BLINDED
BY THOSE WE TRUSTED

"I would have rather been raped, at least I would have known what was happening"

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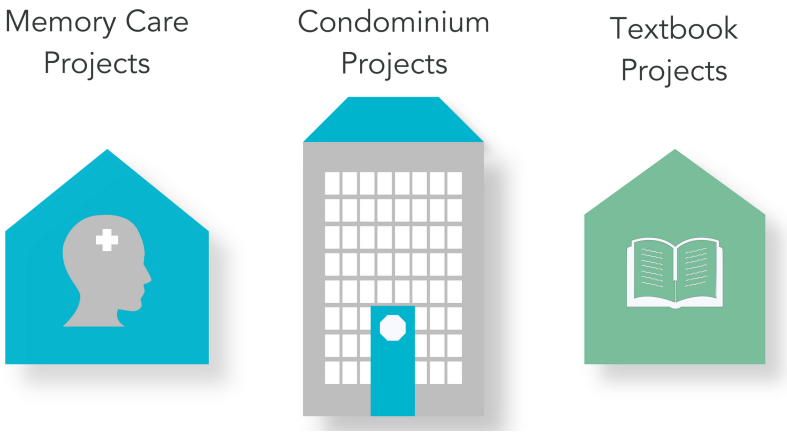
One of the approximately 1,300 investors who invested with Tier 1 Syndicated Mortgage Investments doesn't want to be identified suffers in silence over her losses from what was supposed to be a safe and secure investment in the Davies and Thompson commercial projects developments.There were 11 different real estate development projects under Davies and Thompson's control split into three categories:

Condominiums, under the control of Davies.Alzheimer's and dementia care facilities ("Memory Care" projects) under Davies control. Student housing developments ("Textbook projects") primarily under Thompson's control where Davies took part ownership in.



Both developers come from a long tenure in the real estate commercial business as follows: John Davies, described as a private and shy man but when it comes to commercial real state developments, suddenly he's a different man.

Davies began his career in 1978 as a consultant for Project Planning Associates, a multi-disciplinary consulting company that worked on projects globally, most notable in the Middle East and China. In 1989, Davies became Vice President, Acquisitions and Development of Markborough Properties Inc., which was at the time Canada's third-largest real estate developer with assets exceeding $3 billion. During other periods for which he was a principal have borrowed and repaid over $200 million in real estate financing. Davies has been reached out by other newer and long term commercial real estate developers on projects to work as a consultant over complex issues that arises with commercial real estate developments. "He is no spring chicken in any commercial development area" one of his colleagues mentions.

Walter Thompson on the other hand is a chartered accountant with 28 years of real estate finance experience, beginning in 1989 as an auditor with Coopers & Lybrand.

In 1990, Thompson became VP, Finance of Scarcliffe Inc., a real estate broker and syndicator which was subsequently acquired by CIBC World Markets, one of Canada's top-ranked corporate finance banks. Thompson remained with CIBC World Markets until 1995 as a Vice President of their corporate finance real estate group.Thompson is the controlling mind and Co-founder with Davies of the 5 TEXTBOOK student suites, Davies is the controlling mind of the Memory Care and residential condominium projects.

Davies and Thompson were seeking pre-construction financing for their development projects

Gregory Harris of Harris + Harris, a law firm of Davies for decades also a lawyer for Raj Singh explained to Davies and Thompson that Singh had a company, Tier 1 Transaction Advisory Services Inc., that raised syndicated mortgage financing (SMIs) for real estate developments in Ontario from small investors interested in earning high annual returns. Investors would essentially lend money towards the development of a project for a 3-4-year term and would be paid 8% annual interest on a quarterly basis.Singh was also the Director of the Trustee Corporations, referred to herein as the Tier 1 Trustee Syndicated Mortgage Companies, which would act on behalf of the SMI's in a lending capacity to the Davies and Thompson developers.

Singh was never licensed to act in this capacity with the Financial Services Commission of Ontario. Singh was connected to Mortgage Brokers, Sales Agents and other businesspeople who had their own clientele that would promote Syndicated Mortgage Investments to in earning more interest than they would with their current savings plan portfolio's.

Syndicated Mortgage Investment were also RRSP/RSP and TSA Transferable. Whether their investments came from Registered or funds from private savings, there was a minimum investment of $25,000. Tier 1 prepared professional glossy brochures spelling everything out for every project Tier 1 was seeking SMI Investments for and sent them out to the promoters in volumes.

The following chart reveals between May 2012 to July 2016 Tier 1 raised from SMI-Investors:

The Davies and Thompson Projects		
Borrowed from Tier 1 Trustee Corporations:		
Prepared without (audit)		
	Date of	Projects
	Total	total
	SMI	SMI's
PROJECTS:	Raise	Borrowed
MCMURRAY STREET INVESTMENTS INC.	2012-05-03	3,325,000
LEGACY LANE INVESTMENTS INC.	2012-10-02	3,478,200
MEMORY CARE INVESTMENTS (OAKVILLE) LTD.	2013-04-25	9,062,793
1703858 ONTARIO INC. (MC-BURLINGTON)	2013-10-01	8,377,600
MEMORY CARE INVESTMENTS (KITCHENER) LTD.	2014-02-25	10,576,800
SCOLLARD DEVELOPMENT CORPORATION (Boathaus)	2014-09-08	13,595,750
TEXTBOOK ROSS PARK INC.	2015-07-15	11,617,300
TEXTBOOK (555 PRINCESS STREET) INC.	2015-10-20	7,926,850
TEXTBOOK (525 PRINCESS STREET) INC.	2015-12-16	6,386,800
TEXTBOOK (774 BRONSON AVENUE) INC.	2016-04-01	10,806,344
TEXTBOOK (445 PRINCESS STREET) INC.	2016-07-18	8,396,750
TOTALS		93,550,187

Harris + Harris was the law firm who would act on behalf of the developers, their role was to register the borrowed SMI funds on title and to pay the quarterly SMI interest from the proceeds of the first years interest hold back's and to ensure the developers were on time with their quarterly SMI interest for subsequent years.

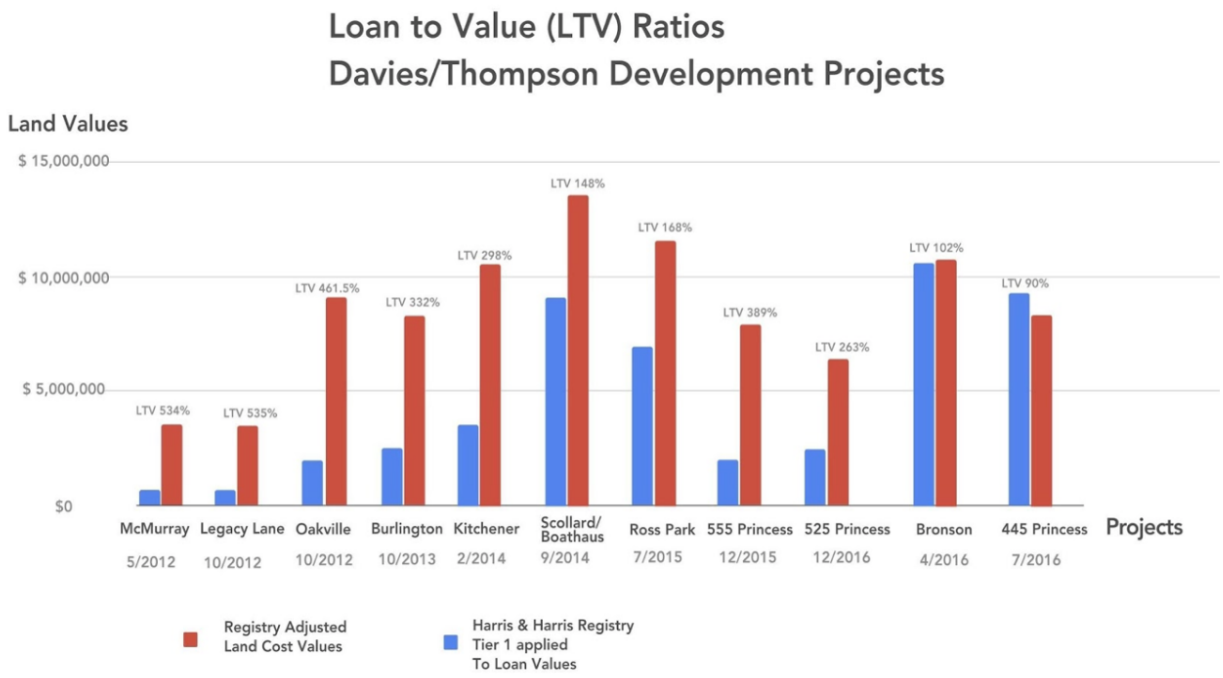
The Syndicated Mortgage investors put their complete trust into it's Director Raj Singh of Tier 1 acting as the controlling mind of the Trustee Corporations lending mortgages to the developers and that their investments were safe and secure.Land Registry search's show Harris+ Harris fulfilled their duties by registering the borrowed SMI proceeds on title and, that for the first and subsequent years until October 2016 the developers were on time with their quarterly SMI interest payments.

However, after his review of Harris + Harris's role in registering on title the Trustee Corporations SMI raise mortgage loans to the developers **Toronto Lawyer David Franklin,** a well-known real estate lawyer was completely stunned over the security applied against these Projects land to value ratios were. The security is not what the Investors were led to believe they had. "It's tantamount of a fraud," Franklin asserted after his review of the 11 Davies and Thompson development projects.

> "It's tantamount of a fraud"

David Franklin

The chart prepared reveals the ghastly land to value ratios on each of the 11 developments that wasn't supposed to be carried out by any lawyer according to the legal standards of conduct of the Law Society of Upper Canada.



Where it comes to real estate lawyers, they are not to be involved in any mortgage transactions where the mortgage value exceeds the land value Franklin quotes from the Professional code of conduct of the law society. The Trustee loans Corporations acting on behalf of the SMI's loan to value ratio ranges from 90 to 534% over the value of the land.

The Director of the Trustee Mortgage Loans Corporations acting on behalf of the SMI's also ought to have known the land to value ratio over the security was far below the intended security assured to the SMI-investors. "No lender would ever mortgage a property over exceeding the land values to the mortgage amounts," Franklin stated.

Good grief was Harris + Harris out of their minds or was there something else behind the scenes by having the right lawyers on the wrong side of ethics of the rules of the Professional Conduct lawyers are required to act on? Franklin also asserts, “there isn’t a real estate lawyer I’ve known who would act over these transactions by the way Harris + Harris performed their duties.

GREED?

Many investors have been slammed by commentaries over their investment losses for being too trusting or greedy or went into an investment with blind folds on. In the Tier 1 case, those blind folds were not put on by the investors, they were put on by those investors trusting the professionals, the Director of the Tier 1 Trustee Corporations and the lawyers performing their duties on the wrong side of ethics. There is a very strong likelihood if the lawyers followed the Professional code of conduct from the Law Society, the Syndicated Mortgage Investors may have not suffered their Investment losses.

The investor interviewed spoke about her advisor gushing over what a wonderful opportunity the investment was, to earn better than average interest she was making on her portfolio. Without any investment risk cautions from her advisor the SMI Investor put nearly 85 percent of her portfolio into 4 Tier 1 SMI projects and lost it all.

As the investor ponders over what took place of her investments that ultimately lined the pockets from those in a position of trust, rape would have been much easier to deal with had she a victims choice.

Thursday October 20th was a typical day in the Vaughan, Ontario offices of Textbook Student Suites. The student housing developers and their staff had spent most of the day finalizing details regarding the upcoming fund raising by Tier 1 for the 6 th Textbook project, By-ward Hall at 256 Rideau Street in Ottawa. By-ward Hall was the development firms most ambitious and largest project to date, with two 29 storey residential towers situated atop a 4-storey base containing parking, amenity rooms, lobby and street level functions. For the past several months, Textbook had been in negotiations with the University of Ottawa about the university head-leasing every suite in the two towers for their exclusive use. Student accommodations were at a premium and the university saw the By-ward Hall project located within a 10-minute walk from the centre of campus as an ideal solution to the housing crisis.

Tier 1 the developer's lender had commenced the process of raising $12 million to partially fund ongoing pre-development costs necessary to bring the By-ward Hall project to construction readiness and, to see the repayment of loans made to the project from other Textbook developments. The project had
received a green light from the City of Ottawa planning and development departments and the team of architects, engineers and construction experts had submitted a complete set of construction drawings and documents to the City of Ottawa building department. It was envisioned in October of 2016 that the project was 3 months from commencement of construction.

It wasn't unusual for John Davies, Textbook Co-President to receive calls from their lawyer Greg Harris in the evening to discuss various matters related to their 11 ongoing projects. On this evening however, the call from Harris was not to discuss routine business matters.

Harris advised Davies that Tier 1 and its CEO Bhaktraj (Raj) Singh had earlier that day been issued a compliance order from the Financial Services Commission of Ontario (FSCO) to cease and desist their unlicensed mortgage brokerage and administration activities.

The FSCO Order

The FSCO order was intended to stop Tier 1 and Raj Singh from soliciting persons or entities to borrow or lend money on the security of real property; providing information about a prospective borrower to a prospective lender; assessing prospective borrowers on behalf of prospective lenders; negotiating or arranging a mortgage on behalf of another person or entity, and or providing fees and remuneration to licensed or unlicensed individuals. FSCO stated in its materials that the Trustee Loan Corporations, where Singh was the Bare Trustee acting on behalf of the SMI investors, was not licensed in any capacity to perform the duties of a mortgage administrator under the Mortgage Brokerage Act. It would be fair to say that Davies was beyond shocked to learn that their principal lender had not been licensed to undertake the fund raising it had done, nor serve as the Bare Trustee to the Tier 1 Trustee Loan Corporations.

Some months earlier, Textbook had completed the purchase of the By-ward Hall - 256 Rideau Street site using approximately $3.5 million of funding that Textbook had borrowed from other Textbook projects. Textbook loan agreements permitted surplus Tier 1 loan proceeds to be invested elsewhere and further, Textbook had made these inter-company loans with the knowledge and permission of Raj Singh and Greg Harris. Both Singh and Harris had been advised by senior staff at King-sett Capital, the multi-billion dollar financial institution providing acquisition and construction financing for the 256 Rideau project that its participation as lender would be conditional on a written undertaking by Singh and Tier 1 that it would raise $12 million of new syndicated mortgage financing necessary to fund the ongoing costs of the project as set out in the Textbook development pro forma.

Singh provided that written commitment and the Rideau property was acquired. As a result of the Harris news on October 20th, the Textbook team found itself in a quandary. Tier 1 had been shut down prior to raising the $12 million of new pre-development loans that it had committed to. The 256 Rideau Street project would have to find a replacement lender if it hoped to continue as planned. Furthermore, the Tier 1 256 Rideau Street raise was going to be partially utilized to repay the $3.5 million in inter-company loans used to purchase the site. The reckless conduct of Raj Singh had put the entire enterprise; all 11 development projects in grave danger.

Appointment of Grant Thornton

Initially, Davies and Textbook Co-President Walter Thompson assumed the Tier 1 fallout could be managed by eliminating Tier 1 from providing further financing and replacing Singh with another syndicated mortgage lender. While this was an entirely achievable objective, other activities were taking place unbeknownst to Davies and Thompson that would result in serious consequences to their 11 projects.

On October 27th, 2016, FSCO made application to the Ontario Superior Court of Justice (Commercial List) to approve the appointment of Grant Thornton as Bare Trustee over the various Tier 1 Trustee Loan Corporations. The FSCO Factum stated that it was taking these steps to prevent the 11 development entities from raising any construction financing, thus preventing the projects from being constructed. FSCO stated that a full collapse and foreclosure of each of the development projects would result in the best return to the Tier 1 investors. This precipitous action by FSCO was taken without any analysis or fact finding by FSCO or their lawyers about the health and status of the 11 projects. Notwithstanding the clear path to completion on all 11 projects, FSCO seemingly decided that 11 viable development projects should be thrown out with the Tier 1 bath water.

The Court appointment of Grant Thornton as replacement Bare Trustee of the Tier 1 Trustee Loan Corporations was unrelated to the management of the 11 development projects. Their issue was solely with the Singh illegal conduct but FSCO obtained a court order replacing Singh as Bare Trustee with Grant Thornton, whose stated mandate in the FSCO Factum to the Court was to prevent any of the projects from going forward to completion. FSCO was washing their hands of the entire Singh fiasco and if 1300 Tier 1 investors suffered losses, so be it.

The Campaign to Salvage the Projects

Davies and Thompson, in an endorsed campaign with over 80% of the Tier 1 investors in support, attempted to redirect FSCO from continuing to engage with Grant Thornton, a trustee in bankruptcy with no real estate finance capability or expertise in the development and construction of commercial projects.

Davies and Thompson put forth the names of several experienced and legally qualified experts to serve as the investor representative to monitor and oversee each of the Davies and Thompson projects, and to use their expertise to advise the investors and FSCO about the health of the 11 projects and their potential pathway to success. Davies argued that appointing Grant Thornton in such a role would prejudice the financial community against the projects, given their status as foreclosure and bankruptcy practitioners, and their lack of expertise in evaluating real estate development projects.

The lawyer for Davies and Thompson argued in court that the appointment of Grant Thornton would negate any chance the developer had of obtaining construction financing to build the projects and repay the Tier 1 loans given the stigma attached to any Grant Thornton involvement. FSCOs stated objective to prevent any construction loans from being registered appeared to be the death-knell.

Notwithstanding the developers position about Grant Thornton, the 10 separate places in the investor agreements (signed by the investors) setting out that the Tier 1 loans shall be subordinated to construction financing, and the support of the Tier 1 investors demanding that the projects be developed, the court determined that Grant Thornton should be appointed as Bare Trustee over the entire Tier 1 portfolio of projects.

Following the Grant Thornton appointment, Davies asked senior officials at the firm to agree to postpone the Tier 1 - 1st mortgage financing on the Whitby Boathaus condominium project to permit DUCA and Centurion to register new financing to fund the construction of the 279 condominium suites on site. The Boathaus project launch had been wildly successful with the developers having sold 219 of the 279 units. The developers had raised the condo sales prices 3 times within the preceding 8 months with no slowdown in purchaser demand. As well, Boathaus had received a binding commitment from DUCA and Centurion to provide $56 million of financing to construct the project.

Notwithstanding that the Tier 1 Trustee was legally obligated to postpone to construction financing, Grant Thornton refused to do so until they could examine the financial projections and costs to date on the project, which Davies provided. Grant Thornton continued to employ delay tactics by demanding further unrelated documentation that only served to frustrate the process. Meanwhile, without access to any alternative sources of financing, the Boathaus project accumulated interest payment arrears and Grant Thornton called the Boathaus loan. They themselves obtained a new 1st mortgage loan, ranking in priority to the Tier 1 financing and used those funds to repay an existing FIRM Capital loan and to pay their own fees.

Lamek & Kofman

Davies and Thompson reached out to Edmond Lamek of Weir Foulds, one of Canada’s leading insolvency and restructuring lawyers. Lamek suggested to Davies and Thompson that they petition the court to have each one of the 11 projects placed under CCAA protection. CCAA status would permit the developers to register new mortgage financing against each the projects to fund their day to day operations and see the projects proceed. Furthermore, CCAA would permit, with the court approval, each of the Tier 1 investors to convert from being a mortgage participant to an equity lender with their equity shareholdings being registered on title. This scenario had been vetted with the 1300 Tier 1 investors with a majority endorsing the conversion, subject to legal advice.

CCAA Application

Edmond Lamek recommended that Bobby Kofman be brought on board to act as the developer's court monitor, who would oversee the preparation of the developer's budgets, expenditures, and compliance with the court instructions governing the completion of the projects. Messrs. Lamek and Kofman approached Grant Thornton about them agreeing to support the CCAA application. Grant Thornton and their lawyers agreed to provide their support to the CCAA process in exchange for being paid $160,000 per project.

Messrs. Lamek, Kofman and their staff undertook 6 weeks of due diligence on the application including full scrutiny of the pre-development loans, in-house bookkeeping, financial management and banking records in order to have a full understanding of the financial affairs of the 11 corporations. Messrs. Lamek and Kofman completed their work and filed the CCAA application with the court in December 2016, two months after Tier 1 was shut down. Both Bobby Kofman and Edmond Lamek felt that that the developers stood a strong chance of being granted CCAA protection, however, the Judge presiding had issues with two or three of the 11 files and denied the CCAA application. Davies and Thompson spoke to Mr. Lamek and Mr. Kofman about re-filing the CCAA application without the offending projects included.

Hope Fades

The details of that re-filing process were being considered when, without warning, Davies and Thompson were advised in writing by KSV Kofman that they were withdrawing their services, notwithstanding their mandate had not been fulfilled. A week later Bobby Kofman was hired by Grant Thornton to take on the role of Receiver for the Boathaus project. A day later, KSV Kofman staff attended at the developer's offices and started removing files. Any hope of salvaging the projects now appeared lost.

Investors form a Committee

Following the appointment of KSV as Receiver, Grant Thornton commenced a series of Town Hall meetings with the Tier 1 investors for each one of the 11 projects. Grant Thornton knew the Tier 1 investors had concerns about their involvement as Bare Trustee, and Grant Thornton was concerned about continuing the assignment. The Tier 1 investors had the legal right to select their own Trustee and Davies and Thompson believing that the best interest of the projects was served by the appointment of a knowledgeable real estate advisor to serve as the Bare Trustee and replace Grant Thornton, advocated for their replacement, which, suffice to say greatly angered Grant Thornton.

The investors formed 11 separate project committees, appointed a President and a steering committee, and hired their own lawyer to advise them. Grant Thornton commenced a series of Town Hall meeting and made allegations against Davies and Thompson. In fact, they told investors that after their cursory review, none of the projects appeared to be viable. They told the Memory Care investors that Davies appears to have used US rental rates in his projections, and therefore the Memory Care projects were not viable.

Grant Thornton then wrote to the investors claiming it appears that the Davies projects are a massive $50 million fraud, and that may be the tip of the iceberg.

Hearing that they were the possible victims of a Ponzi Scheme the investors turned away from seeing Davies and Thompson complete the projects, abandoned the idea of appointing a seasoned professional to serve as Bare Trustee, and voted to let Grant Thornton foreclose on every one of the 11 projects and salvage whatever scraps could be recovered.

Grant Thornton, with the assistance of KSV Kofman began the systematic dismantling of every one of the Tier 1 projects. Books and financial records, e-mails, bank statements, cancelled cheques, computer records etc. were all turned over to KSV Kofman in connection with their foreclosure actions and regarding their allegations against Davies.

A Ponzi scheme?

In June 2017, KSV Kofman commenced a civil action against Davies alleging fraud, misappropriation, and other scandalous conduct. Notwithstanding they had been hired by Davies and Thompson to be their CCAA advocate 8 months earlier, and notwithstanding KSV Kofman had conducted a vigorous analysis of their 11 projects as part of that CCAA application. KSV Kofman apparently discovered sometime afterwards alleges that a massive Ponzi Scheme had been ongoing where only a small portion of the borrowed funds had been appropriately disbursed.

Kofman explains in their court reports that over the periods from May 2012 to March 31, 2017 of the 11 projects Intercompany loans were made to other projects from the proceeds advanced to the developers to cover ongoing costs and interest payments coming due to SMI investors and others. Kofman also alleges in filed regular reports to the courts that some of the newer projects SMI Raises advances were being loaned to older projects for those projects to meet their financial obligations that has the “hallmarks” of a Ponzi Scheme. In other allegations, Kofman asserts that unreasonable management fees and dividends were made to Davies, Thompson and other Directors of the 11 projects including some of Davies family members from the Tier 1 Loans Corporations (SMI’s) advances to the developers.

Kofman alleges these above financial activities were not permitted under Tier 1 Loans Agreements. In addition to these allegations, Kofman filed to the courts to have Davies personal assets frozen under a Mareva order which the courts granted from the records and information supplied and prepared by Kofman.What came as an utter shock to Davies was the fact Kofman was making their allegations based on the combined total of all funds advances received to the developers including “non” Tier 1 loans raises and that, according to Davies and other analysis prepared wasn’t as so what Kofman filed with the courts.

None of the allegations made by Kofman and the defense of Davies has been proven in court. Davies defense legal team asserts that all Tier 1 SMI Loans raises were expensed properly and appropriated as what they were intended for and, the way Kofman supplied in their financial reports to the courts were misleading. The following two 'SNAPSHOT' analysis summary's details Non-Tier 1 Loans and Tier 1 loans to Davies and Thompsons developments:

SNAPSHOT # 1

Other Parties Review Analysis

DAVIES & THOMPSON'S PROJECTS: (unaudited)

Based from the Receivers (KSV) Records:

DAVIES DEFENSE MOTION

PROJECTS:	TOTAL PROJECTS "NON" TIER 1 RAISES (net)	FEES TO DIRECTORS/ OFFICERS & DAVIES FAMILY MEMBERS	NET LOANS MADE TO OTHER PROJECT ENTITIES:	REDIDUAL NON-TIER CASH AMOUNTS FORWARDED TO TIER 1 LOANS	RESIDUAL NON-TIER EXPENSES FORWARDED TO TIER 1 LOANS
MCMURRAY STREET INVESTMENTS INC.	$1,714,733	-$1,374,390		$340,343	
LEGACY LANE INVESTMENTS INC.	$805,555	-$657,744	-$1,857	$145,954	
MEMORY CARE INVESTMENTS (OAKVILLE) LTD.	$4,936,573	-$1,881,467	-$3,034,951	$20,155	
1703858 ONTARIO INC. (MC-BURLINGTON)	$1,364,361	-$867,772	-$337,818	$158,771	
MEMORY CARE INVESTMENTS (KITCHENER) LTD.	$1,065,978	-$785,632	-$2,445,311		-$2,164,965
SCOLLARD DEVELOPMENT CORPORATION (Boathaus)	$2,438,792	-$1,310,183		$1,128,609	
TEXTBOOK ROSS PARK INC.	$755,621			$755,621	
TEXTBOOK (555 PRINCESS STREET) INC.	$88,828			$88,828	
TEXTBOOK (525 PRINCESS STREET) INC.	$184,821			$184,821	
TEXTBOOK (774 BRONSON AVENUE) INC.	$143,952			$143,952	
TEXTBOOK (445 PRINCESS STREET) INC.	$538,974			$538,974	
TOTALS	**$13,388,188**	**-$6,877,188**	**-$5,819,937**	**$3,506,028**	**-$2,164,965**

Snapshot # 1 details "non" Tier 1 funds were applied to fees paid to the Directors, officers, Davies family members and, net loans from the projects under Davies control.

All but Memory Care Kitchener project were expensed from Tier 1 loans in the amount of $2,164,965. However, $3,506,028 was forwarded to Tier 1 loans and other mortgages for land purchases to carry out the project's operations.

SNAPSHOT # 2

Other Parties Review Analysis
DAVIES & THOMPSON PROJECTS (unaudited)
Based from the Receivers (KSV) Records: DAVIES DEFENSE MOTION

PROJECTS	TOTAL PROJECTS MORTGAGE LOANS (SMI'S) (GROSS) RAISES:	TOTAL PROJECTS ALLOWABLE EXPENSES PER- TIER 1 LOANS AGREEMENT	RESIDUAL NON-TIER 1 FORWARDED PLUS LAND VTB MORTGAGE AMOUNTS:	PROJECTS THAT RECEIVED NET INTER/CO LOANS AMOUNT	NET INTER/CO LOANS PAID OUT TO INVESTORS ALLOWED	Bank Balances Ending
MCMURRAY STREET INVESTMENTS INC.	$3,525,001	-$7,291,718	$340,343	$3,426,757		$383
LEGACY LANE INVESTMENTS INC.	$3,478,200	-$3,623,270	$145,954			$884
MEMORY CARE INVESTMENTS (OAKVILLE) LTD.	$9,062,793	-$9,082,794	$20,155			$154
1703858 ONTARIO INC. (MC-BURLINGTON)	$8,302,600	-$8,460,987	$158,771			$384
MEMORY CARE INVESTMENTS (KITCHENER) LTD.	$10,576,800	-$8,411,583	-$2,164,965			$252
SCOLLARD DEVELOPMENT CORPORATION (Boathaus)	$13,595,750	-$18,166,076	$1,128,609	$3,444,841		$3,124
TEXTBOOK ROSS PARK INC.	$11,617,300	-$13,390,169	$4,169,546		-$2,396,665	$12
TEXTBOOK (555 PRINCESS STREET) INC.	$7,926,850	-$5,779,824	$88,828		-$2,235,815	$39
TEXTBOOK (525 PRINCESS STREET) INC.	$6,386,800	-$5,648,533	$184,821		-$923,060	$28
TEXTBOOK (774 BRONSON AVENUE) INC.	$10,806,344	-$15,158,875	$4,875,288		-$522,128	$629
TEXTBOOK (445 PRINCESS STREET) INC.	$8,396,750	-$11,946,931	$7,545,108		-$3,994,786	$141
TOTALS	**$93,675,188**	**-$106,960,760**	**$16,492,458**	**$6,871,598**	**-$10,072,454**	**$6,030**

Snapshot # 2 details total Tier 1 mortgage SMI mortgage loans of $93,675,188 were applied towards $106,960,760 in loans agreements allowable costs where SMI Raise's were expensed appropriately. Other forwarded and Mortgage loans were applied to cover additional costs of the developer's projects. There appears to be reasonable doubt over the allegations made against Davies.

"It's easier to fool people than to convince them that they have been fooled." Mark Twain.

Bottom line don't be blinded by trust alone.

Written by
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