



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00700694-00CL

DATE: April 15, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: **FIERA FP REAL ESTATE FINANCING FUND, L.P. v. CHANCERY
(OSHAWA) THE BARTLETT LIMITED PARTNERSHIP et al**

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Steven Graff	Counsel to the Applicant, Fiera FP Real Estate Financing Fund, L.P.	sgraff@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Jessica Zhang	Client, a director of Chancery (Oshawa) The Bartlett GP Inc.	jessica@chanceryseniors.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Joseph Bellissimo Alec Hoy	Counsel to the Receiver, KSV Restructuring	jbellissimo@cassels.com ahoy@cassels.com
Robert Zochodne	Counsel to J.J. McGuire General Contractors Inc.	rzochodne@zb-law.com
Pamela Heard	Counsel to Suske Capital Inc., raising objections on behalf of the investors	pheard@suskecapital.com
Mitch Vininsky	Receiver, KSV Restructuring	mvininsky@ksvadvisory.com

ENDORSEMENT OF JUSTICE CAVANAGH:

[1] KSV Restructuring Inc. ("KSV"), in its capacity as Receiver, brings this motion to this Court for an Order among other things:

- a. approving the Supplemental Reports of the Receiver and the actions, conduct and activities of the Receiver described therein;
- b. approving the fees and disbursements of the Receiver and its legal counsel, Cassels Brock & Blackwell LLP ("Cassels"), as set out in the Supplemental Report and the Fee Affidavits, plus the Fee Accrual (as defined in the motion materials);
- c. authorizing and directing the Receiver to make distributions to the Debtors' senior secured creditor, Fiera FP Real Estate Financing Fund, L.P. ("Fiera"), up to the amount of the Fiera Indebtedness (as defined in the materials);
- d. effective upon the Receiver's filing of the Discharge Certificate (as defined below), discharging KSV as Receiver and releasing KSV and its affiliates, officers, directors, partners, employees, legal counsel, including Cassels, and agents from any and all liability, save and except from any gross negligence or willful misconduct of their part; and
- e. effective upon the Receiver's filing of the Discharge Certificate, terminating the Stay of Proceedings (as defined below) in respect of the Debtors and the Property.

Background

[2] Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on July 20, 2023 (the "Receivership Order"): (i) KSV was appointed as the receiver and manager (in such capacity, the "Receiver"), without security, of all of the assets, undertakings and property (the "Property") of Chancery (Oshawa) The Bartlett Limited Partnership ("Chancery LP") and Chancery (Oshawa) the Bartlett GP Inc. ("Chancery GP" and with Chancery LP, the "Debtors"), including the real property known municipally as 550 Bond Street West, Oshawa, Ontario; and (ii) a stay of proceedings was granted in respect of any proceeding or enforcement process, or exercise of rights or remedies, as against the Receiver, the Debtors and the Property (the "Stay of Proceedings").'

[3] Pursuant to the Receivership Order, the Receiver, with the assistance of listing agents retained by the Receiver, conducted a multi-phase sale process, which resulted in the Receiver entering into an agreement of purchase and sale (the "Sale Agreement") with The Royale LP, by its general partner The Royale GP Corporation. The Sale Agreement contemplated a going concern transaction for substantially all of the Property (the "Transaction").

[4] The Transaction was approved by an Order of the Court issued on March 12, 2026, and closed on April 1, 2026, with an effective date of March 31, 2026.

The Proposed Distribution and Discharge Order

Proposed Distributions

[5] The Receiver is seeking authorization from the Court to distribute to Fiera, subject to certain reserves, the cash available in the receivership estate, including the Net Proceeds of the Transaction, in the amount of \$57,298,856, after payment of the fees and disbursements of the Receiver and Cassels.

[6] The Receiver proposes to reserve from such distribution (i) \$50,000 for Adjusting Items and (ii) \$467,000 for estimated accrued and unpaid operating expenses and payroll to the Closing Date (\$213,500), outstanding fees of the Receiver and Cassels (\$143,500), the Fee Accrual (\$50,000, including HST) and a general contingency (\$60,000) (collectively, the "Holdbacks").

[7] The Receiver also seeks authority to distribute to Fiera, on or prior to the Receiver's discharge (if approved by the Court), any unused portion of the Holdbacks, up to the amount owing by the Debtors to Fiera, as of March 31, 2026, which is approximately \$62.7 million (the "Fiera Indebtedness").

[8] Counsel to the Receiver, Cassels, has reviewed the security granted by the Debtors in favour of Fiera (the "Fiera Security") and has confirmed, subject to the customary assumptions and qualifications, that the Fiera Security is valid and enforceable. Other than the amounts secured by the Receivership Charge (as defined in the Receivership Order), the Receiver is not aware of any amounts in priority to the claims of Fiera.

[9] KSV's motion for authorization to make distributions to Fiera was opposed by Suske Capital Inc. ("Suske"). Its counsel made submissions in opposition to KSV's motion on behalf of unsecured investors and stakeholders of Chancery (Oshawa) the Bartlett Limited Partnership and Chancery (Oshawa) the Bartlett GP Inc. (together, "Chancery").

[10] Suske submits that the contractual interest charged by Fiera on the indebtedness owed to it after March 31, 2025, which was the date of maturity, was at an average rate of 10%. Suske submits that this rate is higher than is reasonable for what it describes as a loan secured by a stabilized asset. Suske submits that the Court should disallow interest claimed by Fiera after March 31, 2025 at the contractual rate and allow interest at a lower rate, 5%, or such other rate as the Court considers to be just. This would leave approximately \$1.8 million for distribution to unsecured investors and stakeholders of Chancery.

[11] Counsel for Suske did not provide me with any judicial authority for the proposition that a Court has the power to effectively re-write a loan agreement, disallow interest charged by a lender at the contractually agreed upon rate, and substitute a rate of interest set by the Court based on the exercise of discretion. I do not agree that the Court has the power to do so in the circumstances of this motion, where there is no challenge to the validity of the loan agreement. I decline to give effect to the opposition to this motion advanced by Suske.

[12] KSV seeks costs of the attendance on April 13, 2026 before Kimmel J. and of today's attendance which, it submits, were unnecessary because Suske's opposition to the Receiver's motion was unmeritorious. I agree that Suske, as the unsuccessful party on this motion, should pay costs. In my view, costs for the hearing today should be fixed on a partial indemnity scale and not on an elevated scale. I fix costs to be paid by Suske to Fiera in the amount of \$4,000 plus HST. These costs are payable within 30 days.

[13] In *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6461 at para. 75, the court approved the distribution of sale proceeds from a CCAA transaction on, amongst other grounds, the basis that: (i) the distributions were made in accordance with a valid and enforceable security interest; and (ii) the distributions would leave the debtor with sufficient liquidity.

[14] The Receiver has received a legal opinion from its counsel, Cassels, which confirms that, subject to the standard assumptions and qualifications, the Fiera Security is valid and enforceable. Further, the costs associated with the Receiver's completion of the Remaining Activities will be funded with the Fee Accrual. Accordingly, subject to the Receiver paying its and Cassels' fees and disbursements (including the Fee Accrual) and retaining the other Holdbacks, the Receiver anticipates that it will have sufficient liquidity to complete the administration of these receivership proceedings.

[15] As the amounts expected to be available for distribution are less than the Fiera Indebtedness, Fiera is expected to suffer a shortfall and is therefore the only stakeholder with an economic interest in the funds available for distribution.

[16] I am satisfied that the requested distribution should be authorized.

Approval of Supplemental Reports and Fees

[17] The Receiver is seeking approval of the Supplemental Report and the actions, conduct and activities of the Receiver described therein.

[18] The Receiver is also seeking approval of: (i) the fees and costs of the Receiver and Cassels incurred in these receivership proceedings, as set out in the Supplemental Report and the Fee Affidavits; and (ii) a fee accrual up to the aggregate amount of \$45,000 (plus disbursements and HST) (the "Fee Accrual"), to fund the Receiver's and Cassels' fees and disbursements for the completion of the Remaining Activities (as defined in the materials).

[19] I am satisfied that the Receiver's Supplemental Reports and its actions, conduct and activities should be approved.

[20] I am satisfied that the fees and disbursements of the Receiver and its counsel should be approved.

Proposed Discharge and Release

[21] As a result of the closing of the Transaction, the administration of the receivership estates of the Debtors' is substantially complete. As detailed in the Fourth Report of the Receiver dated March 3, 2026 (the "Fourth Report") and the Supplemental Report, the remaining activities include completing any post-closing adjustments for the Transaction, making payments for all pre-closing obligations and preparing the final report of the Receiver pursuant to section 246(3) of the BIA (the "Remaining Activities").

[22] The proposed Distribution & Discharge Order contemplates that, if approved, upon the Receiver's filing of the Discharge Certificate, certifying that all matters in these receivership proceedings have been completed to the satisfaction of the Receiver, the Receiver will be discharged and released.

[23] I heard from the Receiver's representative who advised the Remaining Activities are routine and will be completed within a reasonable amount of time. I am willing, on this occasion, to allow a discharge based on a Receiver's Discharge Certificate.

[24] I am satisfied that the release is proper in the circumstances.

Termination of the Stay of Proceedings

[25] The Distribution & Discharge Order contemplates that, upon the Receiver's filing of the Discharge Certificate, the Stay of Proceedings in respect of the Debtors and the Property shall terminate and cease to have any effect.

[26] The Receiver has been advised by a stakeholder of the Debtors that it may pursue litigation against related parties of the Debtors, and understands the Debtors are defendants in such litigation.

[27] Upon the filing of the Discharge Certificate, there will be effectively no remaining assets in the estates of the Debtors and there is no requirement for the Stay of Proceedings to remain in place in respect of the Property and the Debtors.

[28] I am satisfied that it is appropriate in the circumstances to terminate the Stay of Proceedings effective upon the Receiver's filing of the Discharge Certificate.

Disposition

[29] Order to issue in form of Order signed by me today.


