



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-700695-00CL

DATE: April 11, 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: MARSHALLZEHR GROUP INC. v.
LA PUE INTERNATIONAL INC. et al
BEFORE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
POLIAK, MAYA	MARSHALLZEHR GROUP INC.	maya@chaitons.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
RUSSELL, MARK	LA PUE INTERNATIONAL INC.	mr@friedmans.ca
SOUZA, FERNANDO	BUTTCO LIMITED	fsouza@lawtoronto.com

For Other, Self-Represented:

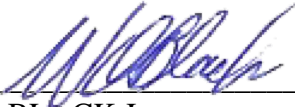
Name of Person Appearing	Name of Party	Contact Info
BENEY, ANDREW	Creditor	beney@paveylaw.com

ENDORSEMENT OF JUSTICE BLACK:

- [1] KSV Restructuring Inc. (the “Receiver”), in its capacity as court-appointed receiver and manager of the assets, undertakings and properties of La Pue International Inc. (the “Respondent”), brings a motion seeking to increase the borrowing limit established in the order appointing it as receiver (the “Appointment Order”), from \$100,000.00 to \$500,000.00.
- [2] The materials in the motion also sought an order requiring the sole officer and director of the Respondent, Pawel Fugiel, to comply with his obligations under the Appointment Order, and in particular to provide to

the Receiver copies of all pre-sale purchase agreements entered into between the Respondent and homebuyers.

- [3] At the hearing of the motion, counsel for the Receiver advised that the Receiver had managed to obtain copies of the pre-sale agreements from a surety, such that the Receiver was not asking for that relief from Mr. Fugiel. It does seek certain directions relative to Mr. Fugiel and the need for his cooperation, which I will discuss briefly below.
- [4] Mr. Russel, of the firm that has been representing the Respondent, attended at the hearing. However, Mr. Russel, in an Aide Memoire and then in person, advised that his firm is seeking to be removed from the record, and had no instructions with respect to today's hearing.
- [5] I am persuaded, based on the materials filed, that it is appropriate to increase the borrowing limit as requested by the Receiver. There is work to be done with respect to shoring for the project which, if not completed, may pose safety issues and negatively impact the value of the real property. The Receiver does not expect to use the entire amount of the increased borrowing limit for this purpose, but I agree with the Receiver's advice that it will be helpful to have a "buffer" in place to address any unforeseen costs as they arise without the need to come back to court repeatedly to increase the borrowing limit.
- [6] As such I confirm that an order is to issue in the form provided with the Receiver's materials for this motion.
- [7] With respect to Mr. Fugiel, the Receiver asks that I direct Mr. Fugiel to cooperate with the Receiver's requests for relevant information with respect to the project at issue here. That direction is redundant, inasmuch as Mr. Fugiel already has that obligation under the Appointment Order, but I nonetheless reiterate that direction, and I expect Mr. Fugiel to comply in a timely way with his obligations, failing which he can expect consequences.
- [8] The Receiver also asked for costs "thrown away" as a result of Mr. Fugiel's non-cooperation with the Receiver and non-compliance with the Appointment Order, but acknowledged that no materials have been files in that regard, a notion echoed by the Respondent's soon-to-be-former counsel. On that score, I advised the parties that I will consider any proper request and evidence put before me.



W.D. BLACK J.

DATE: April 11, 2024