



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-24-00714866-00CL DATE: May 2, 2024

NO. ON LIST: 1

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

BEFORE: **JUSTICE PENNY**

PARTICIPANT INFORMATION

For the Applicant:

Name of Person Appearing	Name of Party	Contact Info
Eric Golden (Did not appear)	Counsel for the Applicant, Forgestone Mortgage Fund LP	egolden@blaney.com

For the Respondent:

Name of Person Appearing	Name of Party	Contact Info
Brianne Powell	Counsel for the Respondent, Forge & Foster Holdings Inc.	bpowell@shlaw.ca
Nicholas Dobbek	Counsel for the Respondent, Clifton Blake Partners LP	ndobbek@cliftonblake.com

For Other:

Name of Person Appearing	Name of Party	Contact Info
Jeffrey Larry	Counsel for the Court Appointed Receiver, KSV Restructuring Inc. (with Bobby Kofman of KSV in attendance)	jeff.larry@paliareroland.com
Dillon Beaulne	Counsel for the Purchaser, 1000870452 Ontario Inc.	dbeaulne@georgestreetlaw.ca

ENDORSEMENT OF JUSTICE PENNY:

The Receiver moves for orders approving the sale of real property together with an AVO and sealing order and orders approving a proposed distribution, the Receiver's Second Report, the Receiver's fees and granting the Receiver a discharge and release.

The motion is not opposed by anyone and supported by the applicant.

The sales process had already been initiated prior to the Receiver's appointment. The Receiver was satisfied that the process could be accommodated within the receivership and that it was reasonably calculated to maximize value through exposure to the market. The independent realtor retained canvassed the market broadly; 69 parties signed NDAs. Two offers were received. Following additional negotiations, the Receiver selected the best offer and now seeks approval to complete that transaction.

The applicant, Forgestone, has the senior (and only) security interest registered against the property; it is owed about \$5.9 million.

I am satisfied that the *Sound Air* principles have been met in this case. There is no reason to believe there is any other, better offer available. The transaction and AVO are approved.

I find it is appropriate to approve an immediate distribution to the applicant. Its entitlement to the proceeds is undisputed.

The activities of the Receiver all appear to have been necessary and were undertaken in good faith and in accordance with the Receiver's duties and powers. I find the Receiver's fees and those of its counsel are reasonable in the circumstances.

The limited sealing order being sought is in the public interest as it is necessary to preserve the ability of the Receiver to maximize realizations in the event the proposed transaction does not close. The *Sherman Estate* test is met.

Once the transaction closes and the distribution is made, essentially all outstanding receivership matters will have been completed. Approving the discharge now will save additional cost and delay. The release language is in accordance with similar orders of this kind and is approved.

The AVO and Ancillary Order shall issue in the form signed by me this day.

A handwritten signature in blue ink, appearing to read "Penny J.", followed by a period.

Penny J.