



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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File No.: 2021-15

## IN THE MATTER OF

**BRIDGING FINANCE INC., DAVID SHARPE, BRIDGING INCOME FUND LP,  
BRIDGING MID- MARKET DEBT FUND LP, BRIDGING INCOME RSP FUND,  
BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT  
INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING  
SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, AND BRIDGING  
INDIGENOUS IMPACT FUND**

## MOTION

(For Extension of a Temporary Order  
Under Subsection 127(1) of the  
*Securities Act*, RSO 1990 c S.5)

### A. ORDER SOUGHT

The moving party, the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make the following orders:

1. An order pursuant to subsections 127(8), 127(2) and paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990 c S.5 (the **Act**) that, until 30 days after the Tribunal releases its decision on the merits in proceeding no. 2022-9 (the **Merits Decision**), all trading in securities of Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, and Bridging Indigenous Impact Fund (collectively, the **BFI Funds**) shall cease, except that PricewaterhouseCoopers Inc. (**PwC** or the **Receiver**) in its capacity as receiver and manager, without security, of all the assets, undertakings and properties of Bridging Finance Inc. (**BFI**) and the BFI Funds may trade in or facilitate the issuance or

redemption of units of a BFI Fund with prior approval of the Ontario Superior Court of Justice (the **Court**);

2. An order abridging the time required for service and filing of the Commission's motion record pursuant to Rules 3 and 4(2) of the *Capital Market Tribunal Rules of Procedure and Forms* (the **Rules**);

3. An order that this motion be heard in writing pursuant to Rule 23(6); and

4. Such other order as the Tribunal considers appropriate in the public interest.

## **B. GROUNDS**

The grounds for the request are:

### **The Investigation**

1. An investigation was conducted into Bridging and others;

2. On March 31, 2022, the Tribunal issued a Notice of Hearing commencing proceeding no. 2022-9 (the **Enforcement Proceeding**) against BFI and others.

3. On March 31, 2022, the Commission filed a Statement of Allegations in the Enforcement Proceeding. The allegations made against BFI include;

(a) that it and certain of its directors and officers engaged in or participated in acts, practices or courses of conduct relating to securities which they knew or reasonably ought to have known perpetrated a fraud on unitholders in the BFI Funds contrary to section 126.1(1)(b) of the Act;

(b) that it and certain of its directors and officers made statements in material, evidence and/or information submitted to the Commission that, in a material respect and at the time and in light of the circumstances under which the statements were made, were misleading or untrue, or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to clause 122(1)(a) of the Act; and

(c) that it and certain of its directors and officers failed to take reasonable steps to identify and respond to material conflicts of interest, contrary to subsections 13.4(1), (2) and (3) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and contrary to clause 32(1)(g) of the Act;

4. The merits hearing in the Enforcement Proceeding is currently scheduled to begin on June 26, 2023, and run to February 6, 2024.

### **The Temporary Order and the Extensions**

5. On April 30, 2021, the Tribunal issued a temporary order (the **Temporary Order**);
6. The Temporary Order provided, among other things, that:
- (a) all trading in securities of the BFI Funds shall cease; and
  - (b) the Temporary Order shall take effect immediately and expire on the 15th day after its making unless extended by order of the Tribunal;
7. On May 12, 2021, the Tribunal issued an order (the **May 12 Order**) that, pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the Act, until August 12, 2021, all trading in securities of the BFI Funds shall cease;
8. The May 12 Order was extended on August 10, 2021. Further extensions of the cease trade provisions of the Temporary Order were granted on December 22, 2021, March 21, 2022, June 29, 2022, and September 26, 2022. Under the order dated September 26, 2022, the cease trade provisions of the Temporary Order are currently due to expire on March 31, 2023.

### **The Receivership**

9. On application by the Commission, the Court issued an order dated April 30, 2021 (the **Appointment Order**) appointing PwC as receiver and manager, without security, of all the assets, undertakings and properties of BFI and the BFI Funds (the **Receivership Proceeding**);
10. On May 3, 2021, the Court issued an order (the **Additional Appointment Order**) appointing PwC as receiver and manager, without security, of all the assets, undertakings and properties of certain other entities connected to BFI;

11. On May 14, 2021, the Court issued an order (the **Continuation Order**) continuing PwC's appointment under the Appointment Order and the Additional Appointment Order until further order of the Court;

12. On March 27, 2023, the Receiver's counsel advised by letter that the Receiver supported a further extension of the Temporary Order until 30 days after the release of the Tribunal's Merits Decision, subject to an exception available only to the Receiver with prior approval from the Court. The Receiver's reasons for supporting a further extension include that:

- It has become very likely that there will be no continuation of Bridging as a going concern or a resumption of trading in [securities of the BFI Funds] in the future (with the exception of any limited trades carried out by the Receiver, subject to the approval of the Court, required to facilitate the liquidation of Bridging and its assets);
- The length of time required by the Receiver to complete its mandate in the Receivership Proceeding remains uncertain; and
- The Tribunal extending the Temporary Order until after the release of the Merits Decision will conserve estate resources.

13. The Commission notes as well that extending the Temporary Order to 30 days after the release of the Merits Decision will also conserve Tribunal and Commission resources.

14. As noted above, the Temporary Order dated September 26, 2022 is set to expire on March 31, 2023. Accordingly, the Commission requests that the Tribunal issue an Order in form attached in draft in the Commission's Motion Record on or before March 31, 2023.

15. It took longer than expected for the Commission and the Receiver to consult and determine the length of the extension to the Temporary Order to be sought. Accordingly, the Commission was unable to provide the Receiver and the Tribunal with notice of this motion consistent with the timelines in the Rules and an abridgment of the time for service and filing of this motion is required.

16. The Receiver supports the extension of the Temporary Order before its expiry and consents to the relief sought in this motion, including the requested abridgment and that this motion be heard in writing.

### **Ongoing Proceedings and Consent**

17. The Enforcement Proceeding and the Receivership Proceeding are ongoing;

18. The order sought is necessary to protect investors and is in the public interest;

19. PwC, in its capacity as Receiver of BFI and the BFI Funds, consents to the relief sought;

20. Given the consent of the Receiver, it would be just and expeditious to conduct this motion in writing. An oral hearing of this motion would needlessly consume Tribunal resources;

21. Subsections 127(1), 127(2) and 127(8) of the Act;

22. Rules 3, 4(2), 23(6) and 28 of the Rules; and

23. Such further grounds as counsel may advise and the Tribunal may permit.

### **C. EVIDENCE**

The moving party intends to rely on the following evidence for the motion:

1. The materials filed with the Tribunal previously in connection with this proceeding;

2. The affidavit of Rima Jahshan dated March 27, 2023 and exhibits thereto; and

3. Such further evidence as counsel may advise and the Tribunal may permit.

March 27, 2023

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