
From: Gilmore, Madam Justice Cory (SCJ)

Sent: March 1, 2021 4:57 PM

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Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

Subject: In the Matter of the Notice of Intention to Make a Proposal of 2505243 Ontario Limited of Toronto, Ontario. Court File No. 31-2675288

[External Email – Use Caution]

Endorsement of Gilmore, J.

**Jennifer Stam, Randy Sutton, Rob Frank, Peter Tae-Min Choi and Erika Anschutz for 2505243 Ontario Limited
Jeff Larry for the Proposal Trustee, KSV Restructuring
Peter Carey, Paul Martin and Amanda Pilienci for Princes Gates GP Inc., Lowell Security Inc., The Small Winemakers
Collection, D.N.B. Media Group Inc., PR CC Plated Metals Inc. and Platinum Valet Hotel Cleaners Inc.**

At the commencement of the trial between 2505243 Ontario Limited (“250”) and Princes Gates GP Inc. (“GP”), 250 brought the within motion in the context of its proposal proceeding seeking the following relief:

1. Extending the time for filing a proposal in the NOI proceedings from March 8, 2015 to 15 business days after the day on which the Court releases its final decision in respect of the trial of the Action;
2. Increasing the borrowing available as per the third DIP amendment from \$900,000 to \$1,500,000; and
3. Approving the fifth report of KSV Restructuring, the Proposal Trustee, as filed.

The motion was unopposed and the lengthy and complex background to this matter need not be repeated here. However, some mention must be made in relation to the request for an extension of the time to file a proposal to date beyond the six month period provided in the *BIA*. The *BIA* provides that extensions of a maximum of five months may be granted to the debtor after the initial 30 day period pursuant to section 50.4(9) of the *BIA*. While the *BIA* does not grant any specific exceptions to the extension deadline, the Court has exercised its inherent jurisdiction to extend the deadline beyond the 6 month maximum due to the effect of the pandemic on court schedules and ensuring that debtors are not prejudiced by delays over which they have no control. An extension beyond the six month limit in section 50.4(9) was granted in *Durham Sports Barn Inc. Bankruptcy Proposal*, 2020 ONSC 5938, where the court found that extenuating circumstances related to the pandemic would have made the mechanical application of the section contrary to the objectives of the *BIA*.

In this case, there were scheduling issues beyond 250’s control. As well, 250’s ability to make a proposal hinges on its success in this litigation. As is clear from the record, the parties have done everything to move the litigation between 250 and GP forward as quickly as possible and the first day of trial was completed today. I agree that it would be unfair to 250 and its creditors to file a proposal in the absence of a trial decision. No stakeholder will be prejudiced by the extension. In these limited and unusual circumstances, the extension sought should be granted.

I have signed the draft order provided which is in effect immediately.

March 1, 2021

A handwritten signature in blue ink, appearing to read "C. Gilmore J.", with a stylized flourish at the end.

Madam Justice Cory A. Gilmore
Ontario Superior Court of
Justice 361 University Avenue
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M5G 1T3