say,
3 and as I mentioned, he is linked there, so I suppose
4 yes.

5 460 Q. Okay. Okay. So it's the
6 actual people, just so I can ensure I understand it
7 and then move on to another area. The actual people
8 who normally would move the money out of the funds
9 bank accounts, they report up -- they're all either
10 portfolio operations or portfolio managers, they
11 report up to Mr. Champ, and Mr. Champ reports up to
12 CIO, Natasha Sharpe, and Natasha Sharpe reports up to
13 David Sharpe?

14 A. That's fair to say, or the
15 board as well, I suppose.

16 461 Q. Okay. And then just so I
17 can -- my understanding, only the people who have
18 these tokens are the ones who can actually send
19 instructions to banks to send money out of the
20 account?

21 A. Yes. I think because it's
22 all electronic and secure, that token is I think it's
23 a password kind of token that you put in to verify.

24 462 Q. Sorry to interrupt. It's
25 like logging into a VPN?

1 A. Yeah, to authenticate, yeah.

2 463 Q. And after you entered your
3 authentication, then you're able to input
4 instructions to the banks?

5 A. Yeah.

6 464 Q. Or control the accounts?

7 A. Right.

8 465 Q. Okay. Okay. And correct me
9 if I'm wrong, you said the most senior person you can
10 think of that has one of those authentication keys is
11 Mr. Champ?

12 A. Yes. Yes. I'm not sure
13 whether Mr. Marr has or not. I know it might have
14 been a function issue, but I don't recall an
15 instance, I can say, where he's sent wires or done
16 anything like that, so it would be Mr. Champ, to my
17 knowledge.

18 466 Q. Okay. But Natasha Sharpe
19 does not have one?

20 A. Not to my knowledge.

21 467 Q. And David Sharpe doesn't have
22 one?

23 A. Likewise to my knowledge. I
24 haven't seen that.

25 468 Q. Okay. Okay. Thank you?

1 A. Thank you.

2 469 Q. Let me move to Mr. McCoshen.
3 Remember at the beginning of the day we talked about
4 Mr. McCoshen?

5 A. I do.

6 470 Q. And I asked you if he had any
7 connection or relationship to the borrowers, and my
8 recollection from this morning is you said he did
9 with A2A. Alaska/Alberta or Alberta/Alaska railway
10 development company, I don't remember if it's
11 Alaska/Alberta or Alberta/Alaska, but A2A?

12 A. Yeah, I suppose my answer was
13 not just specific to them.

14 471 Q. Okay.

15 A. Because as I say, he was with
16 other First Nations groups, and I don't think that
17 was in conjunction with A2A on his part.

18 472 Q. Okay. Okay. So let's for a
19 moment, we'll leave aside the First Nations that he
20 was an advisor to, and just talk about actual
21 connection to borrowers?

22 A. Okay.

23 473 Q. So you said this morning he
24 was -- I think you called him the owner of A2A, do
25 you remember that?

1 A. Yeah, that's a fair -- if
2 that's a fair comment. I believe so, yes. Owner,
3 sole director to me, yes.

4 474 Q. So he's connected to A2A. My
5 understanding is that he is also a director and
6 officer and shareholder of an Ontario numbered
7 company 2665405 Ontario Inc.. Do you recognize that
8 company?

9 A. There's a lot of 266s around,
10 and I think I do. And as you say that, yes, I
11 believe that's an entity that assumed the Bonn field
12 indebtedness.

13 475 Q. That is my understanding.
14 That is my understanding as well?

15 A. Okay.

16 476 Q. So let's put that company or
17 I'll call it 405 Ontario, so avoid the 266s. So he's
18 related to 405 Ontario and related to A2A?

19 A. Right.

20 477 Q. My understanding is that the
21 BFI funds, s they've lent a substantial amount of
22 money to A2A?

23 A. A2A, yes.

24 478 Q. Rounded, let's say, upwards
25 of 150 million dollars?

1 A. I believe that's accurate.

2 479 Q. Okay. Can you tell me what
3 A2A does?

4 A. So A2A, to my understanding
5 on the project, is to create, I guess, as you say,
6 Alberta to Alaska, Alaska to Alberta railway. My
7 understanding is it would be mainly to transport oil
8 interests, I'm not too sure of the type of oil, but
9 that's, essentially, what it was, to create the
10 corridor between the two nations, you know, the U.S.
11 and Canada, and the province of Alberta to the state
12 of Alaska.

13 480 Q. Okay. Like, is the
14 project -- and I'll just say Mr. McCoshen. I
15 recognize that there's a company A2A involved there,
16 but it will be easier for me just to say
17 Mr. McCoshen. Like, is Mr. McCoshen, he's actually
18 planning to build a railroad that goes from Alaska to
19 Alberta? Is that basically what the project is, is
20 actually building a railway?

21 A. That's my understanding, yes.

22 481 Q. Do you know how far along
23 that project is?

24 A. I know there's always
25 updates, so I may not be able to give you the most

1 current, but I know that it's worked past various
2 feasibilities and agreements. I don't know what the
3 actual stages are called, but I know gone through
4 feasibility and, you know, they've spoken about about
5 different agreements. I saw a lot of correspondence
6 on this presidential permit. The agreements in place
7 with various First Nations communities to put a
8 railway through this area, as well as with provincial
9 politicians and as well as state politicians in the
10 states.

11 482 Q. Okay.

12 A. So I'm aware of all of those
13 pieces kind of taking place, and, you know, McKenzies
14 (ph) involvement to a small extent on the evaluation
15 of that project. I'm aware, I guess, at a high
16 level.

17 483 Q. Okay. Are you aware of
18 whether any Canadian governments, so the federal
19 government, Alberta, I don't know what the route
20 would be, but I imagine it would either have to cross
21 through British Columbia or through the northwest
22 territories or the Yukon. I don't think Alberta and
23 Alaska actually intersect. Are you aware of whether
24 any of those governments have actual formally
25 approved the project?

1 A. I don't know whether there's
2 any been -- sorry, very poor English here. I don't
3 know whether there has been formal approval by
4 government at the federal level or provincial level.
5 You know, I have seen, obviously, perhaps all the
6 same things that you have, to some extent. The
7 agreements and communication that has been taking
8 place at those levels. I think I also recall seeing
9 a mention from Justin Trudeau on the project at one
10 point.

11 484 Q. A mention?

12 A. Yeah. I believe there was a
13 mention, if I recall. When I try to look up what's
14 going on with this thing, I think there was some
15 mention about it, the project, and that was in and
16 around the presidential permit was signed by Donald
17 Trump and American, the United States.

18 485 Q. I'll get to that permit in
19 just a minute. So my understanding of the answer you
20 just gave, and I appreciate the answer. My
21 understanding of it is that you're not aware of any
22 formal governmental Canadian or provincial or
23 territorial governmental approvals of the project?

24 A. That's right. For any formal
25 approval for it to go ahead, and to me in any eyes

1 that would be a final one, no, I'm not aware of at
2 this time. But I'm also not the credit person on the
3 file. There would be people that have better
4 knowledge of it than I do.

5 486 Q. I understand that. And in
6 the United States, you mentioned a presidential
7 permit that was signed by President Trump, right?

8 A. That's right, yes.

9 487 Q. Do you know what impact, if
10 any, the election and inauguration of President Biden
11 has on that permit?

12 A. I guess to a very small
13 extent, again I'm not part of that process, but I do
14 recall, and I think you guys will as well, President
15 Biden coming in and one of the first actions was to
16 stop the keystone pipeline idea. I think at that
17 point there was, there was question or concern on
18 where or what -- where that left the A2A project.
19 From what I've been told -- again I'm not part of
20 this -- is that there is sufficient reason to believe
21 that there wouldn't be much impact, apparently he was
22 okay with it. Again, that's probably third or fourth
23 hand information. So rather than speculate, I should
24 probably leave that.

25 488 Q. Okay. What about the state

1 of Alaska. Do you know if there has been formal
2 approval from the state of Alaska for the project?

3 A. I don't know if there's
4 formal approval from the State of Alaska. I know
5 there's appetite and desire to. I think we've all
6 seen all the communication at the state level is
7 quite public on their desire for the project. State
8 senator, I believe, Lisa Mckowski were involved in
9 those discussions, and people below her on their
10 desire for it to happen. I think when the permit was
11 announced, they were celebratory for that. I don't
12 know what the approvals are granted from them, if
13 any.

14 489 Q. Okay. And are you aware
15 of -- excuse me. Are you aware of any government,
16 the Canadian federal government, any of the
17 provincial or territorial governments, the U.S.
18 federal government or the state of Alaska government,
19 are you aware of any of those governments have
20 committed any government funding to the project?

21 A. Not that I know of. My
22 understanding was that First Nations communities are
23 going to be the ones impacted the most, and it was
24 they're involvement that had been sought. I don't
25 know on the involvement of the federal government and

1 if funding was being required at that level. I don't
2 know.

3 490 Q. Okay. Okay. Are there
4 any -- do you know of any other individuals, other
5 than Mr. McCoshen, who are -- who could be called
6 principals or directing minds or even senior people
7 of A2A? And is there anyone other than Mr. McCoshen
8 at the top of that entity or near the top of that
9 entity? Do you know who those people are, if there
10 are any?

11 A. I know a couple. I know a
12 couple, a few, two or three. I know they have
13 changed -- or at least one of them has changed. I
14 don't know if these guys are still currently
15 involved. But Reed Tredwell (ph), I think, who I
16 think was the Governor General of Alaska was
17 involved. Gosh, was Monty Soleberg (ph) involved at
18 one point? I don't know on the level of involvement.
19 As for the echelon, it would be JP Gadue (ph), who I
20 know is somewhere at the top there, Sean McCoshen. I
21 don't know other than the two I just mention. But I
22 know JP is actually part of the structure, where as
23 the others I'm not too sure whether they are actually
24 part -- you know, back to your question no the
25 structure, yeah.

1 know they are a large borrower of the funds.

2 495 Q. Okay. Give me one moment.

3 The 405 Ontario company, 266405 Ontario Inc., the one
4 that you said before assumed a Bondfield loan. What
5 can you tell me about that assumption, how that
6 worked?

7 A. Yeah, I don't know a great
8 deal. The Bondfield company is going through
9 obviously CCAA, a bankruptcy process, at least
10 recovery. As much as I know, there was interest from
11 McCoshen on some of the assets that they had that we
12 are wanting to realize on, and that's why there was
13 an assumption from his end of that debt to be on the
14 hook for in the hopes he could profit or do well-off
15 of the realization of the assets.

16 496 Q. Okay. So is it your
17 understanding that sort of what happened economically
18 was that McCoshen assumed Bonn field's debt to
19 Bridging so that Mr. McCoshen or this numbered
20 company would be able to sort of realize on the
21 assets of Bonn field through that, through that
22 restructuring?

23 A. Yes. Sorry, and you're right
24 to say restructuring. Yes.

25 497 Q. Okay. Do you know -- did

1 that assumption. Did that go through Bridging's
2 credit committee?

3 A. I don't recall it going
4 through Bridging's credit committee, no, I don't
5 recall.

6 498 Q. Okay. Okay. And I should
7 say, just my understanding is that there was no,
8 there was no monetary component to that assumption.
9 Like Bridging didn't lend any money to 405 Ontario,
10 405 Ontario didn't pay money to Bridging?

11 A. Right.

12 499 Q. Is that right?

13 A. That's my understanding.

14 500 Q. Okay. Do you know, do you
15 know how that came about, like how those discussions
16 about Mr. McCoshen's company sort of stepping into
17 Bonn field's shoes, how that all got started?

18 A. I don't. I mean, that's not
19 an area that I -- I'm not involved in the credit side
20 of things, so, no, I'm not aware of how it started or
21 how it came to be or what was discussed or the reason
22 why, apart from what I mentioned, the kind of why,
23 why I was told or my understanding at least of why I
24 was told he had interest in doing so.

25 501 Q. All right. Is there anyone

1 at Bridging who you would consider to sort of be the
2 point person on that debt assumption, that 405
3 Ontario assumption?

4 A. Yeah, that would be Natasha
5 Sharpe at CIO would be the point person on most
6 matters of credit.

7 502 Q. Okay. Okay. So we said that
8 Mr. McCoshen is an owner, director, officer of A2A,
9 which we think is the single largest borrower from
10 the BFI funds, right?

11 A. Yes.

12 503 Q. We've said that Mr. McCoshen
13 is an advisor to Peg First Nations, which itself is a
14 sup substantial borrower of the funds?

15 A. Yes. I don't know if that's
16 the role he currently plays, but at least at one
17 point, yes.

18 504 Q. And Mr. McCoshen is a
19 director, Officer, shareholder of that 405 Ontario
20 company that assumed I think at the time the
21 assumption went through it was an 80 million dollar
22 debt; is that right?

23 A. I believe so, yes.

24 505 Q. Do you know if there are any
25 other borrowers that Mr. McCoshen is connected to,

1 other than as an advisor to a First Nations?

2 A. A list, I cannot think of one
3 right now, not to my knowledge, Mr. Gotfried, at this
4 time, no.

5 506 Q. Okay. And I asked you this
6 morning whether David Sharpe had ever sought your
7 approval for any outside business activities with
8 Mr. McCoshen. Do you remember that?

9 A. Yes, I do.

10 507 Q. And you said no that's right.
11 Okay. So are you aware that -- I'm going to mix up
12 the months, but between June of 2016 and July of
13 2019, or July of 2016 and June 2019, are you aware
14 that a company that Mr. McCoshen owns and controls
15 transferred \$19.5 million to David Sharpe?

16 A. No.

17 508 Q. You didn't know that?

18 A. No, I did not.

19 509 Q. He never advised you or
20 informed you that he'd received 19½ million dollars
21 from a company owned by Mr. McCoshen?

22 A. No. No, not to my
23 recollection, at least, no.

24 510 Q. That's probably something you
25 would recollect, right?

1 A. I don't have the best of
2 memories all the time, but certainly I would like to
3 think so.

4 511 Q. Okay. Is that something that
5 the chief compliance officer should have been told
6 about?

7 A. As it relates to a borrower
8 of the firm and stuff, I would say that's important
9 information for me to know.

10 512 Q. Okay.

11 A. I mean, we talked about OBAs
12 and such, so yes.

13 513 Q. Okay. In your opinion as the
14 chief compliance officer of Bridging, is it a
15 conflict of interest for the CEO of BFI to receive
16 \$19.5 million of payments from the directing mind of
17 the largest borrower of the funds.

18 MR. RICHARD: With respect, again,
19 that's not a proper question for this context.
20 You're giving him -- you're just telling him
21 information that for the time being, we're still
22 talking about potential hypotheticals, and then
23 you're asking him to give an opinion, which he's not
24 here to give his opinion.

25 MR. GOTFRIED: Mr. Richard, he's

1 the chief compliance officer of a registrant that
2 manages 2 billion dollars of investor funds. If it
3 turns out that I'm wrong, and Mr. McCoshen's company
4 didn't transfer 19½ million dollars to -- , then his
5 answer doesn't matter in any respect. But in my
6 view, as the CCO, it's perfectly acceptable for me to
7 ask him if the CEO receiving 19½ million dollars from
8 the directing mind of the largest borrower gives --
9 maybe I'll change the question.

10 BY MR. GOTFRIED:

11 514 Q. Does that give you any
12 concerns relating to conflict of interest?

13 A. I think, that's an important
14 point to consider on any level as it relates to
15 conflict of interest.

16 515 Q. Okay. Give me one moment.
17 Let me consult my notes. Okay. Let's move on to
18 another area. I want to ask you about Ninepoint?

19 A. Okay.

20 516 Q. Before I do that, Mr.
21 Mushore, have you ever received any money from Mr.
22 McCoshen?

23 A. No, I have not.

24 517 Q. Or any companies connected to
25 Mr. McCoshen?

1 A. No.

2 518 Q. Okay. Thank you?

3 A. Thank you.

4 519 Q. Ninepoint. So last time in
5 October, we talked about Bridging's purchase of
6 Ninepoint interest in the income fund, do you recall
7 that?

8 A. I do.

9 520 Q. And my recollection is that
10 Ninepoint owned half of the general partner to the
11 income fund, and Ninepoint had certain rights and
12 obligations under a management agreement related to
13 the income fund. Do you recall that?

14 A. Yes.

15 521 Q. Okay. My recollection is
16 that Bridging was the portfolio manager or investment
17 manager for the assets of the income fund, and
18 Ninepoint did administrative and marketing tasks; is
19 that right?

20 A. Yeah, I think that's, you
21 know, that's a fair distillation of the duties, yes.

22 522 Q. And there were, there were --
23 I think there was a management fee and there was a
24 performance fee, but in some percentage, those fees
25 were split between Bridging and Ninepoint?

1 A. Yes.

2 523 Q. And I asked you last time why
3 BFI acquired the other half of the income fund from
4 Ninepoint, and I recall your answer was that it was a
5 business decision. Do you recall that?

6 A. I do have some recollection
7 of that.

8 524 Q. Okay. Is there anything that
9 you would like to add to that answer about why BFI
10 acquired the other half of the income fund?

11 A. Anything further that I know,
12 other than it being a business decision by the
13 principal of BFI to have -- in the management of that
14 fund.

15 525 Q. Yes. Do you know why, what
16 led to that business decision?

17 A. Oh, gosh, I have to -- there
18 was a management buy out occur at the Ninepoint side,
19 if I recall correctly.

20 526 Q. Mm-hmm.

21 A. I think that helped
22 precipitate part of it.

23 527 Q. What do you mean?

24 A. I can't recall entirely, but
25 I thought that had something to do with the urgency

1 that they had or whatnot. Perhaps -- I don't think
2 I'm the best person to kind of go, because I am just
3 thinking and speculating here.

4 528 Q. Okay. Do you remember the
5 principal of Bridging and the principals of Ninepoint
6 having a dispute about anything in particular that
7 may have soured the relationship and led to Bridging
8 having to, having to purchase the Ninepoint's
9 interest in the income fund?

10 A. I don't recall a dispute
11 having to -- pushing them to make a choice or move
12 like that. I don't recall the mechanics of it.

13 529 Q. Do you recall there being any
14 dispute between Bridging and Ninepoint that may have
15 led to a transaction?

16 A. I don't recall. As I said,
17 my interactions with them are very civil and I have
18 no issues with my counter parts over there.

19 530 Q. Okay.

20 A. As for the disputes at the
21 two cores would precipitate such a transaction, I
22 can't recall.

23 531 Q. Okay. I'm going to share my
24 screen. I'm going to pull up a loan schedule. Now,
25 this is going to be difficult to see, but I will

1 share my screen, and we will find out how to do it.
2 So let me know when it pops up, please?

3 A. It's up.

4 532 Q. You can see it?

5 A. I can.

6 533 Q. I will make parts of it
7 bigger?

8 A. Yes.

9 534 Q. Okay. So this is going to be
10 Exhibit 5?

11 A. Have you not done 5 already?
12 Sorry

13 535 Q. No I appreciate it. I'm glad
14 everybody else is counting. Madam Reporter, is this
15 5 or 6?

16 COURT REPORTER: I believe it's
17 Exhibit 6.

18 MR. GOTFRIED: This will be
19 Exhibit 6. This is a six page loan scheduling that
20 Bridging produced to staff on or around June 17th,
21 2020. Do you -- before I zoom in on particulars, do
22 you recognize this loan schedule?

23 A. I do.

24 536 Q. Okay. So I'm going to go to
25 the second page of this loan schedule, and if I try

1 to zoom in -- there we go. And row 17 it refers to a
2 loan to Bedard family trust, and then in brackets it
3 says "Eastway group"?

4 A. Yes.

5 537 Q. Looks like it was made March
6 2018. Do you see that?

7 A. Yes.

8 538 Q. Are you familiar with this
9 loan?

10 A. Yes, I'm familiar with this
11 loan. Well, at least I do recall part of it, yes.

12 539 Q. Okay. Tell me why you're
13 familiar with this loan, what recall about it?

14 A. It did, it did include -- I
15 can't remember the details around why, it did push to
16 a meeting with Ninepoint. Again, I can't remember
17 the details around it why, why either they wanted it
18 funded or we didn't or back and forth. I can't
19 really remember. I do recall -- I do recall this
20 loan, Eastway group, not Bedard family trust, but
21 Eastway group and so.

22 540 Q. Okay, so you said there was
23 some sort of meeting, it led to a meeting between
24 Bridging and Ninepoint?

25 A. That is right.

1 541 Q. And I acknowledge that you've
2 said, I think a couple of times when we've been
3 talking about this loan, that you said you don't
4 remember all the details about it. Why don't you
5 tell me what you can remember and we'll go from
6 there?

7 A. Yeah, I mean, I would have to
8 consult with my notes to understand kind of what -- I
9 think there was, as I said, I don't know whether it
10 was Ninepoint who wanted it or Bridging finance that
11 did. I recall some guidelines set up on the credit
12 side that this was going to push over the
13 construction amount that we had in the construction
14 sector of 30 percent. But then I can't remember the
15 details on even how that meeting with Ninepoint came
16 to be and what their involvement were. I would
17 really have to go back to the record and find out,
18 but it did certainly precipitate a meeting with
19 Ninepoint. I wouldn't have said that that would
20 cause them to want to sell or BFI to want to
21 purchase, but that's what I can recall at this time.

22 542 Q. Okay. Let's pause for just a
23 minute on this loan. We'll come back to it in just a
24 second. I'm going to take it off the screen now. I
25 think we've all seen and we see there's a loan there.

1 Before I brought up the loan schedule, you mentioned
2 there was this -- there was a buy out. I know there
3 was some transaction between Ninepoint and spraut
4 that led to Ninepoint -- I think it was a management
5 buy out that led to the creation of Ninepoint. What,
6 what -- is there any connection between that buy out
7 transaction -- at least in your mind, is there a
8 connection between that buy out transaction and
9 Bridging buying half of the income fund -- buying the
10 other half of the income fund?

11 A. Is there a connection between
12 their MBO and Bridging buying? Not that I can think
13 of.

14 543 Q. Okay.

15 A. Yeah.

16 544 Q. Okay. So that loan we looked
17 at. It's Bedard family trust, it's Eastway. I'm
18 going to call it the Eastway loan?

19 A. Okay.

20 545 Q. My understanding of the
21 circumstances surrounding that loan, was that
22 Ninepoint was doing an operational review of the
23 income fund, and Ninepoint noticed some suspicious --
24 what Ninepoint thought was suspicious transactions in
25 the bank account. That there was a 20 million dollar

1 loan made, and 20 million dollars went from the
2 income fund to a law firm trust account. And then on
3 the same day, like posted the same day, 20 million
4 dollars was returned to the income fund account, but
5 rather than coming from that law firm's trust
6 account, it came from two other Bridging funds. And
7 that that caused Ninepoint some concern, and that
8 that's what led to I think what you called a meeting
9 between the principals. Does that refresh your
10 memory at all? Does that ring any bells?

11 A. It rings some bells, but I'm
12 still not there in terms of the complete picture.

13 546 Q. Okay. Do you remember if you
14 had any involvement in the sort of back and forth
15 between Ninepoint and Bridging about this loan and I
16 appreciate, you know, I have not shown you bank
17 records so I'm asking you now just to take my word
18 for it that there's this issue on the Ninepoint side.
19 Any meetings or any discussions between Bridging and
20 Ninepoint about that 20 million dollars and the fund
21 flows. Do you remember being involved in any of
22 that?

23 A. Yes, I was involved in one of
24 those meeting with Natasha Sharpe on at least
25 describing the guidelines that were set in place on

1 the sector being 30 percent, and how that had crossed
2 that. I can't recall on -- I think Kirsten was
3 there, Kirsten Taggart was there. She might have had
4 one other person that was there on their end, but
5 that was, that was the point. As for the movement of
6 money, I don't quite recall. I don't know if it was
7 a split loan by way of allocation or not. If that's
8 what caused the buy out or if it was going to be
9 funded by other funds. I have to look at the record
10 on my end here to see what happened. But I do recall
11 an issue with it being more construction than the
12 credit team had set by way of internal guideline on
13 how much they wanted in any particular sector in any
14 fund.

15 547 Q. Okay. So let me just make
16 sure I understand. Your recollection, as I
17 understand what you just said, is that there was an
18 issue with this, with this loan. It was going to, it
19 was going to end up with too much construction loan.
20 I'm speaking very colloquially now. It was going to
21 end up having too much construction loan in a fund,
22 so you recall attending a meeting with yourself and
23 Natasha Sharpe and you said Kirsten, Kirsten Taggart?

24 A. Yeah.

25 548 Q. That's a Ninepoint person,

1 right?

2 A. Yeah, the CCO, Kirsten or
3 Kirsten.

4 549 Q. With her and maybe another
5 Ninepoint person, talking about this, this loan?

6 A. Yes.

7 550 Q. Okay. Okay. I'm going to
8 show you another document now. I'm going to show you
9 some emails. So let me share my screen. Do you see
10 it?

11 A. Yeah, it says tab 1.

12 551 Q. Perfect. Okay. So this is
13 going to be Exhibit 7. This is a 317 page bundle of
14 documents. The first page says tab 1. I'm going to
15 go to page 17. So there's a series of emails here.
16 Let me just find the first one. This is always going
17 to be awkward when you scroll backwards through
18 emails. It's always terribly annoying, so I
19 apologize in advance for that.

20 A. That's okay.

21 552 Q. Here is an email from Kirsten
22 Taggart. That's the CCO of Ninepoint?

23 A. Yes.

24 553 Q. Email dated May 10th from her
25 to David Sharpe, CCs you. Who is Barrie hall?

1 A. He was a finance individual
2 here at Bridging Finance.

3 554 Q. Does he still work there?

4 A. He does not.

5 555 Q. Okay. And then John Wilson
6 and James fox, we can see from the emails those are
7 Ninepoint people?

8 A. Yeah.

9 556 Q. And so Ms. Taggart is
10 emailing David as a follow-up to a discussion in
11 John's email. They're doing some form of review.
12 They asked for a work fee breakdown, and then some,
13 some documents specific to the Eastway transaction,
14 do you see that?

15 A. I do.

16 557 Q. Do you recall this email?

17 A. No, ing I don't but I can see
18 it now.

19 558 Q. So let me scroll up. You see
20 David stamp, we can't see who he's replying to. I'm
21 assuming he'll reply to the group, he sayings "we'll
22 get you this information by the end of tomorrow." Do
23 you see that?

24 A. I do.

25 559 Q. Okay. And then Kirsten says

1 thank you so much David. And then there's an email
2 from you, the next day, May 11th?

3 A. Yes.

4 560 Q. Okay. I'll leave this on the
5 screen, maybe you can have a look at it. Maybe you
6 can help me understand this a little bit.

7 A. Okay.

8 561 Q. Does this give you anymore
9 information? Does it help jog your memory a little
10 bit about the particulars of what was going on
11 between Bridging and Ninepoint?

12 A. A little bit, but I still
13 don't have the full picture in my eyes.

14 562 Q. Okay. You see there's this
15 reference in the email to Waygar fund?

16 A. I do.

17 563 Q. Do you know what the waygar
18 fund is?

19 A. As for its legal name, I
20 don't, but I think that's a fund -- gosh, I don't
21 know if that's the name of it, actually, but that was
22 a fund that Ninepoint had a sub advisor, if I recall,
23 or had a sub advisor relationship with them that also
24 do, I think, private debt loans, but in the space of
25 aeronautics if I'm not mistaken or military

1 aeronautics was the mandate.

2 564 Q. So that's a Ninepoint fund?

3 A. At least managed by them.

4 Obviously I don't know if, if they did all the
5 investments on there, but I believe they at least
6 managed it or had a sub advisor relationship.

7 565 Q. It's not a Bridging fund?

8 A. Right, yes, no.

9 566 Q. Okay. So if we continue to
10 scroll up here, we see Ms. Taggart is sending you an
11 email on Monday, on Monday, May 14th?

12 A. Okay.

13 567 Q. So this seems to be talking
14 about that, that banking, that banking issue that I
15 was referring to earlier. Do you see that?

16 A. Right. I do.

17 568 Q. Okay. So do you recall there
18 being -- like, addition to some issue, perhaps, with
19 construction, you know, concentration -- I appreciate
20 you didn't say concentration, but construction, you
21 know, the amount of construction loans in a fund.
22 Does this help recall or refresh your memory about
23 sort of maybe some fund flow issues, in addition to
24 that or any relationship between those things that
25 you can help? I don't want to suggest an answer to

1 you?

2 A. Yeah, no, I don't remember.
3 That's why it's helpful to go back to my record and
4 have a good understanding for the full picture. I
5 can see what is being mentioned here, but I can't
6 really recall the ins and outs and details of what
7 happened, it does seem to have many moving parts.

8 569 Q. Okay. And then there's an
9 email from you back to Ms. Taggart. I will leave
10 this on and let me know when you've had a chance to
11 read it?

12 A. Okay.

13 570 Q. Okay. So do you recall,
14 like, is in the email that led to that meeting that
15 you recall going to, or -- go ahead, sorry?

16 A. I don't know, on the honest,
17 what led to that meeting. I don't know if the
18 meeting was before or after this date. It may have
19 been. I'm not sure. I can't remember. But to
20 answer your question, no, I don't recall this, this
21 being a precipitation to that meeting.

22 571 Q. Okay. So when I asked you --
23 when I asked you -- no, it was me. When I asked you
24 last time in October what led to Bridging purchasing
25 Ninepoint's interest in the income fund, and you told

1 us it was a business decision, why didn't you mention
2 this dispute? Why didn't you mention this issue with
3 Ninepoint?

4 A. Because I didn't -- and I
5 probably still don't see this as a reason for
6 purchasing those assets. I mean, you know, this
7 didn't appear to me at least with my own
8 recollection, need to or bring a means to have a
9 discussion like that around purchase -- I mean,
10 that's quite a step from there.

11 572 Q. Okay. Okay. Your
12 understanding was that it was a business decision
13 made by, made by whom?

14 A. It would have been made by I
15 would imagine the board, sort of speak, but David and
16 Natasha and the board as a whole. You know, to kind
17 of go back on that. Like, the relationship could
18 have continued beyond this. I don't see why this
19 would be the reason.

20 573 Q. Okay?

21 A. That's why I answered in that
22 way.

23 574 Q. Okay. I accept that. I'm
24 going to show you one more, one more page in this
25 tab. So this is another email that you are -- it's

1 two day after that email?

2 A. Okay.

3 575 Q. But I do see that you're not
4 CC'd on this. So take a look at this email and let
5 me know when you're done?

6 A. Okay.

7 576 Q. Have you ever seen this email
8 before?

9 A. I recall either seeing it or
10 hearing about it. It does ring a bell.

11 577 Q. Okay. What are the
12 circumstances in which you would have heard about
13 this email?

14 A. The mention around pursuing
15 resolution through litigation.

16 578 Q. Okay. What about the last
17 two lines at the bottom, did you know about that?

18 A. I cannot recall right now. I
19 mean, did I know about it? I don't remember.

20 579 Q. Okay?

21 A. And writing to them by that
22 date or having a meeting with them by that date, that
23 would be the next day, I think in relation to this.
24 I don't recall.

25 580 Q. Okay. Because the bottom of

1 the email says: If Bridging is willing to discuss a
2 mutually beneficial transaction in order to avoid the
3 such litigation, you need to let us know?

4 A. The right, I should read it
5 clearly and understand.

6 581 Q. Take your time. Take your
7 time and read the email and let me know when you're
8 done?

9 A. So, okay, I think I get it.
10 I don't fully recall this, but I see it.

11 582 Q. Okay. So let -- go ahead,
12 please?

13 A. So I guess is the question
14 around that last piece there, is this what
15 precipitated the transaction he's referring to is
16 MBO -- sorry, not the MBO, the purchase of the
17 assets.

18 583 Q. Well, let me ask you: Have
19 you seen this particular email before?

20 A. I do have some recollection
21 of it. I can't remember how, when or...

22 584 Q. Okay?

23 A. But I do seem to have a
24 recollection of some of the details in it.

25 585 Q. Okay. Do you recall knowing

1 that Ninepoint had threatened Bridging with
2 litigation?

3 A. That was the piece that I
4 think I recall, yes.

5 586 Q. Okay.

6 A. To that extent, yeah.

7 587 Q. Do you recall at least taking
8 from this email, taking it at its face, do you recall
9 Ninepoint saying to Bridging, we can arrange a
10 transaction in order to avoid the litigation?

11 A. Other than the one I'm seeing
12 in front of me, no, not really. I mean, there are
13 the conversations that these guys are having.

14 588 Q. Okay.

15 A. I don't know if it had been
16 relayed before.

17 589 Q. And I'll tell you, what I'm
18 trying to understand is, when we spoke with you in
19 the October, and we asked why Bridging bought
20 Ninepoint's interest in the income fund, your answer
21 was that it was a business decision?

22 A. Mm-hmm.

23 590 Q. And you certainly said it
24 today, and I vaguely recall you saying before that,
25 you know, it's a decision that's made by others,

1 let's just put it that way?

2 A. Right.

3 591 Q. So what I'm trying to
4 understand is, if you knew about this email -- this
5 email on its face -- I mean, it says what it says.
6 When we asked you before why Bridging bought
7 Ninepoint's interest in the Bridging fund. If you
8 knew what was described in this email, you know, my
9 question for you is going to be, why didn't you tell
10 us that in October.

11 MR. RICHARD: Sorry, I think
12 you've asked him that. The question you're -- if
13 you're limiting it to the email here that he's not
14 copied on, then I guess you're asking a slightly
15 different question, but you did ask him that question
16 in relation to this issue earlier.

17 MR. GOTFRIED: Well, I mean,
18 counsel, he's told me he has a -- I'm trying to be
19 fair -- some recollection of some of the details, and
20 maybe of the email, so with respect, I'm just going
21 to ask the question again.

22 BY MR. GOTFRIED:

23 592 Q. Did you know in or around May
24 of 2018 that Ninepoint had said to Bridging, we're
25 either going to litigate or we can discuss a

1 transaction?

2 A. So you know at the time I
3 certainly couldn't recall this, and this sort of
4 contingency and that sort of piece. Beyond that, I
5 don't know. People, people say things or people have
6 threats. I don't quite know if I even recall this.
7 As you are even moving through this today I didn't
8 even recall this.

9 593 Q. Okay. Okay. One more, one
10 more area I want to talk about. Just give me a
11 moment. I apologize. Okay. During our interview in
12 October, we -- you told us that you were compensated
13 as CCO of BFI. You had a base salary?

14 A. Yes.

15 594 Q. And that you had a bonus?

16 A. Yes.

17 595 Q. Do you recall that?

18 A. I do.

19 596 Q. And you told us that your
20 bonus was paid through BFI's payroll. Do you recall
21 that?

22 A. Yes.

23 597 Q. Okay. What was your salary
24 as CCO in 2018 and 2019?

25 A. I don't remember. I really

1 don't. It's -- between 2018 and 2019? The year of
2 2018.

3 598 Q. Yeah, you get paid an annual
4 salary?

5 A. I do, yes, and I think it has
6 changed every year. Two years ago. Somewhere in the
7 120 region.

8 599 Q. Okay. Is that for both
9 years, 2018 and 2019?

10 A. I would say between 110 and
11 120 region. This is just me --

12 600 Q. I'm not the Canada revenue
13 agency. I don't need it down to the cent, right?

14 A. Yeah.

15 601 Q. I'm just asking, generally
16 speaking, 120 if you're comfortable with 120-ish, I'm
17 comfortable with 120-ish?

18 A. Right.

19 602 Q. 110-ish, whatever?

20 A. In that region.

21 603 Q. What was your bonus?

22 A. It has ranged, and I think
23 probably 20 something, 20,000 to 45 thousand or so.

24 604 Q. Sorry, did you say -- I'm
25 sorry, I totally missed it, 25 to?

1 A. I would say between 20 and 45
2 thousand. I would really have to check.

3 605 Q. No, that's okay?

4 A. I'm very bad with that thing.
5 My wife might be able to respond the to that much
6 easier than I can.

7 606 Q. Do you remember in October I
8 asked you if there was benefits, benefits from
9 Bridging, and I think you said that there was a
10 medical and dental plan, and there was a small
11 pension plan. Do you remember that?

12 A. Yes.

13 607 Q. Okay. And we asked you if
14 you had any outside business activities for which you
15 were compensated, and you said that you didn't. Do
16 you remember that?

17 A. I did -- well -- to which I
18 was compensated, yes, that's right.

19 608 Q. So my understanding, Mr.
20 Mushore, is that in three payments one in July of
21 2019, one in December of 2019, and one in August of
22 2020, David Sharpe transferred you 180,000 dollars;
23 is that right?

24 A. He had provided me with some
25 money, yes.

1 to help me with my mortgage. I know he's always been
2 a generous man.

3 614 Q. Okay. Any other purpose,
4 other than the mortgage?

5 A. Well, no, I mean I think in
6 relation to others that have been at this firm and
7 compensated, they get compensated well above mine,
8 and perhaps he's just acknowledging the inequity, and
9 that was the understanding of how it was provided to
10 me.

11 615 Q. Okay. He's the CEO of the
12 business. If your salary isn't equitable, why
13 doesn't he just increase your salary?

14 A. Because I guess there's a
15 process at this firm on salary increases that
16 sometimes are perhaps not really understood well.
17 Sometimes he would like to fight for certain -- for
18 employees in general, and certain employees that do
19 put a lot of work in to be able to be compensated
20 adequately. So, you know, I think those processes
21 aren't controlled by him.

22 616 Q. So effectively, in these 18
23 months -- no, not 18 months. In the 12 months, July
24 15th, 2019 to August 26th, 2020, he just transferred
25 you more than 100 percent of your salary, and your

1 evidence is he did that because he thought your
2 salary was low, and he wanted to help you with your
3 mortgage?

4 A. Yeah, he wanted to help me
5 with my mortgage. I think everybody, you know, knows
6 David's generosity, so it wasn't unusual to me.

7 617 Q. Why didn't you tell us about
8 these payments when we asked you about compensation
9 from BFI?

10 A. Well, I didn't regard it to
11 be BFI and i didn't see this as an OBA.

12 618 Q. Do you know if there are
13 other employees at BFI that David Sharpe transfers
14 large amounts of money to?

15 A. I'm not sure. It wouldn't
16 be -- as I say, he's known for being generous.

17 619 Q. Has the chief compliance
18 officer of Bridging, do you, do you have any concerns
19 or would you have any concerns with Mr. Sharpe
20 effectively giving away large amounts of money to his
21 employees without anybody knowing about it?

22 A. If it was nefarious, but as I
23 say, I mean.

24 620 Q. But how can you tell if it's
25 nefarious if you don't know about it?

1 A. That's the thing, I
2 wouldn't -- I don't know about it. I wouldn't know
3 about it.

4 621 Q. Okay. Remember we talked
5 about Mr. Baele. Is Mr. Baele well compensated?

6 A. I don't know what his
7 compensation is.

8 622 Q. All right?

9 A. I know he -- I know he's paid
10 like anybody else through payroll.

11 623 Q. Okay. And you said that I
12 think you said before there's some inequity, your
13 salary is low. Do you know if he's one of those
14 people whose salary is inequitably low?

15 A. I don't know what his salary
16 is. I know he gets a commission based salary, if you
17 want to call it that, compensation.

18 624 Q. But that's going to be paid
19 through the company?

20 A. Yes.

21 625 Q. Okay. So would it surprise
22 you to learn that David Sharpe transferred 260
23 thousand dollars to Ian Baele?

24 A. To some extent, yeah. I
25 would have, I would have put him as being better

1 compensated, so it's surprising in that regard.

2 626 Q. As the CCO, is that something
3 you feel you should know, if the CEO is transferring
4 the senior vice president of sales 260 thousand
5 dollars? Is that something the CCO should know
6 about?

7 A. Or could be aware of, yes.

8 627 Q. Is that something that you,
9 as the CCO, you would have expected David Sharpe to
10 tell you about?

11 A. I believe so. I believe, you
12 know, that is something I might expect him to
13 mention. Maybe something I know he may not. I
14 understand him to be a generous man, as I say, it
15 wouldn't be surprising if he hadn't.

16 628 Q. Okay. Did he ever ask you
17 for anything in exchange for that 180,000 dollars?

18 A. Never.

19 629 Q. Do you have any children, Mr.
20 Mushore?

21 A. I do.

22 630 Q. Okay. How many?

23 A. Two.

24 631 Q. Boys, girls?

25 A. Girls.

1 632 Q. How old are your girls?

2 A. Five and 18 -- almost 19
3 months -- 19 months, actually, a couple days ago.

4 633 Q. Does Mr. Sharpe have any
5 connection to your -- other than through your
6 employment at BFI, is there any connection between
7 David Sharpe and any of your daughters?

8 A. Yes, I've asked Natasha and
9 David to act as God parents to my daughters.

10 634 Q. Okay. Because I'm going to
11 show you one of the cheques that he wrote. Give me
12 one minute. Let me know when this pops up?

13 A. It's up, sorry, on my end.

14 635 Q. Okay. So this is a cheque
15 from written from David Sharpe, . It's addressed to
16 you. It's dated August 26th, 2020. Do you see that?

17 A. Yes.

18 636 Q. Do you recall receiving this
19 cheque?

20 A. I do.

21 637 Q. And okay. And in the memo it
22 says god-daughter's education fund. Do you see that?

23 A. Yes. I do.

24 638 Q. Have you set up an education
25 fund for your daughters?

1 A. Yes, I have.

2 639 Q. And is that what this cheque
3 was for?

4 A. Yes.

5 640 Q. So when I asked you five
6 minute ago what the cheques were for, why did you
7 tell me to help out with the mortgage?

8 A. A big part, a big part of it
9 was then. I wasn't each calculating the amounts in
10 my head.

11 641 Q. Okay. So did you take this
12 \$50,000 and set up, like, an RESP for your daughter
13 or use it to pay off your mortgage?

14 A. No, I put it in RESPs for my
15 daughters.

16 642 Q. Okay. Okay. What about the
17 other 130 thousand dollars that David Sharpe
18 Transferred to you, did that go to your mortgage?
19 What happened to that money?

20 A. Yeah, so that was to help
21 with the mortgage at the time I think I was doing
22 renovations, so I used it for that, yeah.

23 643 Q. So other than this 180,000
24 dollars. Again, just for your reference, the dates
25 of the checks I have are July 2015, 2019, December

1 18th, 2019, and August 26th, 2020. Other than those
2 three, has David Sharpe given you any other monies?

3 A. No, not to my recollection,
4 no.

5 644 Q. Okay. And other than -- I
6 told you about the 260 thousand dollars to Ian Baele.
7 I recall you said you didn't know about that before,
8 is that right?

9 A. That's right.

10 645 Q. Okay. Are you aware of any
11 other employees at BFI that David Sharpe has
12 transferred sums of money to?

13 A. I think there might have been
14 a couple others beginning of this year. As I say, in
15 trying to fight for individuals to get salary
16 increases, the way he was roadblocked, I think he
17 helped to give them a bit more.

18 646 Q. Okay. Who are those people?

19 A. I would have to probably have
20 to check, but if I can recall correctly, Andrew
21 Woo(ph), probably had a small amount, Brian
22 Chavez(ph). Those are the names that come to mind
23 completely.

24 647 Q. What about Mr. Marr. Do you
25 know if David ever Transferred money to Mr. Marr?

1 A. I don't.

2 648 Q. What about Mr. Champ?

3 A. I don't know.

4 649 Q. Okay. And in your capacity
5 at CCO, David Sharpe has never come to you and said
6 I'm going to give \$260 to Ian Baele, I'm going to
7 give X amount of money to so and so and so and so?

8 A. Well, so, to Ian Baele, as I
9 said, on the other two gentleman, I remember there
10 was a desire for him to make sure that they were
11 compensated well, or at least better, because they
12 had been here and put a lot of work in, and I think
13 he tried to get certain salary increases approved for
14 him, and that weren't, and he just topped them up.

15 650 Q. So how is it that he's
16 roadblocked in trying to raise people's salaries?

17 A. Because I guess that's a
18 decision made at the board level, so whether they
19 agreed to it or not on an individual basis.

20 651 Q. Okay. So one of the
21 directors is his wife?

22 A. Right.

23 652 Q. The other two directors are
24 Jenny Coco and Rock Anthony Coco. So explain,
25 explain that to me. Is it the Cocos who refuse to

1 raise people's salaries? Is it Natasha Sharpe and
2 he's giving money to people sort of under the table
3 that he wife doesn't know about?

4 A. I don't know. I don't know
5 because I'm not there. It's usually, as you've
6 probably seen on those agendas, an in camera session
7 when it comes to HR matters for them. My
8 understanding is that the Cocos didn't really
9 understand the finance well and how that works. I
10 think that's given the fact that they want to look at
11 everyone's salary on an individual basis.

12 653 Q. Okay.

13 A. So my understanding is it was
14 them, but I don't -- I'm not there.

15 654 Q. So this, this idea that he
16 can't raise, he can't just raise your salary?

17 A. Right.

18 655 Q. Did he communicate that to
19 you? The did he tell you that he's tried to raise
20 people's salaries and he's been roadblocked?

21 A. Yes.

22 656 Q. Okay. And so instead of
23 raising people's salaries, instead he's going to just
24 sort of give people money sort of, I guess, at his
25 whim?

1 A. I guess that's, yeah, that's
2 what happened. I mean, as I say, he's known to be
3 quite generous and philanthropic, and so it wasn't
4 unusual to me.

5 657 Q. Okay. Okay. Before we
6 adjourn -- oh, I can stop sharing this. Before we
7 adjourn today, Mr. Mushore, we've over the last two
8 days we've talked about a number of different areas.
9 Before we adjourn, is there anything that you would
10 like to tell us that we haven't already covered?

11 A. Not really, no.

12 658 Q. Okay. Is there anything with
13 respect to Bridging generally, its officers,
14 directors, shareholders that we haven't talked about
15 in October or today, anything that you think we
16 should know?

17 A. I can think of nothing at
18 this time. We've covered a lot of things. You're on
19 mute, Kevin.

20 MR. GOTFRIED: Kevin is on mute.

21 MR. RICHARD: I was going to say
22 that's really not a fair or, in my view, proper
23 question. Asking the witness if there's anything
24 else that think want to say is fine, which I think
25 you already did.

1 MR. GOTFRIED: Okay.

2 MR. RICHARD: Any witnesses here
3 to answer your questions and only answer your
4 questions.

5 MR. GOTFRIED: Thank you, counsel.

6 MR. RICHARD: If you have
7 questions, then they can answer them.

8 MR. GOTFRIED: Okay. Thank you,
9 counsel I think the only undertaking we had was for
10 that checklist. There was a checklist, right, about
11 the banking.

12 MR. RICHARD: Right. Yes.

13 MR. GOTFRIED: Yeah. And all
14 right, I will take this opportunity to remind you, as
15 I did this morning, this is a confidential interview,
16 you cannot discuss this interview with anybody.
17 Again, subject to your counsel, and I'm confident
18 your counsel knows his obligations and will act
19 accordingly with them. And so with all that said, I
20 will adjourn this examination. Thank you very much,
21 Mr. Mushore?

22 A. Thank you.

23 MR. GOTFRIED: We can go off the
24 record.

25 -- proceedings adjourned at 3:17 p.m.

This is Exhibit “3” referred to
in the First Supplemental Affidavit of Daniel Tourangeau
sworn before me, this
30th day of April, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**

From: [Fuerst, Linda](#)
To: [Carlo Rossi](#)
Subject: David Sharpe
Date: April 29, 2021 8:13:57 PM

Pursuant to Mr. Sharpe's compelled examination today he has attended at his office at Bridging Finance this evening to look for the agreement that Staff asked him to produce. Mr. Sharpe advises that he has done a thorough search of his files and is unable to locate it.

Linda Fuerst
Senior Partner

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Confidentiality notice

This email is confidential and may be privileged. If you are not the intended recipient please notify the sender immediately and delete it.

This is Exhibit “4” referred to
in the First Supplemental Affidavit of Daniel Tourangeau
sworn before me, this
30th day of April, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**

January 20, 2021

**STRICTLY PRIVATE AND CONFIDENTIAL
EMAIL**

Daniel Tourangeau
Senior Forensic Accountant
Ontario Securities Commission, Enforcement Branch

Dear Mr. Tourangeau:

Re: Compelled Examination of Jenny Coco held on November 12, 2020

I write in response to your letter dated January 12, 2021.

Ms. Coco's responses to the questions posed in your letter are set out in the attached Schedule A. The responses are provided on the understanding that they are part of the examination of Ms. Coco which occurred on November 12, 2020, which was compelled pursuant to the summons issued under section 13 of the *Securities Act*. The responses are therefore subject to the rights and protections under Part VI of the *Securities Act* and to the reservation of rights stated at the outset of Ms. Coco's interview.

Yours truly,



John Fabello

CC: Client; S. Reisman

Schedule A

IN THE MATTER OF BRIDGING FINANCE INC. AND THE OSC

COMPELLED TESTIMONY PURSUANT TO S. 13 OF THE OSA

Answers to written interrogatories further to the examination of Jenny Coco held on November 12, 2020 to (delivered by Staff on January 12, 2021)

1. **Question:** Based on our review of the BFI financial statements for the year ended December 31, 2019, it appears that the dividend of \$5.3M that the Coco entities received on February 6, 2020 represents the Cocos' 33% share of the \$16M dividend declared in 2019 and that remained payable as of December 31, 2019 (**Dividend 1**). Please confirm if our understanding is correct. If our understanding is not correct, please explain how and when you directly or indirectly received your share of Dividend 1.

Answer: Ms. Coco confirms that to her knowledge Staff's understanding is correct.

2. **Question:** In addition to Dividend 1, we note that the unaudited quarterly financial statements of BFI for the period from January 1, 2020 to March 31, 2020 indicate that a separate dividend of \$10M was declared and paid in Q1 2020 (Dividend 2). Please provide responses to the following in connection with Dividend 2:

- a. Did you approve Dividend 2 before it was declared?

Answer: Ms. Coco has no record of approving this dividend and is not aware of any board resolution before the dividend was apparently declared.

- b. Did you directly or indirectly, through the Coco entities or otherwise, receive any portion of Dividend 2?

Answer: Ms. Coco has no recollection and has no record of directly or indirectly, through the Coco entities or otherwise, receiving any portion of Dividend 2.

If so, please explain how this dividend was paid to your benefit. *N/A*

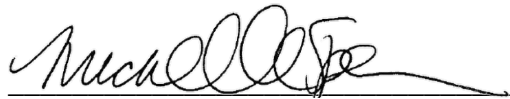
If not, please explain why you did not receive a portion of this dividend.

Answer: Ms. Coco does not have any explanation.

In your response, please explain why Dividend 2 was not referred to in the response provided to Staff on December 21, 2020.

Answer: Ms. Coco's response provided to Staff on December 21, 2020 (i.e. *"To the best of Ms. Coco's knowledge, Coco entities received a dividend of \$5.3M on or about February 6, 2020."*) is to the best of Ms. Coco's recollection the only dividend received by Coco entities from BFI in 2020 and the only dividend paid in 2020 that Ms. Coco recalls.

This is Exhibit "5" referred to
in the First Supplemental Affidavit of Daniel Tourangeau
sworn before me, this
30th day of April, 2021

A handwritten signature in black ink, appearing to read "Michelle Spain", written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires March 22, 2024.**

April 28, 2021

**STRICTLY PRIVATE AND CONFIDENTIAL
EMAIL**

Carlo Rossi
Senior Litigation Counsel
Ontario Securities Commission, Enforcement Branch

Dear Mr. Rossi:

Re: Compelled Examination of Jenny Coco held on November 12, 2020

I write further to the compelled examination of Ms. Coco that occurred on November 12, 2020. Further to and as part of that examination Staff posed written questions that were answered by Ms. Coco in my prior letters dated January 20, 2021 and December 21, 2020. By email dated April 27, 2021, Staff asked for a written update to Ms. Coco's answers to written interrogatories dated January 20, 2021. Based on our communications, I understand that Staff is particularly interested in any updates with respect to Dividend 2 (as that term is defined in Staff's prior correspondence). In Schedule A to this letter Ms. Coco provides her response. Ms. Coco's response is part of her compelled examination and is therefore subject to the rights and protections under Part VI of the *Securities Act* and to the reservation of rights stated at the outset of her interview.

Yours truly,



John Fabello

CC: client; S. Reisman

Schedule A

Compelled Answer of Jenny Coco in Response to Question Posed in OSC Staff's email dated April 27, 2021

I understand that Staff has asked me to update my January 20, 2021 written answers to Staff, and in particular the answers that relate to Dividend 2. I do so regarding the information I provided previously regarding a \$10M dividend (which Staff referred to as "Dividend 2") that was declared and paid by BFI in Q1 2020.

In their written questions dated January 12, 2021, Staff asked: (i) if I approve[d] Dividend 2 before it was declared; (ii) if I directly or indirectly, through the Coco entities or otherwise, receive[d] any portion of Dividend 2; and (iii) why Dividend 2 was not referred to in the response provided to Staff on December 21, 2020.

In my response to Staff dated January 20, 2021, I advised that: (i) I had no record of approving this dividend and I was not aware of any board resolution before the dividend was apparently declared; (ii) I had no recollection and had no record of directly or indirectly, through the Coco entities or otherwise, receiving any portion of Dividend 2; and (iii) my response provided to Staff on December 21, 2020 (i.e., "To the best of Ms. Coco's knowledge, Coco entities received a dividend of \$5.3M on or about February 6, 2020") is to the best of my recollection the only dividend received by Coco entities from BFI in 2020 and the only dividend paid in 2020 that I recall.

My prior recollections continue to be accurate. In the course of my own inquiries and BFI preparing its 2020 financial statements, I have been advised of additional information, which is summarized below, and which emanated from BFI management.

I was advised that Dividend 2 was paid to 2693405 Ontario Inc., the entity through which Gary Ng ("Ng") held his shares in BFI, as an advance on anticipated dividend payments to shareholders for the 2020 fiscal year. BFI management believed this course of action to be in the best interest of unitholders in the funds.

In early 2020, and prior to detecting Ng's fraud, BFI management was projecting to have a very profitable year. However, I understand from BFI management that beginning in December 2019, there were repayment issues regarding loans made to companies controlled by Ng (the "Loans").

I understand that, to mitigate the risk of default, BFI used its prior year's earnings to make a dividend payment to Ng in priority to the other shareholders. I understand that BFI believed that distributing a portion of its proceeds to Ng in advance of the other shareholders would assist Ng in servicing the Loans, to the benefit of unitholders in the funds that held the Loans. I further understand that the remaining shareholders were to receive their pro rata entitlements later in the 2020 fiscal year.

However, as stated in my prior responses, I did not, directly or indirectly, receive any portion of Dividend 2 or any pro rata entitlement. BFI subsequently discovered Ng's fraud, following which steps were taken to protect the interests of unitholders. I was notified about the fraud by Ms. Sharpe in the last week of February. Those steps culminated in a transaction in which the BFI shareholders agreed, among other things, that BFI will direct to the Bridging Funds incentive fees

and profits in respect of fiscal 2020 instead of paying those amounts to the shareholders. A summary of the transaction was provided by the Company to Staff on January 8, 2021.

Further, in my response to Staff dated January 20, 2021, I conveyed that I had no record of approving Dividend 2. I have since been advised that Ms. Sharpe, the then CIO, who is also a director, recalls discussing Dividend 2 with me. However, I continue to have no recollection or record of such a discussion with Ms. Sharpe.

Recently, and in connection with the preparation and approval of BFI's audited financial statements, BFI prepared a formal resolution ratifying the declaration of Dividend 2 as of the 10th day of February 2020. I understand that it was within the discretion of both shareholders to waive any entitlement to such an advance on dividends, and that doing so was intended to be in the best interest of investors.

I signed the resolution in good faith and in reliance upon BFI management that BFI effected the dividend payment in compliance with all applicable legal and regulatory requirements, including that the solvency test and the net realized assets test of the corporation were satisfied on the date Dividend 2 was paid, and that the funds were paid for the purposes and on the bases stated in the resolution.

I subsequently signed a resolution approving the non-consolidated financial statements of BFI for the financial year ended December 31, 2020. I signed the resolution in good faith and in reliance upon BFI management that the statements were fairly presented and met all legal and regulatory requirements.

ONTARIO SECURITIES COMMISSION

- 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, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FIRST SUPPLEMENTAL AFFIDAVIT OF
DANIEL TOURANGEAU**
(Sworn via Videoconference on April 30, 2021)

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Adam Gotfried, Sr. Litigation Counsel, LSO # 67044K
Email: agotfried@osc.gov.on.ca
Tel: 416-263-7680

**Counsel for the Respondent,
Ontario Securities Commission**