



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000292-0000

DATE: June 25, 2026

NO. ON LIST: 1

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

BEFORE: JUSTICE DUNPHY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Monique Sassi Eva Hyderman	Lawyers for the Applicant, KENSINGTON PRIVATE EQUITY FUND	msassi@cassels.com ehyderman@cassels.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
James S. Quigley	Lawyer for the Secured Creditor, BANK OF MONTREAL	jsquigley@szklaw.ca

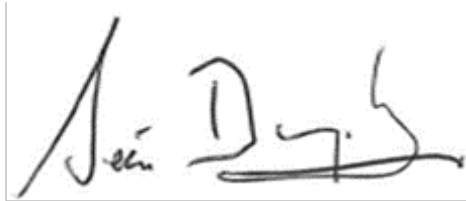
For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Bryan A. Tannenbaum Nisan Thurairatnam	Proposed Interim Receiver, TDB RESTRUCTURING LIMITED	btannenbaum@tdbadvisory.ca nthurairatnam@tdbadvisory.ca

ENDORSEMENT OF JUSTICE DUNPHY:

- [1] This matter came before me on an urgent basis for the appointment of an Interim Receiver over a pet food company whose operations have ceased but whose inventory of raw materials is at risk of spoilage and total loss if not processed in the relatively near future.
- [2] The applicant creditor, Kensington, is a private equity firm with general security covering obligations under a promissory note that stand at approximately \$4.8 million. Kensington is the largest single secured creditor but by no means the only one and not in first place on any assets as far as is currently known. Among the other creditors to be considered:
- (a) BMO with about \$525,000 in debt and apparently first ranking general security;
 - (b) BDC with about \$69,000 in debt and first ranking security on some equipment by agreement with BMO and apparently second ranking otherwise;
 - (c) Various other equipment lessors for amounts not yet quantified
 - (d) Federal government for \$1.375 million regarding development grants apparently unsecured;
 - (e) Various trade for approximately \$2.1 million
 - (f) Overdue payroll of about \$130,000.
- [3] The applicant Kensington has already provided a significant amount of emergency funding in the last short while in particular by arranging to reinstate the lease of the debtors' premises after the landlord terminated the lease. Unpaid critical suppliers and payroll made that reprieve a short one and operations have currently shut down again.
- [4] The proposed interim receiver is prepared to act. Given the lack of confidence Kensington is able to muster in the existing management, the applicant is proposing that the IR be authorized to engage a CRO in whom Kensington will have confidence to provide some needed day-to-day oversight and assistance to management. The CRO engagement proposed is open ended at this point but at a fixed weekly rate which appears reasonable in the circumstances for an interim appointment.
- [5] Ultimately, the hope of the Applicant is that a full receivership will follow along with a SISP leading to a quick sale process. All of that is down the road.
- [6] On an interim basis, the hinge creditor at this point is BMO. The applicant is asking for a cap on interim priority funding of \$350,000. BMO has indicated that – at this point – it will not oppose that relief. In exchange, it will be using the time to get an appraisal done of the assets so that it (and the court) will have a better understanding of the stakes, the possible upside but also the possible liquidation value.
- [7] Obviously BMO in first place is not going to be keen to put itself behind a lot of priority debt to further the chances of a second or third ranking creditor to roll the dice for a higher recovery. Some additional information about liquidation value will put all parties in a better position to assess the risk reward ratio of continuing the receivership and sale process as contrasted to liquidation. BMO reserves the right to oppose the continuation of the receivership when the matter returns to court.

- [8] Given the circumstances, the applicant has asked for a comparatively modest cap on interim priority borrowing of \$350,000 which BMO does not oppose. The parties concur that a come-back date for the full receivership application where additional borrowing authority will be sought needs to be sooner than the 30 day interim receiver window.
- [9] I have secured a return date of July 6, 2026 at 10:00 am via video for the hearing of the receivership application. I will not be the judge hearing that which is why I have written notes a bit longer than usual to give my successor a fuller picture of what I did and why.
- [10] The interim receivership order was reviewed in open court and there were no alterations that appeared necessary to myself nor did BMO's counsel object to any of its terms remembering always that they are just getting up to speed and will expect to be able to assess the situation more completely and advise of their position on July 6 when this matter comes back. I have signed the proposed order as is.

A handwritten signature in black ink, appearing to read "Sean Dunphy", is written over a horizontal line. The signature is stylized and cursive.

Sean Dunphy

Date: Jun 25, 2026