



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00722148-00CL

DATE: September 17, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: KingSett Mortgage Corp. et al. v. Maplequest Ventures Inc. et al.

BEFORE: Justice Jana Steele

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

| Name of Person Appearing | Name of Party | Contact Info         |
|--------------------------|---------------|----------------------|
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|                          |               |                      |

**For Defendant, Respondent, Responding Party:**

| Name of Person Appearing | Name of Party | Contact Info                       |
|--------------------------|---------------|------------------------------------|
| Khaled Gheddai           | Respondents   | kg@friedmans.ca                    |
| Aiden Nelms              | Receiver KSV  | nelmsa@bennettjones.com            |
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**ENDORSEMENT OF JUSTICE STEELE:**

- [1] The Receiver brings a motion seeking, among other things, an order (a) approving the settlement and release dated as of Aug. 7, 2025 between the Receiver, Mayfield West Developers Group Inc. (as trustee) and Yeoman Developments Inc., (b) amending the Receivership Order to add certain additional property of Digram to the definition of “Property”, and (c) sealing the confidential appendix.

- [2] The Receiver had initially also sought the approval of a sale transaction in respect of the Phyllis Real Property, the approval of a proposed distribution, and approval of the second report and activities. However, on consent of the parties, this relief has been adjourned to **October 3, 2025, at 10 am (90 minutes)**. The adjournment was sought following the filing by the respondent of responding materials and a cross-motion on September 16, 2025. Among other thing, the respondents seek the approval of a competing sale transaction. The Receiver requires time to review and consider the newly filed materials.
- [3] **If 90 minutes is not required for the return on October 3, 2025, the parties shall advise the court as soon as possible so that the time required can be reduced accordingly.**
- [4] The relief sought today is unopposed.
- [5] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in the Receiver's factum.

*Should the Settlement Agreement be approved?*

- [6] The Receiver seeks approval of the Settlement Agreement. Digram, Yeoman and the Trustee, among others are party to a Cost Sharing Agreement dated April 10, 2008, which governs a land development in Caledon. The Receiver, Yeoman and the Trustee negotiated the Settlement Agreement related to certain Digram funds that the Trustee was holding to which Yeoman was also asserting claims.
- [7] As noted by Chief Justice Morawetz in *Ontario Securities Commission v. Bridging Finance Inc.*, 2025 ONSC 539, at para. 13, the court generally considers the following factors when determining whether a settlement should be approved in the context of a receivership:
- a. Whether the settlement is fair and reasonable;
  - b. Whether the settlement provides substantial benefits to other stakeholders; and
  - c. Whether the settlement is consistent with the purpose and spirit of the relevant legislation.
- [8] Chief Justice Morawetz further noted in *Bridging*, at para. 14, that in receiverships the court frames the test for whether a settlement should be approved through the lens of the *Soundair* principles:
- a. Whether the party made a sufficient effort to obtain the best price and has not acted improvidently;

- b. The interests of all parties;
- c. The efficacy and integrity of the process by which the party obtained offers; and
- d. Whether the working out of the process was unfair.

*Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727.

- [9] I am satisfied that the Settlement Agreement should be approved. The settlement is the product of extensive negotiations through counsel. The Receiver states that the Settlement Agreement is fair and reasonable. Among other things, the settlement eliminates the costs and delays that would be associated with litigating the subject matter of the agreement and provides finality and certainty for all applicable stakeholders. KingSett supports the Settlement Agreement.

*Should the Court approve the requested sealing order?*

- [10] A limited sealing order with respect to the Confidential Appendix is sought. The proposed sealing order is time limited – the Confidential Appendix will be sealed until the earlier of the closing of a transaction related to the Phyllis Real Property or further court order. The Confidential Appendix contain sensitive commercial information, namely the proposed purchase price (in respect of the Transaction that the Receiver had initially proposed be approved today), about the value of the property.
- [11] The court has jurisdiction to make the requested sealing order under s. 137(2) of the *Courts of Justice Act*.
- [12] The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize the value of the property. No reasonable alternative measures exist that would adequately protect the commercially sensitive information in the Confidential Appendix. I am satisfied that the requested sealing order (which is limited in scope and time limited) for the Confidential Appendix satisfies the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to an important public interest; enabling stakeholders of a company in insolvency proceedings to maximize the realization of assets is an important public interest.
- [13] I direct counsel for the Receiver to file a hard copy of the Confidential Appendix with the Commercial List Office in a sealed envelope with a copy of the Order and this endorsement (with the relevant provisions highlighted). Counsel is further directed to apply, at the appropriate time, for an unsealing order, if necessary.

*Should the Amendment to the Receivership order be approved?*

- [14] The Receiver seeks to be appointed as receiver and manager over the Additional Personal Property, which property is part of the additional security granted by Digram in favour of KingSett to secure the Heritage Loan. Among other things, the Receiver seeks to continue to administer the proceedings in the most efficient manner possible. Accordingly, an amendment, *nunc pro tunc*, to the Receivership Order is sought by the Receiver.
- [15] Under s. 243(1) of the BIA, and s. 101 of the CJA, the court may appoint a receiver where it is “just or convenient” to do so.
- [16] KingSett supports the proposed amendment.
- [17] I am satisfied that amendment should be approved.
- [18] Order attached.

A handwritten signature in blue ink, appearing to be 'J. Hill', is located in the lower right quadrant of the page.