



SUPERIOR COURT OF JUSTICE

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-23-00705617-00CL

DATE: Wednesday, November 1, 2023

NO. ON LIST: 4

TITLE OF PROCEEDING: FIRST SOURCE FINANCIAL MANAGEMENT INC. v. 2807823  
ONTARIO INC.

BEFORE: JUSTICE STEELE

**PARTICIPANT INFORMATION**

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

Name of Person Appearing	Name of Party	Contact Info
Jeffrey Larry	Counsel for First Source Financial Management Inc.	<a href="mailto:jeff.larry@paliarerland.com">jeff.larry@paliarerland.com</a>
Douglas Montgomery		<a href="mailto:douglas.montgomery@paliarerland.com">douglas.montgomery@paliarerland.com</a>

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

Name of Person Appearing	Name of Party	Contact Info
Khaled Gheddai	Counsel for 2807823 Ontario Inc.	<a href="mailto:kg@friedmans.ca">kg@friedmans.ca</a>
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**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Bryan A. Tannenbaum	Counsel for the Proposed Receiver (RSM Canada Ltd.)	<a href="mailto:bryan.tannenbaum@rsmcanada.com">bryan.tannenbaum@rsmcanada.com</a>
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**ENDORSEMENT OF JUSTICE STEELE:**

[1] First Source Financial Management Inc. brings a motion for the appointment of a receiver over the assets of 2807823 Ontario Inc. ("280").

- [2] 280 requests a short adjournment.
- [3] 280 filed just prior to the motion a share purchase agreement, which is scheduled to close on November 24, 2023. 280 submits that pursuant to the SPA, First Source's mortgage will be discharged by the purchaser. Schedule B to the SPA states that the Purchaser covenants to discharge the mortgage on close of the Share Purchase Agreement at the Purchasers expense.
- [4] First Source asked the Court to proceed with the appointment of the Receiver given the history of delays of this matter and the fact that 280 executed a consent to the appointment as part of the earlier forbearance agreement.
- [5] The following is ordered:
- a) The Application: (i) to appoint RSM Canada Limited as receiver (the "**Appointing Order**"); and (ii) for judgment in the amount of \$10,031,276.45 plus per diem interest of \$5,857.57 from the date hereof (the "**Judgment**") is granted on the terms of the draft order and judgment, respectively, filed with the court and uploaded on CaseLines at A-5 and A-8;
  - b) The Appointing Order and Judgment are stayed until 9:00 am on November 27, 2023 to permit the Respondent to pay the Applicant the agreed-upon amount of \$10,031,276.45 plus per diem interest of \$5,857.57 from the date hereof to the date of payment, which amount is secured under the charge registered as Instrument No. NR603718 in the Land Titles Division Niagara North against the property municipally known as 142 Queenston Street, St, Catherines, Ontario (the "**Property**");
  - c) Should the Respondent fail to fulfil the requirements of clause b) above on or before November 24, 2023 at 5:00 pm., then the Appointing Order and Judgment shall be of full force and effect as of 9:00 am November 27, 2023 without need for further order of the court and this endorsement shall have no further effect;
  - d) Should the Respondent pay the Judgment amount (as reflected in clause b) above) on or before November 24, 2023, then the Appointing Order and Judgment are withdrawn and dismissed and the Notice of Application is withdrawn and dismissed without costs and the charge against the Property referred to in clause b) above shall be discharged; and
  - e) The court must know the status of this matter and whether the Appointing Order and Judgment are or are not outstanding and in effect. I therefore direct counsel to notify me by email on or before November 27, 2023 (directly, with a copy to the CL office) whether the Appointing Order and Judgment have gone into effect or whether they have been withdrawn and whether or not the Application is to be dismissed.

