



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-22-00688248-00CL

HEARING DATE: June 29, 2026

NO. ON LIST: 02

TITLE OF PROCEEDING: CITY OF TORONTO v. HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

BEFORE: JUSTICE Jessica Kimmel

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mark Siboni	City of Toronto	Msiboni@toronto.ca
Philip Cho	Receiver	Pcho@weirdfoulds.com

For defendant, respondent, responding party:

Name of person appearing	Name of party	Contact info
Courtney Betty Julian Castro	Self-identified as counsel to Harry Sherman Crowe Housing Co-operative Inc., also previously identified in these proceedings as counsel to the pre-receivership Elected Board of Directors of the Harry Sherman Crowe Housing Co-Operative Inc.	Betty@bettyslaw.com julian@bettyslaw.com

ENDORSEMENT OF JUSTICE KIMMEL:

The Motion: Context for Relief Sought

- [1] By order of the Ontario Superior Court of Justice dated March 14, 2023 (the "Appointment Order"), RSM Canada Limited (now TDB Restructuring Limited) was appointed receiver and manager (the "Receiver"), without security, of all of the assets, undertakings and properties of Harry Sherman Housing Cooperative Inc. ("HSC", the "Co-op") acquired for, or used in relation to a business carried on by HSC (the "Housing Project").
- [2] This motion arises out of an order made on December 11, 2025, authorizing and directing the Receiver to continue developing certain Options it has been exploring for the future of the Co-op, post-receivership (the "Options") and directing the Receiver to return to court to seek approval of its proposed process for stakeholder consultation regarding the Options. The Receiver has developed its proposed Options and is now proposing to embark upon a consultation process (the "Consultation Process") by which it would provide Members and resident non-members of the Co-op with information about the Options it is considering ("Information Package"), give them an opportunity to ask questions and seek clarifications about the Options in a Town Hall, and then solicit input about their preferences through a "voting" procedure. Eventually, after consultation with other stakeholders, the Receiver proposes to come back to the court and make a recommendation about the future of the Co-op, post-receivership.
- [3] In the absence of any constructive proposal from the pre-receivership Elected Board of Directors of the HSC (the "Board") or the advisory committee that the Board indicated at the December 11, 2025 hearing it wanted to establish to work more closely with, and provide input and support to, the Receiver (the "Advisory Committee"), the Receiver is also asking the court to revisit its previous request for express authority to consider and, if determined appropriate, approve pending Co-op membership applications. Lastly, the Receiver seeks various ancillary relief for the approval of its latest Reports and its activities and its interim Statement of Receipts and Disbursements ("SRD") set out in the Reports, and approval of the Receiver's and its counsel's most recent fees and disbursements (the "Ancillary Relief").
- [4] Specifically, the Receiver seeks an order:
- (a) Authorizing and directing the Receiver to implement its proposed Consultation Process with respect to its four proposed governance and transition Options, including:
 - i. Dissemination of its Information Package to the Members;
 - ii. Holding of a Town Hall meeting with Members of the Co-op;
 - iii. Solicitation and receipt of non-binding input and voting results from Members regarding their preferred Option;
 - iv. Engaging with key stakeholders, including the City of Toronto and the co-operative housing federation of Toronto ("CHFT");
 - (b) Authorizing the Receiver to approve applications for membership to HSC;
 - (c) Approving the Fourth Court Report and the Supplement to the Fourth Report (the "Reports") and the activities and conduct of the Receiver described therein;
 - (d) Approving the interim SRD of the Receiver; and,

(e) Approving the fees and disbursements of the Receiver and its counsel as set out in the supporting Fee Affidavits.

- [5] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Receiver's Factum dated June 17, 2026 filed in support of this motion. The Receiver's motion is primarily supported by its Fourth Court Report dated March 30, 2026 (the "Fourth Report").
- [6] On May 15, 2026, counsel purporting to represent the Board and Community Members of the Co-op delivered two affidavits and a document titled Response to Receiver Motion Record dated March 31, 2026. I agree with the Receiver that the "Response" is not a document that is provided for under the *Rules of Civil Procedure*, nor was it provided for in the briefing schedule for this motion. It is not a sworn affidavit or other form of admissible evidence, nor is it a factum. A responding factum (not compliant with the formal requirements for factums) was later delivered, and then amended and replaced with a responding factum dated June 25, 2026.
- [7] Although not properly before the court, I note that the Response indicated a wholesale objection to all of the relief sought by the Receiver on this motion, much of which was repeated in a later-filed Responding Factum. The headings in the Responding Factum are reproduced below to illustrate the positions being advanced in response to this motion (which are repeated at the end of the Responding Factum at paragraph 51):
- (a) Consultation Process should not be approved
 - (b) The Receiver should not process membership applications
 - (c) The Court should not approve the proposed consultation process
 - (d) The interim statement of receipts and disbursements should not be approved
 - (e) The Fees and Disbursements of the Receiver and its Counsel Should Not Be Approved
- [8] In paragraph 51 of the Responding Factum, the Board also purports to asks for 60 days to provide the court with a strategic implementation plan for return to governance by an elected Board, effectively asking to halt the current Consultation Process that the Receiver has been working on leading up to and since December 11, 2025, so that they can ask for the receivership to be presumptively terminated upon the election of a new board. This is essentially the first of the Receiver's four proposed Options, which the Board was (based on its opposition to the Receiver's motion) asking the court to approve in lieu of approving the Receiver's proposed Consultation Process.
- [9] Despite the strong language of opposition contained in the responding material filed prior to the hearing of this motion, counsel (who now identifies himself as counsel for the respondent HSC, although previously identified in this proceeding as counsel for the Board) indicated that there is, in fact, very little in dispute. He confirmed that he would leave it to the court's discretion to decide whether to grant the requested relief, except:
- (a) with respect to the process for approval of membership applications, the Board still wants time to constitute an Advisory Committee to deal with those if the court is inclined to direct that they be considered at all while the receivership is ongoing; and
 - (b) to object to the now proposed restriction on attendees at the Town Hall being limited to Members and non-member residents of the Co-op, in those capacities, and that it is not attended by the Board (in that capacity) or its counsel.

[10] The City of Toronto, in its capacity as the service manager of the Co-op, supports all of the relief sought by the Receiver, and confirmed at the hearing that it is continuing to directly pay the fees and disbursements of the Receiver and its counsel, including those for which court approval is being sought by this motion.

Approval of the Consultation Process

[11] There are four Options proposed by the Receiver for consideration by the stakeholders: (1) Regular Election; (2) Supported Board Election; (3) Transfer to Non-Profit Housing Provider; and (4) Land Trust Model. These are explained in detail in the Receiver's Information Package and also in the Receiver's Summary of Options appended to its Notice to Members that it is proposing to disseminate prior to its Town Hall. The Receiver has satisfied itself that these Options are all within the Co-op's power and authority to undertake, if approved. As noted above, they are supported by the service manager (City of Toronto) and the CHFT has been consulted about their feasibility as well. The court is not being asked to approve any particular Option at this time, just the process by which the Receiver is proposing to consult with various stakeholders about the Options before making its recommendation to the court.

[12] After the Receiver had served its Motion Record on March 31, 2026, a meeting (the "Members' Meeting") was held in the community room at HSC, organized by Sharon Richards, a former member of the Board, which the Receiver facilitated but did not attend. The Agenda and Summary of the intended topics to be discussed indicated that the Members' Meeting was supposed to be "neutral" and "even-handed", with no recommendations being made to Members about the Options that the Receiver would be presenting at the Town Hall. The Summary also suggested that the meeting would be an opportunity for Members to openly discuss the roles of Mr. Betty and the Board throughout the receivership proceeding.

[13] Based on the stated purpose of the Members' Meeting, the Receiver declined the invitation to attend as it was expecting to present its Options at the Town Hall that it was seeking approval of by this motion that had already been served. It did not want to pre-empt the very process that it was asking the court to approve.

[14] Following the Members' Meeting, the Receiver delivered a Supplement to its Fourth Report dated May 22, 2026. This Supplement is objected to by the Board because it provides a hearsay and allegedly inaccurate account of what transpired at the Members' Meeting, in that it purports to report on matters discussed at the Members' Meeting based on information received from anonymous attendees who indicated that they did not want to be identified. This led to the delivery of a further Supplementary Affidavit of Sharon Richards sworn on June 23, 2026 (the "Supplementary Richards Affidavit") disputing the Receiver's second-hand account of what had transpired at the Members' Meeting. The Supplementary Richards Affidavit is objected to by the Receiver because it was delivered without seeking prior consent for the delivery of a sur-reply affidavit that was not contemplated in the timetable for this motion, more than one month after the Receiver delivered, in accordance with the briefing timetable, its Reply Motion Record and Supplement to the Fourth Report.

[15] The Receiver is concerned that the Members' Meeting was used by counsel for the Board and the Board to pre-empt the Receiver's proposed Consultation Process and Town Hall. The Receiver therefore asked in its factum that the court direct that attendees of the Town Hall be restricted to Members only, without interference from the Board or its counsel, such that a Board member will be permitted to attend solely in their capacity as a Member. At the hearing, it was clarified that that non-member residents would also be permitted to attend and participate in the Town Hall on the same basis.

[16] There are evidentiary challenges on both sides in connection with Receiver's Supplement to the Fourth Report and the Supplementary Richards Affidavit, both addressing what transpired at the Members' Meeting. The court has been asked to disregard both of these filings. While they have not been struck from the record, and have not been ruled formally to be inadmissible, their utility on this motion is limited. From

the court's perspective for purposes of the issues that must be decided on this motion, what is important (and not disputed) is that the Members' Meeting took place and there was a discussion about the Receiver's proposed Options, the very same Options that the Receiver is seeking approval to present and discuss with Co-op Members and non-member residents at the Town Hall as part of the proposed Consultation Process. It is also not disputed that, unbeknownst to the Receiver, litigation counsel for the Board was invited to, and attended, the Members' Meeting and spoke about, among other things, the receivership, the Receiver's proposed Options and the future governance of the Co-op.

[17] Without making a determination at this time about precisely what was, or was not, said at this Members' Meeting, it cannot serve as a substitute for the proposed Town Hall that the court is being asked to approve by this motion. Whether intentional or not, the fact that there was a directed discussion at the Members' Meeting about the Receiver's proposed Options has the potential to undermine what the Receiver is trying to do under this court's supervision. The Members' Meeting was, according to the Supplementary Richards Affidavit, "for the purpose of explaining the Receiver's motion and the four governance Options to residents who had limited legal knowledge and who were anxious about the future of their homes". This stated purpose presupposes that the Receiver's Consultation Process would go forward, and the fact that the Members' Meeting has taken place underscores and reinforces the need for the Receiver to proceed with its Consultation Process and Town Hall.

[18] The Members and non-member residents of the Co-op should have the benefit of the fulsome Information Package prepared by the Receiver, and access to the Receiver and its counsel and CHFT to answer their questions at the Town Hall. Further, the dispute about what was or was not said at the Members' Meeting also reinforces the importance of a Consultation Process to ensure that all Members receive the same information about the Receiver's proposed Options and about its proposed Consultation Process.

[19] The restriction that the Receiver seeks to impose on attendees at the Town Hall is appropriate. Attendance and participation at the Receiver's Town Hall should be limited to Members and non-member residents of HSC only. Board members will of course be permitted to attend in their capacity as Members of the Co-op. The Board is not attending the Town Hall as such, and no rights are being voted on or impacted at the Town Hall. Mr. Betty (who is counsel for the Board) has had the opportunity to address the Members' Meeting already. He does not need to be given another platform to speak at the Town Hall. The Town Hall is not a debate.

[20] The Consultation Process is consistent with, and authorized by, paragraph 2(1) of the Appointment Order, expressly conferring on the Receiver the power to "meet with and discuss with such Persons ... as the Receiver deems appropriate on all matters relating to the Property and the receivership ..." and where not expressly provided, paragraph 3(s) of the Appointment Order provides that the Receiver is expressly conferred with the power to "take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations".

[21] Paragraph 3 of the Appointment Order further provides that where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ... including the Respondent, and the Respondent's Board of Directors, and without interference from the Respondent, the Respondent's Board of Directors, and any other Person."

[22] The Consultation Process was developed by the Receiver to provide a meaningful opportunity for Members to give input to the Receiver regarding the proposed Options. The Receiver views the input of the Members as a fundamental and necessary factor in developing recommendations to the Court as to the receivership and the future of HSC. There is no support for the Board's attempts to characterize the Receiver as having any other motive.

[23] While the oral submissions of the Board's counsel at the hearing of this motion ended up seemingly only raising an objection to the now proposed restrictions on attendance and participation in the Town Hall (addressed above), reference was made to the general concerns noted in the written responding materials filed, regarding the length of time that the Receiver has now been in control of HSC, questioning why transition back to board control has not occurred and why that is not the only Option now being presented under the Consultation Process.

[24] The focus of this opposition is tied to a misplaced emphasis on a single line in the April 29, 2024 endorsement in this proceeding of Penny J. in which he stated (at para. 9): "[I]n this next phase of the receivership, Toronto and the Receiver should work with the Co-op to begin working for when and how the transition back to board control might be achieved". That comment was made at a point in time and in a broader context (at paragraphs 9 and 10):

[9] In my view, the past year has been spent dealing with the most urgent and pressing problems; this was necessarily so given the extent and seriousness of the physical, financial, governance and other problems being faced by the Co-op. Now that the situation has begun to stabilize, the Receiver should, as outlined in the First Report, continue with the initiatives it has undertaken. At the same, time, in this next phase of the receivership, Toronto and the Receiver should work with the Co-op to begin working toward a plan for when and how the transition back to board control might be achieved.

[10] For example, counsel for Toronto advised that there are various resources available to board members, and potential board members, to help them understand what is required to successfully manage a co-op housing project. I strongly recommend that the board work with Toronto to understand and utilize these resources. The history of this matter leads me to believe that, in the past, the board has on occasion failed to understand, and to follow, various requirements necessary to maintain the service manager's support and co-operation. If the board wishes to successfully transition out of the receivership, it will have to show it has a clear understanding of what is required, from a regulatory, governance and financial point of view, for the successful operation of the Co-op.

[25] Transition back to Board control is an objective or goal, not a requirement to the exclusion of all other Options, as counsel for the Board suggests. The Receiver points out that if the Board has made efforts to educate itself or has availed itself of available resources to attempt to understand what is required to successfully manage a co-op housing project, there is no clear or direct evidence before the court about the nature or extent of those efforts.

[26] The City points out that the decision of this court in *Corporation of the County of Simcoe v. Matthew Co-Operative Housing Inc.*, 2010 ONSC 4047 (relied upon by the Board in its opposition to this motion, at paragraphs 20, 47 and 73) reflects a similar goal to what the court expressed in paragraph 9 of the April 29, 2024 endorsement of eventually restoring governance authority to the Co-op itself, but achieving that is dependent upon various things to have occurred, such as: (i) reasonable steps having been taken to assist the co-operative in developing a governance structure which would permit it to resume control; and (ii) demonstration that the housing co-operative is capable of managing its affairs without outside assistance.

[27] Unquestionably, the ideal would be for the Co-op to "exercise governance authority through the election of directors, participation in members' meetings, approval of by-laws, and the exercise of voting rights protected by the Co-operative Corporations Act" (see *Matthew*, at para. 47, citing *Co-Operative Housing Federation of Canada and Thornhill Green Co-Operative Homes Inc. v. The Regional Municipality of York and York Housing Inc.*, *Mintz & Partners Limited, Receiver* 2009 CanLII 7081 (ON SCDC), [2009] O.J.

No. 696, 58 M.P.L.R. (4th) 68 (Div. Ct.), at para. 77) and for the Co-op to be an independently functioning entity that has “a hand in determining its own destiny” (see *Matthew* at para. 73, citing *Thornhill Green* at para. 90).

[28] However, these cases were situations where a Receiver was recommending or agreeing to the sale of the assets of a co-op, and the court was concerned that the service manager needed “to provide reasonable notice to the co-op of its intentions, and to provide the co-op with a meaningful opportunity to make submissions, before the Service Manager makes a decision” (see *Thornhill Green* at para. 91, cited by *Matthew*, at para. 73). The City of Toronto points out that this is exactly what the Receiver is attempting to do through its proposed Consultation Process: it is attempting to collect information and input from various stakeholders so that it can provide the best advice it is able to bearing in mind the legislative policy, statutory provisions and its mandate.

[29] Furthermore, in this case there is no evidence of a currently proposed governance structure which would permit the Board to resume control, nor demonstration that the Co-op is presently capable of managing its affairs without outside assistance. To the contrary, the relief requested in paragraph 51 of the responding factum and reiterated by Mr. Betty in court indicates that, despite the lengthy duration of this receivership, the Board has not yet formulated a governance structure and is seeking 60 days (at the hearing, the request was expanded to 120 days) to come up with a proposed governance structure.

[30] If and when the Board has formulated a governance structure, they can come to the court with what they are proposing. In the meantime, the Receiver’s Consultation Process should continue and the aspects of the relief sought in furtherance of that are granted.

Outstanding Membership Applications

[31] Membership applications have not been processed by HSC since the appointment of the Receiver. The Receiver has learned that there are at least two residents who have pending membership applications that are in limbo. Membership in the Co-op affects residents’ rights to occupy their units, which is an important aspect of their housing security.

[32] This aspect of the relief sought by the Receiver was adjourned at the December 11, 2025 hearing due to a last minute objection by the Board. Part of the reason for deferring this was to allow the establishment of the Advisory Committee to work with the Receiver on, among other things, the processing of membership applications and to come back to the court if need be for further guidance and directions. This was in response to concerns raised (and repeated now) about protecting the democratic rights of the Members to have their elected Board involved in the approval membership applications.

[33] Despite the Board's opposition to the Receiver's request to seek the authority to process membership applications at the December 11, 2025 hearing, and the Receiver's follow up, the Receiver did not receive any feedback on its proposed process for addressing membership applications from the Board or its counsel following the December 11, 2025 hearing. While the material filed by the Board in December 2025 in response to this motion purported to identify Advisory Committee members, no evidence has been provided confirming their willingness to serve, nor is there a proposed mandate for any such Advisory Committee.

[34] That Advisory Committee has still not been struck. The concerns now noted by counsel for the Board that have led to the delays in establishing that Advisory Committee were not communicated to the Receiver until this motion. The court agrees with the Receiver that the pending membership applications need to be processed.

[35] Sub-paragraph 2 (c) of the Appointment Order authorizes the Receiver to “manage, operate, and carry on the business of the Respondent ...” and sub-paragraph 2 (s) authorizes it to “take any steps reasonably

incidental to the exercise of these powers or the performance of any statutory obligations”. There are other provisions authorizing the Receiver to deal with other matters incidental to membership in the Co-op, such as (q): increasing “the rents, housing charges, and any other fees and charges the occupants of the Housing Project; and (r): terminating “the occupancy of any resident of the Property”, all accordance with the *Housing Services Act, 2011* (the "HSA"), the HSA's regulations, and the *Residential Tenancies Act, 2006* (the "RTA").

[36] I agree with the Receiver that it is wholly consistent with the exercise of these powers that the Receiver be authorized and directed to process membership applications, given the duration of this receivership, the lack of any effort of the Board to address membership applications, and the real prejudicial impact that lack of membership status may have on certain non-member residents of HSC. This receivership has taken longer than one might have expected. That is not a criticism, just an observation but one that has implications for the non-member residents of the Co-op who seek membership status. It is not fair to them for their applications to continue to be in limbo.

[37] The Receiver remains willing to engage in a co-operative process with the Advisory Committee to deal with pending membership applications. Counsel for the Board has now undertaken to establish that Advisory Committee within 30 days and to now do what was supposed to have been done after the December 11, 2025 hearing. This is reflected in changes made to the Receiver’s draft June 19, 2025 order.

Ancillary Relief: Approval of Fees, Reports, Activities and Interim SRD

[38] It was confirmed at the hearing that there is no opposition to the requested approval of fees and disbursement of the Receiver and its counsel since the City of Toronto is continuing to pick up the tab and it is not opposing the requested fee approvals. It was suggested that the relevant consideration for the court in determining whether to approve the Receiver’s fees is an evaluation of the value added by the Receiver on a cost basis. That is not a fair articulation of the test that the court applies when determining whether to approve the fees and disbursements of receivers and their counsel. The court must consider whether the fees for which approval is sought are fair, reasonable and justified in the circumstances and having regard to relevant factors: see *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, 20 C.B.R. (6th) 292, at paras. 33, 44-45.

[39] The Receiver points out that many of the objections raised by the Board (and then withdrawn) were similar to objections previously raised and rejected by the court in earlier endorsements and/or eventually withdrawn by the Board, about things the Receiver has not done. This is aptly demonstrated by the following excerpt from the court’s June 30, 2025 endorsement (see *City of Toronto v. Harry Sherman Crowe Housing Co-Operative Inc.*, 2025 ONSC 3908, at para. 23):

[23] In the court’s last endorsement, the Board was invited to direct questions they had about the Receiver’s Reports and activities in writing to the Receiver, but they declined to do so. Instead, they read the Reports, interpreted them, and raised arguments based on their own interpretations and views about how the Receiver and its counsel should be conducting themselves. These accusations (examples of which can be found throughout the Factum filed on behalf of the Board and the supporting affidavit of Rosell Kerr sworn June 6, 2025) have not been substantiated and are denied by the Receiver and its counsel.

[24] The Receiver and its counsel are officers of the court. Criticisms against them are a serious matter. These types of attacks on court officers made without evidentiary foundation can be subject to

sanctions, such as costs: see *Kaptor Financial Inc. et al v. SF Partnership, LLP et al*, 2016 ONSC 6607, 41 CBR (6th) 262, at para 7. No sanction is being sought at this time, but it was appropriate for the Receiver to point out the many unfounded criticisms and accusations. This has been duly noted by the court.

- [40] As is noted later in this endorsement, the Receiver is now seeking the sanction of costs against the Board or its members given that it has been put to the time and expense of responding to the objections raised to every aspect of the relief it was seeking, including the approval of its latest Reports and activities, its SRD, and its fees and disbursements and those of its counsel, on similar grounds as have been raised in the past and withdrawn, as they eventually were in this instance as well.
- [41] The fees and disbursements of the Receiver and its counsel are supported by the fee affidavits of Arif Dhanani sworn March 30, 2026 (Receiver's fees and disbursements totaling \$53,592.29) and Philip Cho sworn March 30, 2026 (Counsel's fees and disbursements totaling \$77,587.27). Progress has been made since the last fee approval in December of 2025. To the extent that it has not been at a speed at which the Board might have wanted, they are not innocent bystanders in the delays that this receivership has experienced.
- [42] The professional fees and disbursements claimed for the Receiver and its counsel reflect the nature of the work that has been done, the complications and difficulties encountered, and include detailed time descriptions of the work performed. The fees are commensurate with the tasks performed and the Receiver considers the fees and hourly rates to be reasonable and within the range of comparable market rates. These are among the relevant considerations for approval of fees and disbursements of court officers and their counsel: see *Confectionately Yours Inc. (Re)* (2002), 219 D.L.R. (4th) 72 (Ont. C.A.), at paras. 40, 45.
- [43] As was noted in the court's endorsement approving fees earlier in this receivership, given all that they have been contending with, the professionals appear to have staffed the file in a manner commensurate with the issues involved, and to have involved juniors at lower hourly rates when appropriate. Importantly, the City is paying the fees of the Receiver and its counsel directly, they are not being paid out of the operating funds of the Co-op, and the City supports the Receiver's request for this fee approval.
- [44] I find the fees of the Receiver and its counsel to be fair, reasonable and justified in the circumstances and having regard to relevant factors: see *Diemer*, at paras. 33, 44-45.
- [45] All of the Receiver's activities set out in its Reports were conducted within the ambit of its powers as granted by the Appointment Order, and in furtherance of the objectives of this appointment and the HSA. The approval of the Reports and the activities of the Receiver described therein has been made subject to the standard qualification that has become the Commercial List practice to include in these types of orders.
- [46] It has become the practice of the court to periodically approve the activities of its court appointed officers to ensure that their activities are being conducted in a prudent and diligent manner. This provides certainty for the Receiver and stakeholders, and provides an opportunity to address any problems. This approval falls within the court's inherent jurisdiction: see *Target Canada Co. (Re)*, 2015 ONSC 7574, 31 C.B.R. (6th) 311, at paras. 22-23; *In the Matter of The Body Shop Canada Limited*, 2024 ONSC 3882, at para. 27.
- [47] I am satisfied that the Receiver's activities have been conducted in a prudent and diligent manner and, as noted above, in accordance with its mandate under the Appointment Order, directions of the court made in the course of this receivership and the objectives of the HSA. The Receiver continues to work with the service manager (the City), the property manager, CHFT, the Co-op and other stakeholders to ensure the Co-op is operating in a manner consistent with the HSA.

[48] The Reports and the Receiver's activities and conduct described in them are approved. One caveat that I note in the particular circumstances of this case is that the approval of the Supplement to the Fourth Report should not be taken as acceptance of the truth of the anonymous third-party accounts of what transpired at the Members' Meeting, in light of the noted disagreement with those accounts. That is not a criticism of the Receiver's role in receiving and conveying those accounts and the concerns expressed by those third parties, but only to note that they have not been fully evaluated since they did not need to be for purposes of this motion.

[49] The interim SRD appears to be in order. While there were some initial concerns raised by the Board about certain of the disbursements in this year compared to the prior year, those appear to have been the result of a misunderstanding about the cumulative nature of this statement. This was precisely the same concern raised and answered on prior approval motions.

[50] The ancillary approvals of the Reports, activities, interim SRD, and fees are all granted.

Costs and Order

[51] Up until this point in this receivership, the Receiver has not sought costs despite the many objections it has faced from the Board to its various requests for advice and directions from the court, often withdrawn at the eleventh hour. This motion has followed that consistent pattern. The Receiver is thus asking for an award of substantial indemnity costs for the time spent by its counsel after delivery of the responding record, in the all-inclusive amount of \$22,889.54. This is supported by a Costs Outline. The costs are sought against the Board members personally, or against the "Board" which would ultimately likely come from the Co-op's budget. The costs award is requested to act as a deterrent against this pattern of conduct that has caused delays and increased the cost of this receivership.

[52] The request for costs is opposed on the basis that it could have a ripple effect across the community and mute the voices of the community members if they face this type of economic sanction for raising concerns. The Board suggests that they were reasonable in that they eventually did not oppose the approval of the fees and disbursements, the Reports and the SRD, and softened other objections with respect to the proposed Consultation Process and in favour of a path to move forward with the Advisory Committee. They say they want to build bridges. However, their actions sometimes suggest otherwise.

[53] The sentiments of bridge-building and providing a voice to the community offered in response to the request for an adverse costs award are laudable, but I observe, having now presided over a number of motions in this receivership, that those sentiments are not always reflected in the starting position of the Board in response to steps taken or proposed by the Receiver. As the Receiver has noted, the responses typically do follow the pattern of objection up to the hearing, followed by a late concession to some or all of the relief sought, but not without causing added expense and, in some instances, delays (for example, with respect to the membership application approvals).

[54] It would be open to the court to make the adverse costs award that the Receiver seeks, but I am going to exercise my discretion not to do so at this time because I am cognizant of the potential implications for the Co-op and its Members, or the individual Board Members. It is not even clear to me at this time who the individuals are who might be facing this sanction. However, I do not foreclose the possibility of an adverse costs award in the future if this pattern continues.

[55] This is intended to be a co-operative process and eventual orderly transition out of the receivership at the appropriate time and under the appropriate structure. The Consultation Process should run its course without further delay.

[56] I have signed today the revised form of Order dated June 29, 2026 submitted after the hearing to reflect changes requested during the hearing and some small revisions that I have since made to the last preamble and paragraph 7 thereof.

Date: July 2, 2026

A handwritten signature in cursive script, reading "Kimmel J.", enclosed within a rectangular box.

Jessica Kimmel