Court File No. BK-26-03415664-0033
Estate No. 33-3415664

ONTARIO
SUPERIOR COURT OF JUSTICE
(EAST REGION COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF M.G.B. VENTURES INC.

FACTUM
(Administrative Charge Increase; Extension of Stay Period)

November 5, 2026

PERLEY-ROBERTSON, HILL & MCDOUGALL LLP
1400-340 Albert Street
Ottawa, ON K1R 0A5

Joël Turgeon LSO #80984R
Tel: 613.238.2022 x. 424
jturgeon@perlaw.ca

Lawyers for M.G.B. Ventures Inc.

TO: THE SERVICE LIST

TABLE OF CONTENTS

PAGE

I. RELIEF SOUGHT 1

II. KEY FACTS 2

A. Business and Key Stakeholders 2

B. Secured Creditors 3

C. Date of Filing and First Court Order 3

D. Restructuring Plan and Potential Transaction 4

E. Benefits of Transaction for Stakeholders 5

III. ISSUES 6

IV. LAW AND ARGUMENT 6

A. The Court Should Increase the Administration Charge 6

i. Applicable Criteria 6

ii. The Beneficiaries of the Administration Charge Have Distinct and Critical Roles 8

iii. The Proposed Quantum Is Necessary and Appropriate 8

iv. No Prejudice to CRA or BNS 10

v. The Proposal Trustee Supports the Proposed Increase and Notice Is Provided to Potentially Affected Secured Creditors 10

vi. The Initial Administration Charge Order Expressly Provides that the Charge May Be Increased by Further Order of the Court 10

vii. Conclusion 11

B. The Court Should Extend the Stay Period 11

C. The Court May Approve the Reports, Fees and Activities of the Proposal Trustee 12

V. RELIEF REQUESTED 12

I. RELIEF SOUGHT

1. This is a motion by M.G.B. Ventures Inc. (the "**Company**") for an order in the form of the draft at tab 3 of the Company's motion record delivered October 29, 2026:

a. pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"),[1] extending the time for the Company to file a proposal (the "**Stay Period**") by 45 days to and including Thursday, December 24, 2026;

b. pursuant to Section 64.2 of the BIA,[2] increasing from $75,000 to $250,000 the maximum amount of the administration charge (the "**Administration Charge**") granted pursuant to the order of Smith J. dated September 25, 2026 (the "**Initial Administration Charge Order**");

c. approving the first report of the Company's proposal trustee, Albert Gelman Inc. (in such capacity, the "**Proposal Trustee**"), dated September 22, 2026 (together with appendices thereto, the "**First Report**"), the second report of the Proposal Trustee dated October 29, 2026 (together with appendices thereto, the "**Second Report**"), and the activities of the Proposal Trustee described herein; and

d. approving the fees and disbursements of the Proposal Trustee and its independent legal counsel as set out in the Second Report and the fee affidavits appended thereto.

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[1] *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), Section 50.4(9).
[2] BIA, Section 64.2.

II. KEY FACTS

A. Business and Key Stakeholders

2. The Company operates six Tim Hortons restaurant franchises in Eastern Ontario.[3] The Company's key stakeholders comprise its 156 employees, including 41 temporary foreign workers;[4] the franchisor, TDL Group Corp. ("**TDL**" or the "**Franchisor**");[5] the Company's landlords;[6] and the Company's suppliers, including small, local businesses.[7]

3. The Company's business is a significant contributor to the local economy of the small townships in which the restaurants operate, including Hawkesbury, Alexandria, Dunvegan, Vankleek Hill, and L'Orignal. For reference, the Company's direct economic contributions include a weekly payroll of approximately $83,171.20,[8] yearly procurements totalling approximately $10.8 million in goods and services (being approximately $900,000 per month),[9] and monthly rent payments of more than $115,000.[10] The Company's operations also produce significant indirect economic benefits, including in terms of downstream supplies, generating local business traffic, and third-party employment.[11]

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[3] Affidavit of Paul Burke sworn October 29, 2026 (the "**Burke October Affidavit**"), tab 2 (page 10) of the Company's motion record (the "**MR**"), para. 4.
[4] Affidavit of Paul Burke sworn September 21, 2026 (the "**Burke September Affidavit**"), Exhibit "A" to the Burke October Affidavit (page 24 of the MR), paras. 8, 9.
[5] *Id.*, paras. 6-7.
[6] *Id.*, para. 10.
[7] *Id.*, paras. 11-15.
[8] *Id.*, para. 8.
[9] *Id.*, para. 15.
[10] *Id.*, para. 10.
[11] Burke October Affidavit, para. 18.

B. Secured Creditors

4. All secured claims are summarized below, in order of priority.[12]

Rank	Creditor	Amount Claimed	Nature of Claim
1	Canada Revenue Agency ("**CRA**")	$337,789.85	Deemed trust for source deductions
2	Vault Credit Corp. Ford Credit Canada	Approx. $92,000 Approx. $5,500	Purchase-money security interests ("**PMSIs**") for equipment and vehicle financing
3	Bank of Nova Scotia ("**BNS**")	$1,084,676.59	General security for credit facilities
4	Franchisor	$nil currently, but potential claims if business fails	General security for Company's obligations pursuant to franchise agreements
5	Business Development Bank of Canada ("**BDC**")	Approx. $2,100,000	General security for Company's guarantee of related-party debt
6	Ministry of Finance of Ontario ("**MoF**")	$57,521	Employer Health Tax amounts
		Total: $3,677,487.44	

5. All secured creditors were served with the Company's motion record, the Proposal Trustee's Second Report, and this factum.[13]

C. Date of Filing and First Court Order

6. The Company filed its notice of intention to make a proposal on August 26, 2026. On September 25, 2026, Smith J. granted the Initial Administration Charge Order, which extended the

[12] Burke September Affidavit, paras. 18-42. The validity, enforceability, amount and rank of claims and security interests will be reviewed by the Proposal Trustee and its independent counsel in due course.
[13] Affidavits of service, filed; Second Report, para. 55.

Stay Period to November 9, 2026 and granted an Administration Charge in the maximum initial amount of $75,000, subject to increase by further order of the court.[14]

D. Restructuring Plan and Potential Transaction

7. The Company's restructuring plan is to sell its most valuable locations as operating businesses, pay secured claims, continue operating its other restaurants, make a proposal to creditors, and emerge as a going concern.[15]

8. In late October, the Company, the Franchisor and an arm's length third-party (the "**Purchaser**") reached an agreement on the key terms of a potential transaction (the "**Transaction**"). The Transaction contemplates the Purchaser's acquisition of three of the Company's restaurant locations as going-concerns pursuant to three separate asset transactions.[16]

9. The contemplated purchase price (the "**Purchase Price**") is sufficient to pay professional costs (including the increased Administration Charge amount, $250,000), pay CRA and BNS's secured claims, and leave a significant remainder which can be used to fund a proposal.[17]

10. As required pursuant to franchise agreements, the Franchisor approves the Purchaser and the Purchase Price. The parties stand ready to advance the Transaction, including the drafting and execution of final documents, subject to the Court granting an order extending the Stay Period and increasing the Administration Charge to allow payment of professional fees.[18]

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[14] A copy of the Initial Administration Charge Order is Exhibit "B" to the Burke October Affidavit (page 54 of MR).
[15] Burke October Affidavit, para. 9; Burke September Affidavit, paras. 66-68.
[16] Burke October Affidavit, para. 13.
[17] *Id.*, para. 14.
[18] *Id.*, para. 15.

11. Provided the Court grants the relief sought on this motion, the Company intends to bring a motion for the Court's approval of the Transaction on or before December 11, 2026.[19]

E. Benefits of Transaction for Stakeholders

12. The Transaction is a favourable outcome, and likely the best available outcome, for creditors and going-concern stakeholders. Among other things, the Transaction is expected to see CRA and BNS's secured claims fully paid and to enable the continuation of employment, leases and supplier relationships.[20]

13. By contrast, a bankruptcy or receivership of the Company would cause significant losses to creditors and going-concern stakeholders. Among other things:

a. 156 employees would face unemployment;

b. 41 temporary foreign workers could see their visa, residence, work authorizations and immigration status impacted;

c. the Company's procurement of goods and services would cease, affecting direct and downstream producers and suppliers across Ontario, Quebec and the rest of Canada;

d. the Franchisor would suffer losses including loss of revenue from royalties and adverse effects on the perception and value of the franchise system;

e. the local communities would be negatively affected, including loss of local employment and reduced customer traffic for neighbouring businesses such as shopping

[19] *Id.*, para. 15.
[20] *Id.*, para. 17.

centres, gas stations and other small and medium-sized businesses; and

f. a liquidation would result in lower creditor recoveries, as the Company has few hard assets and is significantly more valuable as a revenue-generating going concern operating within an established franchise ecosystem.[21]

14. Accordingly, the Company, with the support of the Proposal Trustee, respectfully requests that the Court grant the relief sought on this motion to allow the parties to advance the Transaction for the benefit of creditors and stakeholders.

III. ISSUES

15. The issues on this motion are whether the Court shall (A) increase the Administration Charge, (B) extend the Stay Period, and (C) approve the Proposal Trustee's reports, fees and activities.

IV. LAW AND ARGUMENT

A. The Court Should Increase the Administration Charge

i. Applicable Criteria

16. Section 64.2 of the BIA grants the Court jurisdiction to make and increase the Administration Charge. Courts apply the same factors in both cases, namely, the *Canwest* factors.[22] Accordingly, Courts will grant requests to increase an administration charge where:

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[21] *Id.*, para. 18; Burke September Affidavit, paras. 63-64.

[22] *Canwest Publishing Inc*, 2010 ONSC 222 [Pepall J.], para. 54. See *Laurentian University of Sudbury*, 2021 ONSC 1098 [Morawetz C.J.], paras. 68-69 (administration charge increased from $400,000 to $1.25 million) and *Indiva Limited*, 2024 ONSC 3691 [Osborne J., as he then was], para. 17 (administration charge increased from $400,000 to $700,000).

a. the beneficiaries of the charge have an essential role and there is no unwarranted duplication;[23]

b. the proposed quantum does not appear disproportionate to the value of the business, the contemplated transactions or the restructuring process as a whole;[24]

c. the proposal trustee supports the proposed quantum;[25] and

d. notice is provided to potentially affected secured creditors.[26]

17. The fact that the order granting the administration charge expressly provides that the charge may be increased by further order of the court is a relevant factor.[27]

18. As to the determination of the quantum of the charge, Courts acknowledge that it is "*an inexact exercise.*"[28] The proposed quantum will be considered fair and reasonable where it is supported by the proposal trustee and where it does not appear disproportionate to the value of the Company's assets, the value of the work required, or the benefits of the restructuring.[29]

19. In this case, the foregoing factors are met and support the requested increase for the following reasons.

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[23] *Canwest Publishing Inc*, 2010 ONSC 222 [Pepall J.], para. 54; *Laurentian University of Sudbury*, 2021 ONSC 1098 [Morawetz C.J.], paras. 68-69; *Indiva Limited*, 2024 ONSC 3691 [Osborne J., as he then was], para. 17.
[24] *Springer Aerospace Holdings Limited*, 2022 ONSC 6581 [Penny J.], para. 19; *Canwest Global Communications Corp. (Re)*, 2009 CanLII 55114 (ON SC) [Pepall J.], para. 40.
[25] *Springer Aerospace Holdings Limited*, 2022 ONSC 6581 [Penny J.], para. 19; *Canwest Global Communications Corp. (Re)*, 2009 CanLII 55114 (ON SC) [Pepall J.], para. 40.
[26] BIA, s. 64.2.
[27] *Indiva Limited*, 2024 ONSC 3691 [Osborne J., as he then was], para. 26.
[28] See *Springer Aerospace Holdings Limited*, 2022 ONSC 6581 [Penny J.], para. 19 and *Canwest Global Communications Corp. (Re)*, 2009 CanLII 55114 (ON SC) [Pepall J.], para. 40.
[29] See *Springer Aerospace Holdings Limited*, 2022 ONSC 6581 [Penny J.], para. 19 and *Canwest Global Communications Corp. (Re)*, 2009 CanLII 55114 (ON SC) [Pepall J.], para. 40.

ii. The Beneficiaries of the Administration Charge Have Distinct and Critical Roles

20. The beneficiaries of the Administration Charge remain the Company's counsel, the Proposal Trustee, and the Proposal Trustee's independent counsel (collectively, the "**Professionals**"). Those are core roles that are usual and necessary in corporate restructurings. There is no unwarranted duplication.[30]

iii. The Proposed Quantum Is Necessary and Appropriate

21. $250,000 is the original quantum established with the Proposal Trustee and requested on the first motion in these proceedings. That quantum was described and supported in the Company's motion record delivered on September 21, 2026 and the Proposal Trustee's First Report dated September 22, 2026.[31] Further to discussions between the Proposal Trustee and BNS, the Administration Charge was reduced to $75,000 in referenced to the work required during the first extension of the Stay Period, and subject to increase by further order of the Court.[32]

22. The Administration Charge should be increased to the full amount at this time, including for the following reasons, among others.

23. The Company is unable to pay professional costs as they become due. The Professionals are collectively owed approximately $75,000 and thus already extending significant credit to the Company.[33]

[30] Burke September Affidavit, para. 74; Second Report, para. 52.
[31] Burke October Affidavit, para. 20; First Report, Appendix "A" (page 20) of the Second Report, paras. 37-43.
[32] Burke October Affidavit, paras. 21-22; Second Report, para. 48.
[33] Burke October Affidavit, paras. 26-27; Second Report, para. 50.

24. The next steps in the proceedings – including *inter alia* the Transaction, the motion for Court approval of the Transaction, the Proposal Trustee's review and payment of secured claims, the proposal to creditors, the motion for Court approval of the proposal, and the implementation of the proposal – will require significant additional work, which the Company must fund.[34]

25. Since the Company is unable to fund Professional fees from cash flows, the Company is compelled to pay accrued and accruing fees either from the proceeds of the Transaction or via interim financing. There is no source of interim financing available, and, in any event, paying Professionals from Transaction proceeds is preferable to interim financing because the latter involves additional fees, interest and costs. Increasing the Administration Charge is the best alternative because it will avoid the time and expense of any priority dispute, ensure the proper payment of Professional fees from Transaction proceeds, and enable the Professionals to work on a fee accrual basis.[35]

26. As described at paragraph 51 of the Second Report, the amount of the Administration Charge, namely $250,000, is based on the sum of fees presently accrued and an estimate of fees to be accrued up to and including the motion for the Court's approval of the Transaction and the subsequent closing of the Transaction. Such estimate comprises the fees and disbursements of the Proposal Trustee, the Proposal Trustee's independent legal counsel, and the Company's legal counsel. The estimate totals $252,000, which, rounded to $250,000, is the amount requested.[36] This demonstrates that the amount of the Administration Charge is based on a rigorous analysis and is not arbitrary or unsupported.[37]

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[34] Second Report, para. 49.
[35] Burke October Affidavit, para. 28; Burke September Affidavit, para. 72; Second Report, paras. 53, 56.
[36] Second Report, para. 51.
[37] Second Report, para. 51.

27. Accordingly, the proposed quantum is necessary, appropriate and justified on the record.

iv. No Prejudice to CRA or BNS

28. The increased Administration Charge is not expected to negatively affect the recovery of the Company's highest-ranking secured creditors, namely, CRA and BNS. To the contrary, the Administration Charge is necessary to enable a transaction which is expected to result in the full payment of CRA and BNS's secured debt, even if professional costs reach $250,000.[38]

v. The Proposal Trustee Supports the Proposed Increase and Notice Is Provided to Potentially Affected Secured Creditors

29. The Proposal Trustee supports the increased Administration Charge for the foregoing reasons and the further and other ones set out in the Second Report.[39] Moreover, in accordance with Section 64.2 of the BIA, notice is provided to all potentially affected secured creditors. Specifically, all known and registered secured creditors were served with the Company's motion record, the Proposal Trustee's Second Report, and this factum.[40]

30. As of writing this factum, there is no known opposition to the increased Administration Charge from CRA, PMSI registrants, the Franchisor, BDC, or MoF. As of writing this factum, BNS is being consulted. Counsel will advise the Court of any opposition.

vi. The Initial Administration Charge Order Expressly Provides that the Charge May Be Increased by Further Order of the Court

31. Paragraph 4 of the Initial Administration Charge Order expressly provides that the Administration Charge "*shall not exceed an aggregate amount of $75,000* ***unless permitted by***

[38] Burke October Affidavit, para. 24.
[39] Second Report, para. 56.
[40] Affidavits of service, filed; Second Report, para. 55.

further order of this court." (emphasis added) This is a relevant factor that supports increasing the amount of the charge where necessary and appropriate, which is the case on this motion.[41]

vii. Conclusion

32. For the foregoing reasons, the Court should increase the Administration Charge to $250,000. Overall, the increased Administration Charge is necessary and appropriate to enable the Transaction, which is a viable opportunity to maximize value for creditors and stakeholders.

B. The Court Should Extend the Stay Period

33. In accordance with Subsection 50.4(8) of the BIA, unless the Stay Period is extended, the Company will be automatically bankrupt at the end of November 9, 2026.[42] Pursuant to Subsection 50.4(9), the Court may extend the Stay Period so long as (i) the Company has acted, and is acting, in good faith and with due diligence, (ii) the Company would likely be able to make a viable proposal if the extension being applied for were granted; and (iii) no creditor would be materially prejudiced if the extension applied for were granted.[43]

34. Those criteria are met. By operating in the normal course of business and advancing the Transaction, the Company is acting in good faith and with due diligence. Moreover, the extended Stay Period makes a proposal more likely and will not create material prejudice because it enables the Company to advance the Transaction, which is in the interest of stakeholders. To the contrary, a bankruptcy would bring about the prejudice and loss of value described at paragraph 13 above. There is no known opposition to the extension of the Stay Period.

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[41] *Indiva Limited*, 2024 ONSC 3691 [Osborne J., as he then was], para. 26.
[42] BIA, Section 50.4(8).
[43] BIA, Section 50.4(9).

35. The Proposal Trustee supports the extension of the Stay Period for those reasons and the further and other ones set out in the Second Report.[44]

36. For those reasons, the Court should extend the Stay Period.

C. The Court May Approve the Reports, Fees and Activities of the Proposal Trustee

37. The First and Second Report, and the Proposal Trustee's activities described therein, are beneficial, timely, and in the interest of stakeholders.[45] The fees of the Proposal Trustee and its independent legal counsel were properly incurred and are supported by detailed fee affidavits including true copies of invoices.[46] Accordingly, the Court may grant those approvals.

V. RELIEF REQUESTED

38. The Company therefore requests the order described at paragraph 1.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of November, 2026.

Perley-Robertson, Hill & McDougall LLP/s.r.l.
1400 – 340 Albert Street Ottawa, ON K1R 0A5

Joël Turgeon LSO #80984R
Tel: 613.238.2022 x. 424 | jturgeon@perlaw.ca

Lawyers for M.G.B. Ventures Inc.

[44] Second Report, paras. 57-61.
[45] See *Target Canada Co. (Re)*, 2015 ONSC 7574 [Morawetz R.S.J. (as he then was)], spec. para. 23.
[46] See *Coast Automotive Group Inc (Re)*, 2026 ABCA 123, para. 8; Second Report, paras. 42-47 and Appendices "D" and "E".

SCHEDULE "A"
LIST OF AUTHORITIES

1.	*Canwest Publishing Inc*, 2010 ONSC 222 [Pepall J.]
2.	*Laurentian University of Sudbury*, 2021 ONSC 1098 [Morawetz C.J.]
3.	*Indiva Limited*, 2024 ONSC 3691 [Osborne J., as he then was]
4.	*Springer Aerospace Holdings Limited*, 2022 ONSC 6581 [Penny J.]
5.	*Canwest Global Communications Corp. (Re)*, 2009 CanLII 55114 (ON SC) [Pepall J.]
6.	*Target Canada Co. (Re)*, 2015 ONSC 7574 [Morawetz R.S.J. (as he then was)]
7.	*Coast Automotive Group Inc (Re)*, 2026 ABCA 123

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SCHEDULE "B"
RELEVANT STATUTES

***Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3**

Extension of time for filing proposal

50.4 (8) Where an insolvent person fails to comply with subsection (2), or where the trustee fails to file a proposal with the official receiver under subsection 62(1) within a period of thirty days after the day the notice of intention was filed under subsection (1), or within any extension of that period granted under subsection (9),

> **(a)** the insolvent person is, on the expiration of that period or that extension, as the case may be, deemed to have thereupon made an assignment; […]

(9) The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

> **(a)** the insolvent person has acted, and is acting, in good faith and with due diligence;
>
> **(b)** the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
>
> **(c)** no creditor would be materially prejudiced if the extension being applied for were granted.

Court may order security or charge to cover certain costs

64.2 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of

> (a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;
>
> (b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division; and

(c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for the effective participation of that person in proceedings under this Division.

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

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Proceeding commenced at Ottawa

FACTUM
(motion returnable November 9, 2026)

Perley-Robertson, Hill & McDougall LLP/s.r.l.
1400 – 340 Albert Street
Ottawa, ON K1R 0A5

Joël Turgeon LSO #80984R
Tel: 613.238.2022 x. 424
jturgeon@perlaw.ca

Lawyers for M.G.B. Ventures Inc.