



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-11-00009062-00CL

DATE: June 29, 2026

NO. ON LIST: 01

TITLE OF PROCEEDING: MARGARITA CASTILLO v. XELA ENTERPRISES LTD; TROPIC INTERNATIONAL LIMITED; FRESH QUEST, INC; 696096 ALBERTA LTD; JUAN GUILLERMO GUTIERREZ; CARMEN S. GUTIERREZ, AS EXECUTOR OF THE ESTATE OF JUAN ARTURO GUTIERREZ

BEFORE: JUSTICE KIMMEL

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
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ENDORSEMENT OF JUSTICE KIMMEL:

- [1] That part of the Receiver's motion originally returnable on June 24, 2026 seeking the court's approval of the Receiver's proposed sale process to market and sell the issued and outstanding shares of Xela (the "Sale Process") will now proceed on July 10, 2026 at 2:00 p.m., on what is expected to be an unopposed basis.
- [2] It is not expected that any further material will be filed. The Receiver intends to rely upon the material that was filed for the June 24, 2026 return date in support of this aspect of the relief sought.
- [3] The standing of Juan Guillermo to object to the Receiver's motion and to be heard was identified at the first return of the Receiver's motion on June 24, 2026 to be a threshold question. The court expressed the view in its last endorsement that the primary grounds upon which Mr. Guillermo was asking for leave of the court hear his objections would require additional evidentiary support. He was given the opportunity to file additional evidence if he wished to pursue his objections, but counsel for the Receiver also proposed a middle ground that would defer this until after it is determined whether or not a potential transaction emerges from the Receiver's proposed Sale Process.
- [4] Specifically, as recorded in paragraph 10 of the June 24, 2026 endorsement: *Counsel for the Receiver also suggested an alternative approach for Juan Guillermo's counsel to consider that would allow the Receiver's motion for the approval of the Sale Process to proceed (on a date to be scheduled in the nearer term) and defer Juan Guillermo's objections and the question of his standing to a subsequent approval motion, if a transaction emerges from the Sale Process.*
- [5] This alternative approach is what Mr. Guillermo has elected, upon his reservation of the right to challenge, *inter alia*, any future approval of a sale and receiver fees and reports in addition to reserving his right to request standing to oppose the aforementioned approvals, should the receiver challenge his ability to participate. It was confirmed at the hearing that this reservation was intended to apply to the pending and any future requests for approval of the Receiver's activities and its fees and disbursements and those of its counsel.
- [6] Accordingly, the balance of the relief that the Receiver was seeking (for approval of the reports of the Receiver and the actions described in them and of the fees and disbursements of the Receiver and its legal counsel, Lenczner Slaght LLP and Aird & Berlis LLP, for the periods referenced in their respective fee affidavits) is adjourned and will be brought back on (possibly with updates for further reports and fees) either in conjunction with the sale approval motion if the Sale Process is approved and if a transaction emerges from the Sale Process, or failing which in some other context.
- [7] The court expects that, after the next hearing (Sale Process Approval Motion), and before any further matters are brought back before the court the parties will attend a scheduling and timetabling case conference so that the next steps can proceed in an orderly manner.



Jessica Kimmel

Date: Jun 29, 2026

