



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00737678-00CL

DATE: June 01, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: AREND CORPORATION et al. v. GRMADA HOLDINGS INC.

BEFORE: JUSTICE Jana Steele

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Sara Mosadeq	Counsel to the Applicant, Arend Corporation et al.	sara@rarlitigation.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Carmine Scalzi	Counsel to the Respondent, GRMADA Holdings Inc.	carmine@sclawpartners.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Catherine Francis	Counsel to the Receiver TDB Restructuring Limited	cfrancis@foglers.com
Jeffrey Berger	Receiver, TDB Restructuring Limited	jberger@tdbadvisory.ca
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ENDORSEMENT OF JUSTICE STEELE:

- [1] The Receiver brings a motion seeking two orders, among other things, authorizing the Receiver to enter into and carry out the terms of an APS with the Purchaser, approval of the First Report, approval of professional fees, and a time limited sealing order.
- [2] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in the Receiver's factum.
- [3] No one opposes the relief sought.
- [4] The proposed Order contains language approved by the Debtor regarding conditions for redemption by the Debtor.
- [5] The relief requested, other than the requested discharge (which shall be addressed at a later date) is granted.
- [6] The principles to be applied when determining whether to approve a sale transaction were articulated by the Court of Appeal in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727: (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers have been obtained; (c) whether the interests of all parties have been considered; and (d) whether there has been unfairness in the working out of the process. Further, as set out in *Soundair*, the Court should accept the recommendation of the receiver in respect of a sale in all but exceptional circumstances.
- [7] In considering the factors set out in *Soundair*, I am satisfied that the APS and the Transaction should be approved. The Property was widely exposed to the market over an extended period of time, with virtually no market interest. The Lender, which is owed in excess of \$31 million, is the only economic stakeholder with an interest in the sale of the Property. The Lender has made the credit bid for the Property. As noted by the Receiver, credit bids have long been accepted in Canadian insolvency proceedings: *White Birch Paper Holding Company (Arrangement relative a)*, 2010 QCCS 4915. The Receiver recommends that the Court approve the APS.
- [8] The request to approve the First Report is not unusual and there are good policy and practical reasons for doing so: see *Laurentian University of Sudbury*, 2022 ONSC 2927 at paras. 13-14. The observations in this case while made in the context of a *Companies' Creditors Arrangement Act* proceeding apply to the activities of a court appointed receiver: see *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, 2023 ONSC 3400 at para 66. No opposition to the approval of the First Report, or the interim statement of receipts and disbursement attached thereto has been raised and the approval of such is appropriate in the circumstances as the Receiver has acted reasonably and in good faith. The draft order provided contains the typical language that only the Receiver is entitled to rely on the approval.
- [9] The Receiver also seeks approval of the fees and disbursements of itself and its legal counsel (as supported by fee affidavits). In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the property and liabilities as well as the complexity of the proceeding. In considering these guiding principles, the fees of the Receiver and its counsel are appropriate and are approved.
- [10] The Receiver seeks a limited sealing order in respect of Confidential Appendix 1 and 2. The limited sealing order being sought is necessary to preserve the Applicants' ability to maximize the value of the Property in

the event that the relevant transaction does not close. I am satisfied that the requested sealing order for the Confidential Appendices (being a summary of listing proposals and an unredacted version of the APS) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. The Receiver is directed to follow the applicable guidelines for the filing of sealed material with the court, and to eventually apply, at the appropriate time, for an unsealing order, if necessary.

[11] Approval and Vesting Order and Ancillary Order attached.

Date: Jun 01, 2026



Justice J. Steele