



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000100-0000

DATE: April 14, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING: CENTURION ASSET MANAGEMENT INC. v. VALOUR WESTMOUNT HOLDINGS INC. ET AL

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Dom Michaud	Counsel for the Applicant	dmichaud@robapp.com
Anisha Samat	Counsel for the Applicant	asamat@robapp.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Valerie Lord	Counsel for the Respondents	vlord@mccarthy.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Calvin Horsten	Counsel for CMLS Financial Ltd.	chorsten@airdberlis.com
Gary Cerrato	Proposed Receiver	gcerrato@bdo.ca

ENDORSEMENT OF JUSTICE CONWAY:

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant (Centurion) dated April 10, 2026. The evidence on this Application consists of the Affidavit of Bob Vavaroutsos sworn March 24, 2026 and the pre-filing report of BDO Canada Limited (“**BDO**”) dated April 7, 2026.
- [2] Centurion brings this Application for:
- a. an Order pursuant to section 243(1) of the BIA and section 101 of the CJA, appointing BDO as receiver, without security, of all assets, undertakings and properties owned by the Respondents, Valour Westmount Holdings Inc., Westmount Limited Partnership, and Valour Westmount GP Inc. (collectively, the “**Borrowers**”), including the Property described in Schedule "A" to the Notice of Application; and
 - b. an Order approving the Sale Process described in the BDO pre-filing report.¹
- [3] The Application is unopposed. Counsel in attendance today have had input into the draft form of order.
- [4] The Borrowers are real estate developers located in the Greater Toronto Area (Burlington). They operate the Development, a mixed-use apartment building at the Property located in Kitchener, Ontario. There are 85 residential units, 11,721 square feet of commercial space, including 98 covered parking stalls and 96 surface parking stalls. Approximately 80% of the residential units have been leased.
- [5] The Applicant loaned \$6.1 million to the Borrowers, secured by the Centurion Mortgage and the additional Security. Its mortgage is subordinate to the CMLS Mortgage.
- [6] Despite the accommodations granted under the Renewal Agreement and the Forbearance Agreement, the Loan is in default. As at March 1, 2026, the Borrowers owed the Lender \$6,604,508.65 plus per diem interest, costs, legal fees and disbursements, and other expenses. The Lender has made formal written demand on the Borrowers and provided notice of its intention to enforce its security pursuant to s. 244 of the BIA.

¹ The Applicant does not seek judgment against the Guarantors at this time and seeks to adjourn that relief *sine die*. If the Applicant seeks to pursue that relief, it shall schedule a case conference through the CL office, on proper notice – see paragraph 35 of the receivership order.

- [7] Due to concerns over, among other things, the condition and state of the Property, Centurion appointed BDO as a private receiver on March 13, 2026. Centurion now seeks the appointment of BDO as a court-appointed receiver.
- [8] I am satisfied that it is both just and convenient to appoint BDO as receiver. The Loan is in default. Centurion has the contractual right to appoint a receiver under the Security, the Renewal Agreement and the Forbearance Agreement. The Borrowers and Guarantors specifically consented to the appointment of a receiver under the latter two documents. The appointment of a receiver will assist in preserving the Property and preventing the deterioration of value for stakeholders. BDO consents to the appointment.
- [9] With respect to the Sale Process, BDO states in its pre-filing report that it has developed the process to solicit bids by a set bid deadline. BDO is of the view that the proposed Sale Process balances the need to have a sale accomplished in a reasonable time frame to limit the carrying costs of the Property with the desire to properly expose the Property to the marketplace to maximize recovery for creditors. The timelines are: non-binding APA deadline of June 22, Binding APA deadline of July 17, Sale Approval Motion by August 7, and Closing Date by August 20 (all 2026). BDO recommends the Sale Process.
- [10] While the decision to approve a sale process is distinct from the decision to approve the ultimate sale, the reasonableness and adequacy of any sales process proposed by a court-appointed receiver must be assessed in light of the *Soundair* factors: *CCM Master Qualified Fund Ltd. v. blutip Power Technologies Ltd.*, 2012 ONSC 1750, at para. 6. Absent exceptional circumstances, the court generally defers to the business expertise of the receiver: *Marchant Realty Partners Inc v 2407553 Ontario Inc*, 2021 ONCA 375 at para 15. Here, BDO has provided its detailed analysis of how the Sale Process will maximize the recovery for stakeholders in a reasonable period of time. I accept its recommendation.
- [11] I questioned counsel about approving a sale process at the same time as appointing the Receiver. As Justice Kimmel noted in *Fiera v. 2250310 Ontario Inc.*, Court File No. CV-25-00743191-00CL, “While not typical, it is not unheard of for a Sale Process to be approved at the time of the appointment of a receiver, when the circumstances warrant it.”
- [12] I am satisfied that the circumstances warrant it in this case. First, and as noted, it is unopposed by the primary stakeholders, including the first mortgagee CMLS and the Borrowers. Second, if there are any stakeholders that have not been served with today’s Application, they will be entitled to raise concerns about the process at a motion brought by BDO for approval of any sale transaction. Third, paragraph 36 of the order contains the usual comeback clause for interested parties.
- [13] Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

