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ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

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

DATE: MAY 13, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: CITY OF TORONTO -v- HARRY SHERMAN CROWE HOUSING CO-  
OPERTIVE INC.  
BEFORE: JUSTICE KIMMEL

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
Mark Siboni	Counsel for City of Toronto	Mark.siboni@toronto.ca

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Courtney Betty	Counsel for the current elected members of the Board of Directors of Harry Sherman Crowe Housing Cooperative Inc.	betty@bettyslaw.com

**Others in Attendance:**

Name of Person Appearing	Name of Party	Contact Info
Philip Cho	Counsel for the Receiver TDB Restructuring Ltd	pcho@weirfoulds.com
Kelsey Ivory	Counsel for the Receiver TDB Restructuring Ltd	kivory@weirfoulds.com
Brian Tannenbaum	Representative for TDB Restructuring Ltd	btannenbaum@tdbadvisory.ca
Arif Dhanani	Representative for TDB Restructuring Ltd	adhanani@tdbadvisory.ca

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**ENDORSEMENT OF JUSTICE KIMMEL:**

- [1] TDB Restructuring Limited, ("TDB") in its capacity court-appointed receiver-manager (in such capacity, the "Receiver") of all the assets, undertakings and properties of Harry Sherman Crowe Housing Co-operative Inc. ("HSC" or the "Co-op"), seeks approval of its proposed preliminary process (the "RFEIQ Process") for: (i) engaging with the membership, soliciting expressions of interest and qualifications from members of the Co-op to serve on the board of directors (the "Board") with a view to developing a transition plan for return of management of the Co-op, and (ii) formulating a recommendation to the Court as the viability of the Housing Project continuing to operate within the co-operative housing model.
- [2] The Receiver's motion also seeks ancillary relief for the court's approval of its Second Court Report, the Supplement to the Second Report, the Quarterly Reports (among others, the "Receiver's Reports") and the activities and conduct of the Receiver and statement of receipts and disbursements described therein as well of the fees and disbursements of the Receiver and its counsel.
- [3] This motion was returnable on an earlier date that was rescheduled to accommodate counsel for the current elected members of the Board. That counsel requested an adjournment of today's motion on two related grounds:
  - a. The Board wants to have the benefit of legal advice in respect of the Receiver's Motion and to instruct counsel with respect to the Board's response to this motion; and
  - b. the Board served a motion last night (uploaded to case center during the hearing today) seeking court approval for the payment of the past and continuing legal fees of the Board's counsel, either by the by the Receiver (out of the Co-op's funds) or by funding from the City of Toronto (the "Board Legal Fees Motion") and the Board wants this motion determined first, so that they know whether their legal representation will be funded. This motion was served after attempts to reach an agreement regarding the payment of these legal fees.
- [4] In the meantime, while the Receiver's motion was pending, the Board purported to call an annual general meeting ("AGM") last Saturday May 10, 2025, that was adjourned to this coming Saturday, May 17, 2025, at which the current elected members of the Board proposed to set in motion a process for the election of new directors to the Board.
- [5] The Receiver is responsible for the day-to-day operations and for the management of the financial affairs of the Co-op. It has posted its Reports on its website but is not confident that the members of the Co-op have seen or been made aware of the Receiver's Reports

and the activities, findings and recommendations contained in them. The Receiver is **G3** concerned that the proposed AGM will directly or indirectly undermine, or detract from, the RFEIQ Process that it has devoted time and resources to preparing and that is intended to be for the benefit of the Co-op and its members with a view to developing a transition plan for return of management of the Co-op. The Receiver is also concerned about what level of information or disclosure the members have regarding the RFEIQ Process and the Receiver's Reports and the activities, findings and recommendations contained in them.

- [6] Counsel argues that the Board needs to have the ability to seek advice and instruct counsel with respect to the Receiver's Motion. While, in theory, they could pay out of pocket for this legal representation, and while the motion could have been brought earlier, I agree that they should know whether there is funding available for their legal counsel to have the benefit of their counsel's input and advice.
- [7] The Receiver suggested that the relief it is seeking could be granted without prejudice to the Board Legal Fees Motion proceeding and to the right of the Board to come back to court for further advice and directions after that motion has been decided.
- [8] There is no immediate urgency to the Receiver's motion aside from the risk that it's objectives could be undermined by the Board's proposed Annual General Meeting, called for May 10, 2025 and adjourned to May 17, 2025. The court concluded that it would be prepared to grant a brief adjournment of the Receiver's motion to allow the Board Legal Fees Motion to be heard, on the condition that the current Board not proceed with the AGM or any other meetings of the members of the Co-op until after the Receiver's motion has come back on before the court and been determined.
- [9] After some discussion during the hearing, counsel for the current Board agreed to the condition for their requested adjournment, and confirmed that the AGM scheduled for May 17, 2025 would be adjourned.
- [10] Accordingly, the Board Legal Fees Motion has been scheduled for a 90-minute hearing by zoom on May 30, 2025 and the Receiver's motion that was returnable today is adjourned to June 20, 2025. The parties have agreed to the following timetable of pre-hearing steps for these motions:

**Board Legal Fees Motion – Scheduled for May 30, 2025**

- Receiver and City ("Respondents") responding materials by May 16<sup>th</sup>
- Board's ("Moving Party") Reply, if any, by May 21<sup>st</sup>
- Cross-examinations, if any, on May 22<sup>nd</sup>/23<sup>rd</sup>
- Moving Party factum by May 26<sup>th</sup>
- Respondents' facta by May 28<sup>th</sup>
- Reply factum if appropriate in accordance with the Consolidated Commercial List Practice Direction by noon on May 29<sup>th</sup>

Receiver's Motion – Adjourned to June 20, 2025

- Board's responding materials, if any, by June 6<sup>th</sup>
- Receiver's reply, if any, by June 11<sup>th</sup>
- Cross-examinations, if any, on June 12<sup>th</sup>, 13<sup>th</sup>, and/or 16<sup>th</sup>
- Receiver's Factum if any by June 17<sup>th</sup>
- Board's responding factum by June 19<sup>th</sup> (by 4:30PM)

- [11] This endorsement does not override the presumptive practice that questions to be posed to the Receiver as a court officer are to be done in writing.
- [12] In the meantime, the Receiver is encouraged to take further steps to disseminate its Reports outlining its activities, findings and recommendations to the members of the Co-op and to solicit consider any input it receives from the members and any other institutions or governmental agencies that it deems appropriate regarding its proposed RFEIQ Process, so that the eventual hearing of its motion can be as comprehensive as possible.
- [13] In the spirit of co-operation, counsel for the Board also agreed to further reflect upon the Receiver's proposed Town Hall meeting, and/or other means of communicating the activities, findings and recommendations of the Receiver to the members of the Co-op and to soliciting their input.
- [14] The parties are encouraged to look for a path forward that builds upon the apparently common objective of determining the viability of constituting a new Board to which management of the Co-op can be returned for the continued operation of this Housing Project within the co-operative housing model. If a consensual resolution is reached on either or both motions, counsel are asked to advise the Commercial List scheduling office as soon as possible so that the hearing time can be vacated.



KIMMEL J.