



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: BK-20-02675288-0031 DATE: August 31, 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: In the Matter of the Proposal of 2505243 Ontario Limited

BEFORE JUSTICE: Justice Cavanagh

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Jennifer Stam	2505243 Ontario Ltd.	Jennifer.stam@nortonrosefulbright.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Peter Carey	PGH	pcarey@levittlp.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jeffrey Larry	Proposal Trustee (KSV)	Jeff.larry@paliareroland.com
Catherine Fan		Catherine.fan@paliareroland.com
Stephen Moreau	Cavalluzzo LLP	smoreau@cavalluzzo.com
Cole Eisen		ceisen@cavalluzzo.com

ENDORSEMENT OF JUSTICE CAVANAGH:

On July 2, 2020, Princes Gates GP Inc., in its capacity as general partner of Princes Gates Hotel Limited Partnership, terminated its agreements with 2505243 Ontario Limited ("250") for food and beverage services that PGH's hotel, Hotel X Toronto. As a result, 250 was forced to terminate the employment of all of its employees who worked at Hotel X.

On September 24, 2020, 250 filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*.

In a decision released July 5, 2021, this Court held that PGH terminated its agreements with 250 unlawfully. The Court awarded to 250 “reliance damages” of \$6,388,645.07 plus damages arising from the termination of its employees under the *Employment Standards Act, 2000*. Court did not endorse a specific methodology for quantifying the amount of termination pay owing to 250’s employees, nor did it determine the specific amounts owing to the former employees. Instead, the Court directed PGH to pay \$2.063 million to the Proposal Trustee, in trust, and directed that the Proposal Trustee run a process for determining the termination pay entitlements of the former employees.

On this motion, the Proposal Trustee seeks an order: (a) approving the proposed methodology for determining the former employees’ termination pay claims; (b) approving the process for notifying former employees of the claims and, if necessary, resolving such claims, as described in detail in the Proposal Trustee’s Eighth Report; (c) appointing Cavalluzzo LLP as representative counsel to the former employees; and (d) approving the Proposal Trustee’s Seventh and Eighth Reports and the activities described therein.

PGH does not oppose the requested Order, although counsel for PGH, Mr. Carey, advises that his client has requested that it be kept informed of the claims process by receiving copies of correspondence from the Proposal Trustee in connection with this process. I asked Mr. Carey to discuss with counsel for the Proposal Trustee his client’s request for information so that they may reach an understanding in this respect. Mr. Carey’s client is not precluded by the Order granted today from seeking directions from the Court in this respect.

I have reviewed the materials filed in support of this motion and I am satisfied that the requested Order sought by the Proposal Trustee should be made.

The representative plaintiffs in a class action brought on behalf of class members who are former employees of 250 seek an order that the class action be discontinued. I am satisfied that the requested Order should be made.

Orders to issue in forms of Orders signed by me today.