



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-24-00714866-00CL DATE: FEBRUARY 26 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: **FORGESTONE MORTGAGE FUND LP v. 72 JAMES
INVESTMENTS INC. et al**

BEFORE MR. JUSTICE: **W. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
ERIC GOLDEN	FORGESTONE MORTGAGE FUND LP	egolden@blaney.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
MATT CINO	FORGE & FOSTER HOLDINGS INC.	mcino@shlaw.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
DAN ROSENBLUTH	COUNSEL FOR PROPOSED RECIEVER KSV RESTRUCTURING INC	Daniel.rosenbluth@paliareroland.com
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ENDORSEMENT OF MR. JUSTICE W. BLACK:

1. This was an application by Forgestone Mortgage Fund LP (“Forgestone”) pursuant to s. 243 of the BIA to appoint KSV Restructuring Inc. (“KSV”) as receiver and manager over the assets and undertaking of the respondent 72 James Investment Inc. (the “Debtor”) including the property municipally known as 72-76 James Street North in Hamilton, Ontario (the “James Property”).
2. Forgestone is a mortgage lending firm providing commercial real estate financing.
3. Pursuant to the terms of a commitment letter dated January 10, 2022 (the “Commitment Letter”) Forgestone made a loan to the Debtor in the amount of \$5,675,000.00. The term of the loan was 24 months, with a maturity date of February 1, 2024.
4. The security for the loan included a mortgage in first position against title to the James Property and a General Security Agreement. The mortgage and the GSA were each dated January 18, 2022.
5. Also on January 18, 2022, Forgestone entered into a beneficial charge agreement with the beneficial owners of the Debtor, Clifton LP and Forge Holdings, in which the beneficial owners agreed to be bound by the terms of the Commitment Letter and Forgestone’s mortgage on the James Property. Forgestone obtained and registered (under the PPSA) security from the beneficial owners. Forgestone also obtained relevant guarantees.
6. There have been numerous defaults under the loan. Although demands in respect of those defaults resulted in past defaults having been remedied, a default on the payment due on January 1, 2024 has not been remedied, and, when the loan matured on February 1, 2024, the entire amount under the loan became (and remains) due and owing.
7. There is also evidence that a number of units at the James Property are vacant, and that the James Property is lapsing into a state of disrepair.
8. In the circumstances, Forgestone made a formal written demand on the Debtor, the beneficial owners and the guarantors for repayment of the loan in full, and gave notice of its intention to enforce its security under s. 244(1) of the BIA.
9. Forgestone’s demands for payment have not been met.
10. Forgestone asserts, and I accept, that the appointment of a receiver is just, convenient and appropriate in the circumstances, and KSV has consented to act as receiver.
11. The materials confirm that neither the Debtor nor the beneficial owners oppose this relief (and indeed counsel for the beneficial owners attended on this application and confirmed that the beneficial owners do not oppose the application).
12. As such, I confirm that an Order is to issue in the form provided by Forgestone with the materials on this application. Forgestone provided a comparison, in the materials, between the form of Order it seeks and the relevant Model Order, and I am satisfied that there are no material or problematic deviations from the Model form.



Justice Black