



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ENDORSEMENT

COURT FILE NO.: CV-25-00753523-00CL DATE: October 10, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: MERIDIAN CREDIT UNION LIMITED v. 2225909 ONTARIO INC. et al

BEFORE: Justice Osborne

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Ian Klaiman	Counsel for the Applicant	iklaiman@szklaw.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Graham Phoenix	Counsel for all Respondents	gphoenix@LN.law

ENDORSEMENT OF JUSTICE OSBORNE:

[1] The Applicant, Meridian Credit Union Limited, seeks today an order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*, appointing BDO Canada Limited as Interim Receiver over the property of the Respondents.

[2] The Respondents consent to the relief sought.

[3] I am satisfied that the relief should be granted. The Respondents are Ontario corporations, each of which operates a Popeyes Louisiana Kitchen franchise in the Greater Toronto Area. They are part of a group of 23 corporations under the common control and management of Irfan Memon and his spouse, Kauser Memon.

[4] Between August 2023 and March, 2024, Meridian advanced credit facilities to the Respondents, secured by general security agreements and guarantees, all as set out in the materials. The Respondents are in default of

their obligations. The total indebtedness owing to Meridian as at May 6, 2025 was approximately \$10,833,180.51, which remains unpaid today.

[5] Demands and section 244 *BIA* notices were delivered in May, 2025. The relevant cure periods have long expired.

[6] In September, 2025, Meridian, the Respondents and other parties entered into a Forbearance Agreement to allow the Respondents additional time to sell their franchises. The Respondents are in default of their obligations under the Forbearance Agreement.

[7] Today, all of the Respondents have ceased carrying on business at their respective locations, the franchise agreements have been terminated, the landlords of various business premises have moved to terminate the leases and/or locked the doors, and the Respondents have significant unpaid amounts respective wages, source deductions and HST remittances owing.

[8] Meridian is working with the franchisor and the Respondents on an expedited basis to facilitate the sale of the restaurants to new operators. However, in the circumstances, and in order to preserve value and maintain the status quo, BDO should be appointed as Interim Receiver pending the return of the ultimate receivership application.

[9] I am satisfied that an interim receivership is appropriate to maintain the value of the assets and maximize the prospects of sales to new operators.

[10] The relevant general security agreements, as well as the Forbearance Agreement, expressly provide for the appointment of a receiver in the event of default, and today, the Respondents consent to the interim receivership sought. BDO consents to act in that capacity, and is qualified.

[11] Jurisdiction to appoint an interim receiver flows from section 47(1) of the *BIA*. The technical requirements are satisfied here. Section 244 notices have been sent. An interim receivership can be in effect until the earlier of: the taking of possession by a receiver of the property over which the interim receiver was appointed; the taking of possession by a trustee; and the expiry of 30 days after the date of appointment of the interim receiver or the expiry of any period specified by the Court.

[12] On the consent of the parties, BDO is appointed as Interim Receiver on the terms set out in the draft order, as amended. That interim receivership is effective, for the purposes of section 47(1)(c), until November 14, 2025 subject to any further court order that may be made. This is slightly longer than the 30 days, but the date is agreed by the parties and will provide an opportunity for the Interim Receiver to consider next steps, and attempt to expedite franchise sales.

[13] In my view, it is appropriate to set a fixed comeback date now, within the period of the Interim Receivership. Accordingly, this matter is adjourned to be continued on November 12, 2025 commencing at 10 AM via Zoom. Counsel for all parties have confirmed their availability for that date.

[14] Order to go in the form signed by me today which has immediate effect without the necessity of issuing and entering.

