ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000344-0000 **DATE: November 09, 2026**

NO. ON LIST: 2

TITLE OF PROCEEDING: BUSINESS DEVELOPMENT BANK OF CANADA v. 2650959 ONTARIO LTD.

BEFORE: JUSTICE S. DUNPHY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE:

[1] The main issue before me today is whether it is just and convenient to appoint a receiver over the respondent company and the Belleville marina of which it is the owner. I have concluded that it is.

[2] The applicant BDC has been indulgent for a very long time. Demand and notice of intention to enforce were both delivered on July 7. When this failed to result in payment, this Application was begun and a timetable for the hearing of this application was established at a case conference on or about August 8.

[3] Prior to demand being made, the evidence before me is of a long history of defaults unaddressed. Payment defaults occurred in early 2024 which were not addressed beyond on-again, off-again payments. Property tax arrears have been building – as of May 2026 these stood at more than $60,000. The borrower has entered into non-arm's length leases without complying with the provisions of the loan agreement requiring consent from the mortgagee. Unsurprisingly, these developments have undermined the faith of BDC in its borrower although it must be said that at least some of that breakdown in the relationship appears to arise from disputes between the shareholders which appear to have been patched up at this point.

[4] The respondents have procured a draft appraisal which suggests the property may have value in the range of $1.4 million compared to the outstanding loan of approximately $550,000. That kind of surplus value OUGHT to enable a refinancing to be obtained and relatively swiftly. Thus far, it has not (although the draft appraisal was not delivered until about a month ago).

[5] The respondents ask me to find that it is not YET just and convenient to appoint a receiver but do not dispute in any way the debt, the security, the existence of defaults or the Bank's right to request a receiver. A decision to defer enforcement to permit more time for the debtor to refinance is essentially a discretionary one. This is not a case where take-out financing appears to be imminent, closeable and highly likely. This loan has been in distressed territory with known defaults for more than a year. As noted, the bank has been quite indulgent up until recently when it issued its demands FOUR months ago. A property with such a high degree of asset coverage – if the draft appraisal is given weight – should have been quite easy to refinance, especially after a truce in the shareholder wars emerged earlier this year. Unfortunately, the debtor has made little progress beyond enlisting the assistance of two mortgage brokers who have yet to bring a commitment letter to the table.

[6] If there is a problem in securing a refinancing commitment it may lay in the terms of a long-term non-arm's length lease that is clearly not generating sufficient cash flow to cover the operating costs including mortgage payments and tax arrears. Or it may lay at the feet of the dysfunction between shareholders, although that appears resolved now. Or it may be that the property is worth less than the respondents think. Or it may be all of the above. However, the one enduring fact that emerges is that the Bank is unpaid and the road to curing that problem outside of court remains uncertain.

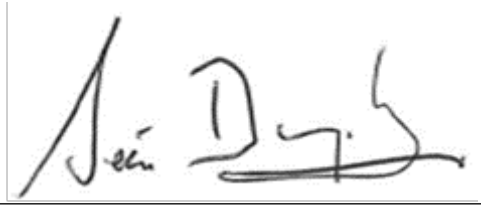
[7] This is not an appropriate case to require the Bank to wait "just a while longer". They have demonstrated high level of patience for the year prior to issuing their demands. Even then, the respondents have had four months to try to secure a commitment and have not yet succeeded.

[8] There is still time to refinance this loan. I have asked the Receiver to defer acting upon the power to terminate leases that I have been asked to grant and counsel have agreed to defer acting on that authority for a week. That will give the respondents some time to generate expressions of interest with which they may be able to persuade the Receiver or failing that the court to go slow or stand down for a short period.

[9] The point is that CONCRETE progress must be shown before the respondents can realistically expect the receiver to stand down in whole or in part. Neither the Court nor the applicant have any interest in running up expenses if refinancing emerges as a viable and faster alternative to repaying the Bank's loans.

[10] I have signed the order in the form requested subject to removing a single paragraph authorizing examination of corporate officers. That level of complexity appears premature here.

[11] I encouraged the respondents as much as I was able in the hearing to devote their efforts to securing refinancing. The receivership will take a while to spool up in terms of costs and concrete steps taken. The respondents will have a window to demonstrate concrete progress and not mere wishes and hopes.



Date: Nov 10, 2026

Sean Dunphy