

Brantford

Short title of proceeding
Intitulé abrégé de l'instance

Bank of Nova Scotia v. Morgrove Holsteins Ltd.

Appearances
Comparaissent

Jacob Bogacki for the applicant

Shene Harris for Mark Morbrook

No one for Robert Morbrook

Order to go in accordance with draft filed. / *Ordonnance conforme à l'ébauche déposée.*

June 12, 2026

The applicant bank lent \$1.5 million to the respondent company, which operates a cattle farm in Brantford. Four loan facilities were given, including a term loan and line of credit, secured by a mortgage and guarantees. The Morbrook brothers are each 50% shareholders of the respondent and guarantors of the loan. They were 1/3 owners with their father holding the other third at the time of the loan agreement. Then he died, whereupon the brothers became 50% shareholders each. The loan agreement provides for receivership if the loan is in default. The bank has the right to demand payment if ownership of the company changes and at the term of the term loan, which has passed. Payment has been demanded. The respondent is in default. The bank is asking for an order for receivership, essentially in the terms of the Commercial List model order.

Robert Mobrook wants to refinance. He negotiated an arrangement with the Royal Bank of Canada. The respondent could not refinance because Mark Mobrook does not agree. Mark does not want to increase his liability for a failing business. The present application has been adjourned because Robert moved against Mark for an order compelling him to consent to the refinancing in Mark's application for an oppression remedy under the *Business Corporations Act* [*Mark Morbrook v. Robert Mobrook and Morgrove Holsteins Ltd.*, Hamilton file CV-21-76292]. That motion was abandoned yesterday.

There is no reason to deny the bank its contractual right. The respondent is in default, its financial position is shaky, and its governance is paralysed. Unopposed, an order will go in terms of the draft, except that in paragraph 36 the word "appellant" shall be replaced with "appellate."

