



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00700695-00CL

DATE: June 21, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: Marshallzehr Group Inc. vs. La Pue International Inc., et al

BEFORE: JUSTICE PENNY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Harvey Chaiton, Chaitons, LLP	Receiver, KSV Restructuring Inc.	harvey@chaitons.com

For Defendant, Respondent, Responding Party:

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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE PENNY:

- [1] The Receiver moves for an approval and vesting order regarding the sale of 5528 Fairy St. Niagara Falls, a limited sealing order with respect to certain confidential appendices relating to this transaction, approval of the Receiver's third report and appendices and a minor variation to receivership order of Justice Cavanagh to exclude 5978 Allandale from the definition of "Property" under the original receivership order.
- [2] I satisfied that the sales process was commercially reasonable and conducted in accordance with this court's order. The agent has extensive experience selling development properties and widely canvassed the market. The purchaser's offer represents the highest and best offer received for the property. The Receiver and the agent are of the view that the transaction provides the greatest recovery available for the benefit of the debtor's stakeholders in the circumstances, including the mortgagees and the lien claimants. Further, MZ, the senior secured lender, consents to the transaction.
- [3] The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize value in the event this transaction does not close. I am satisfied that the requested sealing order for the confidential appendices meets the test in *Sierra Club/Sherman Estates* and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. I direct counsel for the Receiver to file a hard copy of the confidential appendices with the Commercial List office in a sealed envelope with a copy of the ARO and this Endorsement.
- [4] The activities of the Receiver described on in its Third Report were all necessary and undertaken in good faith. The report/activities are approved.
- [5] After its appointment, the Receiver learned that the debtor was also the registered owner of two small adjacent lots. One of those lots is 5978 Allandale. That property is subject to the first ranking charge of a third party (who is seeking to exercise rights to a power of sale) of over \$1.4 million. The Receiver has concluded this is a valid charge. The Receiver has also concluded that the amount of this charge exceeds the value of the property. Accordingly, the Receiver seeks to exclude 5978 Allandale from the definition of "Property" under the receivership order. This will, among other things, leave the mortgagee free to pursue its remedies and simplify the administration of the receivership. This is a reasonable request in the circumstances and is granted.
- [6] Order to issue in the form signed by me this day.


Penny J.