Court File No. CL-26-00000263-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

DUCIMUS CAPITAL INC.

Applicant

- and -

1613935 ONTARIO INC.

Respondent

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c. C.43, AS AMENDED

FACTUM OF THE APPLICANT

RECEIVERSHIP APPLICATION
RETURNABLE JULY 16, 2026

July 9, 2026

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Jeremy Bornstein LSO #: 65425C
Tel: 416.869.5386
jbornstein@cassels.com

Matteo Clarkson-Maciel LSO #: 92008H
Tel: 416.350.6961
mclarksonmaciel@cassels.com

Lawyers for Ducimus Capital Inc.

TO: SERVICE LIST

Court File No. CL-26-00000263-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

DUCIMUS CAPITAL INC.

Applicant

- and -

1613935 ONTARIO INC.

Respondent

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c. C.43, AS AMENDED

FACTUM OF THE APPLICANT

RECEIVERSHIP APPLICATION
RETURNABLE JULY 16, 2026

TABLE OF CONTENTS

Page No.

PART I - OVERVIEW

1. Ducimus Capital Inc. ("**Ducimus**"), as a secured creditor, seeks the appointment of BDO Canada Limited ("**BDO**") as receiver and manager (in such capacity, the "**Receiver**") over (a) certain real property municipally known as 361 Taunton Road West, Ajax, Ontario being PIN numbers 26408-0884 (LT), 26408-0886 (LT) and PIN 26408-2030 (LT) to PIN 26408-2032 (LT) inclusive (collectively, the "**Real Property**"); and (b) all present and after-acquired property, assets and undertakings of 1613935 Ontario Inc. (the "**Respondent**") located in, related to, arising from or used or acquired in connection with the Real Property, and in all proceeds and renewals thereof, accretions thereto and substitutions thereof (collectively with the Real Property, the "**Property**"), pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**") and section 101 of the *Courts of Justice Act*, RSO 1990, c. C-43 (the "**CJA**").[1]

2. As of May 27, 2026, the total amount owing under the Loan (as defined below) was $30,834,984.79, plus interest continuing to accrue from and after May 27, 2026 and legal fees and expenses from before and after that date (collectively, the "**Indebtedness**").[2]

3. The Real Property is a 24.80-acre vacant, pre-construction development site located on the corner of Taunton Road West and Ravenscroft Road, in Ajax, Ontario planned for a four-phase condominium and townhouse development project.[3]

4. The Loan matured on September 7, 2025 (the "**Maturity Date**"). The initial maturity date was January 22, 2020 but was extended multiple times on the request of the Respondent.[4] The

[1] Capitalized terms not otherwise defined herein have the meaning given to them in the Affidavit of Trevor Gossen sworn July 2, 2026 (the "**Gossen Affidavit**").
[2] Gossen Affidavit at para 4.
[3] Gossen Affidavit at para 5.
[4] Gossen Affidavit at para 23.

Respondent failed to pay the Indebtedness to Ducimus as required upon maturity and the Indebtedness remains outstanding.[5]

5. Ducimus made demand for payment and delivered a notice of intention to enforce security ("**NITES**") to the Respondent under section 244 of the BIA on December 11, 2025.[6]

6. Following delivery of the NITES, on March 9, 2026, Ducimus entered into a forbearance agreement (the "**Forbearance Agreement**") with the Respondent and the guarantors of the Loan, being Ravenscroft Valour Holdings Inc., 402725 Grey Road 4 Ltd., 35 Sinclair Avenue Ltd., Gordon Fawcett, Frank Vaccaro, Peter Landry, and Glen Cluthe (collectively, the "**Guarantors**", and together with the Respondent, the "**Loan Parties**").[7]

7. Pursuant to the Forbearance Agreement, the Respondent delivered an executed irrevocable consent to receivership order in favour of Ducimus, substantially in the form of order proposed in the within application (the "**Consent**").[8]

8. Multiple defaults have occurred and are continuing under the Forbearance Agreement and the Indebtedness was not repaid by the Loan Parties upon the expiry of the Forbearance Period on April 30, 2026 as a result of the occurrence of a termination event thereunder.[9]

9. With the expiry of the Forbearance Agreement and the Consent, Ducimus seeking the appointment of a receiver is effective and binding on the Respondent and not subject to any conditions.[10]

---

[5] Gossen Affidavit at para 24.
[6] Gossen Affidavit at para 25.
[7] Gossen Affidavit at para 26.
[8] Gossen Affidavit at para 27(e).
[9] Gossen Affidavit at para 28. In the case where the forbearance period was not earlier terminated due to the occurrence of a termination event, the forbearance period expiry date and the date by which the Loan Parties were required to pay in full all Indebtedness was June 30, 2026.
[10] Gossen Affidavit at para 9.

10. Ducimus has lost confidence in the Respondent and its ability to fulfil its financial obligations.[11]

11. Ducimus seeks to appoint the Receiver in furtherance of its contractual right to do so and with a view to preserving and realizing on the Property. In the circumstances, it is just and convenient to appoint the Receiver over the Property.

PART II - SUMMARY OF FACTS

A. Parties

12. Ducimus is a private lender, specializing in providing interim mortgage financing.[12]

13. The Respondent is a privately held corporation incorporated under the *Business Corporations Act* (Ontario) and is the borrower under the Commitment Letter (as defined below).[13] The Real Property is the Respondent's primary asset.

B. Indebtedness and Security

14. Ducimus advanced a mortgage loan to the Respondent in the principal amount of $28,323,104 (the "**Loan**") pursuant to the terms of a commitment letter dated December 13, 2018 (the "**Original Commitment Letter**"), as amended by commitment letter amendments dated January 15, 2020, April 1, 2020, July 20, 2020, February 2, 2021, April 13, 2021, April 26, 2021, July 30, 2021, October 29, 2021, February 10, 2022, May 31, 2022, October 28, 2022, March 15, 2023, April 30, 2024 and May 5, 2025, and an acknowledgement and joinder agreement dated March 16, 2026 in respect of the commitment letter amendment dated May 5, 2025 (collectively with the Original Commitment Letter, the "**Commitment Letter**"). In addition, as part of the

---

[11] Gossen Affidavit at para 39.
[12] Gossen Affidavit at para 15.
[13] Gossen Affidavit at para 16.

amendments described above, the balance of a prior loan by Ducimus to an entity related to the Respondent in the amount of $157,230 was added to the principal of the Loan.[14]

15. As security for the Loan, Ducimus was granted by the Respondent,

(a) a first ranking mortgage against the Real Property (the "**Mortgage**");

(b) a general assignment of leases and rents (the "**ARL**"); and

(c) a site-specific general security agreement (the "**GSA**", and collectively with the Mortgage and ARL, the "**Security**").[15]

16. The Loan is also guaranteed by the Guarantors.[16]

C. Default and Forbearance Termination Events

17. Events of defaults occurred under the Loan and Security upon and prior to the Maturity Date, including without limitation the failure to pay all amounts due and owing under the Loan and Security on the Maturity Date, the Respondent failing to pay when due municipal property taxes and allowing corresponding tax liens to be registered on title to the Real Property, the issuance of a notice of sale under mortgage by Hyot GP Inc. and Valour Partners High Yield Opportunities LP, and the Respondent allowing a Caution-Land and Caution of Agreement of Purchase and Sale to be registered against title to the Real Property in favour of third parties without Ducimus' consent.[17]

---

[14] Gossen Affidavit at para 19.
[15] Gossen Affidavit at para 20.
[16] Gossen Affidavit at para 21.
[17] Gossen Affidavit at para 24.

18. Following the Maturity Date, the NITES was delivered to the Respondent on December 11, 2025.[18]

19. Thereafter, in March 2026, Ducimus agreed to forbear, subject to various terms and conditions until the earlier of June 30, 2026 or upon the occurrence of a Forbearance Termination Event.[19] The Loan Parties defaulted under the Forbearance Agreement. These defaults included without limitation the following:

(a) a binding sale or refinancing agreement was not delivered on or before April 30, 2026;

(b) the purchaser or lender under any such agreement (which was never delivered) did not waive all conditions to complete any such transaction on or before May 31, 2026; and

(c) the Loan Parties failing to repay the Indebtedness on or before June 30, 2026.[20]

20. As part of the Forbearance Agreement, the Respondent provided the Consent. The form of receivership order attached to the Consent is substantially the same as the form of receivership order being requested in the within application.[21]

21. As further described below, it is just and convenient in the circumstances to appoint a receiver over the Property with the power to market and sell the Property for the benefit of Ducimus and any other creditors for the following reasons without limitation:

---

[18] Gossen Affidavit at para 25.
[19] Gossen Affidavit at para 26.
[20] Gossen Affidavit at para 28.
[21] Gossen Affidavit at para 40.

(a) The Loan matured more than 10 months ago, and the Indebtedness remains outstanding;

(b) Appointing a receiver is within Ducimus' rights under the Security; and

(c) The Respondent has executed the Consent.[22]

D. Other Secured Parties

22. Searches of title against the Real Property current to June 29, 2026 (the "**Title Searches**"), disclose registrations other than those in favour of Ducimus as follows:

(a) a charge in favour of Hyot GP Inc. and Valour Partners High Yield Opportunity LP, as amended, registered on December 31, 2020 and securing the maximum principal amount of $30,900,000;

(b) a notice of general assignment of rents in favour of Hyot GP Inc. and Valour Partners High Yield Opportunity LP;

(c) a notice of postponement postponing the charge in item (a) above to the charge in item (d) below by Hyot GP Inc. and Valour Partners High Yield Opportunity LP in favour of Ajax Taunton Ontario Inc.;

(d) a charge in favour of Ajax Taunton Ontario Inc. registered on April 13, 2022 and securing the maximum principal balance of $17,500,000;

(e) a notice of general assignment of rents in favour of Ajax Taunton Ontario Inc.;

[22] Gossen Affidavit at paras 38 - 43.

(f) a charge registered in favour of Northern Coast ABL Inc. registered on July 13, 2022 and securing the maximum principal amount of $45,000,000; and

(g) a notice of general assignment of rents in favour of Northern Coast ABL Inc.[23]

23. In addition to these, there are also registered:[24]

(a) in relation to all of the PINs, (i) a notice in favour of His Majesty the King in Right of Canada as represented by the Minister of Transport relating to airport zoning regulations, (ii) an expired Caution-Land registered in favour of 15799341 Canada Inc., and (iii) an expired Caution-Agreement of Purchase and Sale in favour of 15799813 Ontario Inc.; and

(b) in relation to certain PINs as follows:

i. a notice of a development agreement in favour of the Corporation of the Town of Ajax in respect of PINs 26408-0884 (LT) and 26408-2030-32 (LT) (inclusive);

ii. a notice of a first right of refusal to purchase certain lands part of PIN 26408-0884 in favour of the Toronto and Region Conservation Authority in respect of PIN 26408-0884 (LT);

---

[23] Gossen Affidavit at paras 29 and 30.
[24] Gossen Affidavit at para 32.

iii. an application to annex restrictive covenants and an easement in favour of the Toronto and Region Conservation Authority in respect of PIN 26408-0886 (LT);

iv. notices in favour of The Regional Municipality of Durham and the Corporation of the Town of Ajax regarding a development agreement and a temporary sales trailer agreement, easements in favour of Elexicon Energy Inc., Rogers Communications Inc., Enbridge Gas Inc. and notices of postponement in favour of Elexicon Energy Inc. by each of Ducimus, Hyot GP Inc. and Valour Partners High Yield Opportunity LP, and Morrison Financial Mortgage Corporation and Community Trust Company in respect of PINs 26408-2030 (LT) to 26408-2032 (LT) (inclusive); and

v. tax arrears certificates in favour of the Corporation of the Town of Ajax as follows: (A) $24,643 in respect of PIN 26408-0884 (LT), (B) $57,147 in respect of PIN 26408-0886 (LT), (C) $456,513 in respect of PIN 26408-2030 (LT), (D) $505,558 in respect of PIN 26408-2031 (LT), and (E) $279,578 in respect of PIN 26408-2032 (LT).[25]

24. A search conducted against the Respondent current to June 28, 2026 under the *Personal Property Security Act* (Ontario) (the "**PPSA**") discloses registrations in favour of Ducimus in addition to two registrations in favour of Northern Coast ABL Inc., in each case which are

[25] Gossen Affidavit at para 32.

subordinated and postponed to the registration in favour of Ducimus, as reflected by the Northern Coast ABL Inc. registrations.[26]

25. As of June 30, 2026, there are municipal tax arrears owing on the Real Property in the aggregate amount of $1,777,944.03 as reflected in the Town of Ajax municipal tax certificates.[27]

26. A writ of execution was issued in municipality of Durham (Oshawa) against the Respondent in favour of Braun Nursery Limited on November 16, 2023 in the amount of $42,115.88.[28]

27. All of the parties with interests registered against the Real Property or a PPSA registration registered or a writ of execution issued against the Respondent have been served the within application.

PART III - ISSUES

28. The single issue on this Application is whether this Court should appoint BDO as receiver over the Property.

29. It is appropriate for this Court to appoint BDO as receiver because:

(a) the technical requirements for the appointment of a receiver under the BIA have been satisfied; and

(b) it is just and convenient to appoint a receiver in the circumstances.

[26] Gossen Affidavit at para 34.
[27] Gossen Affidavit at para 36.
[28] Gossen Affidavit at para 36.

A. Technical Requirements to Appoint a Receiver are Satisfied

30. Section 243 of the BIA authorizes the Court to appoint a receiver on an application by a secured creditor over the property of an insolvent person. Subsection 243(1.1) of the BIA requires that a notice of intention to enforce security as provided for in section 244 of the BIA is delivered to the insolvent person prior to such application.[29]

31. Ducimus is a secured creditor of the Respondent with a perfected security interest pursuant to the Security and has standing to bring this application. Ducimus has delivered a demand and notice of intention to enforce security under section 244 of the BIA to the Respondent, and the 10-day notice period has expired.[30]

32. BDO is qualified to act as receiver in accordance with subsection 243(4) of the BIA and has provided its consent to act.[31]

B. Appointing BDO as Receiver is Just and Convenient

33. Section 101 of the CJA and subsection 243(1) of the BIA each permit the appointment of a receiver where it is "just or convenient".[32]

34. Given the Consent, it is not open to the Respondent in this case to argue that the appointment of a receiver is not "just or convenient".[33]

35. This Court has recently considered contested receivership applications following a consent to receivership having been provided by the respondent. In *JBT Transport Inc. (Re)*, 2025

---

[29] *Bankruptcy Insolvency Act*, RSC 1985, c B-3 ss 243, 243(1.1) and 244(2) [*BIA*].
[30] Gossen Affidavit at para 25.
[31] *BIA*, ss 2 and 243(4); Gossen Affidavit at para 45 and Exhibit "N".
[32] *Courts of Justice Act,* RSO 1990, c C-43, s 101; *BIA*, s 243(1).
[33] *Servus Credit Union Ltd v Proform Management Inc*, 2020 ABQB 316 at paras 53 and 66.

ONSC 1436,[34] the respondent argued that the receivership order should not be made despite its consent having been provided. In appointing a receiver in that case, Kimmel J. gave considerable weight to the debtor's consent to the appointment of a receiver:

> However, where a creditor has a contractual right to appoint a receiver upon the debtor's default, has already agreed to forbear and defer exercising its enforcement remedies and, in exchange, has received further confirmation of the Debtors' consent to the appointment of a receiver if the forbearance did not lead to the promised refinancing of the debt: "Commercial certainty for all stakeholders dictates that parties should expect that courts will hold them to their bargains, absent further agreement or circumstances that would make it appropriate to nullify or remove the order": see *ATB Financial v. Mayfield Investments Ltd*., 2024 ABKB 635, at para 40.

36. Even absent the Consent, in these circumstances granting the receivership order is just and convenient. In determining whether the appointment of a receiver is "just or convenient", the Court must consider "all of the circumstances but in particular the nature of the property and the rights and interests of all relevant parties."[35]

37. The discretionary factors historically considered in the determination of whether it is appropriate to appoint a receiver were recently cited by Justice Osborne formerly of this Court (as he then was) and include among others:

(a) whether irreparable harm might be caused if no order were made, although it is not essential for a creditor to establish irreparable harm if a receiver is not appointed where the appointment is authorized by the security documentation;

[34] *JBT Transport Inc. (Re)*, 2025 ONSC 1436 at para 53; see also *National Bank of Canada v Danzor Investments Inc*., (February 18, 2024), ONSC (Commercial List), CL-26-0000000046-0000 (Endorsement) at para 5.
[35] *Bank of Nova Scotia v Freure Village on Clair Creek* (1996), 40 CBR (3d) 274 (Ont SCJ) at para 10 [*Freure Village*]. See also *C & K Mortgage et al v 11282751 Canada Inc et al*, 2024 ONSC 1039 at para 16 [*C & K Mortgage*].

(b) the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of the assets while litigation takes place;

(c) the nature of the property;

(d) the balance of convenience to the parties;

(e) the fact that the creditor has the right to appoint a receiver under the documentation providing for the loan;

(f) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously;

(g) the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties more efficiently; and

(h) the conduct of the parties.[36]

38. There is no "checklist but a collection of considerations to be viewed holistically in an assessment as to whether, in all the circumstances, the appointment of a receiver is just or convenient."[37]

39. It is well-established that the extraordinary nature of seeking the appointment of a receiver as a remedy "is significantly reduced when dealing with a secured creditor who has the right to a receivership under its security arrangements […] The relief becomes even less extraordinary

---

[36] *C & K Mortgage* at para 19, citing *Canadian Equipment Finance and Leasing Inc. v The Hypoint Company Limited*, 2022 ONSC 6186. See also *KEB Hana Bank as Trustee et al v Mizrahi Commercial (The One) LP et al*, 2023 ONSC 5881 at para 38.
[37] *C & K Mortgage* at para 20, citing *Pandion Mine Finance Fund LP v Otso Gold Corp*., 2022 BCSC 136 at para 54; see also *Royal Bank of Canada v Ten 4 Systems Ltd., et al,* Court File No. CV-23-00705869-00CL (Ont Sup Ct J (Commercial List)) Endorsement dated October 18, 2023 at paras 10-11, leave to appeal refused 2023 ONCA 839.

when dealing with a default under a mortgage."[38] In this case, the relief is expressly provided for under the Security documents, is contractual in nature, and relates to real property subject to a mortgage.[39]

40. Where the creditor's security provides for the appointment of a receiver there is no requirement for the creditor to establish that it will suffer irreparable harm if the proposed receiver is not appointed.[40]

41. Considering the circumstances, it is just and convenient for this Court to appoint BDO as receiver over the Property for the following reasons, among others:

(a) the Indebtedness is approximately $30.8 million and remains outstanding;[41]

(b) the Loan has matured, and defaults have occurred and are continuing under the Loan and Security;[42]

(c) the Respondent has been unable to complete a sale of the Real Property or obtain replacement financing to repay the Indebtedness, despite Ducimus providing multiple extensions to the maturity date and a forbearance period;

(d) Ducimus is entitled to the appointment of a receiver pursuant to the terms of its Security;[43]

---

[38] *BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.*, 2020 ONSC 1953 at paras 43-44, citing *Elleway Acquisitions Ltd. v Cruise Professionals Ltd.*, 2013 ONSC 6866 at para 27; See also *C & K Mortgage* at paras 17-18.
[39] Gossen Affidavit at para 39.
[40] *Bank of Montreal v Carnival National Leasing Limited*, 2011 ONSC 1007 at paras 24 and 28, citing *Freure Village* at para 10.
[41] Gossen Affidavit at paras 4 and 38.
[42] Gossen Affidavit at para 23.
[43] Gossen Affidavit at paras 39 and 42.

(e) the Respondent has executed the Consent as a condition for Ducimus entering into the Forbearance Agreement, and pursuant to the terms of the Forbearance Agreement, the Consent is unconditional;

(f) Ducimus is the first-ranking lender and should be permitted to control the enforcement of its Mortgage through a receivership with a related stay of proceedings in the face of a subsequent mortgagee having issued a notice of sale under mortgage in respect of the Real Property;[44]

(g) the Respondent does not appear to have sufficient assets to satisfy its secured creditors, including Ducimus, other than through disposal of the Real Property;[45] and

(h) Ducimus has lost confidence in the Respondent's ability to perform its obligations under the Commitment Letter and Security.[46]

42. The appointment of the Receiver will allow Ducimus to realize on its security in an efficient, transparent and orderly manner for its benefit and the benefit of other creditors of the Respondent.[47]

PART IV - ORDER REQUESTED

43. Ducimus submits that for these reasons, it is just and convenient to appoint BDO as receiver over the Property. Ducimus respectfully requests an order substantially in the form attached at Tab 3 of the Application Record.

---

[44] Gossen Affidavit at paras 13 and 20.
[45] Gossen Affidavit at para 41.
[46] Gossen Affidavit at para 39.
[47] Gossen Affidavit at para 43.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 9th day of July, 2026.

Cassels

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Jeremy Bornstein LSO#: 65425C
Tel: 416.869.5386
jbornstein@cassels.com

Matteo Clarkson-Maciel LSO #: 92008H
Tel: 416.350.6961
mclarksonmaciel@cassels.com

Lawyers for Ducimus Capital Inc.

SCHEDULE "A"
LIST OF AUTHORITIES

1. *Bank of Montreal v Carnival National Leasing Limited*, 2011 ONSC 1007
2. *Bank of Nova Scotia v Freure Village on Clair Creek*, 1996 CanLII 8258 (ONSC)
3. *BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.*, 2020 ONSC 1953
4. *Canadian Equipment Finance and Leasing Inc. v The Hypoint Company Limited*, 2022 ONSC 6186
5. *C & K Mortgage et al v 11282751 Canada Inc et al*, 2024 ONSC 1039
6. *Elleway Acquisitions Ltd. v Cruise Professionals Ltd.*, 2013 ONSC 6866
7. *JBT Transport Inc. (Re)* 2025 ONSC 1436
8. *KEB Hana Bank as Trustee et al v Mizrahi Commercial (The One) LP et al*, 2023 ONSC 5881
9. *National Bank of Canada v Danzor Investments Inc*., (February 18, 2024), ONSC (Commercial List), CL-26-0000000046-0000 (Endorsement)
10. *Pandion Mine Finance Fund LP v Otso Gold Corp.*, 2022 BCSC 136
11. *Royal Bank of Canada v Ten 4 Systems Ltd., et al*, Court File No. CV-23-00705869-00CL (Ont Sup Ct J (Commercial List)) Endorsement dated October 18, 2023 (leave to appeal refused 2023 ONCA 839)
12. *Servus Credit Union Ltd v Proform Management Inc*, 2020 ABQB 316

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

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date July 9, 2026

Matteo Clarkson-Maciel

SCHEDULE "B"
TEXT OF STATUTES, REGULATIONS & BY – LAWS

***Bankruptcy and Insolvency Act*, RSC 1985, c B-3**

Section 2
locality of a debtor means the principal place

(a) where the debtor has carried on business during the year immediately preceding the date of the initial bankruptcy event,
(b) where the debtor has resided during the year immediately preceding the date of the initial bankruptcy event, or
(c) in cases not coming within paragraph (a) or (b), where the greater portion of the property of the debtor is situated.

Section 243
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.

[…]
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.

Period of notice
244 (2) Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.

***Courts of Justice Act*, RSO 1990, c C-43**

Injunctions and receivers
101 (1) In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

DUCIMUS CAPITAL INC.
Applicant

- and -

1613935 ONTARIO INC.
Respondent

Court File No. CL-26-00000263-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FACTUM OF THE APPLICANT

RECEIVERSHIP APPLICATION
RETURNABLE JULY 16, 2026

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Jeremy Bornstein LSO #: 65425C
Tel: 416.869.5386
jbornstein@cassels.com

Matteo Clarkson-Maciel LSO #: 92008H
Tel: 416.350.6961
mclarksonmaciel@cassels.com

Lawyers for Ducimus Capital Inc.