

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

**KINGSETT MORTGAGE CORPORATION**

Applicant

**- and -**

**30 ROE INVESTMENTS CORP.**

Respondent

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS  
AMENDED**

**FACTUM OF THE RECEIVER  
(Approval of Sale Process and Records and Property Relief)**

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**FACTUM OF THE RECEIVER  
(Approval of Sale Process and Records and Property Relief)**

**PART I – INTRODUCTION**

1. Pursuant to an order of the Ontario Superior Court of Justice (the “**Court**”) made on May 9, 2022 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as receiver and manager of certain property of 30 Roe Investments Corp. (the “**Company**”), including nine penthouse condominium units, nine parking spaces and nine storage units and/or lockers in a condominium development known as “**Minto 30 Roe**”, located at 30 Roehampton Avenue in Toronto, Ontario (collectively, the “**Units**”).
2. This motion is brought by the Receiver for: (i) an order, *inter alia*, approving a sale process (the “**Sale Process**”) for the Units on the terms described in the First Report of the Receiver dated July 7, 2022 (the “**First Report**”); and (ii) an order requiring the

Company and its principal, Raymond Zar (“**Zar**”), to deliver various Records and Property to the Receiver by specified deadlines (the “**Records and Property Relief**”).<sup>1</sup>

3. The proposed Sale Process has been designed by the Receiver with input from qualified professionals and in consultation with stakeholders. It is consistent with residential real property sale processes approved by this Court in other cases. The Sale Process will be overseen and conducted by the Receiver with the assistance of a realtor who has extensive experience at the Minto 30 Roe and has offered the lowest commission proposal. The Units will be subject to extensive public marketing, will be sold on an “as is, where is” basis, and any sale will be subject to the prior approval of the Court. In short, the Sale Process has all the hallmarks of a transparent, accessible and commercially reasonable process that will permit the market to determine the value of the Units and provide for their realization in a fair, efficient and timely manner for the benefit of stakeholders.
  
4. The Company has intimated that it may oppose approval of the Sale Process although to date has not delivered any materials. The Company claims that it will repay the full amount owed to KingSett and the costs of these proceedings. The Receiver has repeatedly requested evidence that the Company can complete a refinancing. To date, the Company has provided a Commitment Letter that is: (i) on its face, expired; (ii) subject to numerous conditions precedent that may or may not have been satisfied; and (iii) for a loan that is less than the amounts required to complete a refinancing. The Company has claimed that its principal, Zar, will provide the additional funds that are required, but has

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<sup>1</sup> Capitalized terms used herein and not otherwise defined have the meaning given to them in the First Report or the Receivership Order.

not provided evidence that these funds are available. While the Receiver has and will continue to engage with the Company and stakeholders regarding a potential refinancing, at this time it is not apparent that a refinancing will (or can) be completed. As such, the Receiver seeks approval of the Sale Process to advance this case.

5. Finally, the Receiver seeks to compel delivery of certain Records and Property in accordance with the terms of the Receivership Order. The Company has provided some of the information required by the Receivership Order after repeated requests by the Receiver, but the Receiver requires all of the Records and Property that the Company has been ordered to provide. The Records and Property Relief is required so that the Receiver can carry out its mandate in accordance with the Receivership Order and maximize realizations for the Property.

## **PART II- FACTS**

### **(A) The Company and its known creditors**

6. The Company owns the Units. The nine residential Units are located on the penthouse floor of the 397-unit Minto 30 Roe. According to the Company, most of the Units have been operated as short-term rentals through Airbnb. The Units have been furnished by the Company, and an affiliate of the Company provides housekeeping services.
7. The Company is indebted to CIBC in the total amount of approximately \$4.2 million (plus ongoing fees and expenses). CIBC holds a first mortgage on each of the Units and other security, although each CIBC mortgage only secures the indebtedness owing by the

Company in respect of a particular Unit (ranging from approximately \$360,000 to \$620,000).

8. The Company is also indebted to KingSett in the total amount of approximately \$2.2 million (plus ongoing fees and expenses). KingSett holds a second mortgage on each of the Units, a general security agreement and other security. Following several extensions, the KingSett loan matured on December 1, 2021, and was not repaid by the Company.
9. The Company has failed to provide a list of creditors to the Receiver to date. The Receiver has recently learned that the Company owes approximately \$40,000 to the CRA on account of unremitted HST, and \$60,000 to RBC on account of a Canada Emergency Benefit Account loan. CRA and RBC have been provided with notice of this motion.
10. As part of the Records and Property Relief, the Receiver seeks to compel delivery of a complete list of creditors so that all creditors can be notified of these proceedings.

**(B) The Receivership Order**

11. The receivership application was originally brought by KingSett on January 7, 2022. Following multiple adjournments granted at the request of the Company and arising from a motion by the Company's former counsel to be removed from the record (which motion was opposed by the Company), the receivership application was ultimately heard and granted on May 9, 2022.
12. Shortly prior to the May 9, 2022 hearing, the Company delivered a non-binding letter of intent for a second mortgage refinancing of \$2.8 million (the "LOI") and requested a further adjournment of the receivership application for 30 days to allow it to complete a refinancing. The Court declined to grant the requested adjournment.

13. The Company sought to appeal the Receivership Order. On June 13, 2022, the Court of Appeal granted a motion by KingSett to quash the Company's appeal and dismissed the Company's motion for leave to appeal the Receivership Order.

Receivership Order; First Report, Tab A; Motion Record of the Receiver for Approval of Sale Process and Records and Property Relief (the "**Motion Record**"), Tab 2 [[CL p. E36](#)].

Endorsement of the Honourable Justice Cavanagh issued on May 9, 2022 at paras 4-16; First Report, Tab D; Motion Record, Tab 2 [[CL p. E65-E67](#)].

*KingSett Mortgage Corporation v 30 Roe Investments Corp*, 2022 ONCA 479; First Report, Tab E; Motion Record, Tab 2 [[CL p. E73](#)]

### **(C) Proposed Sale Process**

14. The Receiver has developed the Sale Process in order to provide a means to realize and maximize value from the Units in a timely fashion for the benefit of stakeholders.
15. The Receiver solicited proposals from four realtors with extensive experience at the Minto 30 Roe, engaged in discussions with the three realtors who submitted proposals, and selected HomeLife to act as listing agent to market and sell the Units because: (i) it had the lowest proposed commission rate; (ii) Erkan Sen ("**Sen**") (who will be the lead agent) has extensive experience selling condominiums at Minto 30 Roe; and (iii) HomeLife is a well-recognized regional brokerage with over 1,600 agents.
16. A summary of the proposed Sale Process is as follows:
  - (a) The Receiver, with the assistance of HomeLife and the Receiver's counsel, will administer, supervise, facilitate and oversee the Sale Process with a view to maximizing value for the Units in a timely manner. Without limiting the

generality of the foregoing, the Receiver shall have the authority to determine, from time to time and its sole discretion: (i) which and how many of the Units are to be listed for sale; and (ii) the listing prices for the Units, including any changes to listing prices;

- (b) HomeLife will: (i) prepare marketing materials for the Units, including a brochure, website, photographs and floor plans; (ii) send an email and newsletter regarding the opportunity to its database of parties, including industry contacts, potential buyers and the brokerage community; (iii) post the Units on the Toronto Real Estate Board Multiple Listing Service; and (iv) hold open houses for the Units;
- (c) The Units will be marketed on an “as is, where is” basis;
- (d) Any offer(s) to purchase a Unit will be reviewed and considered by the Receiver as and when received. The Receiver shall have the sole discretion to determine whether or not to accept or reject an offer and how to otherwise deal with an offer, including, without limitation, as relates to any negotiations with a prospective purchaser and entering into any agreement of purchase of sale in respect of a Unit, provided that any transaction in respect of a Unit will be subject to Court approval; and
- (e) Without limiting the factors that may be considered by the Receiver in reviewing and considering an offer for a Unit, the Receiver will have regard to: (i) the consideration offered; (ii) any conditions to closing or other factors that may

impact the ability of a transaction to be consummated; and (iii) the proposed closing date.

17. Although the proposed Sale Process applies to all of the Units, at present the Receiver only intends to list two Units (including the related parking spot and storage unit/locker) for sale, in an effort to avoid the potential of negatively impacting prices for the Units through over-supply. If possible, the Receiver intends to list two Units that have been vacated.
18. The Receiver believes that the proposed Sale Process is commercially reasonable, will provide broad public market exposure for the listed Units, be accessible to any interested bidder and be guided by experienced professionals (including those with particular experience at 30 Minto Roe), in turn ensuring that fair market value is obtained for the Units.

First Report at pages 10-12; Motion Record, Tab 2 [[CL p. E30-E32](#)].

**(D) The Company's Refinancing Attempts**

19. In his Affidavit sworn May 5, 2022, Zar stated that the Company begin looking at refinancing the CIBC and KingSett mortgages in 2021 and, as noted previously, shortly prior to the receivership hearing on May 6, 2022, the Company delivered a non-binding LOI for a second mortgage refinancing of \$2.8 million.
20. Following the Court of Appeal's decision, the Company advised the Receiver that it intended to refinance the KingSett loan and pursue a consensual discharge of the Receiver.



21. On June 20, 2022 (and on numerous subsequent occasions over the course of the following weeks), the Receiver requested further information from the Company in respect of the proposed refinancing, including a copy of a signed commitment letter.
22. On July 6, 2022, the Company delivered a commitment letter dated June 10, 2022 for a \$2,000,000 second mortgage loan (the “**Commitment Letter**”), being \$800,000 less than the LOI. The Commitment Letter provides that funds must be advanced by June 30, 2022, failing which the commitment will be cancelled or extended at the lender’s option, and is subject to numerous conditions. The Receiver has requested that the Company provide a letter from the potential replacement lender indicating the Commitment Letter has been extended past the specified June 30, 2022, cancellation date and that the conditions to the Commitment Letter have been satisfied or waived (or, if not all have been satisfied or waived, specifying which conditions remain to be satisfied or waived).
23. Even if the financing contemplated by the Commitment Letter were provided, it would not provide sufficient funding to pay out KingSett or address the costs of the receivership. Zar has indicated he will provide funds personally to cover the shortfall, but has not provided evidence that these funds are available despite repeated requests from the Receiver.
24. In addition, it is not apparent whether (or how) the Company will address its debts to CRA and RBC.

**(E) Records and Property Relief**

25. The Receivership Order authorizes and empowers the Receiver to take possession of and exercise control over the Property and requires all persons to, among other things, deliver all Property in their possession and control to the Receiver upon the Receiver's request.
26. The Receivership Order further requires all persons to forthwith advise the Receiver of the existence of any Records in that Person's possession or control, and to provide to the Receiver or permit the Receiver to make, retain and take away copies of such Records.

Receivership Order at paras 3, 4 and 5; First Report, Tab A; Motion Record, Tab 2 [[CL p. E37-E41](#)].

27. Dating back to the date the Receivership Order was granted, the Receiver has made numerous written requests and demands for the Company to deliver various Records and Property to the Receiver. Following the decision of the Court of Appeal, the Company delivered some of the Records requested; however, it has yet to deliver various important Records and Property to the Receiver, including a listing of creditors, details of the Property (aside from the Units and details of a bank account), copies of any leases in respect of the Units (the Company has indicated there are two "long term leases" but has not provided copies), any post-dated rent cheques for the Units and the keys to the Units (although it has indicated those will be provided shortly).

First Report at page 13; Motion Record, Tab 2 [[CL p. E33](#)].

28. The Receiver has put the Company on notice it is in breach of the Receivership Order for its failure to deliver the outstanding Records requested.

Letter dated June 15, 2022 from Receiver's Counsel to the Company; First Report, Tab N; Motion Record, Tab 2 [[CL p. E117](#)].

29. The Company has not articulated any principled basis for its refusal to deliver the outstanding requested Records and Property, indicating only that it needs more time.

Letter dated June 29, 2022 from the Company to Receiver's Counsel; First Report, Tab Q; Motion Record, Tab 2 [[CL p. E127](#)].

Letter dated June 21, 2022 from the Company to the Receiver; First Report, Tab S; Motion Record, Tab 2 [[CL p. 134](#)].

First Report at page 8; Motion Record, Tab 2 [[CL p. E28](#)].

### **PART III– ISSUES AND LAW**

30. The issues on this motion are whether this Court should:

- (a) approve the proposed Sale Process; and
- (b) grant the Records and Property Relief.

31. The Receiver respectfully submits that the answers to both questions is “yes”.

#### **(A) The Sale Process Should be Approved**

32. Section 243 of the BIA permits the Court broad discretion as to the powers it grants receivers to exercise control over the property of a company in a receivership and in making orders generally:

#### **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.

[BIA, s.243.](#)

33. The Receivership Order was granted pursuant to Section 243 of the BIA and Section 101 of the *Courts of Justice Act* (Ontario) and explicitly authorizes the Receiver to engage real estate brokers, market the Property, and negotiate terms and conditions of a sale of the Property as the Receiver in its discretion may deem appropriate. The Court of Appeal has recognized that the purpose of a receivership is to enhance and facilitate the preservation and realization of receivership assets for the benefit of creditors, and that this purpose is generally achieved through a liquidation of the debtor's assets. Sale processes are routinely approved and undertaken in receivership proceedings to facilitate such sales.

Receivership Order at paras 3(d) and 3(j); First Report at Tab A; Motion Record, Tab 2 [[CL p. E38-E39](#)].

[Third Eye Capital Corp v Dianor Resources Inc](#), 2019 ONCA 508 at para [73](#).

[2056706 Ontario Inc v Pure Global Cannabis Inc](#), 2021 ONSC 5533 at para [11](#).

34. In the seminal case of *Royal Bank v. Soundair Corp.*, the Ontario Court of Appeal held that a Court was to consider the following factors when deciding whether to approve the sale of property subject to a receivership:
- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;

- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers are obtained; and
- (d) whether there has been unfairness in the working out of the process.

[Royal Bank v Soundair Corp.](#), 83 DLR (4<sup>th</sup>) 76, 7 CBR (3d) 1 (Ont CA)  
[“*Soundair*”] at para 16.

35. In *CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd*, the Court held that the criteria identified in *Soundair* also inform the determination of whether to approve a court-appointed receiver’s proposed sale process. Specifically, the Court is to assess:

- (a) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver;
- (b) the fairness, transparency and integrity of the proposed process; and
- (c) whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

[CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd](#), 2012 ONCS  
1750 [“*CCM*”] at para 6.

36. Each of the factors outlined in *Soundair* and *CCM* support the approval of the Sale Process at this time:

- (a) The Sale Process will be overseen by the Receiver with the assistance of HomeLife and the Receiver’s counsel. HomeLife’s proposed engagement stems from a competitive solicitation process undertaken by the Receiver that saw four realtors with extensive experience at the Minto 30 Roe approached to potentially

act as listing agent, and the Receiver consider and engage in clarifying discussions in respect of the three proposals submitted. Ultimately, the Receiver selected HomeLife as it offered the lowest commission (3.5%), the lead HomeLife agent has been involved in ten transactions at Minto 30 Roe, and HomeLife is a well-recognized regional brokerage with over 1,600 agents.

- (b) The proposed Sale Process contemplates a broad public marketing process for the Units, including the preparation of a brochure, website, photographs and floor plans; the sending of an email and newsletter to HomeLife's database of contacts; listing the Units on MLS; and, open houses. This comprehensive marketing process will provide extensive exposure for the listed Units to interested bidders.
- (c) The proposed listing price for the Units will be set by the Receiver based on the recommendation of HomeLife. All potentially interested bidders will be able to submit an offer for the listed Units for consideration by the Receiver. The Receiver will consider offers as and when received and evaluate them on (among other things) key objective criteria, including the consideration offered, closing conditions that may impact the ability of a transaction to be consummated, and the proposed closing date.
- (d) In an effort to ensure that prices for the Units are not negatively impacted by over-supply, the Receiver is proposing to list only two Units at this time. Proceeding in this fashion is prudent in the circumstances, and allows for the Receiver to take steps to generate proceeds to repay creditors, while at the same time preserving optionality regarding appropriate next steps in the case.

- (e) The Receiver is of the view the proposed Sale Process is commercially reasonable and consistent with other real property sales processes approved by this Court in other cases.

First Report at pages 10-12; Motion Record, Tab 2 [[CL p. E30-E32](#)].

- 37. For the reasons set out above, the Receiver submits that the Sale Process is consistent with the criteria established in *CCM*, in that it will optimize the chance of securing the best possible price for the Units, and will promote a disposition of the Debtors' assets that satisfies the *Soundair* criteria. Accordingly, the Receiver submits that the Court should approved the Sale Process.

**(B) The Company's Objections to the Sale Process**

- 38. The Company has indicated it believes any proposed sale process is premature in light of its refinancing efforts, and further that the Receiver has failed to analyze whether the Company should be sold for parts or as a going concern.
- 39. Regarding the Company's refinancing efforts, despite having ample time to implement a refinancing and repeated inquiries from the Receiver to at least demonstrate that a refinancing is feasible, the Company has failed to do so. In the circumstances, there is no basis to grant an adjournment or otherwise delay moving forward with the Sale Process.
- 40. In his May 6 Endorsement, Cavanagh J. considered the Company's refinancing attempts in connection with denying the Company's request for a further 30 day adjournment:

The Respondent has had many months to arrange to refinance. There is no assurance that if a further adjournment were to be granted for 30 days, as

requested, the Respondent would be successful in paying out the indebtedness secured by the applicant's second mortgage.

Endorsement of the Honourable Justice Cavanagh issued on May 9, 2022 at para

12; First Report, Tab D; Motion Record, Tab 2 [[CL p. E67](#)].

41. Similarly, in considering the impact of any appeal of the Receivership Order on the progress of the receivership, the Court of Appeal observed that:

Granting leave would trigger the automatic stay contained in BIA s. 195, thereby preventing the receiver from exercising its power under the Receivership Order to market and sell the Real Property. No purpose would be served by such a delay. It is apparent from the record that 30 Roe has been unable to secure third party financing to take out the KingSett second mortgage notwithstanding several extensions of the mortgage maturity date and the lapse of almost half a year since KingSett initiated its receivership application. To delay the ability of KingSett enforce its second mortgage – the validity and enforceability of which are not in dispute – would be unfair to KingSett... [emphasis added]

*KingSett Mortgage Corporation v 30 Roe Investments Corp*, 2022 ONCA 479 at

para 36; First Report, Tab E; Motion Record, Tab 2 [[CL p. E86](#)].

42. The observations of Cavanagh J. and the Court of Appeal remain as true today as they were on May 9 and June 17, respectively. The Company has still not completed a refinancing, nor provided sufficient evidence that it can or will complete one. In these circumstances, the Receiver does not recommend delaying approval of the Sales Process.
43. The Company has also asserted that the Units should be sold as part of a “going concern” business to generate a premium. The Company has said, in essence, that the Units should be sold as a collection of furnished extended stay rentals that are rented through Airbnb.
44. The Company has not provided evidence to support its contention. To the contrary, the Company itself previously relied on residential appraisal reports that appraised the Units



on an individual basis (rather than as a going concern business) and indicated the highest and best use for the Units is “a continuation of the existing residential use”.

45. Similarly, in his Affidavit sworn May 5, 2022, Zar deposed that there is no need to sell all the units to payout KingSett and that selling only 2 of 3 of the units would pay off the KingSett loan entirely. This suggestion seemingly conflicts with the Company’s new professed desire to sell the Units as a going concern business.

Affidavit of Raymond Zar dated May 5<sup>th</sup>, 2022 at para 18 [[CL p. B-1-229;B-1-11](#)].

46. Finally, the Company has provided no evidence that it is operating a going concern business that can be sold for a premium over the value of the Units. At it highest, the “going concern” appears to be the rental of the furnished Units on an ongoing basis through Airbnb and the provision of intermittent housekeeping by an affiliated company and telecommunications services to the Units. The Company has provided no evidence that this business is profitable or that there are potential purchasers who might pay a premium to operate a similar business.

**(C) The Records and Property Relief**

47. The Receivership Order authorizes and empowers the Receiver “to take possession of and exercise control over the Property” and requires all persons to, among other things, deliver all Property to the Receiver upon the Receiver’s request

Receivership Order at paras 3(a) and 4; First Report, Tab A; Motion Record, Tab 2 [[CL p. E37-E41](#)].

48. The Receivership Order further requires all persons to “forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and

accounting records, and any other papers, records, information and cloud based data of any kind related to the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto...".

Receivership Order at para 5; First Report, Tab A; Motion Record, Tab 2 [[CL p. E41](#)].

49. Despite repeated requests, the Receiver has been unable to obtain certain Records and Property from the Company, in particular: (i) a list of creditors, including their addresses and amounts owing to each creditor; (ii) details of all Property (aside from the Units and a bank account); (iii) copies of any leases in respect of the Units; (iv) any post-dated rent cheques for the Units; and (v) the keys to the Units (although the Company has indicated these will be provided shortly).

Letter dated May 12, 2022 from Receiver's Counsel to Company Counsel; First Report, Tab J; Motion Record, Tab 2 [[CL p. E100](#)].

Letter dated June 13, 2022 from Receiver's Counsel to Company Counsel; First Report, Tab K; Motion Record, Tab 2 [[CL p. E105](#)].

Letter dated June 15, 2022 from Receiver's Counsel to Company; First Report, Tab N; Motion Record, Tab 2 [[CL p. E117](#)].

Letter dated June 22, 2022 from Receiver's Counsel to the Company; First Report, Tab P; Motion Record, Tab 2 [[CL p. E124](#)].

Letter dated July 4, 2022 from Receiver's Counsel to the Company; First Report, Tab R; Motion Record, Tab 2 [[CL p. E131](#)].

First Report at page 8; Motion Record, Tab 2 [[CL p. E28](#)].

50. Although the Receiver believes that the Company and Zar are required to deliver all of the outstanding Records and Property requested by the Receiver pursuant to the Receivership Order, the Receiver is seeking a further specific order of the Court requiring the Company and Zar to provide these specific items by no later than 3:00 pm (Toronto time) on the date that is three days following the order. In addition, the relief sought would require the Company and Zar to deliver any further Records or Property requested by the Receiver from time to time by no later than the day and time specified by the Receiver in any such request; provided, however, that the day and time specified by the Receiver in any such request shall be no less than three (3) days following the sending of such written request by the Receiver.
51. Given the difficulties experienced by the Receiver in obtaining access to the Records and the Property from the Company and Zar to date, the Receiver believes the Records and Property Relief is necessary and appropriate in the circumstances and will assist in the ongoing administration of the receivership. This Court recently granted a similar order directing compliance with identical terms of a similar receivership order.

[Cosa Nova Fashions Ltd et al v The Midas Investment Corporation](#), Order granted May 31, 2022, Court File No. CV-21-00656398-00CL (Ont Sup Ct J [Commercial List]) at para 2.

#### **PART IV– RELIEF REQUESTED**

2. For the reasons set out herein, the Receiver respectfully requests that this Court make orders approving the Sale Process and granting the Records and Property Relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 13<sup>TH</sup> DAY OF JULY, 2022.

Per:

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a final flourish.

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**GOODMANS LLP**

Lawyers for KSV Restructuring Inc., solely in  
its capacity as Court-appointed Receiver and  
not in its personal capacity

## SCHEDULE A – LIST OF AUTHORITIES

*Third Eye Capital Corp v Dianor Resources Inc*, 2019 ONCA 508.

*2056706 Ontario Inc v Pure Global Cannabis Inc*, 2021 ONSC 5533.

*Royal Bank v Soundair Corp.*, 83 DLR (4<sup>th</sup>) 76, 7 CBR (3d) 1 (Ont CA).

*CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd*, 2012 ONCS 1750.

*Cosa Nova Fashions Ltd et al v The Midas Investment Corporation*, Order granted May 31, 2022, Court File No. CV-21-00656398-00CL (Ont Sup Ct J [Commercial List]).

**SCHEDULE B – STATUTORY REFERENCES**

***BANKRUPTCY AND INSOLVENCY ACT***  
**R.S.C., 1985, c. B-3, as amended**

s. 243 (1)

*Court may appoint receiver* – 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.

***COURTS OF JUSTICE ACT***  
**R.S.O., 1990, c. C.43, as amended**

s. 101 (1)

*Injunctions and receivers* - In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

s. 101 (2)

*Terms* - An order under subsection (1) may include such terms as are considered just.

