

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

ADJ HOLDINGS INC.

Applicant

– and –

HORIZEN DEVELOPMENTS GP CORP.

Respondent

IN THE MATTER OF AN 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
(RE: DISTRIBUTION AND DISCHARGE ORDER)**

September 15, 2026

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TO: THE SERVICE LIST

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PART I – OVERVIEW

1. On September 19, 2025 (the “**Appointment Date**”), the Ontario Superior Court of Justice (the “**Court**”) granted ADJ Holdings Inc.’s (“**ADJ**”) application for an order appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, over all of the assets, undertakings and properties of Horizen Developments GP Corp. (the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor (collectively, the “**Property**”) pursuant to section 101 of the *Courts of Justice Act* (Ontario) and section 243 of the *Bankruptcy and Insolvency Act* (Canada) (the “**Appointment Order**”).
2. The principal purpose of this receivership proceeding was to create a stabilized environment to sell the Property and use the proceeds from the sale to maximize value for the Debtor’s stakeholders.
3. Since the Appointment Date, the Receiver has sold the Real Property, used a portion of the sale proceeds to repay the Debtor’s principal secured creditor, ADJ, and held back a portion to pay Sierra General Contracting Inc. (“**Sierra**”) in respect of its construction lien registered against the Real Property. As funds remained available for distribution to unsecured creditors after the payment to ADJ and the Sierra holdback, the Receiver sought and obtained Court approval of a Claims Procedure Order that authorized the Receiver to commence the Claims Process (as terms are defined herein).
4. The Receiver implemented the Claims Process and now returns before the Court to seek a distribution and discharge order (the “**Discharge Order**”), substantially in the form included at tab 3 of the Receiver’s motion record that, among other things:
 - (a) authorizes the Receiver to make a distribution to pay Sierra and the unsecured creditors who submitted a Proven Claim in the Claims Process (as defined herein);
 - (b) approves second report of the Receiver dated as of September 3, 2026 (“**Second Report**”) and the activities of the Receiver described therein;
 - (c) approves the fees, costs and expenses of the Receiver, including those of its independent legal counsel, Reconstruct LLP (“**Recon**”), for the period from around November 21, 2025 to August 19, 2026 (collectively, the “**Professional Fees**”) and the remaining legal costs required to complete the administration of the Debtor’s

estate (the “**Remaining Fees and Disbursements**”), as set out in the fee affidavits appended to the Second Report;

- (d) approves the discharge of the Receiver upon the filing of the discharge certificate in the form substantially set out in Schedule “A” to the Discharge Order (the “**Discharge Certificate**”); and
- (e) releases BDO from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver’s part.

5. The Receiver is not presently aware of any opposition to the relief sought.

PART II – FACTS

6. All capitalized terms in this section not otherwise defined herein shall have the meaning given to such term in the Claims Procedure Order.

A. Overview of the Debtor and the Receivership

7. The Debtor was a commercial and residential real estate investment and development firm that operated as the sole general partner of Horizen Developments LP. The Debtor holds title to the Property for and on behalf of Horizen Developments LP.¹

8. The Debtor’s principal asset was its real property municipally known as 520 Sarnia Road, London Ontario (the “**Real Property**”).²

9. The Debtor was in default of its obligations owing to its principal secured creditor, ADJ. As a result of this, ADJ sought and obtained the Appointment Order that appointed BDO as Receiver over the Property.³

10. The objective of these receivership proceedings was to conduct a Court-supervised sale process for the Property that maximized value for the benefit of the Debtor’s stakeholders.

¹ Second Report of the Receiver dated as of September 3, 2026, Tab 2, Receiver’s Motion Record [“**Second Report**”]; Appendix “B” to the *Second Report*, First Report of the Receiver dated December 2, 2025 [“**First Report**”], para. 8.

² *Second Report*, para. 2.

³ *Second Report* at para. 1.

11. Following the appointment of the Receiver, it engaged CBRE Limited Brokerage to list and market the Property for sale (the “**Sale Process**”).⁴

12. Following the completion of the Sale Process, the Receiver selected 1423197 Ontario Inc. (the “**Purchaser**”) as the successful bidder on the basis that it submitted the highest offer.⁵

13. On December 5, 2025, the Court approved the following orders:

- (a) an approval and vesting order that, among other things, approved the asset purchase agreement between the Receiver and the Purchaser and the transaction contemplated therein (the “**Transaction**”);
- (b) a claims procedure order (the “**Claims Procedure Order**”) that, among other things, approved a claims process to be administered by the Receiver for the resolution of unsecured claims (the “**Claims Process**”); and
- (c) an ancillary order (the “**Ancillary Order**”) that, among other things, approved a distribution to the Debtor’s principal secured creditor, ADJ.⁶

14. The Transaction generated sufficient proceeds to satisfy the indebtedness owing to ADJ and enabled the Receiver to set aside sufficient funds to satisfy the amounts owing to Sierra in respect of its construction lien registered against the Real Property. In addition, the Receiver anticipated that sufficient funds would remain to partially satisfy the amounts owing to unsecured creditors in accordance with the Claims Procedure Order.⁷

B. Claims Process

15. The Receiver completed the Claims Process in accordance with the terms of the Claims Procedure Order.⁸

⁴ *First Report*, paras. 17 and 19.

⁵ *First Report*, paras. 22-24.

⁶ *Second Report*, paras. 2-3.

⁷ *Second Report*, paras. 12 and 37-39.

⁸ *Second Report*, para. 13.

16. Pursuant to paragraph 5 of the Claims Procedure Order, the Receiver commenced the Claims Process by:

- (a) posting the Notice to Claimants, Proof of Claim, Notice of Revision or Disallowance and Dispute Notice (collectively, the “**Claims Package**”) to the Receiver’s Website following the issuance of the Claims Procedure Order;
- (b) circulating the Claims Package to each of the Known Claimants within five (5) Business Days following the granting of the Claims Procedure Order; and
- (c) publishing the Notice to Claimants in the Globe and Mail newspaper on December 11, 2025.⁹

17. The Receiver received fifteen (15) Proof of Claims by the Claims Bar Date, being January 30, 2026.¹⁰ The Receiver, in consultation with Recon, reviewed the Proof of Claims and issued fifteen (15) Notices of Revision or Disallowances.¹¹

18. Pursuant to the Claims Procedure Order, a Claimant that intended to dispute a Notice of Revision or Disallowance was required to deliver a Dispute Notice to the Receiver within fourteen (14) calendar days after such Claimant was deemed to have received the Notice of Revision or Disallowance. None of the recipients of the Notices of Revision or Disallowance delivered a Dispute Notice within that 14-day period.¹²

19. As described further in the Second Report, the Receiver has accepted various Claims to be Proven Claims, with a total value of approximately \$14,548,395.¹³ The Proven Claims are comprised of:

- (a) \$5,580,519.45 relates to six (6) claims in respect of guarantees provided by the Debtor guaranteeing the indebtedness of its parent company, RHH Rental Properties Ltd. (“**RHH**”). The Receiver accepted these claims as unsecured claims, but modified the amounts owing to account for interest ceasing to accrue as of the date RHH made a voluntary assignment in bankruptcy;¹⁴

⁹ *Second Report*, para. 14.

¹⁰ *Second Report*, para. 15.

¹¹ *Second Report*, para. 16.

¹² *Second Report*, paras. 17-18.

¹³ *Second Report*, para. 37.

¹⁴ *Second Report*, paras. 19-22

- (b) \$7,369.15 relates to two (2) claims in respect of amounts owing to trade creditors based on outstanding invoices;¹⁵
- (c) \$7,523,268.27 relates to three (3) claims in respect of amounts owing to the Debtor's affiliates;¹⁶ and
- (d) \$1,437,237.72 relates to three (3) claims in respect of actions commenced against the Debtor prior to the Appointment Date.¹⁷

C. Proposed Distribution

20. Pursuant to the Ancillary Order, the Receiver has repaid the outstanding indebtedness owing to the Debtor's first-ranking secured creditor, ADJ. Additionally, the Receiver has confirmed with the Canada Revenue Agency (the "**CRA**") that no amounts are owing to the CRA in respect of HST. The CRA was also provided with a copy of the Claims Package and did not file a claim in the Claims Process.¹⁸

21. The Receiver now seeks authority to make final distributions to the Debtor's remaining creditors, namely: (a) Sierra; and (b) unsecured creditors with Proven Claims, on a pro rata basis.

22. As noted in the First Report of the Receiver dated as of December 2, 2025 (the "**First Report**"), the Receiver held back \$190,392.46 while it reviewed Sierra's lien claim. Since the First Report, the Receiver, with the assistance of Recon, has completed that review and determined that Sierra's lien is valid under the *Construction Act*, RSO 1990, c C.30, as amended (the "**Construction Act**"). Accordingly, the Receiver seeks authority to pay Sierra the full amount owing in respect of its lien, in priority to distributions to unsecured creditors.¹⁹

23. After setting aside funds for closing costs and professional fees in these proceedings, the Receiver anticipates having \$1,741,320 available for distribution. The Receiver proposes to distribute those funds in the following order of priority:

- (a) \$190,392 to Sierra in respect of its construction lien claim; and

¹⁵ *Second Report*, paras. 24-27.

¹⁶ *Second Report*, paras. 29-30.

¹⁷ *Second Report*, paras. 31-34.

¹⁸ *Second Report*, para. 36.

¹⁹ *Second Report*, paras. 10-11.

- (b) \$1,550,928 to unsecured creditors on a pro rata basis in respect of Proven Claims submitted in the Claims Process (together, the “**Distribution**”).

24. For the reasons outlined below, the proposed Distribution is appropriate in the circumstances and will bring finality to these receivership proceedings.

D. Approval of the Receiver’s Professional Fees

25. The Receiver is seeking approval of the Professional Fees of BDO, in its capacity as Receiver, during the period November 28, 2025 through to and including June 30, 2026,²⁰ and approval of the fees and disbursements of its counsel, Recon, incurred during the period of November 21, 2025 through to and including August 19, 2026.²¹

26. In support of this motion, the Receiver delivered its Second Report, which attaches affidavits from representatives of the Receiver and its legal counsel that provides a comprehensive listing of the accounts sought to be passed and summary tables identifying the individual professionals that have worked on this matter, their hourly billing rates and total numbers of hours worked, among other information.

27. The fees and disbursements of BDO from November 28, 2025 through to and including June 30, 2026 total \$56,379.50 (exclusive of HST).²²

28. The fees and disbursements of Recon from November 21, 2025 through to and including August 19, 2026 total \$48,274.37 (exclusive of HST).²³

E. Substantial Completion of the Receiver’s Duties

29. The Receiver has completed its duties as set out in the Appointment Order, save and except for the following:

- (a) implementing the Distribution;
- (b) payment of the outstanding Professional Fees and the Remaining Fees and Disbursements;

²⁰ *Second Report*, Appendix “L”, Affidavit of Peter Crawley sworn August 12, 2026 [**Crawley Affidavit**].

²¹ *Second Report*, Appendix “M”, Affidavit of Caitlin Fell sworn September 3, 2026 [**Fell Affidavit**].

²² *Second Report*, Appendix “L”, *Crawley Affidavit* at para. 5 and Exhibit “A”.

²³ *Second Report*, Appendix “M”, *Fell Affidavit* at paras. 3-6 and Exhibit “A”.

- (c) completion of any statutory and administrative duties and filings required by the Receiver; and
- (d) attending to other administrative matters as necessary (collectively, the “**Remaining Duties**”).²⁴

30. As discussed below, subject to the Court’s approval of the Discharge Order and the completion of the Remaining Duties, the Receiver seeks approval of its discharge.

PART III – ISSUES

31. The issues to be determined on this motion are whether to:

- (a) approve the proposed Distribution;
- (b) approve the Second Report and the activities of the Receiver described therein;
- (c) approve and authorize payment of the Professional Fees and the Remaining Fees and Disbursements; and
- (d) approve the discharge and release of the Receiver upon filing of the Discharge Certificate.

PART IV – LAW & ARGUMENT

A. The Court Should Approve the Distribution

32. The Receiver seeks authorization to make the proposed Distribution. Courts routinely grant orders permitting distributions in insolvency proceedings, including receiverships.²⁵

33. In determining whether to approve a distribution in an insolvency proceeding, courts have considered, among other things:

- (a) whether the proposed distribution is in accordance with the applicable order of priorities, including whether the payee holds a valid and enforceable security interest;

²⁴ *Second Report*, para. 48.

²⁵ See, among other cases, *GE Canada Real Estate Financing Business Property Company v 1262354 Ontario Inc.*, 2014 ONSC 1173 [Brown J. (as he then was)] (“**GE Canada**”); *Harbert Distressed Investment Fund, L.P. v General Chemical Canada Ltd.*, 2007 ONCA 600 (“**Harbert**”); *Runco v. Engenheiro*, 2023 ONSC 7231 (“**Runco**”), para. 32.

- (b) whether any reserves or holdbacks are appropriate, such as in respect of the completion of the administration of the estate, professional fees, receiver's borrowings and certain statutory deemed trust claims;
- (c) whether the debtor's indebtedness to the payee exceeds the amount of the proposed distribution; and
- (d) generally, whether the distribution is just or convenient in the circumstances.²⁶

34. The proposed Distribution meets the above-noted criteria and should be approved for the following reasons:

- (a) Sierra holds a valid construction lien against the Real Property, which the Receiver, with the assistance of Recon, has reviewed and determined to be valid under the Construction Act;
- (b) the proposed Distribution accords with the applicable order of priority. Pursuant to the Ancillary Order, the Receiver has paid the amounts owing to the Debtor's principal secured creditor, ADJ. The Receiver now seeks to pay Sierra in respect of its construction lien and distribute the remaining funds to unsecured creditors with Proven Claims on a pro rata basis;
- (c) the Receiver has set aside funds to terminate these receivership proceedings and pay the Professional Fees and the Remaining Fees and Disbursements;
- (d) CRA has confirmed that there are no amounts owing to it in respect of HST; and
- (e) the Receiver is not aware of any opposition to the proposed Distribution, material prejudice to stakeholders, or other compelling reason not to proceed with the Distribution.

35. Based on the foregoing, the Receiver submits that the proposed Distribution should be approved.

²⁶ *GE Canada*, para. 53; and *Harbert*, para. 47.

B. The Court Should Approve the Second Report and the Activities of the Receiver

36. The Receiver seeks approval of its activities since its last appearance before this Court on December 5, 2025, as described in the Second Report, including dealing with operational matters, closing the Transaction, making the Court-ordered distribution to ADJ, implementing the Claims Process, and preparing materials in support of the proposed Discharge Order.

37. The Court has inherent jurisdiction to review and approve the activities of a court appointed receiver as set out in a receiver's reports.²⁷ Courts frequently provide such approval where the court is satisfied that the court officer's activities have been conducted in a prudent and diligent matter.²⁸

38. The Receiver submits that the activities described in the Second Report are appropriate, timely, and in the interest of stakeholders. The activities were all necessary and efficiently undertaken pursuant to the Receiver's duties and powers set out in the Appointment Order.

39. Therefore, the Receiver submits that the Second Report and the activities of the Receiver described therein should be approved.

C. The Court Should Authorize and Approve the Payment of Professional Fees and the Remaining Fees and Disbursements

40. The Receiver seeks authorization and approval to pay the Professional Fees and the Remaining Fees and Disbursements to maximize efficiency in this receivership proceeding by alleviating the need for a further motion and passing of accounts.

41. The Appointment Order provides, among other things, that: (a) the Receiver and its legal counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges; and (b) the Receiver and its legal counsel shall pass their accounts from time to time by motion to a judge of the Southwest Region of the Ontario Superior Court of Justice.²⁹

²⁷ *Bank of America Canada v Willann Investments Ltd.*, 1996 CanLII 2782 (ON CA).

²⁸ See *Target Canada Co. (Re)*, 2015 ONSC 7574 [Morawetz R.S.J. (as he then was)], paras. 2, and 23; and *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, 2023 ONSC 3400 [Osborne J.], paras. 65 and 66.

²⁹ *Second Report*, Appendix "A", Receivership Order dated September 19, 2025, paras. 18 and 19.

42. The test on a motion to pass accounts is on the basis of an “overriding principle of reasonableness.”³⁰ The overall value contributed by the Receiver and its counsel is the predominant consideration in assessing the reasonableness of the accounts.³¹

43. As the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer*, the Court will not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Debtor’s assets and liabilities, as well as the complexity of the Debtor’s business and the insolvency proceeding.³²

44. The Receiver, with the assistance of Recon, carried out extensive activities during the times subject to the Fee Affidavits, as detailed in the Second Report. The material responsibilities that the Receiver discharged include, among other things: (a) closing the Transaction and distributing proceeds to the Debtor’s principal first-ranking secured creditor, ADJ; (b) implementing the Claims Process; and (c) communicating with stakeholders on the status of the receivership proceeding.

45. Based on the assumption that there are no delays, disputes or unforeseen developments, the Receiver estimates that the costs associated with the completion of the Debtor’s estate will total approximately \$25,000 (exclusive of HST). This includes time set aside for preparing and attending the within motion and completion of the Remaining Duties.

46. The time spent, and thus the fees and disbursements of the Receiver and its legal counsel, Recon, resulting from their activities are commensurate with the significant role and responsibilities and activities undertaken. The work has been undertaken with a view to advancing the interests of the Debtor and their stakeholders.

47. Accordingly, it is respectfully submitted the remuneration of the Receiver and its legal counsel are fair and reasonable, and their fees and disbursements should be approved.

³⁰ *Nortel Networks Inc.*, 2022 ONSC 6680 at para. 10.

³¹ *Re Nortel Networks Corporation et al*, 2017 ONSC 673 at paras. 15 and 21.

³² *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 at para. 33.

D. The Court Should Approve the Discharge of the Receiver upon the filing of the Discharge Certificate

48. Upon the completion of the Remaining Duties, the main objective of this receivership proceeding will be achieved, monetization of the Property for the benefit of the Debtor's stakeholders.

49. The Discharge Order provides that upon the filing of the Discharge Certificate certifying that all matters in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, the Receiver shall be discharged and released.

50. BDO shall remain the Receiver for the performance of any incidental duties as may be required to complete the administration of the Debtor's estate. In fulfilling such duties, the Receiver shall continue to have the benefit of the provisions of all orders made in connection with this receivership.

51. Relief with respect to the Discharge Order is consistent with the Commercial List's Model Discharge Order, consistent with precedent, and is commonly granted in discharge orders in receivership proceedings.³³

52. The termination, discharge and release in the Discharge Order are appropriate given that there will be no more assets for the Receiver to realize upon, the Receiver will have completed all its statutory duties and obligations under the Appointment Order, and the administration of the Debtor's estate will be complete.

53. The Receiver respectfully submits that it is also appropriate to grant a limited release in favour of it. In *Pinnacle v Kraus*, this Court held that in the absence of any evidence of improper or negligent conduct on the part of the Receiver, the release in favour of the Receiver should be granted.³⁴

³³ Receiver's Motion Record, Tab 4, Redline of Draft Distribution and Discharge Order to the Commercial List's Model Receivership Discharge Order *Pinnacle v. Kraus*, 2012 ONSC 6376 [*"Pinnacle v Kraus"*] at para. 47; *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127 at para. 47; *1112396 Ontario limited, Blueberry Records Inc., Stanart Holdings Inc., and Flavo Holdings Limited v Z. Dejardins Holding Inc. and Zachary Dejardins*, Fee Approval, Distribution and Discharge Order of the Honourable Justice Carnegie dated as of February 14, 2025 [CV-23-00002144-0000].

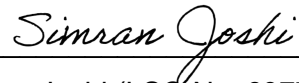
³⁴ *Pinnacle v Kraus*, para. 47.

54. Throughout the receivership proceeding, the Receiver has acted prudently and contributed to the administration of these proceedings. Accordingly, the Receiver respectfully submits that the requested release is reasonable in the circumstances, will provide the Receiver with finality, and should be granted.

PART V – RELIEF REQUESTED

55. Based on the foregoing, the Receiver requests the Discharge Order, substantially in the form appended at tab 3 to the Receiver's motion record.

PURSUANT TO RULE 4.06.1(2.1), THE UNDERSIGNED certifies that they are satisfied as to the authenticity of every authority cited in this factum.



Simran Joshi (LSO No. 89775A)

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 15TH DAY OF SEPTEMBER, 2026

/s/ Reconstruct

RECONSTRUCT LLP

SCHEDULE "A"
List of Authorities

1. *GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc.*, 2014 ONSC 1173.
2. *Harbert Distressed Investment Fund, L.P. v. General Chemical Canada Ltd.*, 2007 ONCA 600.
3. *Runco v. Engenheiro*, 2023 ONSC 7231.
4. *Bank of America Canada v. Willann Investments Ltd.*, 1996 CanLII 2782 (ON CA).
5. *Target Canada Co. (Re)*, 2015 ONSC 7574.
6. *Triple-I Capital Partners Limited v. 12411300 Canada Inc.*, 2023 ONSC 3400.
7. *Nortel Networks Inc. (Re)*, 2022 ONSC 6680.
8. *Nortel Networks Corporation (Re)*, 2017 ONSC 673.
9. *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851.
10. *Pinnacle v. Kraus*, 2012 ONSC 6376.
11. *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127.
12. *1112396 Ontario Limited, Blueberry Records Inc., Stanart Holdings Inc. and Flavo Holdings Limited v. Z. Dejardins Holding Inc. and Zachary Dejardins*, Fee Approval, Distribution and Discharge Order of Carnegie J., dated February 14, 2025, Court File No. CV-23-00002144-0000.

SCHEDULE "B"
Statutory Authorities

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

Section 243

Court may appoint receiver

(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.

Definition of receiver — subsection 248(2)

(3) For the purposes of subsection 248(2), the definition receiver in subsection (2) is to be read without reference to paragraph (a) or subparagraph (b)(ii).

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.

Orders respecting fees and disbursements

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

Meaning of disbursements

(7) In subsection (6), disbursements does not include payments made in the operation of a business of the insolvent person or bankrupt.

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

Section 101

Injunctions and receivers

(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.

Terms

(2) An order under subsection (1) may include such terms as are considered just.

ADJ HOLDINGS INC.

and

HORIZEN DEVELOPMENTS GP CORP.

Applicant

Respondent

**ONTARIO
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Proceedings commenced at London

FACTUM OF THE RECEIVER

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**Lawyers for BDO Canada Limited, in its
capacity as court-appointed Receiver of all
of the assets, undertakings and properties
of Horizen Developments GP Corp.**