ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000292-0000 **DATE: July 9, 2026**

NO. ON LIST: 4

TITLE OF PROCEEDING: KENSINGTON PRIVATE EQUITY FUND v. BOLD CANINE INC.

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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ENDORSEMENT OF JUSTICE CAVANAGH:

[1] On June 25, 2026, pursuant to an application by Kensington Private Equity Fund ("Kensington") under section 47(1) of the *Bankruptcy and Insolvency Act* (the "BIA") and section 101 of the *Courts of Justice Act*, ("CJA"), the Court issued an order (the "Interim Receivership Order"), *inter alia* (i) appointing TDB Restructuring Limited ("TDB") as interim receiver (in such capacity, the "Interim Receiver"), without security, over the property, assets, and undertakings (the "Property"), excluding certain assets, of the Respondent, Bold Canine Inc. ("Bold Canine"); (ii) appointing an interim chief restructuring officer; and (iii) authorizing the Interim Receiver to borrow from Kensington up to $350,000 to fund the interim receivership proceedings and approving a corresponding charge over the Property and Excluded Assets in priority to all other security interests.

[2] Kensington seeks an order:

a. appointing TDB as receiver and manager (in such capacity the "Receiver"), without security, over the Property;

b. appointing Wholeframe Inc. as chief restructuring officer (in such capacity, the "CRO");

c. authorizing the payment of the Receiver and its counsel and approving a corresponding charge (the "Receiver's Charge") on the Property and Excluded Assets as security for such amounts;

d. authorizing the Receiver to borrow from the Applicant an amount not to exceed in aggregate $1,100,000 to fund the exercise of the Receiver's powers and approving a corresponding charge (the "Receiver's Borrowing Charge") over the Property and Excluded Assets; and

e. approving a sale and solicitation process (the "SISP") and authorizing the Receiver to conduct the SISP.

[3] Bold Canine manufactures frozen raw food for dogs and cats under the brand "Bold by Nature." Bold Canine receives raw ingredients, including various meats at its plant in Ontario and manufactures the food using these ingredients. Bold Canine uses specialized and sophisticated equipment for the manufacturing process. All equipment is leased.

[4] In 2020, Kensington, a private equity fund based in Toronto, invested approximately $7.1 million in Bold Canine in exchange for preferred shares. On March 17, 2025, Bold Canine issued a secured promissory note (the "Promissory Note") in favour of Kensington. Bold Canine has drawn on the Promissory Note from time to time and as of June 16, 2026, the total amount owing under the Promissory Note is $4,827,000. Also on March 17, 2025, Bold Canine executed a general security agreement in favour of Kensington (the "Kensington GSA"). Pursuant to the Kensington GSA, Bold Canine granted Kensington security in all of its present and future assets, undertakings, and property. Kensington registered a financing statement against Bold Canine under the *Personal Property Security Act* (Ontario) to perfect its security interest in respect of Bold Canine's assets.

[5] In addition to Kensington, Bold Canine owes various amounts to several other secured creditors: (a) Bank of Montreal is owed approximately $525,000, which amounts are secured pursuant to a general security agreement; (b) Business Development Bank of Canada is owed approximately $69,000, which amounts are secured pursuant to a general security agreement; and (c) various equipment financiers who have registered financing statements against certain Bold Canine equipment and/or motor vehicles.

[6] Bold Canine also owes additional amounts to other creditors, including: (a) Canada Revenue Agency is owed approximately $490,000 in respect of unremitted HST; (b) Saugeen Economic Development Corporation is owed approximately $300,000; (c) the federal government is owed approximately $1,375,000 in connection

with an agreement whereby the federal government provided funding for the expansion of the plant to assist Bold Canine with accessing market opportunities outside of Canada; and (p) various trade creditors, including freight carriers, meat vendors and waste service providers are owed approximately $2, 100,000.

[7] Bold Canine encountered financial difficulties as described in the application materials. In mid-June 2026, Bold Canine advised that (i) it was in a severe liquidity crisis, (ii) would not be able to make critical payments for raw meat, sanitation, and supplies crucial to the business like liquid nitrogen, and (iii) would not be able to pay payroll. Bold Canine decided to shut down the Plant and halt manufacturing shortly thereafter.

[8] Pursuant to section 10 of the Promissory Note it is an "Event of Default" if (i) Bold Canine defaults in the payment or performance of its obligations under the Promissory Note if not remedied within 10 days of written notice of such default, (ii) there has occurred a material adverse change in the financial or any other condition of Bold Canine which is likely to result in the impairment of Bold Canine's ability to pay or perform its obligations under the Promissory Note, or (iii) Bold Canine ceases to carry on business or commits an act of bankruptcy.

[9] Bold Canine's closure of the Plant, inability to pay suppliers and employees, and dire financial condition, including the $4,827,000 that remains owing under the Promissory Note, are Events of Default.

[10] On June 17, 2026, Kensington delivered a demand letter and notice of intention to enforce security under section 244 of the BIA to Bold Canine.

[11] Since the Interim Receivership Order, the CRO and Interim Receiver have taken various steps to stabilize the operations and preserve value, as described in the First Report.

[12] I am satisfied that the requested order should be made. It is just and convenient for a receiver to be appointed. The appointment of the Receiver will provide continued stability and allow the Receiver and CRO to continue to operate and stabilize the business and undertake meaningful restructuring steps including running the SISP to realize on Bold Canine's assets in an efficient, transparent and orderly manner for the benefit of all stakeholders of Bold Canine.

[13] Due to the nature of the inventory and raw materials, TDB has not and does not intend on taking possession and control of the Excluded Assets (as defined in the application materials) consisting of inventory and raw materials. Instead, Bold Canine will remain in possession and control of the Excluded Assets to ensure that there is no disruption to the business and that Bold Canine's experienced employees will continue to handle the inventory and raw materials. This Court has previously ordered that certain excluded assets remain in a debtor's possession when appointing a receiver. This treatment of the Excluded Assets mirrors the relief granted in the Interim Receivership Order.

[14] I am satisfied that the appointment of the CRO and Receiver is warranted in these unique circumstances and is therefore just and convenient. Bold Canine does not have the financial expertise to manage its business, and Kensington has lost faith in its ability to manage its financial affairs. In addition, since the Receiver will not take possession of the Excluded Assets the appointment of the CRO to manage and handle the Excluded Assets is critical.

[15] I am satisfied that the Receiver’s Charge and the Receiver's Borrowing Charge (securing the Receiver’s borrowing from Kensington in an amount not to exceed $1,100,000) should be approved. The Receiver’s Charge secures payment of the fees of the Receiver and its counsel. The Receiver’s Borrowing Charge is reasonable and appropriate, and, by securing funding required by the Receiver, will continue to allow for crucial stability to the business, maintain the *status quo*, and ensure there is no significant disruption to the business.

[16] I am satisfied that the proposed SISP is consistent with the principles in *Soundair* and should be approved.

[17] Order to issue in form of Order signed by me today.