

Applicant

21 May 15

June 23/15

R. Kennedy for applicant
J. Chow for respondent

The applicant seeks the appointment of a receiver under section 101 of the Courts of Justice Act and section 243 of the Bankruptcy & Insolvency Act.

The respondent Oceanlinksys Inc. has ceased operating with the only assets of the property owned by the other respondent and the equipment on the premises. The property is currently listed for sale at \$2.88 million. The respondents say the equipment is valued at \$100-700,000 and it is used equipment and there is no evidence of value.

Based on the record, I conclude that the Bank's secured claim is likely to be ~~an asset~~ an asset, and quite possibly more than the value of the property which the respondents have been attempting to sell unsuccessfully for some time. As a result, the Bank's security is ~~likely to~~ likely to be made of the order is not granted.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPLICATION RECORD
(Returnable on a date to be set by the Court)

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Lawyers for the Applicant

The respondents seek an adjournment of at least 6-8 weeks to seek refinancing through a mortgage broker. Given the amount of the Bank's debt this would amount to at least 100% refinancing. There is no evidence that this is feasible.

In the alternative, the respondents say they should control the sale. I have some sympathy for this position, given that they are personally liable to the Bank as guarantors. However, they have ~~had~~ been trying to sell it at a price that would take out the Bank since last year without success. Nor are there any offers that are reasonably anticipated at the present time that would have this result.

The respondent is not in a position to keep the Bank whole during any adjourned period. Therefore, as mentioned the Bank's security will likely erode. In addition, there is a reasonable concern for the protection of the property and the equipment. While the respondents say that they have the greater interest in doing so, that is ~~not~~ always subject to ~~an~~ unforeseen circumstances against which a lender is entitled to be protected.

I would note that the appointment of a receiver does not prevent the respondents from seeking to find a buyer for introduction to the receiver.

However, in the circumstances, the respondents have had a reasonable opportunity to sell or refinance the property and have

been unsuccessful. The Bank is entitled to
the appointment of the receiver to protect its
~~per~~ security,

Order to go in the form attached.

W. Van-der V.