

Court File Number: CV-1P-608356-CL

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Budweiser Credit Union Limited

Plaintiff(s)

AND

232 1197 Ontario Inc.

Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:

- Order     Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

This is a motion to convert an interim receivership over a residential property, the Puccini property, into a full receivership.

The Resp admits that at least \$1.5 M was advanced to fund this property. It was built for resale - The Demeris do not

December 4, 2018  
Date

[Signature]  
Judge's Signature

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## Judges Endorsment Continued

live there.

On fact the property was vacant for several years. It is currently occupied by friends of Mr. DeMarice who have no lease and pay no rent.

The evidence is not contradicted that no payments have been made in respect of the loan on the Puccini property for over a year and that tax arrears are not being paid and are accumulating.

That the Applicant's mortgage is in default is not in dispute.

The purpose for expanding the Receiver's powers over this property is to market and sell it for the

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highest realizable value.

Mr. Winter argues there is no rush, and that Mr. De Maria has testified that he cannot recall signing a second mortgage document increasing the loan to \$2.5M, and that the initials are not his initials.

I am not persuaded by these arguments. This project is, in effect, a wasting asset. It is not being deployed to any economic advantage while tax arrears, not to mention the BCU loan, are not being paid.

Whether the amount secured is \$1.5M or 2.5M does not at

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This point matter as to whether  
the process for realizing on the  
economic value of the process  
is put in motion.

The Interim Receiver, having investigated  
the Puccini property (and determined  
it is not being managed for any  
economic benefit and is occupied  
by persons with ~~no~~ no lease and  
who pay no rent recommended  
expanding the receivership so that  
the Puccini property can be marketed  
and sold.

The appointment of ~~an~~ Receiver  
is of course a matter of discretion.  
I must have regard to all the  
circumstances, particularly the  
nature of the property and the

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rights and interests of all parties in  
the property.

Here, given the occupancy by  
non-paying tenants, the number of  
creditors asserting claims and  
the potential for controversial  
priority and other issues, I  
am satisfied that a private  
receivership would be a much  
more effective approach.

I find, in all the circumstances,  
that it would be just and  
convenient to appoint KSV as  
receiver of the Puccini property,  
and to approve the approach  
already taken for the marketing  
of the Elm Grove property as the  
appropriate approach to the marketing

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of the Puccini property.

I granted the order sought earlier today with reason to follow. These are those reasons.