

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MEW

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MONDAY, THE 27TH
DAY OF OCTOBER, 2025

BETWEEN:

EQUITABLE BANK

Applicant

- and -



ASHCROFT HOMES – CAPITAL HALL INC.

Respondent

**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**

SETTLEMENT APPROVAL AND DISCHARGE ORDER

THIS MOTION made by KSV Restructuring Inc. in its capacity as receiver and manager (in such capacity, the “**Capital Hall Receiver**”), without security, of all of the assets, undertakings and property (the “**Property**”) of Ashcroft Homes – Capital Hall Inc. (“**Capital Hall**”) acquired for, or used in relation to a business carried on by Capital Hall, including but not limited to the residential units, parking spaces and lockers registered in the name of Capital Hall in the building municipally known as 105 Champagne Avenue South, Ottawa (collectively, the “**Real Property**”), for an Order, among other things, (i) approving the activities described in the Capital Hall Receiver’s first report dated September 26, 2025 (the “**Capital Hall Receiver’s First Report**”)

and second report dated October 16, 2025 (the “**Capital Hall Receiver’s Second Report**”), (ii) approving the settlement (the “**Confidential Settlement**”) entered into by the Capital Hall Receiver in respect of the Notice of Action issued in Ottawa on April 28, 2020, against Northbridge Financial Corporation (“**Northbridge**”), bearing Court File no. CV-20-00083440 (the “**Northbridge Action**”), (iii) authorizing the remittance to Canada Revenue Agency (“**CRA**”) of its deemed trust claim of approximately \$1.2 million (the “**CRA Priority Claim**”) in full and final settlement in respect of CRA’s claim for HST in priority to the EQB Distribution (as defined below), (iv) authorizing the Capital Hall Receiver to make a distribution to Equitable Bank (“**EQB**”) up to the amount of Capital Hall’s indebtedness owing to EQB (the “**EQB Distribution**”), (v) approving and accepting the Capital Hall Receiver’s Interim Statement of Receipts and Disbursements for the period to October 15, 2025, (vi) approving the fees and disbursements of the Capital Hall Interim Receiver (as defined below) and the Capital Hall Receiver, as set out in the affidavit of Mitch Vininsky, sworn October 16, 2025 (the “**Vininsky Affidavit**”), and of counsel for the Capital Hall Interim Receiver and the Capital Hall Receiver, Blaney McMurtry LLP (“**Blaneys**”), as set out in the Affidavit of Chad Kopach sworn October 15, 2025 (the “**Kopach Affidavit**”), and approving the Fee Accrual (defined below) for the Capital Hall Receiver and its counsel pending the Capital Hall Receiver’s discharge, (vii) discharging KSV as Capital Hall Receiver upon the Capital Hall Receiver filing a certificate with the Court confirming that the Capital Hall Receiver has paid the CRA Priority Claim and has made the EQB Distribution (collectively, the “**Distributions**”), and releasing KSV from any and all liability it now has or may hereafter have by reason of, or in any way arising out of its acts and omissions while acting in its capacity as (a) interim receiver of Capital Hall (in this capacity, the “**Capital Hall Interim Receiver**”) pursuant to the Order of Justice Mew issued January 3, 2025 (the

“Capital Hall Interim Receivership Order”) made in the *Companies’ Creditors Arrangement Act* proceedings bearing Court File No. CV-24-00098058-0000 (the **“CCAA Proceedings”**), and (b) Capital Hall Receiver pursuant to the Capital Hall Receivership Order, save and except for any gross negligence or willful misconduct on the Capital Hall Interim Receiver’s or Capital Hall Receiver’s part, (viii) that any property, assets and undertaking of Capital Hall covered by the Initial Order of Justice Mew dated December 5, 2024 (the **“Initial CCAA Order”**), made in the CCAA Proceedings, including but not limited to Property and Real Property, is, subject to the Monitor Distribution (as defined below) pursuant to paragraphs 4 and 16 hereof, free and clear of, and from, any encumbrance or charge created by the Initial CCAA Order, and (ix) sealing the Confidential Settlement attached as Confidential Appendix “1” to the Capital Hall Receiver’s Second Report, and the reporting letter dated October 15, 2025 (the **“Reporting Letter”**) regarding the Confidential Settlement from Stieber Berlach LLP (**“Stieber Berlach”**) attached as Confidential Appendix “2” to the Capital Hall Receiver’s Second Report, until further Order of the Court, was heard this day by way of Zoom videoconference.

ON READING the Capital Hall Interim Receiver’s Report dated February 14, 2025 (the **“Capital Hall Interim Receiver’s First Report”**), the Capital Hall Receiver’s First Report and the Capital Hall Receiver’s Second Report, and the appendices thereto, and upon hearing submissions of counsel for the Capital Hall Receiver, EQB, Capital Hall, and Ottawa-Carleton Standard Condominium Corporation No. 1081, no one else appearing although duly served as set out in the affidavit of service of Chad Kopach sworn October 17, 2025, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Capital Hall Receiver's Notice of Motion dated October 17, 2025, and the related motion material filed in support thereof, be and is hereby abridged, and that service of the motion is hereby validated, and that further service thereof is hereby dispensed with.

REPORT APPROVALS

2. **THIS COURT ORDERS** that the Capital Hall Receiver's First Report and the Capital Hall Receiver's Second Report, and the actions of the Capital Hall Receiver described therein, be and are hereby approved; provided, however, that only the Capital Hall Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

CONFIDENTIAL SETTLEMENT APPROVAL

3. **THIS COURT ORDERS** that the Confidential Settlement entered into by the Capital Hall Receiver in respect of the Northbridge Action, as described in the Second Report, be and is hereby approved.

DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Capital Hall Receiver is hereby authorized and directed to make one or more distributions from the proceeds of the Confidential Settlement, and/or other Property available for distribution, in the following order of priority: (a) first, to the CRA of the sum of \$1,206,225 in full and final satisfaction in respect of the CRA Priority Claim (the "**CRA**

Distribution”), (b) second, to Grant Thornton Limited, the former Monitor in the CCAA Proceedings, of the sum of \$82,440.05 (the “**Monitor Distribution**”) in full and final satisfaction any encumbrance or charge created by the Initial CCAA Order, including but not limited to the Administration Charge (as defined in the Initial CCAA Order), but subject to any rights of contribution Capital Hall may have against other properties subject to the Administration Charge, (c) third, to pay any amounts outstanding under the Receiver’s Charge (as defined in the Capital Hall Interim Receivership Order and in the and Capital Hall Receivership Order), and (d) fourth, the EQB Distribution.

5. **THIS COURT ORDERS** that the Capital Hall Receiver is hereby authorized to take all reasonably necessary steps and actions to effect the distributions set out in paragraph 4 (collectively, the “**Distributions**”) in accordance with this Order, and shall not incur any liability as a result of making the Distributions.

6. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and the Distributions provided for in this Order shall be made free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* or any other personal property registry system or real property registry system.

7. **THIS COURT ORDERS** that the Capital Hall Receiver or any other person facilitating payments and Distributions pursuant to this Order shall be entitled to deduct and withhold from any such payments or Distributions such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Capital Hall and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Capital Hall,

any payments or Distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of Capital Hall and shall not be void or voidable by creditors of Capital Hall, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPROVAL OF PROFESSIONAL FEES AND COSTS, AND FEE ACCRUAL

9. **THIS COURT ORDERS** that the fees and disbursements of the Capital Hall Interim Receiver and the Capital Hall Receiver from December 4, 2024 to September 30, 2025, as set out in the Vininsky Affidavit, be and are hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of Blaneys from December 11, 2024, to September 30, 2025, as set out in the Kopach Affidavit, be and are hereby approved.

11. **THIS COURT ORDERS** that the Capital Hall Receiver is authorized to maintain a reserve of \$100,000.00, plus HST (the “**Fee Accrual**”), in respect of fees and disbursements to complete the administration of the Capital Hall Receivership proceeding. The Capital Hall Receiver is authorized to draw upon the Fee Accrual based on actual time and disbursements incurred. Any surplus remaining from the Fee Accrual following the Capital Hall Receiver’s discharge shall be distributed to Capital Hall, along with an accounting.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

12. **THIS COURT ORDERS** that that the Capital Hall Receiver’s Interim Statement of Receipts and Disbursements for the period to October 15, 2025, as set out in Appendix “F” to the Second Report, be and is hereby accepted and approved.

DISCHARGE OF THE CAPITAL HALL RECEIVER

13. **THIS COURT ORDERS** that upon the Capital Hall Receiver filing with this Court a certificate substantially in the form appended as **Schedule “A”** hereto certifying that the Capital Hall Receiver has made the Distributions set out in paragraph 4, above, KSV shall be discharged

as Capital Hall Receiver of Capital Hall, provided however that notwithstanding its discharge as Capital Hall Receiver herein, KSV shall continue to have the benefit of the provisions of all Orders made in this proceeding and in the CCAA Proceedings, including all authorizations, approvals, protections and stays of proceedings in favour of KSV in its capacity as Capital Hall Interim Receiver and Capital Hall Receiver.

14. **THIS COURT FURTHER ORDERS** that KSV is hereby forever released and discharged from any liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting in its capacity as Capital Hall Interim Receiver and as Capital Hall Receiver, save and except for any gross negligence or willful misconduct on the Capital Hall Interim Receiver's or Capital Hall Receiver's part. Without limiting the generality of the foregoing, KSV is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the Capital Hall Interim Receivership or the Capital Hall Receivership, save and except for any gross negligence or willful misconduct on the Capital Hall Interim Receiver's or Capital Hall Receiver's part.

15. **THIS COURT FURTHER ORDERS** that notwithstanding its discharge herein, KSV may perform such incidental duties as may be required by it as Capital Hall Receiver to complete its obligations pursuant to its appointment as Capital Hall Receiver, and KSV shall be forever released and discharged from any and all liability related to such incidental duties, save and except for any gross negligence or willful misconduct on the Capital Hall Receiver's part.

NO INITIAL CCAA ORDER CHARGE OR ENCUMBRANCE

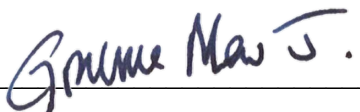
16. **THIS COURT FURTHER ORDERS AND DECLARES** that, following payment of the Monitor Distribution, Capital Hall's Property, including but not limited to the Real Property, is free and clear of and from any encumbrance or charge created by the Initial CCAA Order.

SEALING AND GENERAL

17. **THIS COURT ORDERS** that the Confidential Settlement attached as Confidential Appendix "1" to the Capital Hall Receiver's Second Report and the Reporting Letter attached as Confidential Appendix "2" to the Capital Hall Receiver's Second Report, shall be and are hereby sealed, kept confidential and shall not form part of the public record until further Order of this Court.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Capital Hall Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Capital Hall Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Capital Hall Receiver and its agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that this Order is effective from 12:01am (Ottawa time) on today's date and is enforceable without the need for entry and filing.



Mew J.

Issuance on October 27, 2025

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-25-00098805-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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EQUITABLE BANK

Applicant

- and -

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Respondent

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RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

I. Pursuant to the Order of the Honourable Mr. Justice Mew made on February 24, 2025 (the “**Receivership Order**”), KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Ashcroft Homes – Capital Hall Inc. (“**Capital Hall**”) acquired for, or used in relation to a business carried on by Capital Hall, including, without limitation, the Real Property.

II. Pursuant to a Settlement Approval and Discharge Order of the Court dated October 24, 2025 (the “**Settlement Approval and Discharge Order**”), the Court provided for the discharge of the Receiver upon certification that the Receiver has completed the Distributions.

III. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Settlement Approval and Discharge Order.

THE RECEIVER CERTIFIES that it has completed the Distributions.

KSV RESTRUCTURING INC.,
solely in its capacity as Court-appointed Receiver
of Ashcroft Homes – Capital Hall Inc., and not in
its personal capacity

Per:

Name:

Title:

EQUITABLE BANK
Applicant

- and -

ASHCROFT HOMES – CAPITAL HALL INC.
Respondent

Court File No. CV-25-00098805-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at OTTAWA

SETTLEMENT APPROVAL AND DISCHARGE ORDER

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