

**From:** "Gilmore, Madam Justice Cory (SCJ)" [REDACTED]  
**Date:** January 15, 2021 at 1:58:38 PM EST  
**To:** [Jeff.Larry@paliareroland.com](mailto:Jeff.Larry@paliareroland.com), Stewart Thom <[sthom@torkinmanes.com](mailto:sthom@torkinmanes.com)>, [MR@friedmans.ca](mailto:MR@friedmans.ca)  
**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List [REDACTED]  
**Subject:** First Source Financial Management Inc. v. Unionville Re-Dev Corporation et al.

**This is an external email.**

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**Endorsement of Gilmore, J.**

This conference was requested by Mr. Russell on behalf of the debtors. He is concerned that the Receiver is accelerating the sales process while his clients still have questions and concerns about the marketing process. A Receivership Order was granted by me in this proceeding October 16, 2020. In accordance with the usual provisions of such Orders, the Receiver is authorized to take possession of and sell, convey or transfer the subject properties. The Receiver is poised to sign a listing agreement with Colliers to commence a seven week marketing plan which is composed of three weeks of "soft" marketing and four weeks of the usual open market marketing. There is a motion scheduled for February 8, 2021 at which the Receiver seeks to terminate a lease for one of the properties. Assuming such an Order is obtained, the Receiver will be free to move from soft to more aggressive marketing of the properties.

Mr. Russell, on behalf of the debtors raises a number of issues as follows:

1. The Debtors intend to respond to the motion date originally set by the Receiver for March 24, 2021 to approve the sale process and authorize a listing agent.
2. The debtors require information about the sales process including reviewing listing proposals which the Receiver has withheld from its motion materials as confidential information. The debtors have concerns about the way in which the properties are to be marketed given their development potential and the personal guarantees at stake.
3. The Receiver has provided a draft NDA which would permit the debtors to review the confidential material (subject to a non-participation clause). The debtors need more time to review this.
4. The debtors do not intend to delay. Their concerns can be addressed as part of the February 8<sup>th</sup> motion.

The Receiver makes the following response:

1. The Receiver does not require approval to proceed with a sales process. The authorization is already contained in the October 15, 2020.
2. Over \$100,000 in interest accumulates each month that goes by without a sale taking place.
3. Colliers is an experience commercial realtor whose marketing plan should be given weight.
4. The debtors have refused to provide access to certain documents in possession of KLM Planning Partners. The Receiver seeks an Order today compelling such production. The debtors oppose such an order and seek to have the matter dealt with on February 8, 2021.
5. The debtors received a copy of the NDA on Monday and have still not provided their comments. The delays requested by the debtors will interfere with the marketing plan recommended by Colliers.

I agree with the Receiver that the debtors are essentially asking the court to restrain it from moving ahead with a sales process that has already been approved by the Court. I do not make any Order with respect to delaying the signing of the listing agreement with Colliers or the sales process in general. The debtors have had time to sign the NDA but have not dealt with it. They can still do so and obtain the confidential materials if they intend to take steps to bring a proper motion for relief in relation to the sales process at some future point.

The KLM Planning Partners documents should be produced by the debtors (on instruction to KLM) without the necessity of a motion. If they are not, the Receiver may request this relief at the February 8, 2021 motion.

In addition, this court orders that the following timetable be complied with in respect of the Receiver's motion for termination of the 269 Lease, as defined in the First Report, scheduled to be heard on February 8, 2021:

- 269's materials responding to the lease termination issue to be served on or by January 26, 2021
- Any supplemental report from the Receiver, if necessary, to be served by January 28, 2021
- If any examination of 269's affiant is required, such examination shall be conducted on January 29, 2021
- The Receiver's factum is to be served on or by February 2, 2021
- 269's factum is to be served on or by February 5, 2021

I would ask that Mr. Thom circulate this email to any other interested parties.

January 15, 2021



**Madam Justice Cory A. Gilmore**  
**Ontario Superior Court of Justice**  
**361 University Avenue**  
**4<sup>th</sup> Floor**  
**Toronto, Ontario**  
**M5G 1T3**



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