Court File No. CV-24-00731891-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

TANDIA FINANCIAL CREDIT UNION LIMITED

Applicant

and

2492029 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

FACTUM OF THE RECEIVER
(Motion Returnable September 3, 2026)

August 31, 2026

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario M5L 1G4

JOHN LESLIE (29956P)
Email: jleslie@dwlaw.com
Tel: (416) 646-3801

DAVID Z. SEIFER (77474F)
Email: dseifer@dwlaw.com
Tel: (416) 646-6867

Lawyers for BDO Canada Limited, in its capacity as Court-appointed Receiver

TO: **THE SERVICE LIST**

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PART I - OVERVIEW

1. The Receiver moves for the following relief:

   (a) a sale approval and vesting order (the “**AVO**”) in respect Debtor’s real property to Shanty Bay Mobility Ltd. (the “**Buyer**”); and

   (b) An ancillary order, among other things:

      (i) authorizing and directing the Receiver to distribute the net sale proceeds of the Transaction and any other funds recovered in these proceedings to Tandia, up to the amount of the Tandia Indebtedness;

      (ii) approving the Receiver’s First Report dated August 26, 2026 and\ the activities described therein;

      (iii) approving the Receiver’s Interim Statement of Receipts and Disbursements as at August 15, 2026;

      (iv) approving the fees and disbursements of the Receiver and its counsel, Dickinson Wright LLP (“**DW Law**”), as detailed in the Fee Affidavits appended to the First Report (the “**Fee Affidavits**”);

      (v) approving a fee accrual in the amount of $46,000, plus applicable HST and disbursements (the “**Fee Accrual**”);

      (vi) sealing the Confidential Appendices (as defined below) until the completion of the Transaction or further order of the Court; and

      (vii) discharging BDO as Receiver, and releasing it from liability, upon the filing with the Court of a certificate confirming that all receivership matters have been completed (the “**Discharge Certificate**”).

2. The AVO should be granted because the proposed transaction satisfies the *Soundair* test. The transaction represents the culmination of a lengthy sales process. The price is reasonable as compared to an appraisal obtained for the real property and there was no unfairness in the working out of the process.

3. The ancillary order should be granted. Among other thing: (a) the applicant is the Debtor’s senior secured creditor, and it is appropriate to authorize a distribution to it from

the sale proceeds; and (b) to avoid the costs of re-attending before the Court, it is appropriate to grant a discharge order effective on filing of the Discharge Certificate.

PART II - FACTS

A. Background

4. On December 4, 2024, the Court granted an order (the "**Appointment Order**") under subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing BDO Canada Limited ("**BDO**") as receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2492029 Ontario Inc. (the "**Debtor**"), including the real property municipally known as 1371 Highway 11 North, Shanty Bay, Ontario and all proceeds thereof (the "**Property**").[1]

5. The applicant ("**Tandia**") is the Debtor's first-ranking secured creditor. As of August 24, 2026, the amount owing to Tandia is $2,231,546.35 in respect of principal, interest, professional fees and amounts advanced on Receiver's borrowing certificates, with interest and costs continuing to accrue (the "**Tandia Indebtedness**").[2]

6. The Property is a gas station located in Shanty Bay, Ontario. The Property is the Debtor's principal asset. The gas station was not in operation at the time the Appointment Order was issued, and the Receiver elected not to re-commence operations.[3]

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[1] Order of the Honourable Justice Penny dated December 4, 2024 ("**Appointment Order**"), Appendix "A" to the First Report of BDO Canada Limited dated August 26, 2026 ("**First Report**"), Motion Record of the Receiver dated August 26, 2026 ("**Motion Record**"), Tab 2(A), Caselines E30.
[2] First Report at para 39, Motion Record, Tab 2, Caselines E19 and E26.
[3] First Report at paras 2 and 11, Motion Record, Tab 2, Caselines E19 and E21.

B. The Proposed Transaction

i. The Sale Process

7. On December 11, 2024, the Receiver approached four commercial realtors to submit listing proposals for the Property. Based on the Receiver's review of the listing proposals, and with Tandia's concurrence, the Receiver selected CBRE Limited ("**CBRE**") as its listing agent.[4]

8. The CBRE listing (the "**CBRE Listing**") became effective on March 31, 2025, with a list price of $3.99 million. The list price was reduced to $2,999,999 on May 16, 2025 and further reduced to $2,350,000 on September 2, 2025, with the CBRE Listing extended to December 30, 2025.[5]

9. During the period that the CBRE Listing was active, the Receiver received a total of seven offers for the Property. A related party of the Purchaser was one of the offerors, albeit its offer was not the highest and best at that time.[6]

10. On October 15, 2025, the Receiver accepted a conditional offer (the "**Initial Offer**"). The Initial Offer was the subject of three successive amendments that culminated in a condition waiver date of April 30, 2026. The Initial Offer became null and void after it the offeror did not waive its conditions by the waiver date.[7]

[4] First Report at paras 15-16, Motion Record, Tab 2, Caselines E22.
[5] First Report at paras 16-19, Motion Record, Tab 2, Caselines E22-E23.
[6] First Report at para 20, Motion Record, Tab 2, Caselines E23.
[7] First Report at para 21, Motion Record, Tab 2, Caselines E23.

11. The Receiver also had communications with Econo Petroleum Inc., the Debtor's most recent fuel supplier, with respect to whether it had any interest in participating in the sale process, which it did not.[8]

ii. The Proposed Agreement of Purchase and Sale

12. Upon the voiding of the Initial Offer, the Receiver approached Mauran Vignarajah, who had expressed a continued interest in submitting an improved offer for the Property. Vignarajah submitted an offer on June 29, 2026, which the Receiver accepted on June 30, 2026 (the "**APS**") for the sale of the Property (the "**Transaction**").[9]

13. In addition to Court approval, the APS was conditional on a thirty-day due diligence period. By revival and amending agreement dated August 6, 2026 (the "**Amending Agreement**") together with an assignment and assumption agreement of the same date (the "**Assignment Agreement**"), the conditions under the APS were waived and the APS was assigned to, and assumed by, the Buyer.[10]

14. The price under the APS is consistent with an appraisal obtained by the Receiver dated December 11, 2024 from Stevens Appraisal Group Inc. (the "**Stevens Appraisal**").[11] The APS is unconditional except for court approval.

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[8] First Report at para 12, Motion Record, Tab 2, Caselines E21-E22.
[9] First Report at para 22, Motion Record, Tab 2, Caselines E23.
[10] Revival and Assignment Agreements, Appendix "E" to the First Report, Motion Record, Tab 2(E), Caselines E89; First Report at para 23, Motion Record, Tab 2, Caselines E23.
[11] First Report at para 24, Motion Record, Tab 2, Caselines E24.

C. The Ancillary Order

i. The Proposed Distribution to Tandia

15. Tandia, as the Debtor's first-ranking secured creditor, holds a first-ranking collateral mortgage registered against the Property and an assignment of rents.[12] DW Law has provided the Receiver with an opinion that Tandia's security is valid and enforceable in accordance with its terms and is first-ranking as against the Property, subject to customary qualifications.[13]

16. The Canada Revenue Agency ("**CRA**") has lodged two deemed trust claims with the Receiver in respect of unremitted payroll deductions in the amount of $30,722.26 and unremitted HST in the amount of $5,328.11. The Receiver has confirmed with CRA that these deemed trust amounts arose prior to the registration of Tandia's mortgage and will accordingly be paid from closing proceeds.[14]

17. There are also property tax arrears owing on the Property to the Township of Oro-Medonte in the amount of $36,989.85 as of June 17, 2026, which will be paid from closing proceeds at the time of sale.[15]

18. The net realization from the Property will be insufficient to repay Tandia in full.[16]

19. Subject to the Receiver maintaining the Fee Accrual and paying the Court-approved fees and disbursements of the Receiver and DW Law, the proposed Ancillary

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[12] First Report at paras 3-4, Motion Record, Tab 2, Caselines E19.
[13] Security Opinion, Appendix "I" to the First Report, Motion Record, Tab 2(I), Caselines E169; First Report at paras 37-38, Motion Record, Tab 2, Caselines E26.
[14] First Report at para 35, Motion Record, Tab 2, Caselines E25.
[15] Final Tax Bill for 1371 Hwy 11 N, Shanty Bay, Appendix "H" to the First Report, Motion Record, Tab 2(H), Caselines E167; First Report at para 36, Motion Record, Tab 2, Caselines E26.
[16] First Report at para 40, Motion Record, Tab 2, Caselines E26.

Order authorizes and directs the Receiver to distribute the net sale proceeds of the Transaction (the "**Distribution**") to Tandia immediately following completion of the Transaction, and to make further distributions to Tandia should there be any further recoveries, provided that the sum of all amounts distributed to Tandia shall not exceed the Tandia Indebtedness.[17]

20. As Tandia will not be repaid in full, the Receiver is not seeking approval or authorization to distribute the sale proceeds or other recovered funds to any of the Debtor's other creditors.[18]

ii. Approval of the First Report, Activities, Interim Statement and Fees

21. In addition to seeking approval of the First Report and the activities of the Receiver described therein, the Receiver seeks approval of its Interim Statement of Receipts and Disbursements as at August 15, 2026. The Receiver presently has $165,783.65, inclusive of a deposit paid by the Purchaser, in its estate bank account for this matter. The Receiver has borrowed $75,000 from Tandia to fund the Receiver's ongoing estate expenses and has issued Receiver's borrowing certificates to Tandia in evidence of these borrowings.[19]

22. Since the issuance of the Appointment Order, the Receiver has, among other things: (a) taken possession of and secured the Property; (b) arranged for insurance on the Property; (c) arranged for an appraisal of the Property; (d) engaged a third-party property manager to conduct routine site inspections of the Property, attend to snow

[17] First Report at paras 41-42, Motion Record, Tab 2, Caselines E26; Draft Ancillary Order at paras 6 and 8, Motion Record, Tab 7, Caselines E224-E225.
[18] Notice of Motion at para 16, Motion Record, Tab 1, Caselines E11; First Report at para 40, Motion Record, Tab 2, Caselines E26.
[19] Interim Statement of Receipts and Disbursements, Appendix "C" to the First Report, Motion Record, Tab 2(C), Caselines E52; First Report at paras 13-14, Motion Record, Tab 2, Caselines E22.

removal, and provide periodic inspection reports; (e) prepared and filed the requisite reports with the Office of the Superintendent of Bankruptcy; (f) attended to the evaluation and return of third-party property located at the Property; (g) communicated with Econo Petroleum Inc.; (h) conducted the sale process described above; and (i) attended to the review and payment of ongoing expenses of the receivership.[20]

23. The fees of the Receiver for the period November 11, 2024 to August 18, 2026 encompass 220.9 hours at an average hourly rate of $450.62, for a total of $99,542.00 before disbursements and applicable taxes, and $113,183.31 inclusive of disbursements and taxes. The fees of DW Law for the period December 6, 2024 to July 31, 2026 encompass 38 hours at an average hourly rate of $570.68, for a total of $21,686.00 before disbursements and applicable taxes, and $24,700.13 inclusive of disbursements and HST.[21]

iii. The Discharge of the Receiver

24. Upon closing of the Transaction, the Receiver's mandate to realize upon the Property will be complete. The proposed Ancillary Order contemplates that BDO shall remain the Receiver for the performance of the final remaining tasks related to the administration of this receivership (the "**Final Activities**"), namely: attending to the closing of the Transaction; attending to the payment of the Distribution and any Court-approved subsequent distributions; completing any final H.S.T. returns; completing any statutory and administrative duties and filings required of the Receiver; attending to the

[20] First Report at para 12, Motion Record, Tab 2, Caselines E21-E22.

[21] Fee Affidavit of Peter Crawley sworn August 25, 2026, Appendix "F" to the First Report, Motion Record, Tab 2(F), Caselines E101; Fee Affidavit of John Leslie sworn August 25, 2026, Appendix "G" to the First Report, Motion Record, Tab 2(G), Caselines E126; First Report at paras 28-32, Motion Record, Tab 2, Caselines E24-E25.

payment of outstanding Court-approved professional fees; and completing the steps necessary to terminate these receivership proceedings. Once the Final Activities are complete, the Receiver will file the Discharge Certificate, upon which it will be discharged.[22]

25. The Receiver seeks approval of the Fee Accrual, being $10,000 plus HST in respect of the Receiver and $36,000 plus disbursements and taxes in respect of DW Law, to fund the fees and disbursements of the Receiver and DW Law incurred or to be incurred to the filing of the Discharge Certificate. The Fee Accrual is expected to provide the Receiver and its counsel with sufficient funding to complete the Final Activities (as defined below), and any unused balance of the Fee Accrual will be paid to Tandia.[23]

PART III - ISSUES

26. The issues to be considered on this motion are whether this Court should:

(a) Grant the AVO; and

(b) Grant the ancillary order.

PART IV - LAW AND ANALYSIS

A. The Approval and Vesting Order Should be Granted

27. Pursuant to section 100 of the CJA, this Court has the jurisdiction to grant an order vesting in any person an interest in real or personal property. Additionally, in *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc.*, the Ontario Court

[22] First Report at paras 44-46, Motion Record, Tab 2, Caselines E27; Draft Ancillary Order at para 14, Motion Record, Tab 7, Caselines E227.
[23] First Report at paras 30, 33 and 46, Motion Record, Tab 2, Caselines E25 and E27; Draft Ancillary Order at para 8, Motion Record, Tab 7, Caselines E225.

of Appeal clarified that a court's jurisdiction under section 243(1) of the BIA includes the authority to vest property in a purchaser free and clear of encumbrances and extinguishing liabilities. This power extends to receivers appointed under the BIA.[24]

28. The Receiver is also authorized and empowered by paragraph 3(l) of the Appointment Order to "apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property."[25]

29. The principles to be applied when determining whether to approve a sale transaction were articulated by the Ontario Court of Appeal in *Royal Bank of Canada v Soundair Corp.* ("***Soundair***"):[26]

(a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently;

(b) the efficacy and integrity of the process by which offers have been obtained;

(c) whether the interests of all parties have been considered; and

(d) whether there has been unfairness in the working out of the process.

30. Deference is to be afforded to a receiver when evaluating its sales process. Absent a violation of the *Soundair* principles or the existence of other exceptional circumstances, the court should uphold the business judgment of the receiver, as its court officer.[27]

31. The Transaction satisfies the *Soundair* principles for the following reasons:

(a) ***The Transaction is the Best Offer in the Circumstances*** – the Property has been exposed to the market for an extended period through the CBRE

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[24] *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc*, 2019 ONCA 508 at paras 25 and 85-87; *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, s 243(1).
[25] Appointment Order at para 3(l), Appendix "A" to the First Report, Motion Record, Tab 2(A), Caselines E33.
[26] *Royal Bank of Canada v Soundair Corp*, 1991 CanLII 2727 (ON CA) at para 16.
[27] *Homedale-Eagle Corporation v 253 Queen Street Inc*, 2024 ONSC 6590 at para 35.

Listing, during which the Receiver received seven offers; the conditional Initial Offer accepted by the Receiver became null and void when the Initial Offeror failed to waive its conditions; the purchase price under the APS is reasonable as compared to the appraised value of the Property contained in the Stevens Appraisal; and, between the date the APS was received and the date of the First Report, the Receiver did not receive a better offer. The Receiver does not believe that further marketing of the Property would result in superior offers;[28]

(b) ***The Sale Process was Extensive, Reasonable and Fair*** – the Receiver canvassed listing proposals from four commercial realtors and, with Tandia's concurrence, retained CBRE, a reputable commercial real estate broker; the Property was actively listed for approximately nine months, with successive list-price adjustments responsive to the market; and the sale process spanned multiple rounds of offers and negotiations. The Receiver did not act improvidently, and worked alongside CBRE to ensure a fair and equitable process;[29]

(c) ***The Transaction is in the Best Interests of all Stakeholders*** – the Receiver has consulted with Tandia, the fulcrum creditor that will suffer a shortfall under its mortgage, and Tandia supports the Transaction. The pa contemplates an "as is, where is" sale whose only material condition to closing is the issuance of the AVO.[30]

32. The sale process was a fair and commercially reasonable process which obtained the highest offer available in the circumstances. As such, the Receiver believes that the Transaction and the APS should be approved and that the proposed AVO is both appropriate and reasonable in the circumstances.

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[28] First Report at paras 20-22 and 25, Motion Record, Tab 2, Caselines E23-E24.
[29] First Report at paras 15-21 and 26, Motion Record, Tab 2, Caselines E22-E24.
[30] First Report at para 26, Motion Record, Tab 2, Caselines E24; Notice of Motion at paras 13-14, Motion Record, Tab 1, Caselines E11.

B. The Ancillary Order Should be Granted

i. The Distribution to Tandia Should be Authorized

33. As Tandia is the senior-secured creditor, the Distribution should be authorized. Orders granting distributions are routinely granted by Canadian courts in insolvency proceedings and receiverships.[31]

ii. The Receiver's Conduct, Activities and Interim Statement Should be Approved

34. The activities of the Receiver described in the First Report were carried out in good faith in accordance with the Appointment Order and were in each case undertaken in the best interests of the stakeholders of the Debtor. Given the aforementioned benefits of approving a court-appointed receiver's activities, the Receiver submits that it is appropriate for this Court to exercise its jurisdiction to approve the First Report and the Receiver's activities and conduct described therein.[32]

35. The Receiver's Interim Statement of Receipts and Disbursements as at August 15, 2026 presents an accurate summary of the receipts and disbursements of the receivership to date, and its approval is appropriate in the circumstances.[33]

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[31] *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6461 at paras 70-75.
[32] *Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400 at para 66.
[33] Interim Statement of Receipts and Disbursements, Appendix "C" to the First Report, Motion Record, Tab 2(C), Caselines E52; First Report at para 13, Motion Record, Tab 2, Caselines E22.

iii. The Receiver's Fees and Disbursements Should be Approved

36. The Receiver is also seeking approval of the Fee Accrual and the professional fees and disbursements incurred by it and its legal counsel as described in the Fee Affidavits attached to the First Report.[34]

37. Paragraph 19 of the Appointment Order provides that the Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, unless otherwise ordered by the Court. Further, the Receiver and its counsel were granted a charge on the Property to secure such fees and disbursements.[35]

38. In determining whether to approve the accounts of a court-appointed receiver and its counsel, the court will consider the overall value contributed, taking into account: (a) the nature, extent and value of the assets, (b) the complications encountered, (c) the degree of assistance provided by the debtor, (d) the time spent, (e) the receiver's knowledge, experience and skill, (f) the diligence and thoroughness displayed, (g) the responsibilities assumed, (h) the results of the receiver's efforts, and (i) the cost of comparable services when performed in a prudent and economical manner.[36]

39. In making its assessment, the court should consider all the factors enumerated above; however, the overall value provided by the Receiver and its counsel should predominate over the aggregate fee amount.[37]

[34] First Report at paras 27-33, Motion Record, Tab 2, Caselines E24-E25.
[35] Appointment Order at para 19, Appendix "A" to the First Report, Motion Record, Tab 2(A), Caselines E39; First Report at para 27, Motion Record, Tab 2, Caselines E24.
[36] *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at para 33.
[37] *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at paras 33-36.

40. The fees and disbursements of BDO and DW Law are proportional to the value and complexity of the receivership and reflect the extended marketing period and successive negotiations required to realize upon the Property. Moreover, the professional fees, as set out in greater detail in the Fee Affidavits, are fair, reasonable and have been properly incurred.[38]

41. The Fee Accrual is necessary and reasonable in the circumstances to allow the Receiver and DW Law to complete the Final Activities prior to the termination of these receivership proceedings. As discussed above, any unused balance of the Fee Accrual shall be distributed to Tandia. Accordingly, the Receiver respectfully submits that the payment of the fees and disbursements, including the Fee Accrual, should be authorized and approved.[39]

iv. The Confidential Appendices Should be Sealed

42. Subsection 137(2) of the CJA provides that a court may order that any document filed in a civil proceeding be treated as confidential, sealed and not form part of the public record.

43. The test for a sealing order was recasted in *Sherman Estate v. Donovan*. The moving party must show that:[40]

(a) court openness poses a serious risk to an important public interest;

(b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and

[38] First Report at paras 28-33, Motion Record, Tab 2, Caselines E24-E25.
[39] First Report at paras 33 and 45-46, Motion Record, Tab 2, Caselines E25 and E27.
[40] *Sherman Estate v Donovan*, 2021 SCC 25 at para 38.

(c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

44. The Receiver requests that the Confidential Appendices, being the unredacted APS and the unredacted Stevens Appraisal, be treated as confidential and sealed, and not form part of the public record. Together, these documents contain commercially sensitive information, including the purchase price under the APS and the appraised value of the Property.

v. The Receiver Should be Discharged and Released

45. The proposed Ancillary Order authorizes the Receiver to file the Discharge Certificate following the completion of the Transaction and the administration of the Final Activities, upon which BDO shall be discharged as Receiver.[41]

46. The discharge of the Receiver upon the filing of the Discharge Certificate is appropriate, given that:[42]

(a) all of the Debtor's known assets will have been realized and the proceeds thereof will have been distributed in accordance with the proposed Ancillary Order;

(b) the Receiver's administration of its mandate will be complete and there are no known outstanding matters that would require these receivership proceedings to continue; and

(c) under the terms of the proposed ancillary order, BDO will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of these receivership proceedings.

[41] First Report at paras 44-45, Motion Record, Tab 2, Caselines E27; Draft Ancillary Order at para 14, Motion Record, Tab 7, Caselines E227.
[42] First Report at paras 44-46, Motion Record, Tab 2, Caselines E27; Draft Ancillary Order at para 14, Motion Record, Tab 7, Caselines E227.

47. The terms of the discharge order, including the release, are consistent with the Commercial List's model order, including the standard carve-outs for gross negligence or wilful misconduct.

48. It is appropriate to grant the discharge order now to avoid the costs of making a further motion to obtain the Receiver's discharge.[43]

49. The proposed discharge of the Receiver is appropriate in the circumstances. There is no evidence of any improper or negligent conduct in these receivership proceedings. As such, the Receiver respectfully submits that the release is reasonable and will provide certainty and finality to these proceedings.

PART V - RELIEF REQUESTED

50. The Receiver respectfully requests orders in the forms attached to the Receiver's motion record at Case Centre E192 and E222.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 31st day of August, 2026.

David Seifer

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[43] *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127 at paras 49-50.

SCHEDULE “A”
LIST OF AUTHORITIES

Cases Cited

1. *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc*, 2019 ONCA 508
2. *Royal Bank of Canada v Soundair Corp*, 1991 CanLII 2727 (ON CA)
3. *Homedale-Eagle Corporation v 253 Queen Street Inc*, 2024 ONSC 6590
4. *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6461
5. *Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400
6. *Sherman Estate v Donovan*, 2021 SCC 25
7. *Kingsett Mortgage Corporation v Churchill Lands United Inc*, 2024 ONSC 7127

I certify that I am satisfied as to the authenticity of every authority.

Dated: August 31, 2026

David Seifer

SCHEDULE “B”
RELEVANT STATUTES

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3

Courts vested with jurisdiction

183 (1) The following courts are invested with such jurisdiction at law and in equity as will enable them to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by this Act during their respective terms, as they are now, or may be hereafter, held, and in vacation and in chambers:

(a) in the Province of Ontario, the Superior Court of Justice;

(b) [Repealed, 2001, c. 4, s. 33]

(c) in the Provinces of Nova Scotia and British Columbia, the Supreme Court;

(d) in the Provinces of New Brunswick and Alberta, the Court of Queen’s Bench;

(e) in the Province of Prince Edward Island, the Supreme Court of the Province;

(f) in the Provinces of Manitoba and Saskatchewan, the Court of Queen’s Bench;

(g) in the Province of Newfoundland and Labrador, the Trial Division of the Supreme Court; and

(h) in Yukon, the Supreme Court of Yukon, in the Northwest Territories, the Supreme Court of the Northwest Territories, and in Nunavut, the Nunavut Court of Justice.

Superior Court jurisdiction in the Province of Quebec

(1.1) In the Province of Quebec, the Superior Court is invested with the jurisdiction that will enable it to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by this Act during its term, as it is now, or may be hereafter, held, and in vacation and in chambers.

Courts of appeal — common law provinces

(2) Subject to subsection (2.1), the courts of appeal throughout Canada, within their respective jurisdictions, are invested with power and jurisdiction at law and in equity, according to their ordinary procedures, except as varied by this Act or the General Rules, to hear and determine appeals from the courts vested with original jurisdiction under this Act.

Court of Appeal of the Province of Quebec

(2.1) In the Province of Quebec, the Court of Appeal, within its jurisdiction, is invested with power and jurisdiction, according to its ordinary procedures, except as varied by this Act or the General Rules, to hear and determine appeals from the Superior Court.

Supreme Court of Canada

(3) The Supreme Court of Canada has jurisdiction to hear and to decide according to its ordinary procedure any appeal so permitted and to award costs.

R.S., 1985, c. B-3, s. 183; R.S., 1985, c. 27 (2nd Supp.), s. 10; 1990, c. 17, s. 3; 1998, c. 30, s. 14; 1999, c. 3, s. 15; 2001, c. 4, s. 33; 2002, c. 7, s. 83; 2015, c. 3, s. 9

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or

(c) take any other action that the court considers advisable.

Restriction on appointment of receiver

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

(a) the insolvent person consents to an earlier enforcement under subsection 244(2); or

(b) the court considers it appropriate to appoint a receiver before then.

Definition of receiver

(2) Subject to subsections (3) and (4), in this Part, receiver means a person who

(a) is appointed under subsection (1); or

(b) is appointed to take or takes possession or control — of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt — under

(i) an agreement under which property becomes subject to a security (in this Part referred to as a "security agreement"), or

(ii) a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or receiver-manager.

Definition of receiver — subsection 248(2)

(3) For the purposes of subsection 248(2), the definition receiver in subsection (2) is to be read without reference to paragraph (a) or subparagraph (b)(ii).

Trustee to be appointed

(4) Only a trustee may be appointed under subsection (1) or under an agreement or order referred to in paragraph (2)(b).

Place of filing

(5) The application is to be filed in a court having jurisdiction in the judicial district of the locality of the debtor.

Orders respecting fees and disbursements

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

Meaning of disbursements

(7) In subsection (6), disbursements does not include payments made in the operation of a business of the insolvent person or bankrupt.

1992, c. 27, s. 89; 2005, c. 47, s. 115; 2007, c. 36, s. 58

Courts of Justice Act, R.S.O. 1990, c. C.43

Vesting orders

100 A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed. R.S.O. 1990, c. C.43, s. 100.

Documents public

137 (1) On payment of the prescribed fee, a person is entitled to see any document filed in a civil proceeding in a court, unless an Act or an order of the court provides otherwise.

Sealing documents

(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

Court lists public

(3) On payment of the prescribed fee, a person is entitled to see any list maintained by a court of civil proceedings commenced or judgments entered.

Copies

(4) On payment of the prescribed fee, a person is entitled to a copy of any document the person is entitled to see. R.S.O. 1990, c. C.43, s. 137.

TANDIA FINANCIAL CREDIT UNION LIMITED -and- **2492029 ONTARIO INC.**
Applicant Respondent

Court File No. CV-24-00731891-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FACTUM OF THE RECEIVER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario M5L 1G4

JOHN LESLIE (29956P)
Email: jleslie@dwlaw.com
Tel: (416) 646-3801

DAVID Z. SEIFER (77474F)
Email: dseifer@dwlaw.com
Tel: (416) 646-6867

Lawyers for BDO Canada Limited, in its capacity as Court-appointed Receiver