



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000192-0000

DATE: May 05, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING: FRONTWELL CAPITAL PARTNERS INC. v. INVOTEK GROUP INC. et al.

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
John Salmas	Frontwell Capital Partners Inc.	john.salmas@dentons.com
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Evan Cobb	Export Development Canada	evan.cobb@nortonrosefulbright.com
Christopher Yung (Not On The Record)	Invotek Group & Mara Technologies	cyung@litigate.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Edmond Lamek	Proposed Receiver, KSV Restructuring	edmond.lamek@dlapiper.com

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] Frontwell Capital Partners (“**Frontwell**”), seeks an order appointing KSV Restructuring Inc. (“**KSV**”) as receiver over the property of Mara Technologies Inc. (“**Mara Canada**”), Mara Technologies USA Inc. (“**Mara US**” and with Mara Canada, the “**Mara Companies**”), Invotek Group Inc. (“**Invotek Canada**”), and Invotek Group USA Inc. (“**Invotek US**” and with Invotek Canada and the Mara Companies, the “**Companies**”).
- [2] The Companies consent to the relief sought. The application was brought on an urgent basis as the proposed receiver advises recent re-financing attempts have fallen away, significant payment arrears exist and any attempt to continue the Companies as a going concern will not be possible if amounts, including payroll, are not funded this week. Frontwell has advised it will only provide further funding in the context of a receivership proceeding.
- [3] Defined terms used but not otherwise defined herein have the meaning provided to the affidavit of Kevin Freer sworn May 5, 2026.
- [4] Invotek Canada is the parent company of Mara Canada and Invotek US. Invotek US holds the equity of Mara US.
- [5] The Mara Companies are operating businesses that specialize in build-to-print electronics manufacturing for companies in various industries including automotive, consumer electronics, media and communications. The Mara Companies contract with customers to design and produce components or machinery for electronic systems utilizing customer-provided designs, blueprints, and specifications.
- [6] Mara Canada is headquartered in leased premises located in Markham, Ontario while Mara US operates out of a leased production facility in Holly, Michigan. Mara Canada also leases a facility in Scarborough, Ontario.
- [7] The Mara Companies have approximately 227 employees, 134 of whom are employed by Mara Canada and 93 of whom are employed by Mara US. The Mara Companies’ employees are not unionized, and the Mara Companies do not offer their employees a pension plan.
- [8] The Mara Companies have been under substantial financial pressure in recent months primarily as a result of a strained relationship with its largest customer ATX Networks (San Diego) Corp. (“**ATX**”), and the economic impact of tariffs.
- [9] Frontwell provides the Mara Companies with an asset based revolving loan facility (the “**Frontwell Credit Facility**”). As of April 17, 2026, the amount outstanding under the Frontwell Credit Facility was \$22.3 million, plus fees, interest and costs which continue to accrue. The Frontwell Credit Facility is guaranteed by each of Invotek Canada and Invotek US. The Frontwell Credit Facility is secured by, among other things general security agreements executed by each of the Companies.
- [10] As well, Mara US is the debtor under a credit agreement with EDC, executed on November 22, 2022 (the “**EDC Loan Agreement**”). Under this agreement, EDC extended a term loan facility to Mara US, allowing for a maximum borrowing limit of US\$21 million. In December 2023, the EDC Loan Agreement

was amended to add additional equipment financing in the amount of US\$8.6 million. As of February 28, 2026, approximately \$36.7 million remains outstanding under the EDC Loan Agreement. Mara US is in default under the EDC Loan Agreement. Counsel for EDC attended the hearing and advised they are supportive of the relief sought, subject to further discussion regarding the allocation of the receivers' proposed borrowing charge (which will occur in the future).

- [11] Mara Canada is also the debtor under a loan agreement with Bank of Montreal limited to (i) a Master Equipment Leasing Facility in the amount of \$2.1M (the “**BMO Facilities**”) and (ii) a corporate credit card facility of \$100,000. The BMO Facilities were recently acquired by XOBPGC Holdings Inc. (“**XOB**”), which is non-arm's length to the management of the Companies. Counsel for XOB was not in attendance today, however counsel to Frontwell advised based on discussions between those parties, XOB supports the appointment of the Receiver.
- [12] As set out in the pre-filing report of KSV as proposed receiver, based on intercreditor agreements, KSV understands that:
- (a) Frontwell has a first ranking security interest in substantially all the assets (excluding equipment) of the Mara Companies and a second ranking interest in the equipment subject to the XOB and EDC prior ranking security interests in such equipment;
 - (b) EDC has a first ranking security in all of the equipment of Mara US and a second ranking security interest in substantially all other assets of the Mara Companies; and
 - (c) XOB has a first ranking security interest in the Companies' equipment in Canada and a third ranking security interest over collateral in which Frontwell has a first ranking security interest. XOB has no security interest over the Companies' equipment in the US.
- [13] KSV has received an opinion from its independent counsel that, subject to the standard qualifications and assumptions, the Frontwell security is valid and enforceable.
- [14] Along with the secured debt noted above, the Companies owe over \$25 million on an unsecured basis to various vendors.
- [15] The Frontwell Credit Facility was scheduled to mature on December 16, 2024. The Companies requested, and Frontwell agreed, to a series of extensions which extended the maturity date until October 24, 2025. Based on an audit conducted by Frontwell, the ATX invoices were excluded from the borrowing base which resulted in a significant over advance.
- [16] On April 17, 2026, Frontwell, through its counsel demanded repayment and issues notices under s. 244 of the *Bankruptcy and Insolvency Act* (the “**BIA**”). As noted above, the funding needs of the Companies are now urgent, Frontwell is prepared to provide additional funding to prevent an abrupt cessation of the Debtors' operations and preservation of the value of the Property for the benefit of the Debtors' stakeholders; however it is not prepared to do so absent the benefit of a court-ordered charge and the appointment of a receiver.
- [17] I am advised that each of the Companies has executed a consent to the appointment of the Receiver.
- [18] The test for the appointment of a receiver under s. 243 of the BIA or s. 101 of the *Courts of Justice Act* is whether it is just or convenient.

- [19] In determining whether it is just or convenient to appoint a receiver the court must have regard to all of the circumstances of the case particularly the nature of the property and the rights and interests of all parties in relation to the property: see *Bank of Nova Scotia v Freure Village of Clair Creek*, [1996] OJ No 5088 at para 10.
- [20] While the appointment of a receiver is generally an extraordinary equitable remedy, where the rights of the secured creditor include, pursuant to the terms of its security, the right to seek the appointment of a receiver, the burden on the applicant is lessened: see *Bank of Montreal v. Sherco Properties Inc.* 2013 ONSC 7023 at para 41 and 42.
- [21] As summarized by Justice Osborne (as he then was) in *Canadian Equipment Finance and Leasing Inc. v. The Hypoint Company Limited*, 2022 ONSC 6186 at para 25, a number of factors have historically been taken into account in the determination of whether it is appropriate to appoint a receiver. The factors are not a checklist, but rather a collection of considerations to be viewed holistically.
- [22] In this case, it is just and convenient to appoint a receiver. There is no dispute that the Companies owe over \$22 million to Frontwell and that the obligations are default.
- [23] Under the terms of its security with Mara Canada and Invotek Canada, Frontwell is entitled to apply to the Court for the appointment of a receiver upon default. Further, Frontwell has demanded repayment of the total indebtedness and issued the 244 BIA Notices for each of the Companies who have now consented to the appointment of the Receiver.
- [24] KSV is qualified to act as Receiver and has consented to do so. If appointed as Receiver and as foreign representative of the Companies, KSV advised that it intends to work with its US counsel to commence recognition proceedings under Chapter 15 of the US Bankruptcy Code. As noted above, Mara US and Invotek US are Michigan corporations. Mara US is a borrower under the Frontwell Revolving Loan Facility and Invotek US as a guarantor of that facility. As the Companies operate in the US, ATX carries on business in the US and there are several US-based employees and suppliers, Frontwell seeks an order appointing the Receiver as the Foreign Representative, which will facilitate the commencement of Chapter 15 proceedings. Section 279 of the BIA grants the Court authority to appoint any person or body to act as a representative in respect of any proceeding under the BIA for the purpose of having them recognized in a jurisdiction outside Canada, including the U.S. In the circumstances the appointment of the Receiver as Foreign Representative is appropriate and is approved.
- [25] The terms of the proposed receivership order, as amended during today's hearing, are appropriate and consistent with the Model Order of the Commercial List.
- [26] Accordingly, I grant the receivership order in the form signed by me today with immediate effect.



Date: May 05, 2026

Justice J. Dietrich