SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: **CL-26-00000241-0000** **DATE:** **July 07, 2026**

REGISTRAR: F. Ablona

NO. ON LIST: 03

TITLE OF PROCEEDING: MERIDIAN CREDIT UNION LIMITED v. MONDE DEVELOPMENT GROUP INC.

BEFORE: JUSTICE FL MYERS

PARTICIPANT INFORMATION

For Plaintiff, Applicant / Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Haddon Murray	Meridian Credit Union Limited	haddon.murray@gowlingwlg.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Gurpreet Singh	Monde Development Group Inc.	gurpreet@sabiollp.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jeremy Bornstein	Ducimus Capital Inc.	jbornstein@cassels.com
Chad Kopach	The Proposed Receiver	ckopach@blaney.com
Ryan Scott	Restoration Aid Inc.	ryan@truelaw.legal

ENDORSEMENT OF JUSTICE FL MYERS:

1. The Applicant Meridian Credit Union Limited is the first-ranking secured creditor against the condominium development project owned by Monde Development Group Inc.
2. Monde concedes the validity of its debts to Meridian and to the second-ranking secured creditor Ducimus Capital Inc.. The precise quantum of each debt will be decided at a later date. At this point the two creditors claim that with interest they are owned in the order of $55 million in the aggregate. Meridian claims $38 million alone.
3. In late 2024, the debtor ran out of money. By April, 2025, costs overruns of over $8 million were recognized on a total budget of about $29 million. Liens were filed by unpaid trades. Work slowed to a halt in February – April 2025 because the debtor could not pay its tradespeople.
4. In addition, the creditors had concerns with the nature of disclosures being made by the debtor. In January, 2025, it reported that the project was 99% finished. That number fell to 90% in April, 2025.
5. Worse still, the debtor was paying trades from a different bank account than the one into which its loan advances were deposited. This made it difficult to track payments. The debtor produced some wires from one account that it said were payments to trades. But the parties' consultants were unable to obtain confirmation from the trades that the wires were received.
6. This is not to say that there was wrongdoing committed by the debtor. Rather, it is the explanation by the creditors of why they lost faith in management to proceed with the project by mid-2025.
7. After negotiations, Ducimus Capital agreed to fund completion of the project provided, among other things, that the debtor retained a contractor selected by Ducimus Capital referred to as CPC.
8. The debtor entered into a CCDC contract with CPC and construction recommenced.

9. Apparently completion was near in early December, 2025. But then disaster struck. A vandal entered the building at night and opened a fire hose on an upper floor. Damage was extensive.

10. The debtor has made an insurance claim with its insurer Chubb for over $15 million. Meridian is the first loss payee on the policy. Ducimus is the second loss payee.

11. Chubb has yet to pay the claim seven months in.

12. 76 of the 89 proposed units in the building are sold. All parties agree that they want to try to keep those agreements alive if possible. That means getting on with completion is a prime goal.

13. But time is passing. The debtor has no way to fund further construction. The secured lenders will not lend it further funds.

14. Lien claims have been filed since the flood. One claim for around $900,000 (of the total of around $1.5 million) is made by the business that attended the site to begin urgent restoration work right after the flood.

15. The secured creditors submit that the court ought to appoint a receiver to take over the project. It will be funded by the secured creditors (by way of a court-ordered charge if not a separate indemnity). The receiver will consider whether to sell the project "as is" perhaps to someone motivated to finish it. The receiver will also be able to work on the insurance claim and deal with the secured creditors to see if terms can be reached for them to allow any proceeds (if any) to be used to complete work. It can multi-task to look for sales, investment, and construction opportunities at the same time and bring options to unit buyers, the mortgagees, the debtor, and lien claimants – and ultimately to the court.

16. The debtor submits that the cost and delays of a receivership make it an unfit resolution. Rather, it asks to be allowed to proceed with construction under supervisions using the Chubb insurance proceeds. It says that the only economical way out is to complete construction and close the sales of units.

17. In addition, the debtor submits that Ducimus and its chosen contractor CPC delayed construction last fall in a way that has prejudiced everyone. There is no evidence before the court of why CPC was not able to get the project completed without extending closing dates first in August and then past November.

18. Mr. Singh submits that there needs to be cross-examination of Ducimus's witness to challenge its knowledge and contribution to construction delays last year. These facts, he submits are necessary for the court to determine if it is just and convenient to appoint a receiver at this time.

19. Monde is a party to a CCDC contract with CPC. It has made no claim against CPC under the terms of the agreement. Whether it has a cause of action against Ducimus is not clear.

20. Monde also had 12 days on which to seek to cross-examine the witness put forward by Ducimus. Counsel made no request before mentioning a need to cross-examination in his factum. The witness could have been produced by now had he done so.

21. In any event, it is not in the interests of justice to adjourn for cross-examinations. The issues raised by Monde do not bear on the issue for the court.

22. That is, even if there was some delay or negligence in construction last year that is actionable by Monde, that does not bear on the issue of what to do today to preserve and protect the project pending sale or further development efforts.

23. In *Duca FSCUL v. Ashcroft Homes -101 Richmond et. al.*, 2024 ONSC 2830, C. MacLeod RSJ deferred a receiver's appointment by 30 days to allow the debtor to try to close a refinancing proposal that would have seen the applicant creditor paid in full. Mr. Singh acknowledges that the facts are not the same here. Monde has no proposal except to wait for Chubb to pay insurance proceeds to Meridian. But he relies on the following statements in para. 9 of the *DUCA* decision:

> The only justification for withholding the order is a question of commercial utility and convenience. There is little point in disrupting the business relationships of the Respondents if they are actually able to obtain the proposed financing to pay out the loan. There is also the possibility that immediate drastic action by the Receiver might impair

> the capacity of the Respondent to secure that financing. On the other hand, although the financing commitment has been signed by both parties, it remains conditional. The Applicant argues that it has been more than patient and has allowed the Respondents an already lengthy indulgence. Counsel argues that [“]enough is enough".

24. Mr. Singh submits that commercial utility here requires everyone to wait for Chubb to pay. But that simply ignores the rights of the secured creditors. First, Chubb may never pay. Or litigation may be necessary. Payment may be years away. Second, only the debtor needs Chubb’s funds to keep building. A buyer motivated by proper economics and the secured creditors do not need to wait for Chubb before deciding what to do. But they will decide in their own interests. For example, if they were to sell the site “as is” then recovery of the loans in full and then payment of all other claims to leave something for the debtor would seem to be far-fetched. (If the land sold “as is” could fetch anything like $55 million, the debtor would have refinanced by now.)
25. But the senior lenders may decide that an “as is” sale represents creditors’ best available realization option.
26. Moreover Mr. Singh submitted that once Chubb pays $15 million to Meridian, and it takes its outstanding interest off the top (say about $5 million) then Meridian can pay the remaining $10 million towards Monde completing construction. But what makes Monde think that (a) Meridian will want to commit the funds to the rebuilding effort; and (b) that it would agree to allow Monde to be the builder in light of the defaults and problems that pre-date the alleged delays last fall?
27. Monde’s view of commercial utility is blinkered by its own best interests. That is understandable. But it has signed agreements entitling the secured creditors to the appointment of a receiver on default. They are not bound by an assessment of Monde’s best interests.
28. Commercial utility, it seems to me, comes in the form of someone being authorized and funded to preserve and protect the site; someone who will consider available realization options in the interests of all relevant stakeholders; someone who will

report transparently to all interested parties and to the court; and someone who can exercise dispassionate and experienced business judgment in a distressed situation to recommend ways forward.

29. None of those elements of commercial utility turn in the least on whether CPC ought to have been finished construction in November of last year rather than the projected December occupancy that was interrupted by the apparently criminal acts of the vandal.

30. A receivership involves an assessment in real time of how to deal with an existing problem. The autopsy over who caused it and whether anyone is liable to anyone else as a result of historic wrongs can wait. First the land has to be tended to, secured, insured, kept clean and safe, and proposals for realization need to be developed and considered.

31. In my view this is a case in which it is just and convenient to appoint a receiver. There are many parties with divergent interests. The insurance claim is a fertile source of potential disagreements. So too unit holder agreements of purchase and sale. There are many moving parts that need to be considered and balanced in a fair and open manner for all.

32. Accordingly, I make the order as sought.

33. Mr. Singh requests that the receivership order, if made, should not stay his client's ability to claim against Ducimus and CPC. I make no finding of the effect of the standard stay terms on Monde's ability to commence proceedings should it wish to do so. If it decides to make a claim against someone and it believes that the stay of proceedings stands in its way, it is free to come to court to seek to lift the stay.

34. To the same end, Mr. Scott requests that his lien claimant client be free to advance its lien claim in the ordinary course freed of the stay of proceedings. Often receivers are able to settle lien claims quickly, cheaply, and efficiently. But I have also written that lien claimants mustn't sleep on their rights. So, I am not stopping Mr. Scott's clients from proposing a *modus vivendi* with the receiver that could involve proceeding in some way or another. It can move to lift the stay if it is not content

with the receiver's dealings with it. But, it seems to me, that the receiver is at least entitled to a few days or short weeks to take possession of the site and let the dust settle before it must engaged with a specific contestation of individual rights. It should have some breathing space before embarking down that path.

35. Order signed as asked.

FL Myers J.

Justice FL Myers

Digitally signed by Justice FL Myers
Date: 2026.07.07 14:23:31 -04'00'