

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO. 500-11-042714-127

IN THE MATTER OF THE
BANKRUPTCY OF:

X MR. PAUL POLITI, Businessman,
formerly of 6301 Northcrest, PH-R1,
Montreal, Quebec and 6449 Concession
4, Goodwood, Ontario, L0C 1A0

DEBTOR

-and-

DR. URI SAGMAN of 13, Old Forest Hill
Road, Toronto, Ontario, M5P 2P6

PETITIONER

PETITION IN BANKRUPTCY
(Art. 42 et seq. The Bankruptcy & Insolvency Act)

TO ANY ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT IN
AND FOR THE DISTRICT OF MONTREAL, SITTING IN BANKRUPTCY
MATTERS OR TO THE REGISTRAR THEREOF, THE PETITION OF YOUR
PETITIONER RESPECTFULLY STATES:

1. THAT the Debtor has at all times during the year next preceding the presentation of this Petition resided in the City of Montreal, Province of Quebec, within the jurisdiction of this Court. Moreover, the Debtor was involved in litigation in Montreal, Quebec before this Court (500-17-043117-087) during the period May 2008 to December 14, 2011 wherein he claimed as Defendant to be resident at 6301 Northcrest, PH-R1, Montreal, Quebec (the "Litigation");
2. THAT the Litigation involved an action by the Petitioner against the Debtor in cancellation of a sale of the condominium unit PH-R1, 6301 Northcrest, Montreal and its garages, based upon the contract of transfer being induced by fraud, and a claim for extrajudicial and judicial costs incurred in respect of the Defence due to the abuse of proceedings by the Debtor;

3. **THAT** Judgment was rendered in respect of the Litigation on December 14, 2011 cancelling the sale of the above property by your Petitioner to the Debtor and returning same to the patrimony of the Petitioner and awarding the Petitioner extrajudicial costs against the Debtor of \$282,882.23 as at September 20, 2011, judicial costs and reserving Petitioner's further rights and recourses against the Debtor due to his abusive actions, copy of the Judgment is produced as **Exhibit P-1**;
- The Judgment was subject of a Motion in Correction of Judgment which motion was adjudicated upon and a correcting Judgment was signed on February 8, 2012, copy of the correcting Judgment is produced as **Exhibit P-2**;
4. **THAT** the Judgments P-1 and P-2 are now executory, no appeal having been filed in respect of same and your Debtor presently owes the following sums to the Petitioner:
- i) Extrajudicial costs, \$282,882.23;
 - ii) Taxes paid in respect of the above property by Petitioner with subrogation against the Debtor whilst the Debtor was in illegal possession of same, \$40,732.33.
5. **THAT** your Debtor is in default to pay the said sum of \$323,614.56 to your Petitioner demand for payment, having been made by letters dated January 25 and 31, 2012, but to date to no avail, copy of same being produced en liasse as **Exhibit P-3**.
6. **THAT** your Petitioner holds no security on the Debtor's Estate.
7. **THAT** the Debtor, within six (6) months next preceding date of presentation of this Petition, has committed the following act of bankruptcy, namely:
- a) He has ceased to meet his liabilities generally as they become due.
8. **THAT** in addition the Debtor is justly and truly indebted to the following creditors:
- | | |
|------------------------------|--|
| Sanctuaire Condo Association | Judgment for \$48,395.35
(which your Petitioner has
now paid with legal subrogation,
copy of the payment
is produced as Exhibit P-4) |
|------------------------------|--|

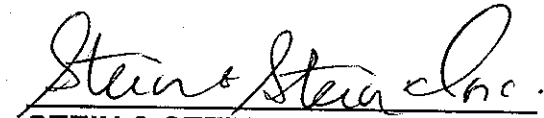
Stein & Stein Inc., Taxed Bill of Costs \$20,107.20

9. **THAT** your Debtors principal creditors are located in the City and District of Montreal;
10. **THAT** RSM Richter Inc., Licensed Trustee, of the City and District of Montreal, is a person qualified to act as Trustee in respect of the assets of the said Debtor and has agreed to act as Trustee.

WHEREFORE YOUR PETITIONER PRAYS THAT:

- (i) The said Paul Politi be adjudged bankrupt;
- (ii) A Receiving Order be issued in respect of his Estate and Property;
- (iii) The said RSM Richter Inc. be appointed Trustee to the assets of the said Debtor, the whole with costs against the Mass, including extra judicial costs.

MONTREAL, May 8, 2012


STEIN & STEIN INC.
Attorneys for Petitioner

AFFIDAVIT

I, the undersigned, **Dr. Uri Sagman**, residing and domiciled at 13, Old Forest Hill Road, Toronto, Ontario, M5P 2P6, do solemnly declare, depose and say:

1. **THAT** I am the Petitioner;
2. **THAT** I have taken communication of the Petition in Bankruptcy annexed hereto, and that the facts alleged in the said Petition are true and correct within my own knowledge;
3. **THAT** Paul Politi is justly and truly indebted to myself in the sum of \$323,614.56 and \$48,395.35 as stated in the said Petition.

AND I HAVE SIGNED

(SGD) DR. URI SAGMAN

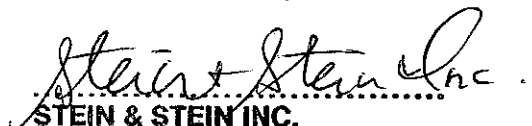
DR. URI SAGMAN

**SOLEMNLY DECLARED BEFORE ME
AT TORONTO, THIS 9TH DAY OF
MAY, 2012**

(SGD) MARTIN E. KOVNATS

**Commissioner of Oaths for the
District of Toronto or other authorized
person capable of administering oaths**

COPIE CONFORME/TRUE COPY


.....
STEIN & STEIN INC.

NOTICE

TO: **PAUL POLITI**, formerly of 6301 Northcrest, PH-R1, Montreal,
and presently of
6449 Concession 4,
Goodwood, Ontario, L0C 1A0

AND: **SUPERINTENDENT IN BANKRUPTCY**
5, Place Ville Marie, Suite 800
Montreal, Quebec
H3B 2G2

SIRS:

TAKE NOTICE of the foregoing Petition in Bankruptcy and Affidavit attached thereto and that same will be presented for proof and hearing before one of the Judges of this Honourable Court, sitting in Bankruptcy or to the Registrar thereof, in **Room 16.10** of the Court House, 10 St. Antoine Street East, Montreal, on the **12th** day of **June, 2012** at **9:00 a.m.** or so soon thereafter as counsel may be heard.

AND FURTHER TAKE NOTICE that if Notice of Cause against the Petition is not filed in Court and a copy thereof served on the undersigned Attorneys representing your Petitioning Creditor at least two (2) days before the hearing and if you do not appear at the hearing, the Court may grant a Receiving Order on such proof of the statements in the Petition as the Court shall think sufficient, and do you govern yourselves accordingly.


MONTREAL, May 8, 2012


STEIN & STEIN INC.
Attorneys for Petitioner

LIST OF EXHIBITS

- Exhibit P-1:** Copy of Judgment dated December 14, 2011.
- Exhibit P-2:** Copy of Correcting Judgment dated February 8, 2012.
- Exhibit P-3:** Copy of demand letters dated January 25 and 31, 2012.
- Exhibit P-4:** Copy of payment to Sanctuaire Condo Association.

MONTREAL, May 8, 2012



STEIN & STEIN INC.

Attorneys for Petitioner



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SUPERIOR COURT

AL: 18 793 457
R: 18 793 484

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-17-043117-087

DATE: 14 December 2011

THE HONOURABLE DIONYSIA ZERBIAS, J.S.C.

Dr. Uri Sagman
Plaintiff

v.

Paul Politi
Defendant

&

**THE REGISTRAR FOR THE LAND
REGISTRATION DIVISION OF MONTREAL**
Impleaded Party

JUDGMENT

INTRODUCTION

[1] Plaintiff, (hereinafter referred to as "Uri"), sues Defendant, his older brother, (hereinafter referred to as "Politi") in cancellation of the contract of transfer whereby Uri transferred to Politi, for the sum of \$1.00, a penthouse apartment, number PH-R1, together with two parking spaces situated in the Sanctuaire Condominiums Complex,

CANADA

PROVINCE DE QUÉBEC

District *MONTREAL*

N° *500-17-043117-087*

COUR *SUPÉRIEURE*

SAGMAN URI
Partie demanderesse

c.

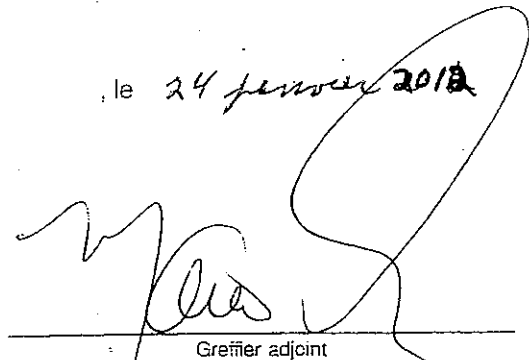
POHITI PAUL
Partie défenderesse

CERTIFICAT DE NON-APPEL
(NAPP)

Je, soussigné, greffier adjoint de cette cour, certifie que les délais prescrits pour l'appel du jugement rendu en cette instance le *14 décembre 2011* sont expirés, qu'aucun appel n'a été enregistré, qu'aucune demande en nullité n'a été déposée et qu'aucune requête en rétractation n'a été présentée à l'encontre de ce jugement à la date des présentes.

À *Montreal*

, le *24 janvier 2012*



Greffier adjoint

MARIO AUBIN
GREFFIER ADJOINT C.S.M.

6301 Northcrest Place, Montreal, (hereinafter called "the Sanctuaire Condo" or "apartment").

[2] Uri also claims all extra-judicial fees and costs and the juridical costs which he incurred in the present action.

[3] Uri's action, accompanied by a seizure of the Sanctuaire Condo, was filed on May 21st 2008, and served on June 4th, 2008. On November 20th, 2009, the Honourable Yves Poirier, J.S.C. dismissed Politi's Motion To Quash Seizure. Thus the apartment remains under seizure.

THE POSITIONS OF THE PARTIES

[4] URI claims that the transfer of the apartment is null and void *ab initio* because he was induced into executing it, in error, for the sum of \$1.00 by the fraudulent misrepresentations of Politi. In fact, Uri claims he had an agreement with Politi to sell the condominium to him for \$1.2 million dollars.

[5] Politi contests Uri's action on the grounds that there was never any agreement to pay \$1.2 million dollars to Uri for the apartment. He claims that Uri actually gave the apartment to him. Politi claims that the gift was an act of conscience by Uri, to compensate Politi because he allegedly did not receive his just share of the assets of their late father, Sadok Sagman, (hereinafter "Father") in the settlement of the latter's estate and of the financial issues between Politi and the rest of the family, due to the alleged mismanagement by the estate's Executors of a property eventually transferred to Politi.

[6] Politi subsequently claimed that the gift was to compensate him for alleged misdemeanours (forgery) committed by members of the family which divested Politi of his assets.

[7] Uri requests that Politi be condemned to pay all juridical court costs and extra-judicial fees and disbursements, including expert fees, incurred in prosecuting his claim on the grounds that Politi's contestation of the action was frivolous and dilatory, and as such, constitutes abuse of process pursuant to Art. 54.1 C.C.P. The extra-judicial costs incurred by Uri to September 19th, 2011, inclusive, total \$230 882.23.

[8] Politi contests the claim for extra-judicial costs on the grounds that he had valid rights which he asserted in good faith, without abuse, by the legal means available to him. Moreover, he challenges the claim on the grounds that part of the extra-judicial charges was paid by a third party and not by Uri.

THE ISSUES

[9] The issues before the Court therefore are:

1. whether there was an agreement between Uri and Politi that Uri would transfer the Sanctuaire Condo to Politi in consideration of the payment by Politi to Uri of the sum of 1.2 million dollars;
2. whether Uri was induced into error, pursuant to Art. 1401 C.C.Q., by the fraudulent misrepresentations of Politi, to transfer the Sanctuaire Condo to him for the sum of \$1.00 rather than for the agreed amount of \$1.2 million dollars;
3. whether Politi has committed abuse of process pursuant to Art. 54.1 C.C.P. et seq., by contesting Uri's claim so as to render Politi liable for all Uri's extra-judicial fees and disbursements and charges, in addition to judicial costs on the action;

THE BACKGROUND

[10] In order to understand the present litigation between the parties and the context or circumstances surrounding the transfer in issue, the Court considers it relevant to describe the dynamics and litigation between members of the Sagman family prior to the present action.

[11] The parties to this action are brothers. Politi is Uri's older brother. They represent two of the five children of the late Sadok Sagman who died on January 6th, 2007. The other children are Dr. Doron Sagman, Sara Sagman and Ruth Sagman.

[12] Following the death of their mother, Father married Carmina Araujo (hereinafter "Araujo") in 1981. Araujo is Uri's stepmother and the mother of the parties' two half sisters, Sarah and Ruth.

[13] Father was diagnosed with pancreatic cancer in March 2005.

[14] Prior to his death, Father was a retired chartered accountant, economist and businessman who had acquired extensive real estate holdings, four of which appear to be at the heart of the present issue:

- A. Place l'Acadie;
- B. the Du Fort property;
- C. the Greenshields property;
- D. his penthouse residence in the Sanctuaire Condo complex.

[15] In an apparent attempt to protect his estate and all his heirs, and while he was hospitalized, Father instructed Politi to proceed on his behalf to the creation of a trust, called Belleville Trust, which was constituted on October 19th, 2005¹.

[16] Then Father executed the following transactions:

- A. on November 15th, 2005 he sold the Greenshields property to Belleville Trust.
- B. on January 22nd 2006 he transferred Place l'Acadie to Belleville Trust;
- C. on February 8th, 2006 Belleville Trust acquired the Sanctuaire Condo on his behalf;

[17] After Father was released from hospital, in March 2006, he discovered that Belleville Trust had been constituted by Politi contrary to Father's instructions. Belleville Trust had been created by Politi for his and his children's sole benefit. Father demanded that Politi have the trust modified to comply with his original estate plan and instructions.

[18] When Politi, a trustee of Belleville Trust, failed to comply, Father arranged that all of the assets of Belleville Trust be transferred to a new trust which he constituted called Tours Belleville Trust (hereinafter called "Tours"). In April 2006, on Father's instructions, Belleville Trust transferred all of its assets to Tours Belleville Trust. The trustees of the new trust, Tours, were Father, Araujo and others. Politi was not named a trustee of the new trust.

[19] Father then arranged for transfers of the properties out of Tours by transferring them either back to himself, or, to a numbered company, 6656757 Canada Inc (hereinafter "6656"). The Sanctuaire Condo was transferred to Uri.

[20] Upon his discovery that Belleville Trust had been divested of its assets by Father, Politi instituted legal proceedings in May 2006 to annul the transfers. He claimed that Belleville Trust had been created pursuant to the instructions of Father, in order to provide for Politi and his children, and, that Father had given him all of the specified properties which he now sued to recover on behalf of Belleville Trust. Politi also alleged that his signature had been forged on documents used to execute the transfers out of Belleville Trust.

[21] Politi protected his claims to the real estate in dispute by registering advance registrations against the properties pursuant to Article 2966.C.C.Q.

[22] Father was sued as "mis-en-cause" in Politi's action, but the action effectively concluded to divest Father of his four properties. Araujo and other members of the family were also sued. However, Uri was not a party to the proceedings, nor did Politi

¹ Exhibit D-14, Memorandum of Agreement of Trust, October 19th, 2005.

accuse him of being responsible for the alleged forgeries nor of any conspiracy to create or use same.

[23] Politi was thus pitted against Father and the rest of the family, and they engaged in acrimonious legal proceedings relating to Father's disposition of his property and estate.

[24] On August 1st, 2006, in the action instituted by Politi, Father, in order to preserve his evidence, and with the consent of the parties, signed a detailed Affidavit consisting of 100 paragraphs². He makes scathing accusations against his eldest son. He expressly calls Politi "the black sheep of the family"³ who "has never been able to maintain a stable livelihood", and who "has spent the better part of his adult life involving himself in schemes designed to turn a quick profit while inflicting financial and emotional harm on those around him without any moral compunction"⁴.

[25] Father continues to describe the character and actions of Politi, with specific details outlining Politi's different schemes and Politi's propensity "of appropriating property that does not rightfully belong to him"⁵; "embezzling money from the rent" which Father had entrusted Politi to collect on his behalf during his hospitalisations and recuperation⁶; using Father's money to acquire assets in his own name⁷; failing to account for rentals collected and using them for his own personal benefit⁸; "acts of embezzlement against Belleville Trust"⁹; stealing his documents and records¹⁰.

[26] Father concludes by summarizing Politi's ultimate and "never-ending acts of betrayal" as follows:

96. "Due to the confiscation of my personal documents, the requirement that I focus on my failing health and the surprise with which this litigation has taken me, I have not been able to assemble, at this time, all of the documents that are related to the sums of money for which Politi must be condemned to repay me and to Belleville Trust;

97. Notwithstanding, it is my unequivocal instruction to my attorneys, my family and my Estate that Politi be pursued, by way of cross-demand, to recover all of the funds which he has illegally retained from me and from Belleville Trust, including at least \$509,271.87 which can be evaluated with precision at this stage, \$250,00 which is estimated for rents flowing from Place l'Acadie and the

² Exhibit D-17, detailed Affidavit of Sadok Sagman, August 1st, 2006.

³ Ibid, para 10.

⁴ Ibid, para 11.

⁵ Ibid, para 8.

⁶ Ibid, para 61.a.i.

⁷ Ibid, para.14, paras. 34-38, paras. 50-52.

⁸ Ibid, paras. 78, 79, 80.

⁹ Ibid, para. 76.

¹⁰ Ibid, paras. 40, 41, 55c.

hundreds of thousands of dollars which were transferred into Politi's personal account in October 2005;

98. It is also my intention to recover, by way of cross-demand, the Sutton Property and the Willow Beach Property, of which I am the rightful owner, and/or the shares of any corporation which owns those properties;

99. In closing, the Action is a clear attempt on the part of Politi to extract unmerited financial security from his gravely ill father;

100. While I am experiencing physical pain at present time brought on by my illness, the Action filed by Politi adds a new dimension of anguish into this stage of my life because it represents a final gesture of ungratefulness by a son who has always been showered with generosity and second chances by myself and his family despite his never-ending acts of betrayal;"

[27] On September 21st, 2006, Father executed a new will, which he confirmed on December 15th, 2006, wherein he declared his son Politi "unworthy of being his heir", and specifically divested him of any right to inherit any portion of his estate.

[28] Father died on January 6th, 2007.

[29] Following Father's death, Politi continued his action against the Estate and other Defendants. The bitterness of the dispute pitted the family against Politi and jeopardized their financial affairs. In October 2007, notwithstanding the ongoing hostile relationship between the parties, logic prevailed. At that point, Place l'Acadie, an important asset of the estate, was cash deficient and needed extensive repairs. It had lost many tenants; was in default under municipal by-laws; was in arrears in its taxes to the municipality as well as to the first mortgage creditor. Both the city and mortgage creditor had instituted proceedings in execution of their claims or security against the property. A hearing on the mortgage foreclosure proceedings was fixed for November 26th, 2007. The sale for municipal taxes was scheduled for November 5th, 2007. The property was encumbered by Politi's prior registration and could not be refinanced.

[30] On October 28th, 2007, the parties entered into a "Standstill Agreement"¹¹ whereby they suspended all legal proceedings between them for six months in order that 6656 could proceed to the refinancing of Place l'Acadie on the basis of a new loan commitment for 8 million dollars obtained from a lending institution. The proceeds of the loan were to be used to pay the outstanding indebtedness of the building, some of the debts of 6656 and of Father's Estate, and to effect repairs on the property.

[31] During the six months stand still period, the parties undertook in good faith to resolve their differences and proceedings¹². Politi undertook to radiate his advance registrations against the properties since the loan commitment was conditional upon

¹¹ Exhibit P-3, Standstill Agreement, October 28th, 2007.

¹² Ibid, Exhibit P-3, s.4.2.

removal of all encumbrances registered against Place l'Acadie. An independent property manager was to manage the day-to-day operations of Place l'Acadie, the Sanctuaire Condo and Greenshields. The object of the agreement was to salvage Place l'Acadie and to allow its refinancing. The Standstill Agreement confirmed that ownership of the Sanctuaire Condo vested in Uri.

[32] The Standstill Agreement was immediately followed by a "Final Settlement Agreement" executed between the parties on October 31st, 2007¹³.

[33] The Final Settlement Agreement provided for the settlement and discontinuance of all the proceedings between the parties, as well as the radiation and discharge of the advance rights registered by Politi. It obliged the parties to cooperate with regard to the new loan commitment to refinance Place l'Acadie, and set out the terms of disbursement of the loan proceeds. Essentially the new mortgage loan would be used to pay for the charges and costs of the loan; discharge existing mortgages; pay outstanding liabilities; discharge outstanding income taxes due by Uri and Doron in association with Father's properties; and, to discharge the loan registered on the Sanctuaire Condo, which condo remained in Uri's name.

[34] As part of the settlement, and on Politi's initiation, the parties agreed that Place l'Acadie was to be transferred to Politi's Trust, Belleville Trust, by Father's company, 6656. Notwithstanding that the property remained in the name of 6656, Belleville Trust accepted the said property as it was, without claims or warranty of any kind, and immediately assumed sole management and all responsibility for the property pursuant to a "Management Agreement" signed that same day, October 31st, 2007¹⁴.

[35] The Final Settlement Agreement declared that it is a contract of transaction within the meaning of Art. 2631 C.C.Q. et seq. Each party gave to the others a comprehensive, full and final release, waiver and discharge of all claims, rights, demands, past and future actions of whatever nature they may have or had against each other, without limitation, to the past operation, management, ownership, or in any other way relating to the four properties at issue between them or connected with Belleville Trust and Tours¹⁵.

[36] The parties hereto recognize that the Final Settlement Agreement and all the Documents and Releases forming part of it were executed with full knowledge of all the facts and issues; in a spirit of collaboration; that without such a settlement all the assets of the Estate were in jeopardy; that it was executed in good faith; and, that it represented the commencement of a reconciliation and attempt to restore normal relations between Politi and the rest of the family.

THE SANCTUAIRE CONDO

¹³ Exhibit P-4, Final Settlement Agreement, October 31st, 2007.

¹⁴ Exhibit P-14, Management Agreement, October 31st, 2007.

¹⁵ Exhibit P-4, Final Settlement Release Agreement.

[37] This brings the Court to the circumstances, according to the evidence, surrounding the transfer of the Sanctuaire Condo.

[38] Uri and Politi both live in Toronto. Commencing as and from the execution of the settlement between the parties, and in the continuing process of reconciliation and goodwill, the brothers started to speak regularly, to meet, and to cooperate with regard to the refinancing of Place l'Acadie, its transfer to Politi, and ultimately upon its potential sale.

[39] Since Politi was spending time in Montreal managing Place l'Acadie for his own account, he requested, some time in January 2008, that Uri permit him to reside in the Sanctuaire Condo when he was in Montreal. Uri agreed in good faith and in the continuing spirit of reconciliation with his brother. The parties then executed a month-to-month lease for the premises dated January 31st, 2008¹⁶. This lease was actually required in order that Politi could gain physical access to the apartment.

[40] The lease of January 31st, 2008 was subsequently replaced by another lease¹⁷ whereby Uri leased the apartment to Politi for one year starting January 5th, 2008 for an annual rental of \$ 25 200. This latter lease granted Politi an option to cancel it upon one month's notice as well as a "first right of refusal" to "match any offers"¹⁸ received from potential buyers of the Sanctuaire Condo.

[41] There is some confusion concerning the dates on the leases but certain things are clear: Politi wanted the Sanctuaire Condo that Uri owned; that Uri, to Politi's knowledge, was attempting to sell the apartment; that Politi requested the "first right of refusal" to match offers received for it; and that Exhibit P-5 replaced Exhibit D-9.

[42] In February 2008, Uri received an offer from and was negotiating to sell the apartment for 1.1 million dollars to V and G.

[43] Uri's version is that, when he disclosed the offer of 1.1 million dollars received for the Sanctuaire Condo to Politi, that Politi then indicated his desire and intention to purchase the condo for 1.2 million dollars i.e. \$100,000 above the price offered by V and G.

[44] Thus, on or about February 22nd, 2008¹⁹ Uri suspended his negotiations to sell the apartment to the V and G.

[45] Uri and Politi then agreed that Politi would pay the purchase price for the Sanctuaire Condo to Uri as soon as possible out of the expected proceeds to be derived

¹⁶ Exhibit D-9, Lease, January 31st, 2008.

¹⁷ Exhibit P-5, Lease, January 5th, 2008.

¹⁸ As understood and attested to by Politi before the Court on September 22nd, 2011.

¹⁹ Exhibit P-9, Letter dated February 21st, 2008 and reply dated February 22nd, 2008.

by Politi from the pending sale of Place l'Acadie for the sum of 14.8 million dollars, out of which Politi or Belleville Trust expected to earn approximately 6.8 Million dollars net.

[46] Politi denies that there was never any discussion, at any time, of the purchase price of 1.2 million dollars.

[47] From February 3rd to April 2008, Uri and Politi met on a regular basis to expedite the sale of l'Acadie, deal with the tax consequences, and settle outstanding business matters. In any event, the parties continued to cooperate in order to realize the sale of Place l'Acadie and to complete all the terms and conditions set out in the Final Settlement Agreement. Throughout this period, the brothers demonstrated goodwill between them, save and except for a meeting in Toronto when Politi, at the offices of Attorneys Aird and Berlis, Toronto, misunderstood the consequences of the proposed tax plan for the transfer of Place l'Acadie to Belleville Trust by 6656. He lost his temper, created a scene and became ill, whereupon the police were called to remove Politi and take him to the hospital.

[48] Following the verbal agreement to sell the condo to Politi, Politi requested that the transfer price in the deed indicate the price of \$1.00 in order that the transfer taxes due to the city of Montreal be based on the municipal assessment which was about \$400 000 lower than the agreed price of 1.2 million dollars.

[49] Uri, in a spirit of cooperation and reconciliation with his brother, and in order to accommodate him, agreed.

[50] Thereupon, Uri communicated with his notary, Me Solomon Bierbrier, in Montreal and instructed him to proceed to the preparation of the deed of transfer of the Sanctuaire Condo to Politi. He indicated to the notary that the agreed price was 1.2 million dollars but that the transfer deed should indicate the sum of \$1.00. The transfer of the apartment was to be scheduled almost simultaneously with the sale of Place l'Acadie so that Politi could receive the proceeds of that sale and apply them immediately to payment of the purchase price of 1.2 million dollars to Uri.

[51] The parties continued to cooperate in order to give effect to their respective undertakings and to complete the transfer of the Sanctuaire Condo as well as the transfer and sale of Place l'Acadie.

[52] Thus, on April 13th, 2008, Uri and Politi travelled to Montreal together on the train from Toronto for the scheduled sales. On April 14th, 2008 they attended at Me Bierbrier's office for the execution of the transfer of the Sanctuaire Condo. Me Bierbrier had, on his own initiative prepared a separate agreement, (hereinafter called "Counter-letter")²⁰ indicating that notwithstanding that the parties were executing an agreement that day which indicated a transfer price of \$1.00, that the actual purchase price payable

²⁰ Exhibit P-20, Draft Agreement of Transfer.

by Politi to Uri was 1.2 million dollars and, that in the event that Politi failed to pay it, the transfer was to be deemed null and void *ab initio*.

[53] Notwithstanding Me Bierbrier's explanation of the purpose for and contents of the Counter-letter, the parties decided, again in the spirit of cooperation and reconciliation, that it was unnecessary: they trusted each other and there was no need for such a document. Thus Uri proceeded in good faith to execute the transfer for \$1.00. On the other hand, since the sale of Place l'Acadie was scheduled before another notary on the following day, April 15th, 2008, they gave written instructions to Notary Bierbrier²¹ that the transfer not be registered until Me Bierbrier received instructions to do so from Uri following the execution of the sale of Place l'Acadie.

[54] On April 15th, 2008, Place l'Acadie was transferred from 6656 to Belleville Trust, and then Belleville Trust sold it to the buyer, Tyron, for 14.8 million dollars. The proceeds of the sale were made payable to 6656757.

[55] That same day, following the sale to Tyron, Politi returned to Me Bierbrier's office and requested that the transfer be registered. Me Bierbrier called Uri who agreed, as he was expecting payment.

[56] On April 16th, 2008, the Sanctuaire Condo transfer was registered. Belleville Trust received the net proceeds of the sale in excess of 6.85 million dollars from the sale of Place l'Acadie.

[57] No payment was made to Uri. Politi originally postponed payment to Uri claiming that he had encountered banking complications, and had to await for "due diligence" clearing from the bank before he could pay the funds to Uri.

[58] Thereafter during the period which intervened between the deed of transfer and the institution of proceedings by Uri, the parties remained in on-going communication. There was an issue to settle regarding a defect in the apartment title: it required a spousal declaration of consent by Uri's wife. There were also many conversations, repeated requests by Uri for payment, scheduled meetings to arrange for payment, and two dinners with brother Doron at Host and Grano restaurants in Toronto where payment was discussed.

[59] It was during the course of clearing the title to the apartment that two events occurred. First, when Politi delivered the necessary documents on behalf of Uri to Notary Bierbrier, the latter, during a telephone conversation with Uri on his speakerphone, in the presence of Politi, inquired whether Uri had been paid. Uri replied that he had not yet, but that Politi had undertaken to pay it upon the registration of the documents necessary to clear the title.

²¹ Exhibit P-19, Letter of Instructions, April 14th, 2008.

[60] Second, Uri learned from his attorney Mr. Kovnats in Toronto that Politi was selling the condo. Mr. Kovnats had received a telephone call from a Me René Gauthier in Montreal to verify the signatures on the powers of attorney authorizing the spousal consent declaration on the transfer of the apartment. Me Gauthier disclosed that he acted on behalf of buyers who were negotiating to buy the condominium from Politi. They were the same purchasers with whom Uri had dealt, V and G!

[61] Upon being informed by attorney Kovnats of the proposed sale, on May 9th, 2008, Uri called Politi who denied that he was selling the apartment. Politi also informed Uri that all banking formalities relating to the Place l'Acadie sale had been completed. Politi would now pay Uri on the morning of May 12th, 2008 and the parties agreed to meet for breakfast on May 10th, 2008.

[62] That same day, May 9th, 2008, unknown to Uri, Politi discussed the proposed sale of the condominium with Me Gauthier, attorney for his proposed buyers V and G. Politi insisted that unless they proceeded directly and immediately to the sale, bypassing offers, and the money disbursed to him immediately, Politi would not sell the property. Upon Me Gauthier's refusal to proceed in that fashion, Politi withdrew from the negotiations.

[63] On May 10th, 2008, Uri and Politi met for breakfast to settle the details of payment. They agreed to meet at Politi's bank in Toronto at 11:00 am on May 12th, 2008 where Politi would pay Uri. On May 12th, 2008, Politi called Uri to delay the meeting to 2:00 pm, then again to 4:00 pm, and then to the next day. That same evening, Politi, Uri and Doron dined together at Grano restaurant in Toronto.

[64] On May 12th, 2008 at their dinner at Grano, the three brothers discussed, as they had previously in March or April 2008, when they dined at the Host restaurant, Politi's outstanding payment of 1.2 million dollars to Uri for his acquisition of the Sanctuaire Condo, as well as an offer by Politi to help his brothers, Uri and Doron, by giving them gifts of \$700,000.00 and \$500,000.00 respectively, to acquit the mortgages on their residences. In the presence of both of his brothers, Politi undertook to pay Uri the next day.

[65] On the following day, May 13th, 2008, Politi postponed his meeting with Uri to May 14th, 2008. By coincidence on that very day, May 13th, 2008, Uri received confirmation that on April 18th, 2008, four days after Uri's transfer of the apartment, Politi had signed a listing agreement, with the same real estate agent with whom Uri had dealt, to sell it for the sum of 1.25 million dollars.

[66] On May 14th, 2008, Uri went to meet Politi at the latter's bank in Toronto for their scheduled meeting to receive payment. Politi failed to appear. Subsequently, Uri sought out Politi at his café where Politi suddenly, for the first time, expressed his anger and the injustice which he claimed was caused to him because he had not received a share in the Du Fort property. He demanded that Uri help him acquire that interest from their

stepmother, Araujo, failing which he would not pay him the 1.2 million dollars. This was a completely new demand by Politi. Uri refused to cooperate.

[67] Shortly thereafter, on May 21st, 2008, the present legal proceedings, accompanied by a Seizure before Judgment were instituted by Uri against Politi.

[68] The parties met again one last time, on June 3rd, 2008 to discuss the transfer and payment and other issues. Uri recorded the discussions between himself and Politi at that last meeting. Nothing was resolved. No payment was made and Politi was served with the present action the following day, on June 4th, 2008.

THE ADMISSIBILITY OF THE TAPE CONVERSATION

[69] The Court will now deal with the admissibility of the recorded conversation of June 3rd, 2008 and the transcribed version²².

[70] On June 3rd, 2008, according to both parties, the parties met, for the last time, in the late afternoon at a Starbucks coffee shop at Englington and Bathurst in Toronto, Ontario. This was after Uri had actually instituted proceedings against Politi and the day before Politi was served with Uri's action.

[71] Uri surreptitiously recorded his conversation with Politi at that meeting.

[72] Politi objects to the production of the recording and the transcription of its contents on the grounds that the recording is incomplete, therefore unreliable and was obtained in breach of his rights. Politi does not invoke grounds of authenticity, nor that the recording device was defective, nor that the recording has been tampered with, nor that the transcription of the recording is not an accurate transposition of their conversation.

[73] Politi's objection was taken under reserve. The objection is hereby dismissed for the following reasons.

[74] The rules of evidence and of procedure permit the production of proof by any means, material or otherwise, provided that said proof is reliable.

Art.2857 C.C.Q. "All evidence of any fact relevant to a dispute is admissible and may be presented by any means:"

[75] The rules for the production of material evidence are set out in articles 2854 and 2868 C.C.Q:

Art. 2854 C.C.Q.: The production of material things is a means of proof which allows the judge to make his own findings. Such a material thing may consist of an object, as well as the sense impression of an object, fact or place."

²² Exhibits P-15, disc, and, Exhibit P-16, transcription of recorded conversation of June 3rd, 2008.

Art. 2868: C.C.Q.: Proof by the production of a material thing is admissible in accordance with the relevant rules on admissibility as proof of the object, the fact or the place represented by it."

[76] In fact the law specifically provides for the filing of evidence recorded on magnetic tape or other reliable recording mechanism:

Art. 2874 C.C.Q.: "A statement recorded on magnetic tape or by any other reliable recording technique may be proved by such means, provided its authenticity is separately proved".

[77] In admitting this kind of evidence, the Court must be vigilant and must reject recorded evidence which breaches the fundamental rights of the parties or whose use will bring the administration of justice into disrepute:

Art. 2858 C.C.Q.: "The Court shall, even of its own motion, reject any evidence obtained under such circumstances that fundamental rights and freedoms are breached and that its use would tend to bring the administration of justice into disrepute.

The latter criterion is not taken into account in the case of violation of the right of professional privilege."

[78] The test and criteria for the admission of proof secured by mechanical or electronic recordings is set out in *Denis Cadieux vs. Le Service de Gaz Naturel Laval Inc*²³, where Justice Gendreau J.C.A. states at page 2494, the general principal that such evidence is generally admissible;

"Je conclus cette question en rappelant que, dans la mesure où l'enregistrement mécanique d'une conversation par l'un des interlocuteurs rencontre les conditions générales d'admissibilité de la loi, que son contenu est pertinent au procès, elle devrait être produite et que l'article 5 de la charte québécoise ne devrait pas y faire échec, comme il n'empêche pas la production d'écrits privés adressés à des tiers ou même des papiers domestiques."

[79] Then he sets out the conditions for admissibility at pages 2494-2495:

"Si l'enregistrement audio est une technique fiable il remplace même les sténographes officiels dans les palais de justice – son utilisation est sujette et propice à tous les abus. La machine audio ou vidéo est soumise à son opérateur. Plus il sera habile et plus son équipement sera sophistiqué, plus il lui sera possible de truquer l'enregistrement ou, plus subtilement, de donner à un aspect ou à une partie de l'entretien un relief qu'il n'avait pas en réalité. Un autre groupe de problèmes se rattache à la conservation du document et sa toujours possible altération qui, si elle est faite par un technicien compétent et bien outillé, sera difficilement décelable.

²³ [1991] R.J.Q. 2490.

Aussi, la production d'un enregistrement mécanique impose à celui qui la recherche la preuve, d'abord, de l'identité des locuteurs, ensuite, que le document est parfaitement authentique, intégral, inaltéré et fiable et, enfin, que les propos sont suffisamment audibles et intelligibles. Les conséquences d'une erreur dans l'appréciation du document subséquentement admis en preuve sont si importantes que le juge doit être "entièrement convaincu", pour reprendre les mots du juge Pinard dans *Hercy c. Hercy* (déjà cité). Cette conviction n'est certes pas régie par la règle du droit criminel, mais le juge devra ici exercer sa discrétion avec une grande rigueur.

Sans proposer de règles ou normes précises, laissant aux plaideurs le soin de faire leur démonstration, la preuve du requérant devrait néanmoins être conduite de manière à entraîner une réponse affirmative aux critères que j'ai énumérés plus tôt. Quant à celui à qui on oppose ce moyen de preuve, il devrait lui être possible, s'il le demande, d'obtenir le document pour l'examiner personnellement ou avec l'aide d'experts. Il appartiendra alors au juge de définir les conditions de cet examen afin d'éviter toute altération.

J'ajoute aussi que, même si un document contenant une conversation rencontre les critères que j'ai énumérés, il pourra encore être écarté parce que non probant...

À mon avis et avec beaucoup d'égards, la remise d'une copie de l'enregistrement immédiatement après sa réalisation n'est pas «la seule façon d'assurer l'authenticité du document» ni de «vérifier si la conversation a été enregistrée intégralement». Je crois avoir déjà exprimé l'étendue et l'objet de la preuve nécessaire dont le juge aura à se satisfaire pour autoriser la production du document..."

[underlining added]

[80] The conditions and circumstances surrounding the present recording are as follows.

[81] Uri who has no prior experience with this kind of equipment, purchased a simple commercial recording device and received instructions on how to use it from the technician who sold it to him. He demonstrated his ability to adequately use the equipment before the Court.

[82] Uri inserted the device into his inner jacket pocket and commenced recording prior to entering the coffee shop. The recording runs for one hour and fifty-four minutes, approximately ten of which are during Uri's wait for Politi to appear.

[83] Uri terminated the recording in frustration at the very end of their meeting when he shut off the recorder, and, after a couple of minutes stormed out of the coffee shop.

[84] Upon returning home, with the help of his ten-year-old son who is a "computer techie", Uri immediately downloaded the contents of the recording device onto his

computer where he copied the entire contents directly onto a disk. The disk, which has been deposited into evidence, was then turned over to his attorneys for safekeeping.

[85] Uri has demonstrated that he can operate the recording device and that he faithfully downloaded its entire contents onto the disk which has been filed into the Court record.

[86] Both parties have attested to the fact that they met at the Starbucks in Toronto on the date, time and place of the recording.

[87] During their meeting, Politi asked Uri, once, if he was recording the conversation since Uri kept returning to the subject of the outstanding 1.2 million dollars. Uri denied that he was recording their conversation. In spite of his suspicions, Politi continued to converse with Uri.

[88] Uri's denial does not affect the admissibility of the recording, nor does it bring the administration of justice into disrepute. Uri was entitled to record his conversation with Politi in order to protect himself and to have a faithful record of what was said. Politi continued to talk, notwithstanding any suspicions he may have had, of his own volition, without threat, fear or inducement. Politi must bear the consequences of that decision.

[89] The tone of the conversation throughout the recording between the parties was calm and congenial. They review and discuss details of their father's will and estate plan, prior and present litigation over Father's will, their relationship to each other, their trust (or lack of) in each other, as well as the circumstances of the transfer of the apartment and outstanding payment.

[90] The contents of the recording are clear and intelligible. There are no moments of inaudibility. At times the voices drop as they would in any normal face-to-face conversation where the conversing parties turn from each other and don't "speak directly into the mike". In the context of the overall recording, these moments do not affect the thread of the conversation which always remains clear, logical, legible and comprehensible.

[91] Uri's version that he did not alter the recording has not been challenged by Politi. Nor has he challenged Uri's ability to manipulate the recording device and his downloading and copying of the entire recording. Moreover Politi, does not challenge the contents of the conversation save and except for the fact that Uri stopped the recording a couple of minutes before he left the coffee shop, minutes which Politi claims are critical because he then allegedly denied owing Uri any money.

[92] Politi's claim that those couple of minutes at the end of the conversation are material are not credible. Politi's claim is illogical and preposterous and contradicts the whole tenor of his prior conversation with Uri in which, during 1 hour 43 minutes, he never denied owing the money to Uri. Politi now claims that at the very end of their

meeting he suddenly remembered to set the record straight and that therefore, the recording is incomplete and deficient. The Court does not believe him.

[93] The recording constitutes damning evidence against Politi in support of Uri's claim. On several occasions the issue of the payment of the 1.2 million dollars was discussed²⁴. During the course of the entire discussion Politi never objected to such payment or denied that it is due. To the contrary, Politi agreed that it was due, that he had admitted he would pay in front of Me Bierbrier²⁵. He repeatedly stated that first he needed Uri's help to get the Du Fort Property from Araujo²⁶; that he had "failed to deliver"²⁷; that he would "deliver" only when the Du Fort issue was resolved²⁸. Moreover, Politi threatened to crush Araujo in the process of getting Du Fort, and, Uri as well, should Uri refuse to help Politi²⁹ acquire an interest in the Du Fort property.

[94] The tape shows evidence of extortion: Uri's assistance of Politi against Araujo in exchange for the money. It also makes proof of threats, by Politi against Uri and his family in the event Uri failed to cooperate.

[95] The Court is convinced that the recording is reliable, authentic, unaltered, complete and meets all the tests required by law. The recording and the transcription are hereby admitted into evidence.

WAS THERE ANY AGREEMENT TO TRANSFER THE CONDO FOR 1.2 MILLION DOLLARS?

[96] A resolution of this issue relies principally on issues of credibility and on the inferences that can be drawn from actions and documents filed herein which support the version of one or other of the parties rather than on the analysis and interpretation of those documents which are clear and unequivocal.

[97] The version advanced by Uri is clear and consistent. His testimony before the Court was direct, detailed, without hesitation.

[98] The version advanced by Politi is inconsistent, illogical and unworthy of being believed. Before the Court, he was evasive, hesitant, contradictory, argumentative, and gave long diatribes which were not answers to the questions asked of him. He contradicted himself on several occasions, as well as contradicting his own evidence, or, being contradicted by it, i.e. his examination on his affidavit on July 11th, 2008; his evidence on the Motion to Quash on September 2nd, 2009; and his own defence in the present matter.

²⁴ Exhibit P-15, and, Exhibit P-16, transcription of conversation, June 3rd, 2008, pages 40, 42, 47, 67, 68, 75-76, 82, 83, 84, 87, 89, 94, 95, 116, 117, 144, 147, 148, 149, 150-153, 155.

²⁵ Ibid, pp. 150-153.

²⁶ Ibid, p.147.

²⁷ Ibid, p.116.

²⁸ Ibid, p.117.

²⁹ Ibid, pp.69, 71, 72, 104, 105, 107.

[99] Politi's version is not accepted as trustworthy by the Court for the following reasons.

[100] FIRST, it is inconsistent with the documentary evidence filed and from which the Court may draw inferences that there was an agreement to sell the property for the sum of 1.2 million dollars. These documents consist of:

- the second lease between Uri and Politi which stipulates a "first right of refusal"³⁰ to match offers received for the property;
- the documents prepared by Notary Bierbrier i.e. the Counter-letter and letter of postponement of the registration as well as Me Bierbrier's testimony before the Court concerning the circumstances of the execution of the registration;
- the full and comprehensive terms of the settlement transaction documents executed between the parties; the complete releases granted to the other explicitly in those documents particularly with regard to any mismanagement; and, the assumption of all risks or losses related to Place l'Acadie by Politi personally and on behalf of Belleville Trust.

[101] SECOND, it is inconsistent with the delay agreed upon for the execution of the transfer and its scheduling on the day before the Place l'Acadie sale, and which is supported by the agreement to suspend registration of the transfer till after that sale;

[102] THIRD, Politi's original explanation for the gift by Uri was that Uri felt guilty and wished to compensate Politi for the mismanagement of Place l'Acadie by the Estate following Father's death up to the date of the settlement. This explanation is contradicted by:

- Politi's failure to assert such a claim until he was sued by Uri;
- Politi's acknowledgement that it was the Estate and not Uri personally who was responsible for managing that property;
- Politi's execution of a full and final release on October 31st, 2007 in favour of the Estate and in favour of Uri for all claims, actions, and demands of whatever nature he may have had against the Estate and Uri relating to the past operation and management of all the properties at issue including Place l'Acadie;
- Politi's acceptance of Place l'Acadie in its actual state and assuming all losses as at October 31st, 2007;

³⁰ Explanation by Politi before the Court, September 22nd, 2011.

- Politi's knowledge and acceptance of the estimated value of Place l'Acadie, at the time of the settlement, at approximately 9 million dollars, which was subsequently sold in April 2008 by Belleville Trust, with Uri's assistance for 14.8 million dollars yielding the sum of approximately 6.8 million net to Belleville Trust;

[103] FOURTH, after Politi's original justification of Uri's gift was set aside by the trial judge on the Motion to Quash, and soundly contradicted by the documentary evidence, Politi changed his explanation to justify the gift, or, transfer for \$1.00, as Uri's compensation to Politi for having participated in an alleged forgery, while Father was alive, which divested Belleville Trust of all its assets by transferring them to Tours.

[104] However, Politi admitted the contrary during his testimony at the trial on the Motion to Quash Seizure on September 2nd, 2008³¹ when he stated that it was his belief that Uri had not committed the forgery nor was capable of such an action. He then blamed it on one of his sisters. Furthermore, in his evidence at trial before this Court, he confirmed that he did not believe that Uri had participated in any manner in that alleged forgery scheme³².

[105] By contradicting himself Politi divests himself of any reasonable explanations as to why Uri would give him an apartment worth 1.2 million dollars.

[106] FIFTH, in January 2008, Uri received a serious offer from V and G to purchase the Sanctuaire Condo for the sum of 1.1 million dollars. After discussing the matter with Politi, Uri agreed to terminate his negotiations with the proposed buyers and withdrew the property from the negotiations to sell on February 22nd, 2008.³³ Meantime, Uri had entered into the lease with Politi³⁴ wherein Uri granted a "first right of refusal" to Politi to match any offer to sell received by Uri.

[107] The circumstances and context concerning the verbal agreement and lease between the parties support Uri's version. The logical inference to be drawn is that, based on Politi's offer of 1.2 million dollars, Uri suspended his negotiations with serious buyers because he was selling the apartment to Politi instead.

[108] SIXTH, the documents prepared by Notary Bierbrier and faxed to Uri on April 11th, 2008, indicate that notwithstanding the transfer price of \$1.00 to appear in the contract, that there was an agreed price of 1.2 million dollars to be paid by Politi after the sale³⁵. Politi's version that there was no such agreement is contradicted by Me Bierbrier's testimony that at the closing, the brothers said that the counter-letter was unnecessary, that they would trust each other for payment and that the payment would

³¹ Transcript, Motion to Quash Seizure, Sept. 2nd, 2009, p 269.

³² Testimony, September 23rd, 2011.

³³ Exhibit P-9, letter and reply dated February 22nd, 2008.

³⁴ Exhibit P-5, second lease dated January 5th, 2008.

³⁵ Exhibits P-13 and P-20, contract of transfer and draft Counter-letter.

be made immediately following the sale of Place l'Acadie and out of those proceeds. The payment to be made was further confirmed in further discussions between the notary and Politi at two more meetings between them when Politi originally requested that he register the transfer, and then later, when Politi brought him the documents signed by Uri's wife required to complete the valid transfer of title. One of the meetings entailed a telephone discussion by Me Bierbrier with Uri on the speakerphone in front of Politi when Uri told the notary that he was still expecting the money from Politi. Nevertheless, Uri in good faith authorized the registration of the documents required to complete the transfer.

[109] SEVENTH, Politi's secretive and rushed attempt to sell the apartment. The attempt to sell contradicted Politi's avowed reason that he wanted the apartment for sentimental reasons and would keep it because it had been Father's residence. He listed it for sale for the sum of \$1.25 million dollars³⁶ on April 18th, 2008, 4 days after it was transferred to him! Me René Gauthier, acting for the proposed buyers V and G, attested to Politi's rush to sell the property and to be paid the sale price immediately because Politi stated he was leaving the country sometime in early May 2008. Upon Me Gauthier's refusal to cooperate and his indication that he would only disburse the monies after the deed was executed and registered, and verified for encumbrances registered against the property, Politi withdrew from the negotiations and proposed sale.

[110] EIGHTH, Father's Affidavit to preserve evidence represents a scathing account of his son's character, lack of honesty and moral caliber. It is the evidence of a dying man who talks of never-ending acts of betrayal by his eldest son who had till then always received the love, help and support of Father during his lifetime. It certainly is no recommendation for Politi's credibility and honesty.

[111] NINTH, Politi's statement that he first heard of Uri's claim for 1.2 million dollars due for the transfer of the property on June 4th, 2008, i.e. upon service of the present action upon him, is contradicted by the following:

- his testimony before this Court on 22 September, 2011 that, during his last meeting with Uri, on June 3rd, 2008, at Starbucks in Toronto, Uri hounded him by asking him for payment at least 50 times;
- discussions held about the price of 1.2 million dollars, in front of, or, with Notary Bierbrier at the time of the execution of the deed of transfer; as well as on April 15th, 2008, when Politi requested the registration of the transfer; and, concurrently with the subsequent delivery in May 2008 of the documents signed by Uri's wife to complete the transfer, with valid title to the apartment;

³⁶ Exhibit P-23, Listing Agreement, April 18th, 2008.

- the testimony of Dr. Doron Sagman, who has no financial interest in the outcome of the current proceedings, that at Host restaurant in April or early May 2008, and, subsequently at Grano restaurant on May 12th, 2008, Politi assured Uri in Doron's presence that he would transfer the outstanding sum to him. In fact, Politi also indicated he would give each of his brothers money to cover their mortgages, i.e., \$700,000.00 to Uri and \$500,000.00 to Doron;
- Uri's detailed testimony as to his demands for payment; details of Politi's answers, excuses and promises; together with a detailed description of the times, dates and places of the conversations, meetings and scheduled meetings for the payment; how Politi kept putting him off; Uri's detailed description of his conversation with Politi on June 3rd, 2008, which is corroborated by the recording, during which Politi never once denied owing the money but instead undertook to "deliver" his "obligations" only if Uri collaborated with him to "crush" their stepmother Araujo against whom Politi had obvious feelings of enmity.

[112] TENTH, there is the actual recording of the meeting between the parties on June 3rd, 2008 which the Court allowed into evidence, and in which, Politi never denied that the sum was owing, did not refuse to pay, but made his "delivery" conditional upon securing Uri's assistance against their stepmother³⁷.

[113] ELEVENTH, Politi's failure to act as owner of the apartment: he knew his title was precarious and so failed to pay all the charges and taxes assessed against it, notwithstanding that he has been in possession of it since April 14th, 2008.

[114] To sum up, Politi has an elastic notion of truth, i.e., he best adapts it to serve his personal interests in all circumstances. He lacks credibility, integrity, lies with impunity and without any conscience. He blatantly lied to the Court, as well as to the Court on November 20th, 2009 during the hearing on the Motion to Quash Seizure. He engaged in proceedings which he clearly knew were based on his manipulations and lies. His testimony is hereby set aside.

[115] For example, notwithstanding his evidence before the Court on at least two occasions that he did not think his brother Uri capable of participating in the alleged forgery of documents which divested Belleville Trust of its assets, he did register and create two websites, in September 2010, one in the name of Uri and the other in the name of his younger brother Doron under the names of www.urisagman.com and www.doronsagman.com, sites which would be easily discovered if anybody "googled" their names. In these sites he accuses his brothers of having forged a document and using it to transfer all of the assets of Belleville Trust, as well as attacking their

³⁷ Exhibit P-19, transcription of conversation, June 3rd, 2008 pp.44, 47,64,65, 66 68, 72, 75, 101, 103, 104 147, 153, 157 and 159; exhibit P-15, recording June 3rd, 2008.

professional reputations, ethics and actions in general. An order of injunction was issued against Politi on November 30th, 2010, enjoining him and the internet server to delete the web sites from the internet, and, transferring the domain names back to Uri and Doron³⁸.

[116] Politi's mendacity and maliciousness is further evidenced by a complaint which he made to the College of Physicians and Surgeons of Ontario against Uri in April 2007³⁹ alleging Uri's incompetence in the treatment of Father, invoking his dishonesty in the handling of Father's affairs, and accusing him of being behind the alleged forged documents used to transfer the assets out of Belleville Trust to a new trust. The complaint was dismissed by the College of Physicians and Surgeons in December 2007³⁹.

[117] In the face of the evidence therefore, only one conclusion makes sense, i.e, that Politi actually agreed to purchase the condominium from Uri for the sum of 1.2 million dollars. Therefore, the Court accepts Uri's version of events, that Uri sold the condo to Politi for 1.2 million dollars, but that in good faith and in the spirit of seeking to achieve a reconciliation and to settle hostilities with his brother, he signed the transfer for \$1.00 dollar, trusting Politi's word and verbal undertaking to pay him \$1.2 million dollars immediately out of the proceeds of the sale of Place l'Acadie the following day. Uri was clearly misled by the promises and representations of Politi and induced to sign the agreement for \$1.00.

WAS URI INDUCED INTO ERROR BY THE FRAUDULENT MISREPRESENTATIONS OF POLITI?

[118] Uri claims that he was induced into error to sign the Deed of Transfer of the Sanctuaire Condo for \$1.00 by the fraudulent misrepresentations and promises of Politi without which he would never have signed that transfer, given that the agreed price to be paid by Politi was 1.2 million dollars.

[119] Uri claims that Politi preyed on his good faith and sincere eagerness to effect a reconciliation with his brother by first invoking Uri's willingness to accommodate Politi's desire to save on the municipal transfer taxes by having the transfer price indicated as \$1.00; then by postponing the payment of the actual price of 1.2 million dollars due by promising it would be paid immediately out of the proceeds of the sale of Place l'Acadie.

[120] Uri claims that Politi misrepresented his intentions and took advantage of Uri's good faith, good will, and eagerness to continue the reconciliation between the brothers which had commenced with the signing of the Standstill Agreement on December 27th, 2007 and continued the Final Settlement Agreement on October 31st, 2007. Thereafter,

³⁸ Exhibit P-37, Order, Court File CV-10-412730, Ontario Court of Justice, Nov. 30, 2010 and Affidavit with exhibit.

³⁹ Exhibit P-41, Decision, College of Physicians and Surgeons of Ontario, October 2007.

Politi and Uri continued to collaborate in order to complete the refinancing of Place l'Acadie, to transfer it to Politi's trust, and to sell it to Tyron.

[121] Error induced by fraud is defined in Art. 1401 C.C.Q.:

"Error on the part of one party induced by fraud committed by the other party or with his knowledge vitiates consent whenever, but for that error, the party would not have contracted, or would have contracted on different terms.

Fraud may result from silence or concealment."

[122] Where consent has been vitiated by error occasioned by fraud the victim may claim annulment as well as damages⁴⁰. Where such an annulment is pronounced, the contract is deemed never to have existed and the parties are restored to their original positions, as they existed, before the execution of the impugned contract⁴¹.

[123] Proof by testimony is admissible to interpret such a writing or to impugn the validity of its contents⁴². Proof may also be made by presumptions⁴³.

[124] In the circumstances of the present case, authors Lluellas and Moore define error induced by fraud in *Droit des Obligations*⁴⁴:

"599. Le dol est un comportement malhonnête – une «fraude», précisait l'article 993 de l'ancien Code-, destiné à obtenir un consentement qu'autrement le contractant éventuel n'aurait pas donné ou, du moins, pas aux conditions arrêtées. Il consiste à faire croire – ou à laisser croire – au contractant éventuel l'existence ou l'inexistence d'un fait important dans la prise de décision contractuelle.

600. Le cocontractant qui recourt au dol manque à l'obligation légale et précontractuelle de bonne foi qui doit présider à la conclusion de tout contrat. Cette obligation, aujourd'hui codifiée à l'article 1375, a toujours fait partie de notre tradition juridique..."

602. "«Malveillance consciente et voulue destinée à faire croire vrai ce qui est faux ou faux ce qui est vrai», «exploitation malicieuse de la bonne foi» du contractant éventuel..."

603. "Il appartient au juge du fond de rechercher, dans chaque cas, si la déclaration inexacte est une simple fanfaronade ou si, au contraire, elle constitue une «tromperie qui atteint un degré d'intensité tel qu'elle détermine le consentement..."

⁴⁰ Art.1407 C.C.Q.

⁴¹ Art.1422 C.C.Q.

⁴² Art. 2864 C.C.Q.

⁴³ Art. 2846 C.C.Q.

⁴⁴ Montréal, Les Éditions Thémis 2006 at p.281.

[125] The facts herein have already been determined by the Court.

[126] There was an agreement between Uri and Politi for Politi to pay the sum of 1.2 million dollars for his acquisition of the apartment. Politi requested that the deed show a transfer price of \$1.00 in order to reduce the municipal transfer taxes due on the transfer. Politi undertook to pay the full purchase price out of the proceeds of the sale of Place l'Acadie. The parties thus specifically fixed the transfer closing on the day preceding the Place l'Acadie sale. Before the notary, Uri declared his expectations of and trust in his brother's promise to pay and so did not have him execute the counter letter which the notary had prepared to protect him. Following the execution of the transfer for \$1.00, Politi's true intentions emerged and he began to delay payment.

[127] There is no doubt that Politi was in bad faith, deliberately misrepresenting his true intentions, and, exploited the good faith of Uri by convincing him to sign the transfer for \$1.00. Had it not been for the promises which Politi made, Uri would never have executed the transfer of the apartment.

[128] Such behaviour constitutes error induced by fraud. Uri is entitled to the relief requested i.e. to secure the annulment of the agreement and to be restored to his original position as owner of the apartment, under reserve of all and any other rights, claims and recourses he may have against Politi arising from or related to Politi's actions.

PLAINTIFF'S CLAIM FOR EXTRAJUDICIAL FEES AND COSTS

[129] Plaintiff claims the extrajudicial fees incurred in the prosecution of this action, pursuant to Arts. 54.1 to 54.6 C.C.P.

Art. 54.1 C.C.P. states:

"A court may, at any time, on request or even on its own initiative after having heard the parties on the point, declare an action or other pleading improper and impose a sanction on the party concerned.

The procedural impropriety may consist in a claim or pleading that is clearly unfounded, frivolous or dilatory or in conduct that is vexatious or quarrelsome. It may also consist in bad faith, in a use of procedure that is excessive or unreasonable or causes prejudice to another person, or in an attempt to defeat the ends of justice, in particular if it restricts freedom of expression in public debate."

[130] The two key cases on the issue of abusive procedures in Quebec are *Viel c. Entreprises Immobilières du terroir Ltée*⁴⁵, and *Royal LePage Commercial Inc. vs. 109650 Canada Ltd*⁴⁶. These cases distinguish between "abus sur le fond" and an

⁴⁵ 2002 RJQ 1262.

⁴⁶ 2007 QCCA 915.

"abus du droit d'ester en justice" or "abus de procédures". Only the second type of abuse, i.e. abuse in the conduct of proceedings, gives rise to a reimbursement of extrajudicial fees.

[131] Abuse in the conduct of proceedings is abuse committed in the course of those proceedings, and has been defined in *Viel c. Entreprises Immobilières du terroir Ltée.*, where Rochon J.C.A. states at paragraph 75:

"...l'abus de droit d'ester en justice est une faute commise à l'occasion d'un recours judiciaire. C'est le cas où la contestation judiciaire est, au départ, de mauvaise foi, soit en demande ou en défense. Ce sera encore le cas lorsqu'une partie de mauvaise foi, multiplie les procédures, poursuit inutilement et abusivement un débat judiciaire. Ce ne sont que des exemples..."

[132] The notion has been explained as follows by Raphael Lescop in "*les articles 54.1 et suivants du code de procédure civile*" at pages 335-336⁴⁷

"C'est le cas, par exemple, lorsqu'une partie de mauvaise foi multiplie les procédures, poursuit inutilement et abusivement un débat judiciaire. C'est également le cas lorsqu'il appert qu'une partie, par mauvaise foi ou témérité, intente un recours pour causer des désagréments à son adversaire plutôt que pour faire reconnaître le bien-fondé de ses prétentions ou lorsqu'une partie refuse de façon injustifiée de faire face à l'évidence et de renoncer, en demande ou en défense, à une procédure condamnée d'avance à l'échec.

Sonder le coeur des gens pouvant être une tâche difficile, le juge Dalphond établit le test objectif suivant dans *Royal LePage*: «le fait de mettre de l'avant une procédure alors qu'une personne raisonnable et prudente, placée dans les circonstances connues par la partie au moment où elle dépose la procédure ou l'argumente, conclurait à l'inexistence d'un fondement pour cette procédure». Le test demeure toutefois très exigeant car comme le rappelle le juge Dalphond, en faisant référence aux enseignements de son collègue le juge Rochon dans *Viel*, «il faut éviter de conclure à l'abus dès que la thèse mise de l'avant est quelque peu fragile sans être abusive».

[underlining added]

[133] In the present instance, Defendant's continued assertion that the condo was given to him by Uri, an assertion that he never made prior to being sued by Uri; his deliberate misrepresentation of the truth; his continued defense of the action in light of the evidence with which he knew he would be and was in fact confronted; his refusal to withdraw his defense, particularly after the three day hearing on the Motion to Quash Seizure which resulted in an unfavourable judgment against him, a judgment which also put his credibility in issue, constitutes abuse of proceedings within the context of Art. 54.1 C.C.P.

⁴⁷ Revue du Barreau, Tome 69, Automne 2010.

[134] Politi's two theories that the Sanctuaire Condo was given to him to make up for the alleged Estate's mismanagement of Place l'Acadie or because Uri wanted to compensate him for having sustained losses as a result of alleged forgeries committed by him or family members have both been soundly contradicted by Politi's own admissions and testimony; the documents which he signed; documents produced into the record; the evidence of Uri and the third parties who testified. Politi has advanced no other reason to explain or justify why Uri would give him a gift worth 1.2 million dollars.

[135] In the context of the evidence before this Court, the notion that Uri gave Politi a condo worth 1.2 million dollars is preposterous. Politi knew that before he contested the action.

[136] Politi deliberately defended the claim in bad faith to secure delays and to cause Uri harm. Politi's own actions prove this as has his failure to pay the apartment's charges during his possession.

[137] Notwithstanding that Politi has had exclusive occupancy of the apartment since the date of the transfer, he has not acted as owner. He has failed to pay for the carrying charges. As a result, legal charges have been registered against the property for arrears of taxes and condo fees. While being deprived of the rental which he could have received during Politi's occupancy, Uri has had to negotiate delays, and, to make payments on account of the charges in order to preserve the property. Currently due are taxes of \$36,711.15 after deduction of \$15,328.74 already paid on account by Uri. Outstanding condominium fees are presently \$ 31, 887.00.

[138] Politi has testified that he was awaiting the outcome of this case to effect payment. In other words, he suspected or actually knew that his title was precarious, that his defence was doomed from the start, and thus he deliberately protracted proceedings in order to cause expense and possible damage to Uri.

[139] To repeat, not only has Politi an elastic comprehension of "truth" but in addition lacks empathy, is vengeful, manipulative and malicious. Politi has shown a propensity to institute abusive and/or malevolent unfounded proceedings within the legal and other systems, and to use bullying tactics against others to intimidate them, as established by the evidence in the present action:

A. the formal complaint Politi made against Uri before the College of Physicians in May 2007⁴⁸ which were dismissed in October 2007⁴⁹. The principal allegation against Uri was that he was dishonest, unethical and had acted on forged documents to divest Politi of his property.

B. Politi's creation of the websites in the names of Uri and his younger brother Doron wherein they were accused of having forged documents and transferring

⁴⁸ Complaint by Politi to College of Physicians, May 2007, Exhibit P-40.

⁴⁹ Ibid, October 2007, Exhibit P-41.

the assets of Belleville Trust with those forged documents. Uri and Doron had to take injunction proceedings against Politi in September 2008 in order to have the websites closed and to prevent Politi from using their names or making postings in their names on that or any other website. A permanent injunction was granted against Politi by order of the Ontario Superior Court of Justice on December 13th, 2010⁵⁰.

C. Politi sued his brother Doron and the latter's wife on September 2nd, 2008 before the Superior Court of Justice for the sum of \$50 000, claimed from each, for the alleged unlawful retention of two photo albums originally the property of Father⁵¹ which had been remitted to Doron by Father for safe-keeping.

D. Politi failed to object to an interrogation out of court by his own lawyers of Father in Politi's action against him, while Father was undergoing his chemotherapy treatments in hospital, thereby obliging Father to interrupt his treatment to attend for the examination.

[140] Uri has incurred extrajudicial fees and disbursements of \$230, 882.23, including disbursements of \$ 5359.81 and taxes of \$ 26 972.34⁵² in conjunction with the present action up to the date of the commencement of the trial on the merits on September 20th, 2011. Of this sum, the sum of \$ 88 953.36 was paid on his behalf by 6656 at Uri's request, on his directions and by agreement with the company. However, there is no doubt that the entire payment was incurred for legal expenses incurred personally by Uri in the prosecution of his action to recover his apartment.

[141] There is a direct link between Politi's abusive defence and use of legal proceedings herein and the legal fees incurred by Uri. Politi defended himself with the objective of defeating the ends of justice, a breach of conduct proscribed by Art. 54.1 C.C.P.

[142] As an appropriate redress, the Court will award Uri the extrajudicial fees he has incurred in the amount of \$230 882.23 up to September 20th, 2011, under reserve of Uri's further rights and recourses to claim such further amounts or damages he may have sustained as a result of Politi's abusive proceedings and actions.

CONCLUSIONS

Wherefore, for these reasons, the Court:

A. **GRANTS** Plaintiff's motion

1. **DECLARES** Plaintiff's seizure before judgment good, valid and binding;

⁵⁰ Injunction against Politi by the Superior Court of Ontario, Exhibit P-37.

⁵¹ Politi's action against Dr. Doron Sagman, September 2nd, 2008, Exhibit P-38.

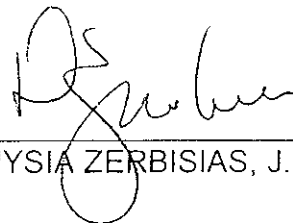
⁵² Uri's extrajudicial fees and disbursements as of 21 September 2011.

2. **CANCELS** and **ANNULS** for all legal purposes the Deed of Transfer (Exhibit P-13), of the Sanctuaire property executed before Notary Solomon Bierbrier under minute number 14,720 and registered at the Land Registry Division Office of Montreal under 15 116 873, more fully described as follows:

1. the private portion (housing unit) known and designated as lot number Two Million One Hundred and Seventy-Five Thousand Seven Hundred and Four (2 175 704) of the Cadastre of Quebec, Registration Division of Montreal, known as Apartment PH-R1, in the building bearing civic address 6301 Northcrest Place, in the City of Montreal, Province of Quebec, H3S 2W4;
2. the private portion (parking spaces) known and designated as lot number Two Million One Hundred and Seventy-Five Thousand Seven Hundred and Forty-Nine (2 175 749) of the Cadastre of Quebec, Registration Division of Montreal;
3. the percentage share in the undivided interest insofar as concerns the private portions described in the above paragraphs, the whole as established in the Declaration of Co-Ownership executed before Philippe Roberge, Notary on the twenty-ninth day of August, Nineteen Hundred and eighty-nine and published at the Montreal Land Registry Office under the number 4 192 358 and the Amended Declaration of Co-Ownership executed before Notary Philippe Roberge on the twentieth day of February, Nineteen Hundred and Ninety and published at the Montreal Land Registry Office under the number 4 249 693.

Subject to servitudes created in virtue of the terms of deeds published at the Montreal Land Registry Office under the numbers 425 409, 3 149 440, 4 187 562, 4 189 585, 4 192 358 and 4 249 693.

3. **DISMISSES** Defendant's defense.
4. **CONDEMNS** Defendant to pay to Plaintiff his extrajudicial costs and disbursements, (including the cost of expert reports) totalling \$282,882.23 as at September 20th, 2011;
5. **CONDEMNS** Defendant to pay judicial court costs on the present action to Plaintiff.
6. **RESERVES** Plaintiff's further rights, recourses and claims.

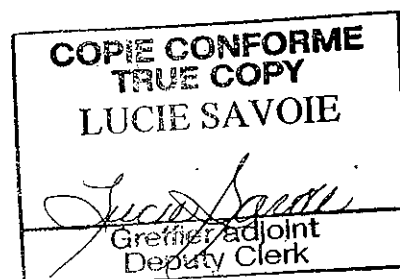


DIONYSIA ZERBIAS, J.S.C.

Me Neil Stein & Me Donald R. Michelin
Stein & Stein
for Plaintiff

Me Jay Turner & Me Danielle Oiknine
Oiknine & Associés
for Defendant

Date of hearing: 20, 21, 22, 23 and 30 September 2011



NO.

SUPERIOR COURT
(Commercial Division)
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE BANKRUPTCY OF:

MR. PAUL POLITI

Debtor

-and-

DR. URI SAGMAN

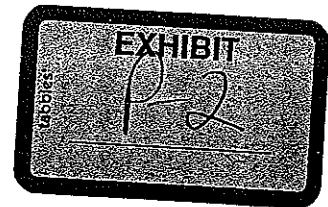
Petitioner

Exhibit P-1

CODE NO. BS0327

FILE NO. 11544-8

ME NEIL H. STEIN
STEIN & STEIN INC.
Avocats/Barristers & Solicitors
4101 ouest rue Sherbrooke Street West
MONTREAL, QUEBEC H3Z 1A7
TEL: 514-866-9806 / FAX: 514-875-8218



2012 -03-23 11:45
Heure : minute

SUPERIOR COURT 18 919 873

R 18 919 875

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-17-043117-087

REÇU AU GREFFE

Par: lll

Le: 20 FEV. 2012

DATE: FEBRUARY 8TH, 2012

THE HONOURABLE DIONYSIA ZERBISIAS, J.S.C.

DR. URI SAGMAN
Plaintiff

v.
PAUL POLITI
Defendant

and

THE REGISTRAR FOR THE LAND REGISTRATION DIVISION OF MONTREAL
Impleaded Prty

JUDGMENT

- [1] GIVEN the Motion to Correct Judgment Rendered December 14, 2011;
- [2] WHEREAS Defendant did not attend the hearing of said Motion, which it did not contest;
- [3] GIVEN the evidence;
- [4] GIVEN s. 475 C.P.C.;

JZ0017

20 FEV 2012

500-00-002733-128

2
M

500-17-043117-087

[5] FOR THESE REASONS, THE COURT HEREBY:

GRANTS Plaintiff's Motion to Correct Judgment Rendered December 14, 2011;

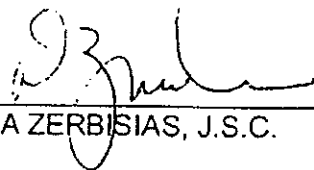
CORRECTS the Judgment rendered on December 14, 2011 by adding the following to the conclusions of the Judgment:

A. 2.a the second (2nd) parking space, more fully described as follows to the description of the immoveable property:

The private portion (parking space) known and designated as lot number Two Million One Hundred and Seventy-Five Thousand Seven Hundred and Fifty (2 175 750) of the Cadastre of Quebec, Registration Division of Montreal;

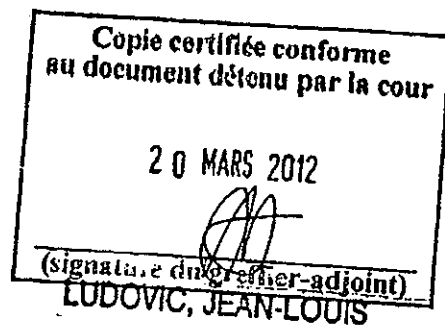
B. 2.4 Orders the Mis-en-cause Registrar for the Land Registration Division of Montreal to cancel the registration of Deed of Transfer (Exhibit P-13 in the Motion), of the Sanctuaire Property executed before Notary Solomon Bierbrier under minute number 14,720 and registered at the Land Registry Division Office of Montreal under 15 116 873 upon presentation of the requisition and upon payment of the fee required by law;

[6] THE WHOLE WITHOUT COSTS.


DIONYSIA ZERBISIAS, J.S.C.

Me Stephanie Rassam
Stein & Stein Inc.
for Plaintiff

Date of hearing: February 8th, 2012



CANADA

PROVINCE DE QUÉBEC

District *MONTREAL*

N° *500-17-04317-087*

COUR *SUPERIEURE*

DR. URI SAGMAN

Partie demanderesse

c.

PAUL POLITI

Partie défenderesse

CERTIFICAT DE NON-APPEL

(NAPP)

Je, soussigné, greffier adjoint de cette cour, certifie que les délais prescrits pour l'appel du jugement rendu en cette instance le *8 FEVRIER 2012* sont expirés, qu'aucun appel n'a été enregistré, qu'aucune demande en nullité n'a été déposée et qu'aucune requête en rétractation n'a été présentée à l'encontre de ce jugement à la date des présentes.

15 MARS 2012

A *MONTREAL*

le *15 MARS 2012*

Greffier adjoint

DARIC BOBA
GREFFIER ADJOINT C.S.M.

Envoi 824-217-658

Le 3 avril 2012

Me Neil H. Stein
Stein & Stein
4101, rue Sherbrooke Ouest
Montréal (Québec) H3Z 1A7

Vous trouverez ci-joint le(s) document(s) donnant suite à votre demande :

État certifié d'inscription de radiation : 18 919 875

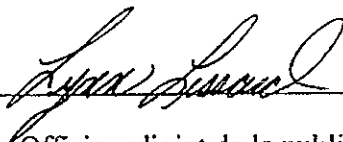
Il est possible que cet envoi ne contienne pas tous les documents correspondant à votre demande originale.
Si tel était le cas, ces derniers vous parviendront dès qu'ils auront été traités.

Ressources naturelles
et Faune

Québec 

ÉTAT CERTIFIÉ D'INSCRIPTION
DE RADIATION
AU REGISTRE FONCIER DU QUÉBEC

*Je certifie que la réquisition présentée le 2012-03-23 à 11:45 a été inscrite au Livre
foncier de la circonscription foncière de Montréal
sous le numéro 18 919 875.*



Officier adjoint de la publicité foncière

Identification de la réquisition

Mode de présentation : Acte
Référence dossier : 500-17-043117-087

500-17-043117-087

[5] FOR THESE REASONS, THE COURT HEREBY:

GRANTS Plaintiff's Motion to Correct Judgment Rendered December 14, 2011;

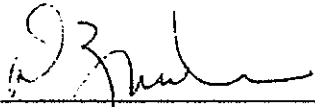
CORRECTS the Judgment rendered on December 14, 2011 by adding the following to the conclusions of the Judgment:

A. 2.a the second (2nd) parking space, more fully described as follows to the description of the immoveable property:

The private portion (parking space) known and designated as lot number Two Million One Hundred and Seventy-Five Thousand Seven Hundred and Fifty (2 175 750) of the Cadastre of Quebec, Registration Division of Montreal;

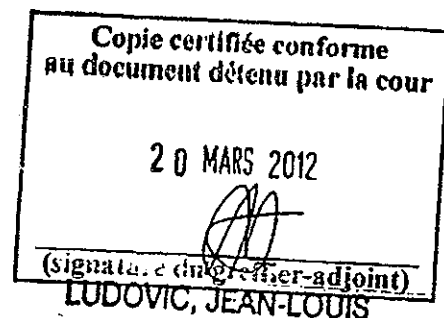
B. 2.4 Orders the Mis-en-cause Registrar for the Land Registration Division of Montreal to cancel the registration of Deed of Transfer (Exhibit P-13 in the Motion), of the Sanctuaire Property executed before Notary Solomon Bierbrier under minute number 14,720 and registered at the Land Registry Division Office of Montreal under 15 116 873 upon presentation of the requisition and upon payment of the fee required by law;

[6] THE WHOLE WITHOUT COSTS.


DIONYSIA ZERBISIAS, J.S.C.

Me Stephanie Rassam
Stein & Stein Inc.
for Plaintiff

Date of hearing: February 8th, 2012



CANADA

COUR SUPERIEURE

PROVINCE DE QUÉBEC

District MONTREAL

N° 500-17-04317-087

DR. URI SAGMAN

Partie demanderesse

c.

PAUL POLITI

Partie défenderesse

CERTIFICAT DE NON-APPEL
(NAPP)

Je, soussigné, greffier adjoint de cette cour, certifie que les délais prescrits pour l'appel du jugement rendu en cette instance le 8 FEVRIER 2012 sont expirés, qu'aucun appel n'a été enregistré, qu'aucune demande en nullité n'a été déposée et qu'aucune requête en rétractation n'a été présentée à l'encontre de ce jugement à la date des présentes.

15 MARS 2012

A MONTREAL

le 15 MARS 2012

Greffier adjoint

DARIC SOSA
GREFFIER ADJOINT C.S.M.

NO.

SUPERIOR COURT
(Commercial Division)
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE BANKRUPTCY OF:

MR. PAUL POLITI

Debtor

-and-

DR. URI SAGMAN

Petitioner

Exhibit P-2

CODE NO. BS0327

FILE NO. 11544-8

ME NEIL H. STEIN
STEIN & STEIN INC.

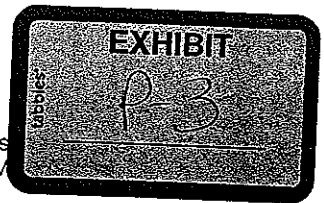
Avocats/Barristers & Solicitors

4101 ouest rue Sherbrooke Street West
MONTREAL, QUEBEC H3Z 1A7
TEL: 514-866-9806 / FAX: 514-875-8218

Stein & Stein Inc.

Avocats, société par actions
Barristers & Solicitors, Professional Corp.

Agents de brevets
Patent & Trade M



Stein & Stein INC.

4101, rue Sherbrooke O.
Montréal, Québec
Canada H3Z 1A7
Tél.: (514) 866-9806
Télec: (514) 875-8218
www.steinandstein.com

Montreal, January 25, 2012

Mr. Paul Politi
6449 Concession 4
Goodwood, Ontario
L0C 1A0

Neil H. Stein
Telephone: (514) 866-9806, ext. 209
nstein@steinandstein.com
Assistant: Veronica Handal
Telephone: (514) 866-9806, ext. 205
nhs-assistant@steinandstein.com

Without Prejudice

Re: Dr. Uri Sagman
Court No. 500-17-043117-087
Our File: 11544-5

Dear Sir,

We write you in respect of the following matter. By Judgment dated December 14, 2011, you were condemned to pay Dr. Sagman the sum of \$282,882.23 in respect of extrajudicial costs, and in addition judicial court costs in favour of the undersigned attorneys in the sum of \$20,107.20. Copy of the taxed Bill of Costs is enclosed herewith.

The aforesaid Judgment is now executory and we do hereby call upon you to pay the aforesaid sums by way of certified cheques to the undersigned within five (5) days hereof. Failing payment, we will commence the appropriate execution procedures in Ontario, and/or determine if you are no longer making your payments as they generally become due, whereupon we will institute the appropriate procedure in Quebec.

In addition to the foregoing, the above Judgment reserved our client's rights to additional rights, recourses and claims. Our client is in the process of taking possession of the condominium property in question and after inspection thereof, we will advise as to additional claims, if any, in respect of the unit which you have illegally occupied. In addition, you have not paid the condo fees

-2-

during your illegal possession, the whole in the sum of \$33,671.00 plus interest which, to date of January 11, 2012, amounted to \$44,807.07. A statement is attached herewith. Additional condo fees due until January 1, 2012 amount to \$2,328.00 in accordance with the statement enclosed herewith. Court costs are as well due to the lawyers for the Condo Association.

Accordingly, please be advised that if we do not receive (1) certified cheques for payment of the sums of \$282,882.23, \$20,107.20 to our firm In Trust and (2) \$47,135.07 to Syndicat Northcrest (Condo Association) within five (5) days hereof, our client will have no choice but to pay the aforesaid condo fees to Syndicat Northcrest with subrogation, together with all other sums accrued and payable and institute further proceedings against you for recovery of same.

These presents are sent to you on a without prejudice basis and subject to all additional recourses which our client may have against yourself.

Do you govern yourself accordingly.

Yours very truly,

STEIN & STEIN INC.



Per: Neil H. Stein

NHS/vh

Enc.

c.c. Dr. Uri Sagman
Me. Danielle Oiknine

CANADA

SUPERIOR COURT

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

DR. URI SAGMAN

Plaintiff

No. 500-17-043117-087

vs.

PAUL POLITI

Defendant

-and-

THE REGISTRAR FOR THE LAND
REGISTRATION DIVISION OF
MONTREAL

Mise en cause

Taxé à la somme
De: 20 107,20\$
Le: 25 JAN. 2012
Greffier adjoint
H. Gauthier

BILL OF COSTS

BILL OF COSTS due to STEIN & STEIN INC., Attorneys for Plaintiff, and taxable against the Defendant in accordance with a Judgment rendered on the merits on December 14, 2011, maintaining Plaintiff's action to annul sale for purchase price of \$1,200,000.00 and for non-payment of the sum of \$1,200,000.00 and for extrajudicial costs in the amount of \$282,882.23 as at September 20, 2011, and in accordance with Judgment on Motion to Quash Seizure before Judgment maintaining seizure before Judgment dated November 20, 2009.

Class IV Action: \$1,200,000.00

DISBURSEMENTS:

Issuance of Writ of Seizure:	\$ 25.00
Service of:	
Seizure before Judgment <i>in extra-judiciales</i>	\$ 222.81 <i>214,91\$</i>
Seizure before Judgment <i>in extra-judiciales</i>	\$ 261.39 <i>144,00\$</i>
Seizure before Judgment <i>in extra-judiciales</i>	\$ 417.64 <i>300,00\$</i>
Seizure before Judgment <i>in extra-judiciales</i>	\$ 11.29
Seizure before Judgment	\$ 315.10
Notice to Admit Genuineness of Documents <i>in extra-judiciales</i>	\$ 53.05 <i>7,90\$</i>
Notice to Admit Genuineness of Documents <i>in extra-judiciales</i>	\$ 15.80
Inscription	\$ 7.90

Answer to Plea	\$ 7.90
Declaration 274.1	\$ 7.90
Notice of Disclosure of Exhibits	\$ 7.90
Notice of Production of Examination	\$ 7.90
Notice to Judge Claudine Roy <i>in extra-judiciaires</i>	\$ 14.22 / 0,81\$
Motion to Have Case Heard by Preference <i>in extra-judiciaires</i>	\$ 14.22 / 0,81\$
Motion to Have Case Heard by Preference <i>in extra-judiciaires</i>	\$ 12.53 9,11\$
Motion to Have Case Heard by Preference <i>in extra-judiciaires</i>	\$ 11.39
Transcript of taped conversation <i>in tant et extra-judiciaires</i>	\$ 4,628.32 3928,59\$
Cassette d'enregistrement	\$ 351.00
Subpoenas <i>in extra-judiciaires</i>	\$ 37.01 / 0,81\$
Subpoenas <i>in extra-judiciaires</i>	\$ 81.08 26,08\$
Subpoenas <i>in extra-judiciaires</i>	\$ 79.89 25,84\$
Subpoenas <i>in extra-judiciaires</i>	\$ 68.75 23,60\$
Subpoenas <i>in extra-judiciaires</i>	\$ 24.95 21,56\$
Subpoenas <i>in extra-judiciaires</i>	\$ 28.72 26,12\$
Subpoenas <i>in extra-judiciaires</i>	\$ 18.53 15,95\$
Subpoenas <i>in extra-judiciaires</i>	\$ 20.22 / 0,81\$
Subpoenas <i>in extra-judiciaires</i>	\$ 21.28 12,39\$
Subpoenas <i>in extra-judiciaires</i>	\$ 19.97 11,08\$
Subpoenas	\$ 6.77
Subpoenas	\$ 15.03
Subpoenas <i>in extra-judiciaires</i>	\$ 28.01 25,33\$
Examination Paul Politi <i>in tant et extra-judiciaires</i>	\$ 1,714.74 1553,60\$
Examination Paul Politi	\$ 451.50
Examination Dr. Uri Sagman <i>in tant et extra-judiciaires</i>	\$ 212.77 114,00\$
	\$ 9,222.48 7707,20\$

COSTS

Examination Paul Politi	\$ 30.00
Examination Dr. Uri Sagman	\$ 30.00
Seizure before Judgment	\$ 40.00
33.1 Hearing of Motion to Quash (3 days)	\$ 200.00
33.2 Refusal to proceed	\$ 50.00
33.1 Hearing of Action on Merits <i>in non taxable, in un seul honoraire réclamable</i>	\$ 400.00
25. Judgment on Merits	\$ 1,000.00
42. 1% x \$1,100,000.00	\$11,000.00
26.1 Motion to Quash Seizure	\$ 50.00
	\$12,800.00 / 2400,00\$
TOTAL:	\$ 22,022.48 20107,20\$



Syndicat Northcrest

6300, Place Northcrest
Montréal (Qué) H3S 2W3

Tél. : (514) 342-9092

Fax. : (514) 342-2231

January 19, 2012

Mr. Paul Politi

6301, Pl. Northcrest #PH-R1

Montréal, Québec H3S 2W4

December 1, 2008	-condo fee	1,169.00 \$	
January 1, 2009	-condo fee	1,031.00 \$	
February 1, 2009	-condo fee	1,031.00 \$	
March 1, 2009	-condo fee	1,031.00 \$	
April 1, 2009	-condo fee	1,031.00 \$	
May 1, 2009	-condo fee	1,031.00 \$	
June 1, 2009	-condo fee	1,031.00 \$	
July 1, 2009	-condo fee	1,031.00 \$	
August 1, 2009	-condo fee	1,031.00 \$	
September 1, 2009	-condo fee	787.00 \$	
October 1, 2009	-condo fee	787.00 \$	
November 1, 2009	-condo fee	787.00 \$	
December 1, 2009	-condo fee	951.00 \$	
January 1, 2010	-condo fee	828.00 \$	
February 1, 2010	-condo fee	828.00 \$	
March 1, 2010	-condo fee	828.00 \$	
April 1, 2010	-condo fee	828.00 \$	
May 1, 2010	-condo fee	828.00 \$	
June 1, 2010	-condo fee	828.00 \$	
July 1, 2010	-condo fee	828.00 \$	
August 1, 2010	-condo fee	828.00 \$	
September 1, 2010	-condo fee	828.00 \$	
October 1, 2010	-condo fee	828.00 \$	
November 1, 2010	-condo fee	828.00 \$	
December 1, 2010	-condo fee+special contribution	1,412.00 \$	
January 1, 2011	-condo fee	882.00 \$	
February 1, 2011	-condo fee	882.00 \$	
March 1, 2011	-condo fee	882.00 \$	
April 1, 2011	-condo fee	882.00 \$	
May 1, 2011	-condo fee	882.00 \$	
June 1, 2011	-condo fee	882.00 \$	
July 1, 2011	-condo fee	882.00 \$	
August 1, 2011	-condo fee	882.00 \$	
September 1, 2011	-condo fee	882.00 \$	
October 1, 2011	-condo fee	882.00 \$	
November 1, 2011	-condo fee	882.00 \$	
December 1, 2011	-condo fee and retroactivity	1,072.00 \$	1
December 1, 2011	- special contribution	163.00 \$	1
January 1, 2012	-condo fee	930.00 \$	1
January 1, 2012	- special contribution	163.00 \$	1
	PENALTY	760.00 \$	
	TOTAL	36,039.00 \$	

CANADA		PROCES-VERBAUX D'AUDIENCES		COUR SUPÉRIEURE	
PROVINCE DE QUÉBEC		Audience publique		Plaque jaune	
DISTRICT DE MONTRÉAL		Salle		Date	
No		Date		Date	
800-11-0554		11-04-2011		15-06-2011	
L'HONORABLE CLAUDETTE PICARD J.S.				JP1488	

Plaintiff	Procureur(s)
SYNDICAT DE COPROPRIÉTAIRES NORTHCREST	Me Martin D. Bogante
Présent	Présent

Defendant	Procureur(s)
PAUL POLITI	Me Robert Brankin
Présent	Présent

Mise en cause	Procureur(s)
THE LAND REGISTRAR OF THE REGISTRATION DIVISION OF MONTREAL	N/A
Absent	Absent

Nature de la cause	Montant : \$
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Cote(s)	Requête (s)
	MOTION FOR SALE BY JUDICIAL AUTHORITY BY FORCED SURRENDER AND NOTICE

Greffier(ère)	Interprète	Sténographe
Johanne Boisvert	N/A	N/A

ENREGISTREMENT NUMÉRIQUE					
Audition AM :	Début	Fin	Audition PM :	Début	Fin
	09:39	12:39		14:18	17:12

Affaires référées au maître des rôles	Résultat de l'audition Jugement rendu le 25 novembre 2011.
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HEURE

9 h 38	OUVERTURE DE L'AUDIENCE Identification des procureurs
9 h 39	Échanges
9 h 40	Représentations de Me Bogante
9 h 42	Échanges sur le temps d'audience
9 h 42	Représentations de Me Brankin
9 h 46	Échanges

CANADA	PROCES-VERBAL D'AUDIENCE	COUR SUPERIEURE
PROVINCE DE QUEBEC	Audience	11 novembre 2011
DISTRICT DE MONTREAL	Rue	
	Sal	
	De	
900421056446-140	08	10701
		2 novembre 2011
HONORABLE CLAUDETTE PICARD J.C.S.		

PREUVE DE LA DEMANDE

Témoin (français) : Madame Line Piché
1463, rue Dumont
Terrebonne
50 ans
Assermentée

9 h 47 Interrogée par Me Bogante

ADMISSIONS

9 h 48 Il est admis que la demanderesse existe et peut poursuivre.

9 h 49 Il est admis que le défendeur est propriétaire de l'unité PH-R1, au 6301, Place Northcrest

9 h 49 Il est admis que les pièces P-2 et P-3 sont déposées de consentement étant la déclaration de copropriété et la déclaration de copropriété amendée

9 h 51 Pièce P-4 : états financiers du syndicat de 2008 à 2010

Pièce P-4a : états financiers de la copropriété pour 2011

9 h 52 Pièce P-5 : en liasse : budgets 2007 à 2011

Pièce P-6 : en liasse : avis 2008 à 2010

9 h 55 Pièce P-7a : relevé de compte au 25 novembre 2011

Pièce P-7b : règlement # 97-1

9 h 58 Pièce P-8 : en liasse: signification du préavis d'exercice d'un droit hypothécaire

10 h 00 Pièce P-9 : extrait du rôle municipal 2011

Pièce P-9a : évaluation de la copropriété - 2011

10 h 01 Contre-interrogé par Me Brankin

10 h 02 Objection de Me Bogante

10 h 02 Argumentation de Me Brankin

10 h 03 La Tribunal permet à Me Brankin de contre-interroger

10 h 04 Pièce D-1 : mise en demeure datée du 24 mars 2009

10 h 05 Pièce D-2 : mise en demeure du 30 juillet 2008

10 h 07 Pièce D-3 : lettre réponse datée du 10 septembre 2008

CANADA	PROCES-VERBAUX D'AUDIENCE	TRIBUNAL SUPÉRIEUR
PROVINCE DE QUÉBEC	Avant la conférence	Présence civile
DISTRICT DE MONTRÉAL		
590-17-065916-110		1506 Date: 26 novembre 2011
HONORABLE CLAUDE L. PÉLÉ		P. 4/10

10 h 12 Échanges

10 h 14 Échanges entre le Tribunal et Me Brankin

ADMISSIONS

10 h 15 Le demandeur reconnaît avoir reçu les mises en demeure D-1 et D-2.
Le défendeur reconnaît avoir reçu D-3.

10 h 17 Pièce D-4 : contrat d'installation de séparateurs – 26 novembre 2009 au 17 décembre 2009

10 h 18 Objection de Me Bogante Re: document parle par lui-même

Échanges

10 h 21 Pièce D-5 : lettre datée du 6 avril 2009 de Me Morton Bassner

10 h 23 R-éinterrogée par Me Bogante

10 h 24 Me Brankin s'adresse à Me Bogante

10 h 30 Pièce P-10 : en liasse : factures 19 janvier, 11 mai, 29 juin et 13 septembre 2011

10 h 31 R-éinterrogée par Me Brankin

10 h 32 Objection de Me Bogante Re: pertinence

10 h 32 Argumentation de Me Brankin

10 h 34 Réplique de Me Bogante

10 h 34 Duplique de Me Brankin

10 h 35 Échanges entre le Tribunal et Me Brankin

10 h 35 Objection prise sous réserve par le Tribunal

10 h 36 Précisions demandées par le Tribunal

10 h 37 Me Brankin est sorti de la salle pour discuter avec son client

10 h 38 Me Brankin et sont de retour en salle d'audience

10 h 38 Échanges

10 h 40 Le Tribunal s'adresse à Me Brankin

10 h 41 Le Tribunal s'adresse au témoin

10 h 44 Le Tribunal se retire

Échanges

PREUVE DE LA DEMANDE - CLOSE

10 h 48 **SUSPENSION DE L'AUDIENCE**

REPRISE DE L'AUDIENCE

PREUVE DE LA DÉFENSE

Témoin (appèle) : Monsieur Paul Politi
 8301, Place Northcrest, #PH-R-1
 Montréal
 59 ans
 Assermenté.

10 h 49 Interrogé par Me Brankin

10 h 51 Échanges sur le document que Me Brankin veut produire

10 h 51 **Pièce D-6 :** schéma désigné par le témoin du balcon

11 h 00 Objection de Me Bogante Re: oui-dire

11 h 00 Le témoin poursuit

11 h 00 Même objection de Me Bogante

11 h 02 Objection de Me Bogante

11 h 02 Le Tribunal s'adresse au témoin

11 h 03 Intervention de Me Brankin

11 h 10 Objection de Me Bogante

11 h 10 Le Tribunal s'adresse au témoin

11 h 10 Objection de Me Bogante

11 h 11 Questions du Tribunal au témoin

11 h 14 Objection de Me Bogante Re: pertinence

11 h 16 Le Tribunal s'adresse au témoin

11 h 17 Intervention de Me Bogante

11 h 17 Le Tribunal s'adresse au témoin

11 h 19 SUSPENSION DE L'AUDIENCE

11 h 46 REPRISE DE L'AUDIENCE

11 h 47 Contre-interrogé par Me Bogante

11 h 53 Ré-Interrogé par Me Brankin

11 h 54 Objection de Me Bogante Re: déjà mentionné

Témoin (anglais) : Mme Nellia Toutissant
 6301, Place Northcrest, #PH-R-1
 Montréal
 51 ans
 Assermentée

11 h 57 Interrogée par Me Brankin

11 h 59 Précision demandée par le Tribunal

12 h 01 Pas de contre-interrogatoire

PREUVE DE LA DÉFENSE - CLOSE

CONTRE-PREUVE - DEMANDE

12 h 02 Échanges concernant les témoins dans la salle d'audience

Le Tribunal s'adresse à Me Brankin

Témoin (français) : Monsieur Claude Gosselin
 6300, place Northcrest
 Montréal
 57 ans
 Assermenté

12 h 04 Interrogé par Me Bogante

12 h 06 Plèce P-11 : Rapport de Technorm inc.

12 h 09 Précision du Tribunal au témoin

12 h 01 Précision du Tribunal au témoin

CANADA	PROCES-VERBAL D'AUDIENCE	COUR SUPERIEURE
PROVINCE DE QUEBEC	Audience	Président
DISTRICT DE MONTREAL		
500-1740657 (10-110)	15-03	du 23 novembre 2015
L'HONORABLE CLAUDE LEPAGE, J.C.S.		

The private portion (parking space) known and designated as lot number TWO MILLION ONE HUNDRED AND SEVENTY-FIVE THOUSAND SEVEN HUNDRED AND FIFTY (2 175 750) of the Cadastre of Quebec, Registration Division of Montreal;

The percentage share in the undivided interest insofar as concerns the private portions described above, the whole as established in the Declaration of Co-Ownership executed before Philippe Roberge, Notary on the twenty-ninth day of August, Nineteen Hundred and eighty-nine and published at the Montreal Land Registry Office under the number 4 192 358 and the Amended Declaration of Co-Ownership executed before Philippe Roberge, Notary, on the twentieth day of February, Nineteen Hundred and Ninety and published at the Montreal Land Registry office under the number 4 249 693;

SUBJECT to servitudes created in virtue of the terms of deeds published at the Montreal Land Registry Office under the numbers 425 409, 3 149 440, 4 187 562, 4 189 585, 4 192 358 and 4 249 693;

As the whole now subsists with all its rights, members and appurtenances thereunto belonging, together with any and all servitudes thereto attached, whether active and passive, apparent or occult, the whole without exception or reserve of any kind;

Cadastre: du Québec

Land Registry Office: Montreal

Civic Address: 6301 Place Northcrest, PH-R1

(Hereinafter the Immovable)

APPOINTS André Ferron, bailiff, or any member of the firm Paquette & Associés, as the designated person to attend the sale of the Immovable in the name of the Defendant, and to take the necessary measures to find a purchaser of the said Immovable and **ORDERS** that he be invested with all of the authority and necessary powers to sign any deed or document required to accomplish the sale of the said Immovable and that he be remunerated at the rate of \$95.00 per hour, plus all expenses incurred, said amounts to be paid out of the proceeds of the sale;

AUTHORIZES the designated person to retain the services of any real estate broker to help him find a potential purchaser and, in such event, to negotiate as remuneration, if the sale is concluded, a commission not to exceed 7% of the sale price, payable out of the proceeds of the sale;

ORDERS that the sale, at the hands of justice, by private sale, of the Immovable be effected on the following conditions:

- (i) the sale shall be without any warranty as to quality or latent defects on a "as is where is" basis;
- (ii) the minimum deposit required to be given with any offer of purchase shall be equivalent to 10% of the offered purchase price and shall be made by means of a certified cheque payable to the order of "Paquette & Associés in Trust";
- (iii) the designated person is authorized to sell the above-described immovable for a price equal to or superior to \$1,000,000.00;
- (iv) all sums received by the designated person shall be deposited in the trust account of Paquette and Associés in Trust;



- (v) all proceed of the proposed sale shall be distributed in accordance with the law;
- (vi) the sale shall not be perfected until the total purchase price shall be paid and there can be no occupancy and/or possession before that date;
- (vii) the sale must take place no later than one (1) year from the date of this judgment;
- (viii) the sale shall be made without warranty and furthermore, the designated person in effecting the sale shall act in the name of the Defendant and shall not be held personally liable for any obligation of the vendor under the law;
- (ix) the purchaser shall acquit all mutation taxes as well as any other taxes or duties of whatever nature relating to the said immovable. The purchaser shall also undertake to pay all real estate taxes, duties and assessments due and to become due, including any portion thereof for the current year as and from the date of the execution of the Deed of Sale and to pay, as of that date, all instalments of capital and interest to become due on any prior imposed special taxes, the payment of which is spread over a number of years;
- (x) the purchaser shall comply with all present and future obligations relative to the co-ownership as provided under the terms of the Declaration of Co-Ownership and the Amendment thereto published as aforesaid and as may be further amended and by the by-laws pertaining thereon or thereto, as well as to pay his proportion of any capital assessments or other sums of money presently and in the future payable with respect to ownership of the property;
- (xi) the purchaser shall assume the costs of the preparation of the Deed of Sale, its registration as well as an additional copy for the Plaintiff. The costs of radiation shall be paid by the designated person out of the proceeds of the purchase price;

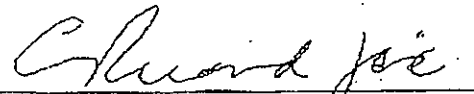
DECLARES that the sale shall not be perfected until the payment of the full purchase price;

THE WHOLE with all judicial fees and costs against Defendant, incurred by Plaintiff for the proceedings and the eventual sale and with the extra-judicial costs against Defendant, incurred by Plaintiff for the proceedings and the eventual sale, said extra-judicial costs being in the amount of \$4,642 as of August 1st, 2011;

GRANTS, in part, the plea and cross-demand of Defendant and **CONDEMNNS** Plaintiff to pay to Defendant the sum of \$150;

16 h 57

WITH COSTS.


L'HONORABLE CLAUDETTE PICARD, J.C.S.

16 h 57

Le Tribunal s'adresse à M. Pollu et, par la suite, au représentant de la demanderesse

16 h 59

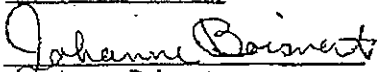
Le Tribunal s'adresse aux procureurs pour les montants

17 h 03

Échanges entre le Tribunal et les parties

17 h 12

FIN DE L'AUDIENCE


Johanne Boisvert g.a.c.s.

Martin D. Bogante

Avocat - Attorney

1 Westmount Square
Suite 939
Westmount, Québec
H3Z 2P9

Téléphone: (514) 932-7392
Cell: (514) 799-1553
Fax: (514) 932-0990

January 11, 2012

By fax: 514 875.8218

WITHOUT PREJUDICE

Me Donald Michelin
Stein & Stein Inc.
4101 Sherbrooke Street West
Montreal (Quebec) H3Z 1A7

RE: Syndicat de Copropriétaires Northcrest
-vs- Paul Politi
SCM: 500-17-065416-110

Dear Confrere:

Further to your request, this will confirm our numerous discussions, emails and faxes to the effect that the judgment rendered by the Honourable Claudette Picard, J.C.S., on November 25th, 2011, has not been appealed.

The following amounts are due.

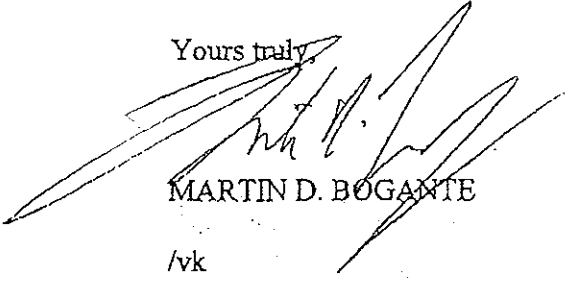
Syndicat Northcrest vs. Paul Politi

Judgment	\$33671.00
Interest on \$23749.00 from December 13, 2010, to January 11, 2012 = 394 days x 3.9039 per day	\$1538.14
Interest on \$9922.00 from November 25 to January 11, 2012 = 47 days x 1.63 / day	76.61
Judicial costs	2141.82
Extra judicial costs	
(1) to August 1 st , 2011	4642.00
(2) From August 1 st , 2011, to November 25 th , 2011	2887.50
Total:	44957.07
Less compensation	<u>150.00</u>
TOTAL DUE:	<u>44807.07</u>

This does not take into account any condo fees or assessments charged since the judgment.

As my instructions are to proceed immediately to execute this judgment in accordance with its terms, please advise as to your client's intentions.

Yours truly,



MARTIN D. BOGANTE

/vk

Encl.

Stein & Stein INC.

4107, rue Sherbrooke O
Montréal, Québec
Canada H3Z 1A7
Tél.: (514) 866-9806
Téléc: (514) 875-8218
www.steinandstein.com

Montreal, January 31, 2012

Mr. Paul Politi
6449 Concession 4
Goodwood, Ontario
L0C 1A0

Neil H. Stein
Telephone: (514) 866-9806 ext 209
nstein@steinandstein.com
Assistant: Veronica Handai
Telephone: (514) 866-9806 ext 205
nhs-assistant@steinandstein.com

Without Prejudice

Re: Dr. Uri Sagman
Court No. 500-17-043117-087
Our File: 11544-5

Dear Sir,


Further to our letter of January 25, 2012, we wish to advise that in addition to the amounts claimed in our letter, our client has paid the additional sum of \$40,732.33 in respect of taxes due for the property situated at 6301 Northcrest, PH-R1, during your unjustified occupation of same. Please be advised that the aforesaid sum does not represent the full sum due for taxes up until date of Judgment rendered against you and for which our client reserves his rights.

Accordingly, demand is present made for the additional sum of \$40,732.33. Kindly forward your certified cheque for the sums due and for which demand has been made to date which total \$390,856.83.

Failing receipt of payment of the aforesaid sums within five (5) days hereof, our client reserves his right to institute such legal proceedings as he deems necessary.

Yours very truly,

STEIN & STEIN INC.


Per: Neil H. Stein
NHS/vh

c.c. Dr. Uri Sagman
Me. Danielle Oiknine

NO.	SUPERIOR COURT (Commercial Division) PROVINCE OF QUEBEC DISTRICT OF MONTREAL
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IN THE MATTER OF THE BANKRUPTCY OF:

MR. PAUL POLITI	<i>Debtor</i>
-----------------	---------------

-and-	
DR. URI SAGMAN	<i>Petitioner</i>

Exhibit P-3

CODE NO. BS0327	FILE NO. 11544-8
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ME NEIL H. STEIN
STEIN & STEIN INC.
Avocats/Barristers & Solicitors
4101 ouest rue Sherbrooke Street West
MONTREAL, QUEBEC H3Z 1A7
TEL: 514-866-9806 / FAX: 514-875-8218



Royal Bank of Canada
Banque Royale du Canada
414 SPADINA RD. (FOREST HILL VILLAGE)
TORONTO, ON

PAY TO THE ORDER OF MARTIN D. ROSENTHAL IN TRUST
PAYER À L'ORDRE DE MARTIN D. ROSENTHAL

46316137 2-516
DATE 20120204
Y/A M/M D/J

\$48,395.35
CANADIAN DOLLARS CANADIENS

RE/OBJET 6056757 CHIEF OF POLICE

PURCHASER NAME URI SAGAMAN
PURCHASER ADDRESS 13 OLD FOREST HILL ROAD
TORONTO ONTARIO
CANADA M5P 2P6

NON DE L'ACHETEUR [Signature]
ADRESSE DE L'ACHETEUR [Signature]
COUNTERSIGNED BY (CONTRESIGNÉ) [Signature]

1146316137 12014120031 099001305

NO.

SUPERIOR COURT
(Commercial Division)
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE BANKRUPTCY OF:

MR. PAUL POLITI

Debtor

-and-

DR. URI SAGMAN

Petitioner

Exhibit P-4

CODE NO. BS0327

FILE NO. 11544-8

ME NEIL H. STEIN
STEIN & STEIN INC.

Avocats/Barristers & Solicitors

4101 ouest rue Sherbrooke Street West
MONTREAL, QUEBEC H3Z 1A7

TEL: 514-866-9806 / FAX: 514-875-8218

13 JUN 2012

NO. 500-11-042714-127

126

SUPERIOR COURT
(Commercial Division)
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE BANKRUPTCY OF:

MR. PAUL POLITI

Debtor

-and-

DR. URI SAGMAN

Petitioner

PETITION IN BANKRUPTCY

(Art. 42 et seq. *The Bankruptcy & Insolvency Act*),
Affidavit, Notice of Presentation, List of Exhibits and
Exhibits P-1 to P-4

DUPLICATE ORIGINAL
(For Proof of Service)

CODE NO. BS0327

FILE NO. 11544-8

ME NEIL H. STEIN
STEIN & STEIN INC.

Avocats/Barristers & Solicitors

4101 ouest rue Sherbrooke Street West

MONTREAL, QUEBEC H3Z 1A7

TEL: 514-866-9806 / FAX: 514-875-8218

1136563