

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**B E T W E E N:**

**WAYGAR CAPITAL INC., as agent for NINEPOINT CANADIAN SENIOR  
DEBT MASTER FUND L.P.**

Applicant

-and-

**QUALITY RUGS OF CANADA LIMITED, MALVERN CONTRACT  
INTERIORS LIMITED, WESTON HARDWOOD DESIGN CENTRE INC.,  
ONTARIO FLOORING LTD., TIMELINE FLOORS INC., AND QUALITY  
COMMERCIAL CARPET CORPORATION**

Respondents

**APPLICATION UNDER SUBSECTION 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**

**NOTICE OF MOTION of GG EIGHT  
CUMBERLAND INC.  
(Motion returnable November 24, 2023)**

The Respondent, GG EIGHT CUMBERLAND INC., will make a motion to the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) on Tuesday, November 24, 2023, at 10am, or as soon thereafter as the motion may be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard

[ ] In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);

[ ] In writing as an opposed motion under subrule 37.12.1

(4);

In person;

By telephone conference;

By video conference (details to be provided by court).

**THE MOTION IS FOR:**

1. A Court order allowing the Respondent, GG Eight Cumberland Inc., to enforce its contract rights against Quality Rugs of Canada Limited generally (“Quality”) and The Fuller Landau Group In. (“Receiver”) and permission to terminate Quality’s and the Receiver’s right to continue with the work pursuant to its Agreement (as defined herein) with Quality.
2. A Court order terminating/lifting the continuation of the stay of proceedings and other terms of the Amended and Restated Initial Order dated September 5, 2023 (Amending the Initial Order dated August 25, 2023) pronounced in these CCAA proceedings, as against GG Eight Cumberland Inc. in court file CV-23-00703933-00CL (the “CCAA Order”) as well as a court order denying the granting of or establishing of a stay proceedings as is sought in the Receiver’s Draft Amended and Restated Receivership Order (“Receivership Order”) as detailed in paragraphs 8 to 11 in pages 176 and 177 appearing at Tab 4 of the Receiver’s November 17/23 motion record (“Receiver’s Motion Record”);
3. If the Court grants the orders requested in paragraphs 1 and 2 above, GG Eight requests a court order that: (i) Quality’s suppliers/trade contractors and GG Eight can deal directly with one another, to the exclusion of Quality and the Receiver, for the supply and installation of materials to GG Eight’s Project (“as defined herein”); (ii) Quality and its suppliers are to release all Project supplies and materials in their possession as well as any and all supplies and materials located at the Project site that have not be installed at the Project; (iii) GG Eight is to be credited in its Agreement with Quality for any and all payments it makes to any of Quality’s suppliers/trade contractors and GG Eight can set off such payments against Quality.
4. A Court order granting leave to bring this Motion, permitting this Notice of Motion to be served and filed on short notice and abbreviating the time for service and filing this Notice of Motion and materials in support thereof as well as permitting this Motion to be heard on short notice;
5. Costs of this motion on a substantial indemnity basis against any party that opposes this motion.
6. Such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THIS MOTION ARE:**

1. GG Eight is a contractual counterparty of Quality, through Quality Sterling Group a registered business name of Quality, one of the debtor companies subject to the CCAA Order and the stay order that the Receiver is seeking in its motion to be heard by this honourable court on November 24, 2024. GG Eight entered into a floor leveling, wood and laminate flooring, resilient flooring, carpet and tile supply and install contract with QSG on January 14, 2021 (the “Agreement”). The Agreement governs the parties’ relationship with respect to the flooring work on the 51-story high rise residential condominium development currently being constructed in Toronto, Ontario (the “Project”). Through the Agreement, GG Eight, as owner and developer, contracted with QSG, as general flooring contractor, for the supply, installation and completion of flooring for the Project.
2. The establishment of a stay proceedings as is sought in the Receiver’s Draft Amended and Restated Receivership Order (“Receivership Order”) as detailed in paragraphs 8 to 11 in pages 176 and 177 appearing at Tab 4 of the Receiver’s November 17/23 motion record (“Receiver’s Motion Record”) and furthermore the continuation of the stay of proceedings and other terms of the CCAA Order dated September 5, 2023 pronounced in the CCAA proceedings, as against GG Eight will cause prejudice and hardship to GG Eight and others as to its Project;
3. The Receiver does not have the wherewithal and ability to perform the remaining Work pursuant to the Agreement ;
4. The balance of convenience and interest of justice favour GG Eight being granted a court order to enforce its contract rights against Quality and the Receiver, permission to terminate Quality’s and/or the Receiver’s right to continue with the work pursuant to GG Eight’s Agreement with Quality and the granting of a lift of stay and a stay exemption and the additional orders requested;
5. Rule 3.02 of the Rules of Civil Procedure;
6. Section 96 of the Courts of Justice Act;
7. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the motion:

1. The affidavit of Ron Weinstock, to be sworn, including its exhibits; and
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Court File No. CV-23-00703874-00CL

November 18, 2023

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INC.

TO: **THE SERVICE LIST**  
Service **Service List**

RCP-E 38A (July 1, 2007)



WAGAR CAPITAL INC. et al.  
APPLICANTS

V. QUALITY RUGS OF CANADA LIMITED et al  
RESPONDENTS

Court File No.: CV- 23-00703874-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding Commenced at TORONTO

**NOTICE OF MOTION**

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