

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

**B4R PROPERTIES GROUP – SSM INC., 15465737 CANADA INC. and
ALEXANDRE MONGEON-LAMBERT**

Respondents

**APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY
ACT* R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF
JUSTICE ACT*, R.S.O. 1990, c. c-43, AS AMENDED**

FACTUM OF THE RECEIVER

DATE: October 19, 2026

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TO: THIS HONOURABLE COURT

AND TO: THE SERVICE LIST

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FACTUM OF THE RECEIVER

PART I – OVERVIEW

1. This factum is filed in support of the motion of BDO Canada Limited, in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties of B4R Properties Group – SSM Inc. (“**B4R**”) and 15465737 Canada Inc. (“**154co**”, and together with B4R, the “**Debtors**”), returnable October 29, 2026, for:

- (i) an Order, if necessary, abridging the time for service and validating service of the Notice of Motion and Motion Record, or dispensing with service thereof;
- (ii) approving the Fifth Report of the Receiver dated October 15, 2026 (the “**Fifth Report**”) and the actions, activities and conduct of the Receiver described therein;
- (iii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period March 27, 2025 to September 30, 2026;
- (iv) approving the sale of 651 Wallace Terrace, Sault Ste. Marie, Ontario (the

“**651 Wallace Property**”) to Achmad Pahrevi Mahardhika and Catherina Hilda Asritirtany (the “**651 Wallace Purchasers**”) pursuant to an agreement of purchase and sale dated August 18, 2026 (the “**651 Wallace APS**”, and the transaction contemplated therein, the “**651 Wallace Sale Transaction**”), and vesting 154co’s right, title and interest in the 651 Wallace Property in the 651 Wallace Purchasers upon closing;

- (v) approving the sale of 182-184 Woodward Avenue, Sault Ste. Marie, Ontario (the “**182-184 Woodward Property**”) to 16860460 Canada Inc. (the “**182-184 Woodward Purchaser**”) pursuant to an agreement of purchase and sale dated October 9, 2026 (the “**182-184 Woodward APS**”, and the transaction contemplated therein, the “**182-184 Woodward Sale Transaction**”), and vesting B4R’s right, title and interest in the 182-184 Woodward Property in the 182-184 Woodward Purchaser upon closing;
- (vi) authorizing the Receiver, after retaining a reserve for its fees and expenses and those of its counsel, to distribute the net sale proceeds of the 651 Wallace Property and the 182-184 Woodward Property (together, the “**Sold Properties**”) to Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) (the “**Interim Distribution**”), and to make further distributions to Desjardins from time to time, provided that the aggregate of all distributions does not exceed the Desjardins Indebtedness (as defined below); and
- (vii) sealing Confidential Appendices “1” through “6” to the Fifth Report (the “**Confidential Appendices**”) until the closing of both sale transactions or further order of this Court.

- 2. The Receiver submits that each element of the relief sought is supported by the evidence in the Fifth Report and by the governing authorities, and that the relief is unopposed by the senior secured creditor, Desjardins, which will suffer a shortfall on each of the Sold Properties.

PART II – THE FACTS

- 3. The facts are set out in detail in the Fifth Report and are summarized briefly below.¹

¹ Motion Record, Tab 2, Fifth Report of the Receiver dated October 15, 2026 (“*Fifth Report*”)

The Receivership

4. Pursuant to the Order of the Honourable Justice Spurgeon dated March 27, 2025 (the “**Appointment Order**”), the Receiver was appointed receiver and manager, without security, of all the assets, undertakings and properties of the Debtors.²
5. Desjardins brought the application for the Appointment Order. The Debtors were indebted to Desjardins in the aggregate amount of \$3,417,933 as of January 31, 2025, not including professional fees (together with accruing interest and costs, the “**Desjardins Indebtedness**”). The Desjardins Indebtedness remains outstanding.³
6. The Desjardins Indebtedness is secured by, *inter alia*, collateral mortgages registered against thirteen (13) real properties in Sault Ste. Marie and Sudbury, Ontario (the “**Real Properties**”), together with assignments of rent for each of the Real Properties.⁴
7. With the approval of this Court, the Receiver has previously sold several of the Real Properties, most recently 4 Lansdowne Avenue, Sault Ste. Marie, which was approved by Order dated August 25, 2026 and has since closed.⁵

Activities of the Receiver Since the Fourth Report

8. Since the Fourth Report, the Receiver has, among other things: closed the 4 Lansdowne sale; on the expiry of the Remax listing agreements on June 30, 2026, entered into new listing agreements for all unsold Real Properties with Century 21 Choice Realty Inc. (“**Century 21**”) and Royal LePage Burloak R.E. Services (“**RLP**”); negotiated and

² Fifth Report, para 1 and Appendix “A”.

³ Fifth Report, para 2.

⁴ Fifth Report, para 3.

⁵ Fifth Report, paras 4-11 and 19(i).

accepted, subject to Court approval, offers for the Sold Properties; entered into a new property management services agreement with Northstar Consulting Inc.; paid an interim distribution to Desjardins; and attended to property management issues.⁶

9. The Receiver's Interim Statement of Receipts and Disbursements to September 30, 2026 is attached as Appendix "B" to the Fifth Report. The Receiver currently holds \$77,802.06 in its estate account.⁷

The 651 Wallace Sale Transaction

10. The 651 Wallace Property was listed with Remax on November 12, 2025 at \$191,900, reduced to \$167,000 on January 5, 2026. Between February 2 and June 29, 2026, the Receiver received three offers, each of which it counter-offered. A conditional offer accepted on July 3, 2026 failed when the offeror did not waive its conditions. The property was re-listed with Century 21 on September 4, 2026 at \$149,900.⁸
11. The 651 Wallace Purchasers submitted an offer on August 18, 2026. After four counter-offers, the Receiver accepted the 651 Wallace APS on September 11, 2026. The property had been on the market for over 304 days. The 651 Wallace APS is subject only to Court approval.⁹
12. The Receiver obtained two written opinions of value, from Remax (dated November 1, 2025) and from RLP. The purchase price is reasonable as compared to both, no better offer has been received, and the Receiver does not believe further marketing would produce a

⁶ Fifth Report, para 19.

⁷ Fifth Report, para 20 and Appendix "B".

⁸ Fifth Report, paras 21-23.

⁹ Fifth Report, paras 24-25 and 28, and Appendix "C".

superior offer. The Receiver recommends that the 651 Wallace Sale Transaction be approved.¹⁰

The 182-184 Woodward Sale Transaction

13. The 182-184 Woodward Property was listed with Remax on October 3, 2025 at \$246,900, reduced to \$215,000 on January 5, 2026 and to \$204,500 on May 12, 2026. No offers were received before the Remax listing expired on June 30, 2026. The property was re-listed with RLP on October 1, 2026 at \$139,900.¹¹
14. After more than 372 days on the market, the Receiver received two offers on October 9, 2026 and a third on October 10, 2026. The 182-184 Woodward APS is unconditional and contains the highest price. Although the two other offerors improved their offers to the same price, both remained conditional. The Receiver therefore considers the 182-184 Woodward APS to be the superior offer. It is subject only to Court approval.¹²
15. The Receiver obtained two written opinions of value, from Remax (dated October 5, 2025) and from RLP. The purchase price is reasonable as compared to both, and the Receiver recommends that the 182-184 Woodward Sale Transaction be approved.¹³

Desjardins' Security and the Proposed Distribution

16. Desjardins is the senior secured creditor and first-in-time collateral mortgagee on all of the Real Properties. It holds collateral mortgages of \$380,000 against the 651 Wallace Property and \$475,000 against the 182-184 Woodward Property, and an assignment of rents against

¹⁰ Fifth Report, paras 26-27 and 29-30, and Confidential Appendices "1" to "3".

¹¹ Fifth Report, paras 31-32.

¹² Fifth Report, paras 33-34 and 37, and Appendix "D".

¹³ Fifth Report, paras 35-36 and 38-39, and Confidential Appendices "4" to "6".

each.¹⁴

17. The Receiver's counsel has provided an opinion that, subject to customary qualifications, Desjardins' security over each of the Sold Properties is valid and enforceable in accordance with its terms and is registered first in time.¹⁵
18. As of January 31, 2025, Desjardins was owed \$270,212 in respect of the 651 Wallace Property and \$326,759 in respect of the 182-184 Woodward Property. The sale prices do not exceed these amounts, and Desjardins will suffer a shortfall on each property. The Receiver has confirmed with the Canada Revenue Agency that the Debtors are not registered for HST.¹⁶

PART III – THE LAW

A. The Sale Transactions Should Be Approved and the Vesting Orders Granted

19. Paragraph 3 of the Appointment Order grants the Receiver the power to, *inter alia*, market and sell the property of the Debtors, to apply for vesting orders, and to report to the Court on same.
20. In *Third Eye Capital Corporation v. Ressources Dianor Inc.* (“*Dianor*”), the Court of Appeal confirmed that section 243 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 100 of the *Courts of Justice Act* (the “**CJA**”) together give the Court jurisdiction to grant a vesting order in favour of a purchaser from a BIA receiver.¹⁷

¹⁴ Fifth Report, paras 40 and 43.

¹⁵ Fifth Report, paras 42 and 44, and Appendices “E” and “F”.

¹⁶ Fifth Report, paras 41 and 45.

¹⁷ *Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508 [*Dianor*] at paras [72-76](#).

21. A vesting order is appropriate where the facts are not in dispute and there is no other available or reasonably convenient remedy.¹⁸
22. The criteria the Court applies in deciding whether to approve a sale by a receiver are well established in *Royal Bank of Canada v. Soundair Corp.*:¹⁹
- (i) whether the receiver has made a sufficient effort to obtain the best price and has not acted improvidently;
 - (ii) the interests of all parties;
 - (iii) the efficacy and integrity of the process by which offers were obtained; and
 - (iv) whether there has been unfairness in the working out of the process.
23. The receiver's duty is not to obtain the best possible price, but to do everything reasonably possible in the circumstances to obtain the best price.²⁰ The Court will give considerable deference to the business judgment of its receiver, and will intervene only where the proposed sale is shown to be improvident or the process unfair.²¹
24. The Receiver submits that each of the *Soundair* criteria is satisfied for both Sold Properties:
- (i) **sufficient effort and no improvidence:** each property was exposed to the market through two listing brokerages for an extended period (over 304 days for the 651 Wallace Property and over 372 days for the 182-184 Woodward Property), with successive price reductions. The Receiver negotiated actively, including through four counter-offers on the 651

¹⁸ Lloyd W. Houlden, Geoffrey B. Morawetz & Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed., loose-leaf (Toronto: Carswell, 2009), at Part XI, L§21, cited in *Dianor* at para 76.

¹⁹ *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA) [[Soundair](#)] at para 16.

²⁰ *Skyepharma PLC v. Hyal Pharmaceutical Corp.*, 1999 CanLII 15007 (ON SC) at para 4 and 36, aff'd 2000 CanLII 5650 (ON CA).

²¹ *Soundair*, *supra*, at para 21; [Marchant Realty Partners Inc. v. 2407553 Ontario Inc.](#), 2021 ONCA 375 at para 18.

Wallace Property;

- (ii) **reasonable price:** in each case the purchase price is reasonable as compared to two independent opinions of value, and no better offer has been received;
- (iii) **integrity of the process:** the 182-184 Woodward Property attracted three competing offers. The Receiver chose the only unconditional offer at the highest price, which gives the estate certainty of closing;
- (iv) **interests of all parties:** Desjardins, the first-ranking secured creditor, will suffer a shortfall on each property. There is no realistic prospect of a recovery for any subordinate stakeholder from a higher-priced sale; and
- (v) **fairness:** there is no evidence of any unfairness in the working out of either process.

25. The facts are not in dispute, and an approval and vesting order is necessary in each case so that the Sold Properties can be conveyed to the purchasers free and clear of the encumbrances listed in the schedules to the draft Order. The Claims to be vested out consist of Desjardins' security, the registration of the Appointment Order, and municipal tax arrears certificates. The net sale proceeds will stand in the place of each property, with all Claims attaching to them in the same priority.

B. The Receiver's Activities and Interim Statement of Receipts and Disbursements Should Be Approved

26. The approval of a court officer's activities and reports is relief that is routinely granted in insolvency proceedings. Such approval allows the officer to move forward with confidence, brings its activities before the Court, and gives stakeholders an opportunity to raise concerns in a timely way.²²

²² *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras [2](#) and [23](#); *Nortel Networks Inc. (Re)*, 2022 ONSC 6680 [at para 10](#).

27. The activities described in the Fifth Report were necessary, were undertaken in good faith and in accordance with the Receiver's powers under the Appointment Order, and were directed at maximizing realization for the benefit of the Debtors' stakeholders. The Interim Statement of Receipts and Disbursements accurately reflects the administration of the estate to September 30, 2026. Both should be approved.
28. The approval sought is limited, in the form of the draft Order, so that only the Receiver, in its personal capacity and only with respect to its own personal liability, may rely on it.

C. The Interim Distribution Should Be Authorized

29. Courts routinely authorize receivers to distribute realization proceeds to secured creditors whose security has been independently confirmed, subject to appropriate reserves for the costs of the administration.²³
30. The Interim Distribution is appropriate here because:
- (i) Desjardins' security over each of the Sold Properties has been confirmed by an independent opinion of the Receiver's counsel to be valid, enforceable and registered first in time;
 - (ii) the amounts owing to Desjardins on each property exceed the sale proceeds, so that no subordinate creditor could receive any part of those proceeds;
 - (iii) the Receiver has confirmed that the Debtors are not registered for HST, and is not aware of any claim ranking in priority to Desjardins' security that would not be addressed on closing; and
 - (iv) the Receiver will retain a reserve for its own fees and expenses and those of its counsel, which remain subject to future approval of this Court.
31. The Receiver also seeks authority to make further distributions to Desjardins from future

²³ [*Windsor Machine & Stamping Limited \(Re\)*](#), 2009 CanLII 39772 (ON SC) at para 8.

recoveries, capped at the Desjardins Indebtedness. As the Real Properties continue to be sold, this will avoid the cost and delay of returning to Court for each distribution, reduce interest accruing on the Desjardins Indebtedness, and cause no prejudice to any other stakeholder.

D. The Confidential Appendices Should Be Sealed

32. Section 137(2) of the *CJA* gives the Court jurisdiction to order that any document filed in a civil proceeding be treated as confidential, sealed and not form part of the public record.²⁴
33. In *Sherman Estate v. Donovan*, the Supreme Court of Canada recast the test established in *Sierra Club of Canada v. Canada (Minister of Finance)*. A person seeking a sealing order must establish that:²⁵
- (1) court openness poses a serious risk to an important public interest;
 - (2) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
 - (3) as a matter of proportionality, the benefits of the order outweigh its negative effects.
34. A commercial interest, such as preserving the integrity of a court-supervised sale process, can qualify as an important public interest.²⁶ Courts in Ontario regularly seal appraisals, valuations and the unredacted terms of sale agreements in receivership proceedings until the sale closes, to protect the integrity of the sales process and the value of the assets if a

²⁴ *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 137(2).

²⁵ *Sherman Estate v. Donovan*, 2021 SCC 25 [*Sherman*] at [para 38](#); *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 [*Sierra Club*] at [para 53](#).

²⁶ *Sherman*, *supra*, at [para 41](#); *Sierra Club*, *supra*, at [para 53](#).

transaction does not complete.²⁷

35. The test is met here:

- (i) the Confidential Appendices consist of the unredacted 651 Wallace APS and 182-184 Woodward APS and the Remax and RLP opinions of value for each property. If either transaction fails to close, public disclosure of that information would undermine any further marketing of the property and prejudice the estate;
- (ii) the order is narrowly tailored. Redacted copies of both agreements are publicly filed as Appendices “C” and “D” to the Fifth Report, and only the commercially sensitive information is sealed; and
- (iii) the sealing order is temporary, lasting only until both sale transactions close or further order of the Court. Its benefits to the integrity of the sale process clearly outweigh the limited and short-lived restriction on public access.

PART IV – ORDER REQUESTED

36. The Receiver respectfully requests that this Court grant the Order substantially in the form of the draft Order included in the Motion Record, which provides for:

- (i) approval of the Fifth Report and the Receiver’s activities, and of the Interim Statement of Receipts and Disbursements;
- (ii) approval of the 651 Wallace Sale Transaction and the 182-184 Woodward Sale Transaction, and the related vesting orders;
- (iii) authorization of the Interim Distribution and of further distributions to Desjardins, capped at the Desjardins Indebtedness; and
- (iv) the sealing of the Confidential Appendices.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 19th day of October, 2026.

²⁷ *GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc.*, 2014 ONSC 1173 at para 34; *Kingsett Mortgage Corporation v 30 Roe Investments Corp.*, 2023 ONSC 3323 at paras 104-105.



Matthew R. Harris
Spetter Zeitz Klaiman PC
Counsel for the Receiver

SCHEDULE A – AUTHORITIES

- A. *GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc.*, 2014 ONSC 1173
- B. *KingSett Mortgage Corporation v 30 Roe Investments Corp.*, 2023 ONSC 3323
- C. *Marchant Realty Partners Inc. v. 2407553 Ontario Inc.*, 2021 ONCA 375
- D. *Nortel Networks Inc. (Re)*, 2022 ONSC 6680
- E. *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA)
- F. *Sherman Estate v. Donovan*, 2021 SCC 25
- G. *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41
- H. *Skyepharma PLC v. Hyal Pharmaceutical Corp.*, 1999 CanLII 15007 (ON SC), aff'd 2000 CanLII 5650 (ON CA)
- I. *Target Canada Co. (Re)*, 2015 ONSC 7574
- J. *Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508
- K. *Windsor Machine & Stamping Limited (Re)*, 2009 CanLII 39772 (ON SC)
- L. Lloyd W. Houlden, Geoffrey B. Morawetz & Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed., loose-leaf (Toronto: Carswell, 2009), Part XI, L§21

SCHEDULE B - STATUTORY AUTHORITY

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3

Section 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.

Courts of Justice Act, R.S.O. 1990, c. C.43

Section 100 – A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed.

Section 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.

Section 137(2) – A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

CERTIFICATE

I, Matthew R. Harris, certify that:

1. I am satisfied as to the authenticity of every authority listed in Schedule “A”; and
2. an estimated 20 minutes will be required for oral argument of this motion, not including reply.

Date: October 19, 2026



Matthew R. Harris

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Respondents

Court File No.: CV-25-00089290-0000

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PROCEEDING COMMENCED AT
HAMILTON

FACTUM OF THE RECEIVER

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