

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

(Court Seal)

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

and

1351637 ONTARIO LIMITED, MINTHOLLOW ESTATES INC., WHITBY
MEADOWS INC., CASEWOOD HOLDINGS INC., BROOKLIN OLDE
TOWNE INC. and TWINVIEW DEVELOPMENTS INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 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 APPLICANT
(APPLICATION TO APPOINT RECEIVER)**

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PART I - INTRODUCTION

1. The Applicant, Cameron Stephens Mortgage Capital Ltd. (“**Cameron Stephens**”), makes an application for an Order (the “**Receivership Order**”) appointing KSV Advisory Inc. (“**KSV**”) as receiver (in such capacity, the “**Receiver**”), without security, over the Debtors (as defined below) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the “**CJA**”).

2. At this initial return date, the Receivership is being pursued against four Respondents against whom the relief is not opposed: 1351637 Ontario Limited (“**1351**”), Minthollow Estates Inc (“**Minthollow**”), Whitby Meadows Inc. (“**Whitby Meadows**”) and Casewood Holdings Inc. (“**Casewood**”) (collectively the “**Debtors**” or the “**Borrowers**”).

3. These, and the other Respondents, are part of the Mansouri Living Group (the “**Mansouri Group**”), a real estate development group controlled by Shahrokh and Fereshteh Nourmansouri. The Debtors collectively owe Cameron Stephens in excess of \$33 million (the “**Indebtedness**”), all of which is in default. Cameron Stephens holds first-ranking real property security, general security agreements over personal property, and joint-and-several guarantees.¹

4. The Debtors have defaulted under each of their loan facilities and have failed to meet their contractual obligations in multiple respects. They have not paid interest when due, have depleted interest reserves, and have experienced repeated NSF events.² Numerous refinancing and asset

¹ Affidavit of Daniel Leitch sworn November 17, 2025 (“**Leitch Affidavit**”) at paras. 5-7, 25, 33, and 39, Tab B of Cameron Stephen’s Application Record dated November 18, 2025 (“**Application Record**”).

² Leitch Affidavit, at para. 5.

disposition efforts have collapsed, including proposed transactions intended to generate liquidity for repayment.³ Formal demands and notices under section 244 of the BIA have been issued without cure.⁴ In an apparent attempt to delay enforcement, the Debtors filed Notices of Intention to Make a Proposal (“**NOIs**”) without prior notice to the Applicant and have since failed to advance any viable restructuring plan.⁵

5. The Debtors have ceased all active operations and no longer maintain any revenue-generating business. Their only material assets consist of development lands located in Whitby and Oshawa, which are not under construction, do not produce income, and are not subject to any viable monetization strategy. No capital plan has been advanced, and there has been no meaningful engagement with the Applicant that could lead to repayment since the filing of the NOIs. The Proposal Trustee’s cash-flow projections confirm the absence of operating revenues, debt-service capacity, or provision for essential obligations such as property taxes and insurance.⁶ In these circumstances, the appointment of a receiver is necessary to protect the secured assets, preserve value, and ensure an orderly and transparent realization process. The Debtors do not oppose this relief sought.

6. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Affidavit of Daniel Leitch sworn November 17, 2025.

³ Leitch Affidavit, at para. 53.

⁴ Leitch Affidavit, at para. 65.

⁵ Leitch Affidavit, at para. 90, Exhibit 62, Exhibit 63, Exhibit 64, and Exhibit 65.

⁶ Leitch Affidavit, at para. 103, Exhibit 66, Exhibit 67, Exhibit 68 and Exhibit 69.

PART II - SUMMARY OF FACTS

BACKGROUND

7. Cameron Stephens advanced four secured loan facilities to entities within the Mansouri Living Group between 2020 and 2024. Each facility was supported by first-ranking mortgages, general security agreements (“GSAs”), and joint-and-several guarantees by Shahrokh and Fereshteh Nourmansouri. Casewood Holdings Inc., (“**Casewood**”) a Mansouri-controlled entity, provided collateral security for the Garden Street Project Loan.⁷ The total amount advanced to the Debtors was approximately \$66 million, and as of November 11, 2025, the aggregate indebtedness outstanding was approximately \$33 million, exclusive of accruing interest and costs.⁸

THE LOAN AGREEMENTS

A. GARDEN STREET PROJECT LOAN

8. 1351 and the Applicant entered into a commitment letter dated December 20, 2021, as amended, providing for a loan of up to \$15,000,000 (the “**Garden Street Project Loan**”).⁹ It was secured by a first-ranking mortgage over 4440 Garden Street, Whitby (\$14,400,000); a collateral charge over lands owned by Casewood Holdings Inc. (\$4,800,000); a second-ranking collateral charge over the Whitby Meadows property; a general security agreement; and guarantees by Shahrokh and Fereshteh Nourmansouri and Casewood.¹⁰

9. The loan matured on August 1, 2025, without repayment, constituting an Event of Default. Formal demand and notices under section 244 of the BIA were issued on October 14, 2025 to

⁷ Leitch Affidavit, at paras. 25, 33, and 39.

⁸ Leitch Affidavit, at paras. 5 and 21.

⁹ Leitch Affidavit, at para. 21.

¹⁰ Leitch Affidavit, at para. 25.

1351, Casewood, Whitby Meadows, and the Guarantors.¹¹ As of November 11, 2025, \$13,738,784.36 remained outstanding. Development on the property has not progressed, and the borrower is insolvent.

B. FOLKSTONE TOWNS PROJECT LOAN

10. Minthollow and the Applicant entered into a commitment letter dated October 8, 2020, as amended, providing for a loan of up to \$26,684,540 (the “**Folkstone Towns Project Loan**”).¹² It was secured by a first-ranking mortgage over the Folkstone Towns property (\$24,273,048) and a general security agreement, together with guarantees by Shahrokh and Fereshteh Nourmansouri.¹³

11. The loan matured on September 1, 2025 without repayment, constituting an Event of Default. Formal demand and notices under section 244 of the BIA were issued on October 14, 2025 to Minthollow, and the Guarantors.¹⁴ As of November 11, 2025, \$1,336,351.18 remained outstanding. Development on the property has not progressed, and the borrower is insolvent.

C. WHITBY MEADOWS PROJECT LOAN

12. Whitby Meadows and the Applicant entered into a commitment letter dated June 30, 2023, as amended, providing for a loan of up to \$24,500,000 (the “**Whitby Meadows Project Loan**”).¹⁵ It was secured by a first-ranking mortgage over the Whitby Meadows property (\$14,300,000); a separate first-ranking charge over lands owned by Clarington Properties Inc. (“**Clarington**”)¹⁶;

¹¹ Leitch Affidavit, at paras. 66-67.

¹² Leitch Affidavit, at para. 31.

¹³ Leitch Affidavit, at para. 33.

¹⁴ Leitch Affidavit, at para. 70.

¹⁵ Leitch Affidavit, at para. 38.

¹⁶ Clarington has since amalgamated with Whitby Meadows.

GSAs from Whitby Meadows and Clarington; and guarantees by Shahrokh and Fereshteh Nourmansouri.¹⁷

13. The loan matured on August 1, 2025 without repayment, constituting an Event of Default. Formal demand and notices under section 244 of the BIA were issued on October 14, 2025 to Whitby Meadows, and the Guarantors.¹⁸ As of November 11, 2025, \$17,988,044.46 remained outstanding. Development on the property has not progressed, and the borrower is insolvent.

D. BROOKLIN AND MAMONE TOWNS PROJECT LOAN

14. Cameron Stephens also advanced a fourth secured loan facility to two other entities within the Mansouri Group, a \$13,000,000 demand loan advanced on October 31, 2024 to Brooklin Olde Towne Inc. and Twinview Developments Inc. (the “**Brooklin and Mamone Towns Project Loan**”). This fourth facility was secured by first-ranking mortgages over the Brooklin and Mamone properties; a GSA; and guarantees by Shahrokh and Fereshteh Nourmansouri.¹⁹

15. Cross-defaults under affiliated facilities have occurred and section 244 notices have been issued in respect of those properties.²⁰ Counsel for the Applicant were informed last Friday afternoon that NOIs in respect of these entities had been filed, and copies of those NOIs were provided on Monday, November 17. Cameron Stephens intends to continue to seek a receivership over those properties, including the lifting of the statutory NOI stay, but the parties have agreed to adjourn the hearing of relief relating to this facility to a date in early December. Cameron Stephens

¹⁷ Leitch Affidavit, at para. 39.

¹⁸ Leitch Affidavit, at para. 74.

¹⁹ Leitch Affidavit, at paras. 45-46.

²⁰ Leitch Affidavit, at paras. 80-81.

seeks a fixed return date for that relief and a timetable – a matter currently under discussion between counsel.

PATTERN OF DEFAULT AND FAILED RECOVERY EFFORTS

16. Over the 12 months preceding this Application, the Debtors have failed to make required interest payments, depleted reserves, and repeatedly proposed sales and refinancings that never closed.²¹ These include a failed \$4 million partial sale of Whitby Meadows to Sunny Communities and a proposed DUCA refinancing for Garden Street that collapsed due to Tarion warranty deficiencies.²² Multiple NSF events and the failure to fund September 2025 interest obligations confirmed the Debtors' insolvency.²³

17. On October 24, 2025, four Mansouri Group entities filed NOIs without prior notice to the Applicant.²⁴ Since those filings, no proposal has been delivered, no restructuring plan has been advanced, and the Proposal Trustee and Debtors has provided no meaningful response to Cameron Stephens' inquiries about repayment or restructuring efforts. The only communication received was an indication that the Debtors do not oppose the appointment of a receiver in relation to the four Debtors. The Proposal Trustee's cash-flow forecasts show no provision for debt service, taxes, or preservation of asset value.²⁵ The failure to fund tax payments risks erosion of the value of the lands.

²¹ Leitch Affidavit, at paras. 56-58.

²² Leitch Affidavit, at paras. 55 and 60-61.

²³ Leitch Affidavit, at paras. 57-58.

²⁴ Leitch Affidavit, at para. 90.

²⁵ Leitch Affidavit, at paras. 91-100.

18. The Debtors are insolvent, have ceased active operations, and possess only raw development lands that are neither income-producing nor subject to any credible monetization strategy. They have provided no proposal, no restructuring plan, and no meaningful engagement with the Applicant or the Proposal Trustee. Their lack of disclosure and failure to preserve value have eliminated any confidence on the part of Cameron Stephens in their ability or willingness to meet obligations. In these circumstances, the appointment of a receiver is necessary to protect the Applicant's security, ensure transparency, and implement an orderly realization process that maximizes recoveries for all stakeholders.

PART III - STATEMENT OF ISSUES, LAW & AUTHORITIES

19. There are two issues on this Application:

- (a) whether the Court should lift the stay of proceedings arising under subsection 69(1) of the BIA, pursuant to subsection 69.4 of the BIA, to permit this enforcement proceeding to proceed; and
- (b) If so, whether it is just or convenient for this Court to appoint KSV over the Property of the Debtors pursuant to subsection 243(1) of the BIA and section 101 of the CJA. That relief is not opposed by the Debtors.

THE COURT MAY LIFT THE STAY OF PROCEEDINGS UNDER THE BIA

20. The filing of a NOI triggers an automatic stay of proceedings pursuant to s. 69(1) of the BIA.²⁶ The legislative scheme underlying s. 69(1) is to provide a temporary stay so that an

²⁶ BIA, [s. 69\(1\)](#).

insolvent person may pursue a restructuring via an NOI or proposal; it is not designed to confer an open-ended moratorium on a secured party's contractual or statutory rights.

21. Section 69.4 of the BIA empowers the Court, on application of a creditor, to declare that the stay does not operate in respect of that creditor where the continuation of the stay is likely to materially prejudice the creditor, or where it is equitable to lift or vary it.²⁷ The material-prejudice and equitable-grounds tests are flexible and contextual, and permit the Court to consider the totality of the circumstances, including the absence of any viable restructuring strategy, the deterioration of secured collateral, or any other prejudice to the creditor arising from delay.²⁸

22. Those criteria are met on this record. As detailed in paragraphs 30 to 34 below, the Debtors have no viable restructuring plan, have repeatedly failed to advance any credible path to stabilization, and have not taken the steps required of a debtor acting in good faith and with due diligence under the NOI regime. The Applicant's security position is deteriorating, essential carrying costs remain unfunded, and the NOI process is functioning solely as a stay mechanism rather than a restructuring process. In these circumstances, the continuation of the stay materially prejudices the Applicant and serves no statutory purpose. The Debtors do not oppose the appointment of a Receiver. It is therefore appropriate and equitable that the stay be lifted to permit the Applicant to enforce its security through the receivership relief sought.

²⁷ BIA, [s. 69.4](#).

²⁸ *White Oak Commercial Finance, LLC v Nygård Holdings*, [2020 MBQB 58](#), at paras. [29-31](#).

STATUTORY FRAMEWORK FOR APPOINTING A RECEIVER

23. Section 101 of the CJA empowers the Court to appoint a receiver where it is “just or convenient” to do so.²⁹ Subsection 243(1) of the BIA confers the same authority on the application of a secured creditor, permitting receivership over all or substantially all of a debtor’s property where the Court considers such relief “just or convenient”.³⁰ These provisions confer a broad and flexible discretion on the Court to fashion relief that preserves and maximizes value for stakeholders.

24. Ontario courts apply a unified, practical standard under these provisions: whether, on the record and in furtherance of an orderly realization process, the appointment of a receiver is warranted.³¹ The test is contextual and fact-driven. The applicant need not demonstrate irreparable harm, urgency, or the exhaustion of alternative remedies to obtain a receivership order.³² Rather, the Court considers “all of the circumstances”, with particular attention to the nature of the property and the rights and interests of affected parties.³³

25. Under the BIA, a secured creditor who intends to enforce its security against all or substantially all of the property of an insolvent person that was acquired for, or is used in relation to, a business carried on by that person must satisfy the statutory notice requirement by delivering

²⁹ *Courts of Justice Act*, RSO 1990, c C-43, [s. 101](#).

³⁰ *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [“BIA”], [s. 243\(1\)](#).

³¹ *Canadian Equipment Finance and Leasing Inc. v The Hypoint Company Limited*, [2022 ONSC 6186](#) [*Canadian Equipment*], at para. [22-23](#).

³² *Canadian Equipment* at para. [26](#); *Bank of Nova Scotia v Freure Village on the Clair Creek*, [1996 CanLII 8258](#) [*Freure Village*], at paras. [11-13](#); *Elleway Acquisitions Ltd v Cruise Professionals Ltd*, [2013 ONSC 6866](#) [*Elleway*], at para. [26](#).

³³ *Canadian Equipment*, at para. [23](#); *Freure Village*, at para. [10](#).

at least ten days' prior written notice of its intention to enforce.³⁴ The Applicant has complied with this requirement.³⁵

THE TEST FOR APPOINTING A RECEIVER

26. Courts have articulated a non-exhaustive list of factors relevant to the “just or convenient” analysis, including:

- (a) the need to preserve and maximize the return on the subject property;
- (b) the risk of the lender's security deteriorating;
- (c) the relationship between the debtor and its creditors;
- (d) loss of confidence in the debtor's management;
- (e) whether a receivership will facilitate an orderly realization process; and
- (f) the balance of convenience as between the parties.³⁶

27. While receivership is often described as an extraordinary remedy, that characterization is significantly diminished where a secured creditor has a contractual right to a receivership under its security arrangements. In such cases, the applicant is merely seeking to implement an agreed-

³⁴ BIA, [s. 244](#).

³⁵ Leitch Affidavit, at para. 8.

³⁶ *Maple Trade Finance Inc. v CY Oriental Holdings Ltd.*, [2009 BCSC 1527](#), at para. 25; *Canadian Equipment*, at para. 25; *BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.*, [2020 ONSC 1953](#) [BCIMC] at para. 45.

upon enforcement mechanism. Courts have repeatedly held that they should not ordinarily interfere with the contract between the parties.³⁷

28. The existence of a material default under the loan and security documents is a critical consideration. Where the borrower is in default, the burden on the secured creditor seeking a receiver is correspondingly lower.³⁸ The relief is even more justified where the default arises under a mortgage secured against land.³⁹

29. Attempts by a debtor to refinance or promises of future repayment do not preclude the appointment of a receiver, particularly where the creditor has lost confidence in management as a result of failed assurances or inconsistent information.⁴⁰ Courts have also confirmed that marketing or sale efforts, even where a conditional offer exists, do not displace a creditor's contractual and statutory rights, particularly where the debtor lacks the liquidity or organizational capacity to complete the sale or manage the process transparently.⁴¹

IT IS JUST AND CONVENIENT FOR THIS COURT TO APPOINT KSV AS RECEIVER

30. Having regard to the governing principles, a receivership is plainly just and convenient in this case. The parties agreed to a receivership remedy in the event of default;⁴² there are clear and

³⁷ *BCIMC*, at para. 43; *C & K Mortgage et al. v 11282751 Canada Inc. et al.*, [2024 ONSC 1039](#), at para. 17; *iSpan Systems LP*, [2023 ONSC 6212](#), at para. 31.

³⁸ *Royal Bank v Brodak Construction Services Inc.*, [2002 CanLII 49590 \(ONSC\)](#), at para. 11.

³⁹ *BCIMC*, at para. 44.

⁴⁰ *KingSett Mortgage Corporation v 30 Roe Investments Corp.*, [2022 ONSC 2777](#), at paras. 11-12 and 16; *Romspen Investment Corporation v Tung Kee Investment Canada Ltd. et al.*, [2023 ONSC 5911](#), at paras. 38-39.

⁴¹ *RBC v Maxx Properties (No. 323) Ltd.*, [2024 ONSC 1660](#), at paras. 40-45; *Canada Ici Capital Corporation v Ecre Smart Living Hinton Inc et al.*, [2024 ONSC 5529](#), at paras. 14-15; *Canadian Equipment*, at paras. 34-36.

⁴² Leitch Affidavit, at paras. 84-86.

ongoing defaults across every facility;⁴³ and the surrounding circumstances overwhelmingly support the need for a court-supervised process. In particular:

- (a) The Debtors collectively owe more than \$33 million to the Applicant and have failed to cure those arrears. Significant principal and interest remain unpaid, the guarantors have not satisfied their obligations, and the Debtors have filed NOIs, an express admission of insolvency.⁴⁴
- (b) As it appears from the creditor lists filed with the Debtors' NOIs, Cameron Stephens is by far the largest secured creditor of the Debtor group. The Debtors disclose total creditor claims of approximately \$36.76 million, of which \$32.81 million⁴⁵ is owed to Cameron Stephens. The remaining \$3.95 million is owed to other creditors, and none of those claims appear to be secured.⁴⁶ The only potentially priority item referenced in the materials is an unexplained CRA liability, which the Debtors have disclosed but have not described or quantified in any meaningful way.⁴⁷ In these circumstances, the appointment of a Receiver will not prejudice any other creditors and will ensure that the Debtors' projects are stabilized and realized in an orderly manner for the benefit of all stakeholders.

⁴³ Leitch Affidavit, at para. 53.

⁴⁴ Leitch Affidavit, at para. 90.

⁴⁵ The \$32.81 million figure reflects only the amounts listed by the Debtors in their NOIs on the filing dates. As of November 10, 2025, the actual Indebtedness owing to Cameron Stephens was approximately \$33 million, with additional contractual interest, default interest, and other charges continuing to accrue thereafter.

⁴⁶ Leitch Affidavit, Exhibit 62, Exhibit 63, and Exhibit 64.

⁴⁷ Leitch Affidavit at paras. 95-100 and Exhibit 64.

- (c) The Debtors cannot fund basic obligations. Interest reserves have been depleted, monthly interest has repeatedly gone unpaid, and operating accounts have generated multiple NSF entries. The projects cannot be stabilized without third-party intervention.⁴⁸
- (d) Every proposed solution advanced by the Debtors has collapsed. The Sunny Communities transaction—intended to repay a portion of Whitby Meadows and fund an interest reserve—failed.⁴⁹ The Garden Street refinancing with DUCA did not proceed because the Debtors could not satisfy required conditions, including Taron approvals.⁵⁰ These repeated failures demonstrate that no viable path exists under current management.
- (e) Casewood Holdings Inc., which granted third-party security for the Garden Street facility, has also failed to satisfy amounts secured by its charge, creating a further independent default.⁵¹
- (f) Since the NOIs were filed, neither the Debtors nor the Proposal Trustee has articulated any restructuring strategy, milestones, or timetable. Communications have been minimal despite the Applicant being the largest economic stakeholder. Cash-flow projections provide no funding for debt service, taxes, insurance, or

⁴⁸ Leitch Affidavit, at para. 57.

⁴⁹ Leitch Affidavit, at para. 55.

⁵⁰ Leitch Affidavit, at para. 61.

⁵¹ Leitch Affidavit, at para. 68.

other essential carrying costs.⁵² The NOI process is functioning merely as a stay mechanism, not as a bona fide restructuring.

- (g) The Debtors have no operations, employees, or going-concern value.⁵³ Their only assets are development lands that require independent oversight and an orderly realization process.
- (h) The parties expressly agreed in each of the security documents that, upon default, the Applicant may seek the appointment of a court-appointed receiver, and the Debtors irrevocably consented to such relief.⁵⁴
- (i) The Debtors do not oppose the relief sought.
- (j) KSV has consented to act as Receiver.⁵⁵

31. The statutory and contractual framework, coupled with the factual matrix, leaves no doubt that the appointment of a receiver is both just and convenient. The Applicant is a secured creditor with clear contractual rights to seek this relief. The Debtors are insolvent, in persistent and material default, and have demonstrated an inability to stabilize their affairs or articulate any credible restructuring strategy. The NOI process is serving only as a procedural shield, not as a pathway to rehabilitation.

⁵² Leitch Affidavit, at paras. 92-93.

⁵³ Leitch Affidavit, at para. 101.

⁵⁴ Leitch Affidavit, at para. 86.

⁵⁵ Application Record, Tab E.

32. A court-supervised receivership will protect and preserve the value of the Debtors' assets, ensure transparency, and facilitate an orderly realization process for the benefit of all stakeholders. It will also prevent further erosion of the Applicant's security and mitigate the risk of unmanaged deterioration of the Property.

33. In these circumstances, the Court is not being asked to grant an extraordinary indulgence; it is being asked to enforce the enforcement mechanism the parties agreed upon. The jurisprudence is clear: where the contractual right exists and the debtor is in default, the Court should not hesitate to grant the relief sought.

PART IV - ORDER REQUESTED

34. The Applicant respectfully submits that the stay should be lifted pursuant to s. 69.4 of the BIA so that the Court may issue a Receivership Order substantially in the form attached to the Application Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 18th day of November, 2025.



Matthew B. Lerner / Brian Kolenda / Ravneet
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SCHEDULE “A”

LIST OF AUTHORITIES

1. *Bank of Nova Scotia v Freure Village on the Clair Creek*, [1996 CanLII 8258](#)
2. *BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.*, [2020 ONSC 1953](#)
3. *C & K Mortgage et al. v 11282751 Canada Inc.*, [2024 ONSC 1039](#)
4. *Canada Ici Capital Corporation v Ecre Smart Living Hinton Inc.*, [2024 ONSC 5529](#)
5. *Canadian Equipment Finance and Leasing Inc. v The Hypoint Company Limited*, [2022 ONSC 6186](#)
6. *Elleway Acquisitions Ltd v Cruise Professionals Ltd*, [2013 ONSC 6866](#)
7. *iSpan Systems LP*, [2023 ONSC 6212](#)
8. *KingSett Mortgage Corporation v 30 Roe Investments Corp.*, [2022 ONSC 2777](#)
9. *Maple Trade Finance Inc. v CY Oriental Holdings Ltd.*, [2009 BCSC 1527](#)
10. *RBC v Maxx Properties (No. 323) Ltd.*, [2024 ONSC 1660](#)
11. *Romspen Investment Corporation v Tung Kee Investment Canada Ltd.*, [2023 ONSC 5911](#)
12. *Royal Bank v Brodak Construction Services Inc.*, [2002 CanLII 49590 \(ON SC\)](#)
13. *White Oak Commercial Finance, LLC v Nygård Holdings*, [2020 MBQB 58](#)

I, Ravneet Minhas, certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date November 18, 2025



Signature

**SCHEDULE “B”
RELEVANT STATUTES**

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3

69(1) Stay of proceedings — notice of intention

(1) Subject to subsections (2) and (3) and sections 69.4, 69.5 and 69.6, on the filing of a notice of intention under section 50.4 by an insolvent person:

(a) no creditor has any remedy against the insolvent person or the insolvent person's property, nor shall any creditor commence or continue any action, execution or other proceeding for the recovery of a claim provable in bankruptcy;

(b) no provision of a security agreement between the insolvent person and a secured creditor that provides, in substance, that on

- (i) the insolvent person's insolvency,
- (ii) default by the insolvent person under the security agreement, or
- (iii) the filing by the insolvent person of a notice of intention under section 50.4,

the insolvent person ceases to have such rights to use or deal with assets secured under the agreement as he would otherwise have, has any force or effect;

(c) Her Majesty in right of Canada may not exercise Her rights under

- (i) subsection 224(1.2) of the *Income Tax Act*, or
- (ii) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* that

- (A) refers to subsection 224(1.2) of the *Income Tax Act*, and
- (B) provides for the collection of CPP contributions or EI premiums and any related interest, penalties or other amounts, in respect of an insolvent person who is a tax debtor under that subsection or provision; and

(d) Her Majesty in right of a province may not exercise Her rights under any provision of provincial legislation in respect of the insolvent person where the insolvent person is a debtor under that legislation and the provision has a similar purpose to subsection 224(1.2) of the *Income Tax Act* or refers to that subsection, to the extent that it provides for the collection of a sum (and any related interest, penalties or other amounts) where the sum:

- (i) has been withheld or deducted from a payment in respect of a tax similar to income tax; or
- (ii) is of the same nature as a CPP contribution, where the province operates a comparable pension plan,

until the filing of a proposal under subsection 62(1) in respect of the insolvent person or the bankruptcy of the insolvent person.

69.4 Court may declare that stays, etc., cease

A creditor who is affected by the operation of sections 69 to 69.31 or any other person affected by the operation of section 69.31 may apply to the court for a declaration that those sections no longer operate in respect of that creditor or person, and the court may make such a declaration, subject to any qualifications that the court considers proper, if it is satisfied

- (a) that the creditor or person is likely to be materially prejudiced by the continued operation of those sections; or
- (b) that it is equitable on other grounds to make such a declaration.

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:

- (c) 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;
- (d) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
- (e) take any other action that the court considers advisable.

244(1) Advance notice

(1) A secured creditor who intends to enforce a security on all or substantially all of

- (a) the inventory,
- (b) the accounts receivable, or
- (c) the other property

of an insolvent person that was acquired for, or is used in relation to, a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.

Period of notice

(2) Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.

No advance consent

(2.1) For the purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).

Exception

(3) This section does not apply, or ceases to apply, in respect of a secured creditor

(a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or

(b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to section 69.4.

Idem

(4) This section does not apply where there is a receiver in respect of the insolvent person.

Courts of Justice Act, R.S.O. 1990, c. C.43

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.

CAMERON STEPHENS MORTGAGE CAPITAL LTD.
Applicant

-and- 1351637 ONTARIO LIMITED et al.
Respondents

Court File No. CL-25-00753580-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

FACTUM OF THE APPLICANT
(APPLICATION TO APPOINT RECEIVER)

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