

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

- and -

LA PUE INTERNATIONAL INC.

Respondent

AIDE MEMOIRE OF THE RECEIVER

January 23, 2025

Kyle Plunkett (LSO# 61044N)
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Lawyers for the Receiver

1. KSV Restructuring Inc. (“**KSV**”), was appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of La Pue International Inc. (“**Respondent**”), including the real property municipally known as 5528 Ferry Street, Niagara Falls, Ontario (the “**Real Property**”).
2. The Receiver has brought the within motion in writing to amend the approval and vesting order granted in these proceedings.

Background:

3. The Receiver had entered into an asset purchase agreement (the “**Original APA**”) with Lakeshore Luxe Design & Build Group (“**Lakeshore**”) which contemplated a transaction (the “**Original Transaction**”) for, among other things, the sale of the Real Property and the assumption of 359 pre-sale agreements entered into with homebuyers (collectively, the “**Purchased Assets**”).
4. Lakeshore assigned all of its right, title and interest in the Original APA to 1000835091 Ontario Inc. (“**1000835091 Ontario**”) pursuant to an Assignment of Agreement of Purchase and Sale dated June 11, 2024.
5. On June 21, 2024, the Court issued an order approving the Original Transaction.
6. 1000835091 Ontario failed to close the Original Transaction, and the Receiver terminated this transaction. The Receiver subsequently entered into several reinstatement agreements with 1000835091 Ontario, and the Receiver negotiated terms with 1000835091 Ontario for an amended transaction (the “**APA**”).

7. On January 7, 2025, the Receiver obtained an approval and vesting order approving a sale agreement in respect to the Purchased Assets with 1000835091 Ontario Inc., as the purchaser.
8. Since the issuance of the AVO, a request was made to the Receiver that the AVO be amended to reflect the fact that the APA had been assigned by 1000835091 Ontario Inc. to 1001082540 Ontario Inc. The notice of the assignment provides that 1001082540 Ontario Inc. has agreed to be bound by the terms of the sale agreement as if it were the original purchaser to the agreement, and it agrees to perform and complete all obligations thereof.
9. The assignment is permitted under the APA, with the associated costs to be borne by the purchaser.
10. Pursuant to the terms of approved transaction, the purchaser will only assume the Sale Agreements once it gets registered with the Home Construction Regulatory Authority (“HCRA”) and receives the requisite approvals from HCRA, which it has over 90 days after closing to obtain. If the purchaser does not obtain HCRA licensing and approvals, the homebuyer deposits under the sale agreements will be fully refunded to the homebuyers. The majority owner of the Purchaser entity has several projects registered with the HCRA and does not anticipate any issues obtaining registration for this project.

Appeal:

11. The Company, La Pue International Inc. served the Notice of Appeal on January 16, 2025.
12. On January 21, 2025, the Receiver was advised by the Court of Appeal that the Notice of Appeal was not filed properly. The Receiver has requested the Company rectify the filing issue.

13. The Company's appeal is incorrectly based on the assumption that it has an automatic right of appeal pursuant to sections 193(b) and 193(c) of the BIA. The Receiver intends to file an urgent motion for directions to seek a declaration that there is no automatic right to appeal the AVO under section 193 of the BIA and that leave is required. The Receiver further seeks an order that leave be denied.

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Court File No. CV-23-00700695-00CL

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at TORONTO

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