

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

**B E T W E E N:**

**2106580 ONTARIO INC. and OSMINGTON (WOOD STREET) INC.**

Applicants

**-and-**

**GREEN WORLD CONSTRUCTION INC.**

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**

**AIDE MEMOIRE OF THE RECEIVER  
(MOTION FOR DISCHARGE, RET. DEC 2, 2025)**

November 27, 2025

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**Lawyers for the Receiver**

**TO: Service List**

## **PART I. OVERVIEW**

1. This motion is brought by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed receiver (the “**Receiver**”) of the real property located at 175-199 Essa Road, Barrie and 50 Wood Street, Barrie (the “**Property**”).
2. The Receiver was appointed in May 2025 and has now substantially completed its mandate, having closed on the sale of the Property pursuant to various Court orders.
3. The Receiver now brings this motion seeking its discharge as Receiver subject to completing certain minor activities and filing a certificate with the Court confirming same.
4. The proposed draft order is routine and, to the Receiver’s knowledge, the motion is unopposed.
5. As such, the Receiver files this brief Aide Memoire to summarize the background of the motion and the relief sought, all of which is described in more detail in the Receiver’s Third Report, dated November 26, 2025, filed on this motion (the “**Third Report**”).

## **PART II. FACTS**

### **A. Background**

#### **1. Appointment of the Receiver and Sales Process**

6. The Receiver was appointed by order of the Superior Court of Justice (Commercial List) dated May 20, 2025 (the “**Appointment Order**”) at the instance of Osmington (Wood Street) Inc. and 2106580 Ontario Inc. (collectively, “**Osmington**”), the senior secured creditor of the debtor, Green World Construction Inc. (the “**Debtor**”).

7. Osmington held a first mortgage registered on the Property. It secured indebtedness of approximately \$31.4 million as at August 15, 2025.

8. MarshallZehr Group Inc. ("**MarshallZehr**") holds a second mortgage in the principal amount of \$13.3 million.

9. The Debtor was the registered owner of the Property, which was intended to be developed into a residential development.

10. Pursuant to a Court order dated September 12, 2025 (the "**Sale Process Order**"), the Receiver entered into a stalking horse agreement of purchase and sale dated September 5, 2025, with Aggregated Investments Inc. (the "**APS**") which was subsequently assigned to 1001386600 Ontario Inc. (the "**Purchaser**").

11. Despite robust marketing efforts, the sale and marketing process generated no bids other than the stalking horse APS.

12. Following the sale and marketing process, the Court made an Order on October 21, 2025, approving the sale of the Property to the Purchaser, as well as an Order approving the Receiver's activities and certain interim distributions to Osmington.

13. The sale of the Property closed on November 4, 2025.

## **2. Cash on hand and obligations owing**

14. Osmington has been repaid in full from the proceeds of the sale of the Property.

15. The subordinate secured lender, MarshallZehr, has not yet been repaid. As of the date of the Third Report, the amount owing to MarshallZehr is over \$16 million.

16. As of the date of the Third Report, the Receiver holds approximately \$1.25 million in cash from the proceeds of the sale of the Property. Since the remaining funds will not be sufficient to repay the MarshallZehr loan in full, there will be no distributions available for other stakeholders.

17. The Receiver and its legal counsel have filed fee affidavits on this motion for the period from approximately October to November, 2025. The Receiver's legal counsel in this matter is Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"); additionally, Osler, Hoskin & Harcourt LLP ("**Osler**"), which represents Osmington in these proceedings, also acted for the Receiver in respect of the closing of the APS transaction, as approved by the Court in the Appointment Order.

18. The Receiver's fees total \$50,520.36 inclusive of tax, Paliare Roland's fees total \$10,635.74 inclusive of tax, and Osler's fees total \$39,258.35 inclusive of tax and disbursements. For clarity, Osler's fees for which Court approval is being sought are solely the portion referable to its work on behalf of the Receiver, not Osmington.

19. The Receiver's Third Report sets out an estimated further accrual of \$100,000.00 plus HST through to the completion of its mandate, inclusive of counsel's fees and administrative disbursements (the "**Estimate Fee Accrual**").

***B. Discharge of the Receiver***

20. The Receiver's remaining duties are as follows:

- (a) pay the final fees of the Receiver and counsel to the Receiver, including as set out in the Estimated Fee Accrual;

- (b) make one or more distributions to MarshallZehr from the remaining proceeds from the sale of the Property;
- (c) prepare and file the Receiver's final report pursuant to Section 246(3) of the *Bankruptcy and Insolvency Act*;
- (d) undertake such other administrative activities as may be required to complete its mandate (collectively, the "**Remaining Activities**").

21. As the Receiver's administration is substantially complete, the Receiver is seeking an order discharging KSV as Receiver upon the filing by the Receiver of a certificate confirming that the Receiver has completed the Remaining Activities, with the provision that KSV may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

### **PART III. ISSUES**

22. The Receiver's motion raises the following two legal issues, both of which should be answered in the affirmative:

- (a) should the Court approve the discharge and release of the Receiver?; and
- (b) should the Third Report, the activities of the Receiver set out therein, and the fees (both incurred and estimated) of the Receiver and its counsel be approved?

## **PART IV. LAW**

### **A. *The Court Should Approve the Discharge of the Receiver***

23. The Receiver has successfully sold the Property and distributed the proceeds of the same to Osmington. Accordingly, the Receiver has substantially completed its mandate set out in the Appointment Order.

24. As a result, the Receiver submits that it should be discharged and released following its completion of the Remaining Activities.

25. The Receiver also seeks a release from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the part of the Receiver.

26. The release is a standard term and mirrors the language used in the Commercial List model discharge order. The caselaw recognizes that “in the absence of any evidence of improper or negligent conduct, the Release should issue.”<sup>1</sup> There is no evidence or suggestion of improper or negligent conduct by the Receiver and, accordingly, the requested release should be granted.

### **B. *The Activities and Fees of the Receiver Should be Approved***

27. The Receiver submits that the Third Report, and its activities set out therein, should be approved. Since the approval of the Second Report, the Receiver has:

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<sup>1</sup> *Pinnacle v. Kraus*, [2012 ONSC 6376](#), at [para. 47](#).

- (a) made a distribution to the secured creditor, Osmington, resulting in a full repayment of its secured indebtedness;
- (b) corresponded with McKenzie Lake Lawyers LLP, the Purchaser's real estate legal counsel, and Osler, the Receiver's legal counsel in respect of closing the transaction;
- (c) reviewed the closing documents including the statement of adjustments;
- (d) corresponded with the City of Barrie regarding property maintenance required by the City for the Property;
- (e) corresponded with a third-party contractor regarding ongoing security and surveillance of the Property;
- (f) filed HST returns;
- (g) prepared this Third Report.<sup>2</sup>

28. These activities have been for the benefit of the stakeholders of the Debtor, and accordingly, this Court should approve them.

29. The Receiver and its counsel have incurred fees in connection with these activities, as set out in the Third Report and the fee affidavits thereto. Those fees were all incurred in furtherance of the Receiver's duties and powers under the initial appointment order, and for the benefit of the Debtor's stakeholders as a whole. The amounts claimed are

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<sup>2</sup> See Third Report at section 3.0 and following.

reasonable and should be approved, including the estimated fees of the Receiver and its counsel through to the Receiver's contemplated discharge.<sup>3</sup>

**C. *Distribution to MarshallZehr***

30. Finally, the Receiver seeks approval to pay the remaining cash on hand (net of professional fees) to MarshallZehr, the second mortgagee. The first mortgagee has already been paid in full, counsel has previously opined that MarshallZehr's security is valid (subject to the usual assumptions and qualifications) and the Receiver is aware of no other stakeholder with a competing claim to the proceeds.

**PART V. ORDER REQUESTED**

31. The Receiver respectfully requests that this Court make an order in the form of the draft discharge order filed by the Receiver.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 27<sup>th</sup> day of November, 2025.



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Jeffrey Larry/Daniel Rosenbluth

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<sup>3</sup> See *Bank of Nova Scotia v. Diemer*, [2014 ONCA 851](#), at [paras. 33-35](#), for a description of the factors that courts will consider in determining whether a Receiver's accounts are fair and reasonable.

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