



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-25-00753615-0000

DATE: March 04, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: PORTAGE CAPITAL NOMINEE CORP. v. R & B PROPERTIES (2011) INC.

BEFORE: JUSTICE William Black

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Chris Burr	Counsel For Applicant Portage Capital Nominee Corp.	chris.burr@blakes.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Peter-Paul E. Du Vernet	Counsel for Respondent R & B Properties (2011) Inc.	Peter-PaulE.DuVernet@glaholt.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Maria Konyukhova	Counsel for Receiver Stikeman Elliott LLP	mkonyukhova@stikeman.com
Brittany Ketwaroo		bketwaroo@stikeman.com
Nathalie El-Zakhem	KSV Advisory	nelzakhem@ksvadvisory.com
Noah Goldstein		ngoldstein@ksvadvisory.com

ENDORSEMENT:

- [1] This was a motion by the Receiver (in this endorsement I will use this and other terms as defined in the parties' materials) seeking:
- (a) Approval of a Sale Process for the Real Property described in Schedule "A" to the Sale Process Order, including approving the Listing Agreement with CBRE;
 - (b) Approval of the Receiver's First Report; and
 - (c) Approval of an interim distribution to Portage Capital Nominee Corp. in the amount of \$300,000.
- [2] R&B Properties (2011) Inc., the Debtor, owns the Real Property. The Debtor is solely owned and controlled by Mr. Daniel Rumack, who is also the Debtor's principal and a guarantor under the Loan.
- [3] The Debtor's financial difficulties arise primarily from a significant vacancy within the commercial building located on the Real Property.
- [4] In 2021 pursuant to the Commitment Letter (as amended) Portage advanced the Loan in the principal amount of \$15,500,000 to refinance an existing first mortgage between the Debtor and Portage's affiliate Community Trust Company.
- [5] The Debtor defaulted on the loan by failing to repay it by October 1, 2023.
- [6] On November 2, 2023, Portage demanded repayment.
- [7] On November 20, 2023 Portage entered into the Forbearance Agreement with the Debtor and Mr. Rumack as guarantor, which was subsequently extended by a series of agreements, ending on October 1, 2025.
- [8] On October 21, 2025, with the indebtedness still outstanding, Portage's counsel sent a further demand letter to the Debtor and demanding repayment within 10 days. The demand letter was coupled with a Notice of Intention to Enforce Security. The Debtor has made no further payments since October 21, 2025.
- [9] As of December 1, 2025, the indebtedness including accrued interest stood at approximately \$16,066,777.98. Interest and costs continue to accrue.
- [10] These circumstances led to Portage applying for and obtaining the appointment of the Receiver.
- [11] On January 16, 2026, the Receiver received \$1,000,000 from the Debtor, which had received an early termination fee from the Beer Store with respect to the termination of a lease. Mr. Rumack advised that \$100,000 of the Termination Proceeds had been applied to property tax instalments, and that the HST component of the Termination Proceeds, approximately \$143,000 had not yet been remitted to the CRA, but that Mr. Rumack intended to do so.
- [12] The Receiver demanded that the Debtor remit the full balance of the Termination Proceeds, including the HST component. The Receiver's position is that the entirety of the Termination Proceeds constitute "Property" within the meaning as set out in the Receivership Order, and is therefore subject to the Receiver's exclusive control and administration.
- [13] Notwithstanding the Receiver's demand, the Debtor has refused to remit the HST component.

- [14] On February 27, 2026, counsel for Mr. Rumack circulated an email to the service list advising of Mr. Rumack's intention to oppose the relief sought – in this motion – in respect of the HST component, but advising that Mr. Rumack was unavailable on the return date for the motion owing to personal reasons.
- [15] However, owing to the nature of the personal circumstances preventing his attendance today, which were detailed in an affidavit provided to the Receiver at the Receiver's request, the Receiver advised that it would be prepared to adjourn the aspect of its motion relative to the HST remittance, but would not consent to adjourning the balance of the motion.
- [16] Mr. Rumack's counsel, who attended before me today, made submissions to the effect that I should adjourn not only the HST remittance issue, but also the balance of the motion.
- [17] I declined to do so.
- [18] In my view the balance of the relief sought by the Receiver, including the approval of the Sale Process, the First Report, the Receiver's activities and the proposed interim distribution to Portage are not only warranted in the current circumstances, but are procedurally routine, uncontroversial and necessary and desirable to advance the receivership proceedings in an efficient and cost-effective manner.
- [19] As such, apart from the HST remittance issue, I am granting the entirety of the relief sought by the Receiver today, and have signed the Receiver's proposed Sale Process Order.
- [20] On consent of the parties, the HST remittance issue is to be heard on March 24, 2026 at 12:30 p.m. for an hour. Mr. Rumack/the Debtor's responding materials are to be delivered by March 13, 2026.



W.D. BLACK J.

Date: March 4, 2026