

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

- and -

**1818216 ONTARIO INC., OPERATING AS RAVI KITCHEN AND RAVI
WRAPS AND SALADS, RAVI SOUPS AND WRAPS INC., 1865994
ONTARIO INC. AND THARMINI KANDASAMY**

Defendants

FACTUM OF THE RECEIVER

September 6, 2024

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TO: **SERVICE LIST**

PART I - NATURE OF THE MOTION

1. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "**Court**"), dated March 6, 2024 (the "**Appointment Order**"), BDO Canada Limited ("**BDO**") was appointed as receiver and manager (in such capacities, the "**Receiver**") without security, of all the assets, undertakings, and properties (collectively, the "**Property**") of 1818216 Ontario Inc. operating as Ravi Kitchen and Ravi Wraps and Salads (the "**Debtor**"), pursuant to an Application made by the Royal Bank of Canada ("**RBC**").¹

2. A principal focus of the Receiver at this time is to monetize the real property owned by the Debtor. As a result, the Receiver seeks:

- (a) An order approving the sale transaction between Moraki Holding Inc. ("**Moraki**") and the Receiver, as vendor, and vesting in Moraki all right, title and interest in the Coronet Road Property (defined below), and the chattels located therein, free and clear of any encumbrances (the "**Approval and Vesting Order**"); and
- (b) An ancillary order ("**Ancillary Order**") which provides amongst other things, approval of the Second Report of the Receiver dated August 29, 2024 ("**Second Report**") and the actions of the Receiver as described therein, sealing the Confidential Brief to the Second Report dated September 4, 2024 (the "**Second Confidential Brief**"), and approving the fees and disbursements of the Receiver and its counsel.

PART II - SUMMARY OF FACTS

A. Background

4. The Debtor is the registered owner of the following commercial condominium properties:

- (a) 2855 Markham Road, Units 101 & 102, Toronto, Ontario, (the "**Markham Road Property**"); and

¹ Appointment Order dated March 6, 2024, attached as Appendix "A" to Second Report of the Receiver dated August 29, 2024 ("**Second Report**") and First Report of the Receiver dated June 17, 2024 (without appendices) at para 1 ("**First Report**") attached as Appendix "C" to the Second Report.

(b) 27 Coronet Road, Unit 17, Etobicoke, Ontario (the “**Coronet Road Property**”).²

5. The Markham Road Property and the Coronet Road Property (collectively the “**Real Property**”) are subject to first-ranking mortgages/charges granted in favour of RBC registered in the principal amounts of \$720,000 and \$572,000 respectively.³

6. The Markham Road Property is subject to a second mortgage/charge granted in favour of Rajinder Singh Pahal registered in the principal amount of \$400,000.⁴

7. The Coronet Road Property is subject to a second mortgage/charge granted in favour of Daljit Singh Banga registered in the principal amount of \$300,000 and increased to an amount of \$500,000.⁵

8. There are outstanding property taxes, condo fee arrears and liens on both properties.⁶

9. Since its appointment, the Receiver has, amongst other things, effected possession of the Coronet Road Property and the assets located therein. The Receiver terminated the Debtor’s operations at this location, which consisted of a commercial soup kitchen which serviced a separate restaurant location.⁷

B. Listing Agreement and Sales Process of the Coronet Road Property

10. The Receiver obtained an order approving, amongst other things, a sales process to market both the Coronet Road and Markham Road Properties (the “**Sales Process and Sealing Order**”).⁸ The Sales Process and Sealing Order also approved the Receiver executing listing agreements in respect of both properties, and to retain the services of Colliers Macaulay Nicolls Inc. (“**Colliers**”) as broker to market the properties.⁹

² First Report at para 2.

³ First Report at para 3.

⁴ First Report at para 4.

⁵ First Report at para 5.

⁶ First Report at para 6.

⁷ First Report at para 11.

⁸ Second Report at para 4 and Sales Process and Sealing Order dated June 26, 2024, attached as Appendix “B” to the Second Report.

⁹ Sales Process and Sealing Order dated June 26, 2024 at paras 8-13, attached as Appendix “B” to the Second Report.

11. At this time, the Receiver only seeks approval of a sale in respect of the Coronet Road Property. The Markham Road Property continues to be marketed.¹⁰

12. In particular, the Coronet Road property was listed at a price of \$1,095,000, which takes into account various kitchen equipment left at the premises.¹¹

13. This listing price is also consistent with appraisals obtained by the Receiver in connection with both the Coronet Road Property and the kitchen equipment. Copies of these appraisals commissioned by the Receiver in support of the listing price are attached to the Receiver's Second Confidential Brief.¹²

14. Colliers' marketing activities included a combination of listing on the TRREB MLS System ("MLS"), contact with their proprietary investor list, a private mailing to leading commercial brokers that deal in this product on a regular basis, engaging in digital campaigns using various social media platforms, print media, engaging in discussions and providing property tours to interested parties as requested.¹³

15. On July 5, 2024, an offer was received with respect to the Coronet Road Property which was accepted by the Receiver on July 10, 2024.¹⁴ Details of this offer, including the Receiver's rationale for acceptance of same, are included in the Second Confidential Brief.

16. The Receiver seeks approval of the Agreement of Purchase and Sale, between the Receiver, as seller, and Moraki Holding Inc., as buyer, dated July 5, 2024, as amended by an Amending Agreement dated August 27, 2024 (the "**Moraki APS**"). The proposed transaction provides for the sale of the Coronet Road Property as well as kitchen equipment, which is listed at Schedule "C" to the agreement (the "**Moraki Transaction**").¹⁵

¹⁰ Second Report at para 9.

¹¹ Second Report at para 6.

¹² Confidential Brief to the Second Report dated September 4, 2024 ("**Second Confidential Brief**"). Appraisals attached as Confidential Exhibits "3", "4" and "5".

¹³ Second Report at para 8.

¹⁴ Second Report at para 10.

¹⁵ Second Report at para 11. A redacted copy of the Agreement of Purchase and Sale and the amending agreement are attached as Appendix "D" to the Second Report. An unredacted copy is attached as Confidential Exhibit "1" to the Second Confidential Brief.

17. Due to Court availability, the original closing date has been extended to September 24, 2024, by way of an Amending Agreement dated August 27, 2024. Moraki is to advise the Receiver by August 29, 2024, of any assignment.

18. Since entering into the APS, Moraki has paid the deposit to the Receiver's broker and has provided two waivers in respect of the need to provide a status certificate and to undertake certain due diligence.¹⁶

19. On July 11, 2024, a second offer was received with respect to the Coronet Road Property. The second offer was received following the Receiver's acceptance of the first offer and by extension the Receiver was not in a position to consider same.¹⁷ Details of the second offer are included in the Confidential Brief.¹⁸

D. Receiver's Activities

20. The activities of the Receiver are described more fully in the Second Report. The Receiver has, amongst other things:

- (a) Continued to collect rent from the Tenant at the Markham Road Property; and
- (b) Carry out a sales process culminating in the proposed sale of the Coronet Road Property and the kitchen equipment therein to Moraki.¹⁹

PART III - THE ISSUES AND THE LAW

21. The issues on this motion are:

- (a) Whether the Moraki APS and Moraki Transaction should be approved;
- (b) Whether the Approval and Vesting Order should be granted; and
- (c) Whether the Ancillary Order should be granted.

¹⁶ Second Report at para 11. The waivers are attached as Appendix "E" to the Second Report.

¹⁷ Second Report at para 14.

¹⁸ Second Report at para 14 and Confidential Brief at para 2.8.

¹⁹ Second Report at paras 5 and 23.

A. The Moraki Transaction and Moraki APS should be Approved

(i) *The Legal Framework*

22. In *Royal Bank v. Soundair*, the Court of Appeal stated that the following factors must be considered when considering the approval of a proposed sale: (i) whether the Receiver has made a sufficient effort to get the best price and has not acted improvidently; (ii) the efficacy and integrity of the process by which offers are obtained; (iii) whether there has been unfairness in the working out of the process; and, (iv) the interests of all parties.²⁰

23. Courts will generally defer to a court-appointed receiver's business expertise in reviewing a sale and will not second-guess their recommendation absent exceptional circumstances.²¹ Where a receiver has acted reasonably, prudently and not arbitrarily, the court will not conduct a detailed review of each aspect of the procedure by which a receiver's decision was made with respect to a sales process.²²

24. Pursuant to the Appointment Order, the Receiver is authorized, amongst other things, to market the Debtors' property and to retain the services of other persons to fulfill its duties.²³

(ii) *The Soundair Principles have been satisfied*

25. Each of foregoing factors are satisfied in respect of the proposed sale of the Coronet Road Property and the kitchen equipment to Moraki:

(a) **Fairness, Transparency, and Integrity:** The Receiver carried out a marketing process consistent with the Sale Process and Sealing Order, which had been approved by the Court. The Coronet Road was listed pursuant to a court-approved listing agreement and the Receiver engaged Colliers as broker.²⁴

(b) **Commercial Efficacy:** Colliers carried out a marketing process, which included a MLS listing. The Listing Agreements provide a listing price, which is in line with the appraisals

²⁰ *Royal Bank of Canada v. Soundair Corp.*, [1991 CanLII 2727 \(ON CA\)](#).

²¹ *Marchant Realty Partners Inc. v. 2407553 Ontario Inc.*, [2021 ONCA 375](#) at [para. 15](#) citing *Regal Constellation Hotel Ltd., Re.*, [2004 CanLII 206 \(ONCA\)](#) at [para. 23](#). See also *Ontario Securities Commission v. Bridging Finance Inc.*, [2022 ONSC 1857](#) at [paras. 43-45](#).

²² *Bank of Montreal v. Dedicated National Pharmacies Inc. et al.*, [2011 ONSC 4634](#) at [para 43](#).

²³ Appointment Order at para. 3(d) and para 3(j), attached as Appendix A to the Second Report.

²⁴ Second Report at paras 6-8.

commissioned by the Receiver.²⁵ Further, the listing agreement takes into account the value of the equipment on site, which the Receiver had also appraised.²⁶

(c) **Best Possible Price:** As more fully set out in the Second Confidential Brief, the Receiver's position is that the offer made by Moraki is fair and commercially reasonable and should be approved by the court.²⁷

26. The Receiver thus recommends that the Court approve the Moraki Transaction and the Morakai APS for the reasons set out above.

B. The Approval and Vesting Order should be granted

(i) The Legal Framework

27. The Receiver seeks an approval and vesting order to grant the Coronet Road Property and the kitchen equipment located therein to Moraki free and clear of any claims and encumbrances, other than permitted encumbrances.

28. The Court has the power to grant approval and vesting orders pursuant to section 100 of the *Courts of Justice Act*. This section states that:

A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed."²⁸

29. Vesting orders are a routine part of insolvency practice.²⁹ As set out by the Ontario Court of Appeal in *Third Eye Capital Corporation v. Resources Dianor Inc./Dianor Resources Inc.*, the court will adopt a rigorous cascade analysis. It will consider the nature and strength of the interest that is proposed to be extinguished. The court can also consider if the parties have consented to the vesting of the interest at the time of sale before the court, or through prior agreement.³⁰ If these

²⁵ Second Report at para 8 and First Report at para 14.

²⁶ Second Report at para 6.

²⁷ Second Confidential Brief at para 2.11.

²⁸ [Courts of Justice Act, RSO 100, c. C.42, s. 100.](#)

²⁹ *Third Eye Capital Corporation v. Resources Dianor Inc./Dianor Resources Inc.*, [2019 ONCA 508 at para 104.](#)

³⁰ *Third Eye Capital Corporation v. Resources Dianor Inc./Dianor Resources Inc.*, [2019 ONCA 508 at paras 103-106.](#)

factors proved inconclusive, the court can engage in a consideration of equities to determine if a vesting order is appropriate.³¹

(ii) Encumbrances

30. The APS requires the Receiver to deliver the Coronet Road Property free and clear of any encumbrances. Specifically, the proposed form of vesting order seeks to extinguish the following interests registered on title to the Coronet Road Property:

- (a) a first-ranking charge granted in favour of Royal Bank of Canada (“RBC”) registered in the amount of \$572,000;³²
- (b) a second-ranking charge granted in favour of Daljit Singh Banga in the principal amount of \$300,000. This charge was increased to \$500,000 by the registration of a notice, which amended, *inter alia*, the principal amount of the charge;³³
- (c) A condominium lien registered by the Toronto Standard Condominium Corporation No. 2748 in the amount of \$1,125, along with outstanding common expenses in the amount of \$2,856.54 and³⁴
- (d) An instrument reflecting the receivership’s appointment in these proceedings.³⁵

31. In addition to the foregoing:

- (a) the Coronet Road Property remains subject to property tax arrears of approximately \$27,225.14 amount as at August 15, 2024, with property taxes continuing to accrue;³⁶
- (b) The Canada Revenue Agency has indicated that there is a deemed trust claim, for which the Receiver has requested additional information;³⁷

³¹ *Third Eye Capital Corporation v. Resources Dianor Inc./Dianor Resources Inc.*, [2019 ONCA 508 at para 110](#).

³² A copy of the charge can be found at Appendix H to the Second Report.

³³ A copy of the charge can be found at Appendix I to the Second Report.

³⁴ A copy of the lien can be found at Appendix K to the Second Report. A copy of the status certificate can be found at Appendix G of the Second Report.

³⁵ Second Report at para 21. See also Appendix J to the Second Report for a copy of the instrument.

³⁶ Second Report at para 18 and Appendix F.

³⁷ Second Report at para 20.

- (c) The only registered secured claimants under the *Personal Property Security Act* (Ontario) are RBC. The Mercedes-Benz Financial and Mercedes-Benz Financial Services Canada Corporation registrations have been discharged; and³⁸
- (d) The appointment order of the Honourable Justice Black dated March 6, 2024 also granted a Receiver's charge to secure its fees as well as Receiver's borrowings charge.³⁹

32. It is appropriate for the Court to issue an approval and vesting order, granting the Coronet Road Property and the kitchen equipment located therein to Moraki free and clear of any claims and encumbrances described above (other than permitted encumbrances).

33. The receivership proceedings were brought on the application of RBC, the first-ranking mortgagee and the only secured claimant. The Receiver intends to pay the outstanding property tax arrears as part of the closing of the transaction.

34. Since the service of these materials, the Receiver is not aware of any opposition to the sale.

35. The sale was conducted in a manner that meets the *Soundair* principles, and the sale proceeds provides for some form of realization to certain secured creditors. It is the Receiver's intent to bring a motion for distribution at a later date.⁴⁰

C. The Ancillary Order should be Granted

(i) The Second Report and the Activities of the Receiver Should be Approved

36. The Receiver also seeks an ancillary order approving the Second Report along with the actions, conduct and activities of the Receiver referred to therein.

37. The Court has inherent jurisdiction to review and approve the activities of a court appointed receiver where the receiver has met the objective test that it has acted reasonably, prudently and not arbitrarily.⁴¹ The principles espoused by Justice Morawetz in *Re Target Canada Co*, a case

³⁸ Please note that there is an error in the Confidential Brief that lists Mercedes-Benz as still a registered secured claimant. Copies of the PPSA Searches can be found at Confidential Exhibit "6" to the Second Confidential Report.

³⁹ Appointment Order at para 19 and para 22, attached as Appendix A to the Second Report.

⁴⁰ Second Report at para 20.

⁴¹ *Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd.*, 2014 BCSC 1855 at [para 54](#).

involving proceedings under the *Companies Creditors' Arrangement Act*, are applicable here. He noted that requests to approve a court-appointed officer's reports are not unusual, and that there are good policy and practical reasons for such approval to provide a level of protection.⁴² In particular, Justice Morawetz also noted that Court approval:

- (a) allows the Monitor to move forward with the next steps in the CCAA proceedings;
- (b) brings the Monitor's activities before the Court;
- (c) allows an opportunity for the concerns of the stakeholders to be addressed, and any problems to be rectified,
- (d) enables the Court to satisfy itself that the Monitor's activities have been conducted in a prudent and diligent manner;
- (e) provides protection for the Monitor not otherwise provided by the CCAA; and
- (f) protects the creditors from the delay and distribution that would be caused by:
 - (i) re-litigation of steps taken to date, and
 - (ii) potential indemnity claims by the Monitor.⁴³

38. Subsequent case law has confirmed that these considerations apply equally to the reports and activities of a receiver,⁴⁴ and such approval is commonly granted as part of orders in receivership proceedings.⁴⁵

39. The activities of the Receiver have been reported to the court and stakeholders in the Second Report. Its activities were all necessary and undertaken in good faith in accordance with the Appointment Order, further to the best interests of the Debtors' stakeholders generally.

(ii) Approval of the Receiver and its Counsel's Fees

⁴² *Target Canada Co. (Re)*, 2015 ONSC 7574 at [para 2](#) and [para 22](#).

⁴³ *Target Canada Co. (Re)*, 2015 ONSC 7574 at [para 23](#).

⁴⁴ *Hanfeng Evergreen Inc., (Re)*, 2017 ONSC 7161 at [para 15](#).

⁴⁵ See e.g., *Sale Process Approval Order in Atrium Mortgage Investment Corporation and Door Capital Corporation v. Stateview Homes (Nao Towns II) Inc., et al.*, Court File No. CV-23-00698395-00CL, dated June 4, 2023.

40. The Receiver also submits that the fees of the Receiver and its counsel described therein should be approved.

41. The Court of Appeal in *Bank of Nova Scotia v. Diemer* set out a non-exhaustive list of factors that provide useful guidance in considering fees of a receiver and its counsel. These include:

- (a) the nature, extent and value of the assets;
- (b) the complications and difficulties encountered;
- (c) the degree of assistance provided by the debtor;
- (d) the time spent;
- (e) the receiver's knowledge, experience and skill;
- (f) the diligence and thoroughness displayed;
- (g) the responsibilities assumed;
- (h) the results of the receiver's efforts; and
- (i) the cost of comparable services when performed in a prudent and economical manner.⁴⁶

42. The Receiver respectfully submits that it and its counsel's fees are fair, reasonable and justified in the circumstances.⁴⁷ They accurately reflect the work done in the course of these proceedings. The activities of the Receiver were carried out in accordance with the Appointment Order, and the Receiver has acted reasonably and in good faith throughout the receivership.

(iii) The Sealing Order should be Granted

43. The Receiver also seeks a sealing order with respect to Second Confidential Brief. The Second Confidential Brief contains, amongst other things, the appraisals for the Coronet Road

⁴⁶ *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 at [para 33](#).

⁴⁷ Second Report at paras 27-29.

Property, the kitchen equipment, the unredacted copy of the Moraki APS, and the second offer the Receiver received on the Coronet Road Property.

44. The applicable legal test for granting a sealing order is that the party seeking such relief must establish that:

- (a) court openness poses a serious risk to an important public interest;
- (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.⁴⁸

45. This Court has granted sealing orders in respect of commercial information that could negatively impact any sales process in the event that the proposed transaction does not close and the property must undergo another marketing process.⁴⁹ This Court has also observed that disclosure of items such as realization estimates may have a negative impact on future realizations and be detrimental to efforts to maximize value for shareholders.⁵⁰ This Court has further held that, in such circumstances, there is no reasonable alternative to a sealing order; stakeholders will not be materially prejudiced; and any deleterious effects are outweighed by the benefits of granting such relief.⁵¹

46. Disclosure of the contents of the Second Confidential Brief could have a detrimental impact of any future sales process, should one be required if the Moraki Transaction is not approved or otherwise does not close. The Second Confidential Brief contains documents that sets out, amongst other things, various appraisals of the Coronet Road Property and the equipment. Disclosure of this information could impact any future realizations in a future sales process, should one be required. There is no reasonable alternative to any sealing order here, and stakeholders would not be materially prejudiced by this sealing order. The benefits of maximizing value for shareholders outweigh any deleterious effects of the relief sought.

⁴⁸ *Sherman Estate v. Donovan*, 2021 SCC 25 at [para 38](#).

⁴⁹ *Romspen Investment Corporation v. Tung Kee Investment Canada Ltd. et al.*, 2023 ONSC 5911 at [paras 104-107](#).

⁵⁰ *Ontario Securities Commission v. Bridging Finance Inc.*, 2022 ONSC 1857 at [paras 50-53](#).

⁵¹ *Ontario Securities Commission v. Bridging Finance Inc.*, 2022 ONSC 1857 at [paras 50-53](#).

PART IV - RELIEF SOUGHT

47. For the reasons set out above, the Receiver requests that this Court grant the proposed Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6th day of September 2024.



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*Lawyers for the Receiver, BDO Canada
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SCHEDULE “A”: LIST OF AUTHORITIES

1. *Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508
2. *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA)
3. *Marchant Realty Partners Inc. v. 2407553 Ontario Inc.*, 2021 ONCA 375
4. *Regal Constellation Hotel Ltd., Re.*, 2004 CanLII 206 (ONCA)
5. *Ontario Securities Commission v. Bridging Finance Inc.*, 2022 ONSC 1857
6. *Bank of Montreal v. Dedicated National Pharmacies Inc. et al.*, 2011 ONSC 4634
7. *Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd.*, 2014 BCSC 1855
8. *Target Canada Co. (Re)*, 2015 ONSC 7574
9. *Hanfeng Evergreen Inc., (Re)*, 2017 ONSC 7161
10. *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851
11. *Sherman Estate v. Donovan*, 2021 SCC 25
12. *Romspen Investment Corporation v. Tung Kee Investment Canada Ltd. et al.*, 2023 ONSC 5911
13. *Atrium Mortgage Investment Corporation and Door Capital Corporation v. Stateview Homes (Nao Towns II) Inc., et al.*, Court File No. CV-23-00698395-00CL, dated June 4, 2023.

**SCHEDULE “B”
TEXT OF STATUTES, REGULATIONS & BY-LAWS**

Courts of Justice Act, RSO 1990, c. C.43

Vesting orders

100 A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed. R.S.O. 1990, c. C.43, s. 100

Bankruptcy and Insolvency Act, RSC 1985, c B-3

PART XI

Secured Creditors and Receivers

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person’s or bankrupt’s business; or
- (c) take any other action that the court considers advisable.

Restriction on appointment of receiver

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

- (a) the insolvent person consents to an earlier enforcement under subsection 244(2); or
- (b) the court considers it appropriate to appoint a receiver before then.

Definition of receiver

(2) Subject to subsections (3) and (4), in this Part, **receiver** means a person who

- (a) is appointed under subsection (1); or
- (b) is appointed to take or takes possession or control — of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt

that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt — under

- (i) an agreement under which property becomes subject to a security (in this Part referred to as a “security agreement”), or
- (ii) a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or receiver-manager.

Definition of receiver — subsection 248(2)

(3) For the purposes of subsection 248(2), the definition receiver in subsection (2) is to be read without reference to paragraph (a) or subparagraph (b)(ii).

Trustee to be appointed

(4) Only a trustee may be appointed under subsection (1) or under an agreement or order referred to in paragraph (2)(b).

Place of filing

(5) The application is to be filed in a court having jurisdiction in the judicial district of the locality of the debtor.

Orders respecting fees and disbursements

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver’s claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

Meaning of disbursements

(7) In subsection (6), **disbursements** does not include payments made in the operation of a business of the insolvent person or bankrupt.

ROYAL BANK OF CANADA

- and - **1818216 ONTARIO INC. et al.**

Plaintiff

Defendants

Court File No. CV-24-00714666-00CL

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COMMERCIAL LIST

Proceedings commenced at Toronto

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