Court File No. BK-24-03134118-0033
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.**

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# MOTION RECORD
**(Returnable November 9, 2026)**

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October 29, 2026

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Lawyers for M.G.B. Ventures Inc.

**TO: THE SERVICE LIST**

Court File 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.**

**SERVICE LIST**
(as of October 29, 2026)

| PARTY | METHOD OF DELIVERY |
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| | |
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| **HIS MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTRY OF FINANCE**<br>Legal Services Branch Revenue Collections<br>Branch – Insolvency Unit<br>400-130 Dufferin Avenue<br>London, ON N6A 6G8<br><br>insolvency.unit@ontario.ca<br>*Governmental Agency* | Email |

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| **CANADA REVENUE AGENCY**<br>c/o Insolvency Intake Centre, Shawinigan-Sud National Verification and Collection Centre<br>4695 Shawinigan-Sud Blvd.<br>Shawinigan QC G9P 5H9<br><br>**Teri McNamee**<br>teri.mcnamee@cra-arc.gc.ca<br>*Governmental Agency* | Email |
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# TAB 1 –

# NOTICE OF MOTION RETURNABLE NOVEMBER 9, 2026

Court File No. BK-24-03134118-0033
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.**

# NOTICE OF MOTION

M.G.B. Ventures Inc. (the "**Company**") will make a motion to The Honourable Justice Kershman of the Ontario Superior Court of Justice (East Region Commercial List) on November 9th, 2026, at 2 p.m., or as soon after that time as the motion can be heard, at 161 Elgin Street, Ottawa, Ontario.

**PROPOSED METHOD OF HEARING**: The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1) because it is on consent;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ **By video conference using the link provided by the Court, reproduced below:**

Join Zoom Meeting
https://ca01web.zoom.us/j/61746137944

Meeting ID: 617 4613 7944

855 703 8985 Canada Toll-free
Meeting ID: 617 4613 7944

**THE MOTION IS FOR:**

1. An order in the form appended at tab 3 of the Company's motion record:

   a. extending the Stay Period by 45 days to and including Thursday, December 24, 2026;

   b. increasing the maximum amount of the Administration Charge granted pursuant to this Court's order dated September 25, 2026 from $75,000 to $250,000;

   c. approving the First Report of the Proposal Trustee dated September 22, 2026, the Second Report of the Proposal Trustee dated October 29, 2026, and the activities of the Proposal Trustee described therein; and

   d. approving the professional 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 (together, the "**Fee Affidavits**");

2. Such further and other relief as may be requested and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

3. All capitalized terms not otherwise defined herein have the meanings given to them in the affidavit of Paul Burke sworn October 28, 2026 delivered in the motion record (collectively with exhibits thereto, the "**Burke Affidavit**").

4. This is the second motion in these proceedings. The Proposal Trustee supports the relief sought. CRA, BNS and all registered secured creditors have been served. Counsel will advise the Court if there is any opposition.

**Key Factual Background**

5. The Company operates six Tim Hortons restaurant franchises in Eastern Ontario.

6. On August 26, 2026, the Company filed an NOI.

7. On September 25, 2026, this Honourable Court granted an order (i) extending the Stay Period to and including November 9, 2026, being the day this motion is returnable, and (ii) granting the Administration Charge in the initial maximum amount of $75,000.

**The Potential Transaction**

8. The Franchisor and the Company reached terms with an arm's length third party interested in purchasing three of the Company's restaurant locations as going-concerns.

9. The contemplated Purchase Price is greater than CRA's secured claims, BNS's claims, and all expected professional costs, meaning those claims would be paid in full and there would be funds left over to fund further restructuring initiatives such as a proposal to creditors.

10. The Transaction is expected to be a favourable outcome, and likely the best available outcome, for creditors and going-concern stakeholders.

11. The Franchisor approves the Transaction, the Purchaser and the Purchase Price. The Purchaser and the Franchisor are ready to advance the Transaction.

12. Subject to the Court extending the Stay Period and increasing the maximum amount of the Administration Charge, the Company intends to advance the Transaction and expects to return to Court for approval of the Transaction on or before December 11, 2026.

**Administration Charge Increase**

13. On the first motion for an extension of the Stay Period, the Company requested an administration charge in the maximum amount of $250,000. This maximum amount was established with and supported by the Proposal Trustee.

14. Further to discussions between the Proposal Trustee and BNS, the Proposal Trustee and the Company agreed to reduce the initial amount of the Administration Charge to $75,000, subject to such initial maximum being increased by further order of the Court.

15. At this time, the Company requests that the maximum amount of the Administration Charge be increased to the full amount initially requested, being $250,000. The Proposal Trustee supports the proposed increase.

16. The Transaction and the Company's restructuring process are complex undertakings that will require significant work. The Company is presently unable to pay Professional costs other than from the proceeds of the Transaction. The increased Administration Charge is therefore necessary to complete the Transaction and the Company's restructuring, which is in the interest of all stakeholders.

17. The proposed increase is not expected to affect the recovery of CRA or BNS because the Transaction contemplates a Purchase Price sufficient to pay their secured

claims in full, even if professional costs reached the maximum amount of the Administration Charge as increased ($250,000).

18. The Company worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge. The Company and the Proposal Trustee believe that the increased quantum is fair and reasonable in the circumstances as it is commensurate with the expected work required in connection with the Transaction and the Company's restructuring proceedings.

**Extension of Stay Period**

19. The Extended Stay Period is necessary to advance the Transaction. If the Stay Period is not extended, the Company will automatically become bankrupt. A bankruptcy would cause significant prejudice to creditors and going-concern stakeholders, including, but not limited to, 156 employees, 41 temporary foreign workers, landlords, suppliers, the Franchisor, and the local economy of the small communities in which the restaurants operate.

20. By continuing to operate the restaurants in the normal course and advancing the Transaction, the Company is acting with due diligence and in good faith.

21. No creditor would be materially prejudiced by the extension of the Stay Period. The Updated Cash Flow Forecast shows that the Company forecasts sufficient liquidity and access to credit to operate in the normal course during the Extended Stay Period.

22. The Extended Stay Period makes a viable proposal more likely. As seen above, the contemplated Purchase Price is expected to be sufficient to fund a proposal to creditors, including after payment of professional costs, CRA's secured claims, and BNS.

23. The Proposal Trustee supports the extension of the Stay Period.

**Approval of Reports, Fees and Activities**

24. The Proposal Trustee's reports and activities are beneficial, timely, and in the interest of stakeholders. The fees are fair and reasonable and were properly incurred.

**Additional Grounds**

25. The further and other grounds set out in the Burke Affidavit and the exhibits thereto;

26. The further and other grounds set out in the Second Report and appendices thereto;

27. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, including without limitation sections 50.4(9), and 64.2;

28. The *Rules of Civil Procedure*, R.S.O. 1990, Reg. 194, including without limitation rules 1.04, 2.01, 2.03 and 3.02;

29. The Court's inherent powers and jurisdiction;

30. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

a. The Burke Affidavit and exhibits thereto;

b. The Second Report and appendices thereto;

c. such further and other material as counsel may provide and this Honourable Court permits.

October 29, 2026

**Perley-Robertson, Hill & McDougall LLP/s.r.l.**
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Lawyers for M.G.B. Ventures Inc.

TO: **THE SERVICE LIST**

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

Court File No. BK-24-03134118-0033
Estate No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

**NOTICE OF MOTION**
**(returnable November 9, 2026)**

**Perley-Robertson, Hill & McDougall LLP/s.r.l.**
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# TAB 2 –

# AFFIDAVIT OF PAUL BURKE, SWORN OCTOBER 29, 2026

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Court File No. BK-24-03134118-0033
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.**

# AFFIDAVIT OF PAUL BURKE
**(sworn October 29, 2026)**

I, **PAUL BURKE**, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the principal of M.G.B. Ventures Inc. (the "**Company**"). Accordingly, I have personal knowledge of the matters set out below. Where I state a fact based on information or belief, I state the source of my information or belief, and I verily believe it true. Unless otherwise mentioned, on legal matters, the source of my information or beliefs includes legal counsel to the Company.

2. I swear this affidavit in support of the Company's motion for an order in the form of the draft order appended at **tab 3** of the Company's motion record:

   a. extending the time to file a proposal (the "**Stay Period**") by 45 days to and including Thursday, December 24, 2026 (the "**Extended Stay Period**");

   b. increasing the maximum amount of the administration charge granted pursuant to this Court's order dated September 25, 2026 (the "**Administration Charge**") from $75,000 to $250,000; and

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c. approving the fees and activities of Albert Gelman Inc., in its capacity as the Company's proposal trustee (in such capacity, the "**Proposal Trustee**"), and its independent legal counsel, as set out in the Proposal Trustee's first report dated September 22, 2026 and second report dated October 29, 2026 (together, the "**Reports**").

3. This is the second motion in these proceedings. The Proposal Trustee supports the relief sought. The Company's largest creditor, Canada Revenue Agency ("**CRA**"), its main secured lender, Bank of Nova Scotia ("**BNS**"), and all parties who registered security interests in the Ontario Personal Property Security Registry, were served. Counsel will notify the Court if there is any opposition.

## I. KEY FACTS

4. The Company operates six Tim Hortons restaurant franchises in small Eastern Ontario townships. The Company employs 156 employees, including 41 temporary foreign workers. The Company's other key stakeholder groups include landlords, suppliers, and the Tim Hortons franchisor, TDL Group Corp. ("**TDL**" or the "**Franchisor**").

5. The Company's secured creditors include CRA, who filed a proof of claim including $337,789.85 on account of unremitted employee source deductions; BNS, who claims approximately $1,084,676.59 on account of secured loan facilities; the Ontario Ministry of Finance, who registered a security interest in the amount of $57,521 on account of Employer Health Tax payments; and other lessors and lenders who financed certain vehicles and equipment.

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6. The Company's financial difficulties are attributable to several factors, including, among other things, the material adverse effects of the COVID-19 pandemic; cost overruns and delays with respect to the opening of a new location; the loss of significant wage subsidies; inflation affecting food prices and operational costs; significant increases in interest rates; and reduced consumer spending due to the prevailing economic uncertainty.

7. I describe the foregoing in more detail in my affidavit sworn September 21, 2026 (my "**September 21 Affidavit**") filed in connection with the Company's first motion for an extension of the Stay Period and for the Administration Charge. A copy of my September 21 Affidavit, without exhibits, is appended as **Exhibit "A"** hereto.

8. On August 26, 2026, the Company elected to file a notice of intention to make a proposal ("**NOI**") to provide the Company with the breathing room necessary to formulate and implement a going-concern restructuring with a view to maximizing value for creditors and preserving going-concern economic relationships.

9. Since filing the NOI, the Company, under the supervision of the Proposal Trustee and with the assistance of counsel, worked in good faith and with due diligence on several restructuring initiatives. Such initiatives include, among others, assisting the Franchisor in presenting the Company's restaurants to potential purchasers. Those efforts succeeded, as discussed below.

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## II. THE POTENTIAL TRANSACTION

### A. Key Contractual Requirements and Procedures for Transfer of Franchises

10. As described in my September 21 Affidavit (Exhibit "A"), the Company's restructuring plan comprises, among other initiatives, the potential sale of one of more of its restaurant locations.

11. As I am advised is typical with large franchise systems, particularly where the franchisor is a publicly traded company, the Franchisor exercises control over the sale and transfer of franchise locations. Specifically, the franchise agreements provide, *inter alia*, that (i) for any sale or transfer of licenses to occur, the Franchisor must consent to and lead all sale and transfer efforts; (ii) the Franchisor must consent to the purchaser, the purchase price, the transfer terms, and the transaction as a whole, before any transfer can be completed; and (iii) any attempted transfer which the Franchisor has not led or consented to entitles the Franchisor to, among other things, immediately terminate the franchise and acquire all related assets at a pre-determined depreciated cost. The foregoing contractual requirements will be more fully described in materials delivered in respect of any upcoming motion for the Court's approval of transaction(s).

12. Accordingly, since filing the NOI, the Company engaged with the Franchisor in accordance with the franchise agreements and the Franchisor's normal course franchise transfer processes. Subsequently, the Franchisor conducted a valuation of the Company's restaurant locations and canvassed the market for potentially interested parties.

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### B. Agreement in Principle for Transaction that Would See BNS Fully Repaid

13. Pursuant to the foregoing efforts, the Franchisor introduced the Company to an arm's length third party (the "**Purchaser**") interested in purchasing three of the Company's restaurant locations as going-concerns (the "**Transaction**").

14. In late October, the parties, namely the Company, the Purchaser and the Franchisor, reached an agreement in principle on the key terms of the Transaction. Among other things, the Transaction contemplates a purchase price (the "**Purchase Price**") that would be sufficient to pay CRA's secured claims, BNS's claims, and all professional costs with respect to the restructuring and closings, with, likely, funds left over to fund a proposal to creditors.

15. The Purchaser and the Franchisor are ready to advance the Transaction. Subject to the Court extending the Stay Period and increasing the maximum amount of the Administration Charge, the Company intends to advance the Transaction and expects to return to Court for approval of the Transaction on or before December 11, 2026.

16. The Proposal Trustee has shared the foregoing information with BNS's counsel on a confidential basis, including the specific Purchase Price.

## III. THE PROPOSED TRANSACTION REPRESENTS A FAVOURABLE OUTCOME FOR CREDITORS AND STAKEHOLDERS

17. The Transaction is expected to be a favourable outcome, and likely the best available outcome, for creditors and going-concern stakeholders. Among other things, the Transaction contemplates the Purchaser's acquisition of three of the Company's restaurant locations as going concerns, enabling the continuation of employment, leases, and supplier relationships. Moreover,

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the contemplated Purchase Price is expected to be sufficient to pay CRA and BNS's secured claims and all professional costs, with funds left over to fund a proposal.

18. By contrast, the collapse of the Company's business would cause significant financial and personal hardship for 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. losses for suppliers would include approximately $900,000 in supply purchases per month, also affecting downstream producers and suppliers across Ontario, Quebec and the rest of Canada.

d. based on consultations with the Franchisor, the collapse of the Company's business would have a broad range of adverse effects on the Franchisor's operations, including loss of revenue from royalties and adverse effects on the market perception and value of the franchise system.

e. businesses surrounding the Company's restaurants, including malls, gas stations, and other small and medium businesses, would likely suffer loss of traffic and income.

f. the restaurants' closure would have an adverse economic effect on the small communities in which they are located, including in terms of local employment and business traffic.

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g. given that the Company's main asset is its franchise licenses and cash flows from operations, a bankruptcy or receivership is unlikely to maximize value for secured creditors as opposed to a turnkey transaction for the Company's business as a revenue-generating going-concern within the existing franchise ecosystem.

19. For those reasons, among others, the Company believes that advancing the Transaction is a viable restructuring plan and the best available course of action in the circumstances.

## IV. ADMINISTRATION CHARGE INCREASE

### A. $250,000 Is the Initial Amount Requested and Supported by the Proposal Trustee

20. On the first motion for an extension of the Stay Period, the Company requested an administration charge in the maximum amount of $250,000. As more fully described in my September 21 Affidavit (Exhibit "A"), such amount was established in consultation with the Proposal Trustee. The Proposal Trustee supported a $250,000 maximum amount, which the Company and the Proposal Trustee deemed fair, reasonable, and commensurate with the expected work required in connection with the Company's restructuring plan and insolvency proceedings.

21. Further to discussions between the Proposal Trustee and BNS, the Proposal Trustee and the Company agreed to reduce the initial amount of the Administration Charge to $75,000, subject to such initial maximum amount being increased by further order of the Court.

22. Accordingly, on September 25, 2026, this Honourable Court made an order granting the Administration Charge, with a maximum amount of $75,000, on an unopposed basis. A copy of the September 25, 2026 order is appended as **Exhibit "B"** hereto.

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### B. It Is Necessary and Appropriate to Increase the Maximum Amount of the Administration Charge to $250,000

23. The Company respectfully requests that the maximum amount of the Administration Charge be increased to the initially requested maximum amount of $250,000. The Proposal Trustee supports the proposed increase.

24. For clarity, the proposed increase is not expected to affect the recovery of the largest and highest-ranking secured creditors, namely, CRA and BNS. As seen above, the Transaction contemplates a Purchase Price sufficient to pay CRA and BNS's secured claims in full *in addition to* all expected professional costs – even if such professional costs reached the maximum amount of the proposed Administration Charge, $250,000 – *and with* a sufficient amount left over to fund a proposal. Accordingly, not only is the increased Administration Charge unlikely to prejudice CRA and BNS, but the Administration Charge is necessary and appropriate to pursue and implement a transaction that is expected to see those creditors paid in full.

25. Even if the increased Administration Charge caused some amount of prejudice to CRA and BNS – which is not expected – the increased Administration Charge would still be necessary, appropriate and to the general benefit of creditors and going-concern stakeholders. In particular, the increased Administration Charge is necessary to advance and complete the Transaction, which is not possible without the continued involvement of experienced professionals, namely, the Company's legal counsel, the Proposal Trustee, and the Proposal Trustee's independent legal counsel (collectively, the "**Professionals**").

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26. At this time, the Company is unable to pay professional costs as they become due. While the Company's current and forecasted cash flows, as described in an updated 15-week cash flow forecast prepared with the assistance of the Proposal Trustee (the "**Updated Cash Flow Forecast**"), are sufficient to maintain going-concern operations and service post-filing debt obligations, current and forecasted cash flows are not sufficient to pay accrued and forecasted professional costs. I understand that the Updated Cash Flow Forecast will be appended to and discussed in detail in the Proposal Trustee's Second Report.

27. As a result of non-payment, the Company's counsel exhausted their retainer and the Proposal Trustee's outstanding fees and disbursements exceed the retainer it holds. Consequently, the Professionals are *de facto* extending significant credit to the Company, including, without limitation, in connection with this motion.

28. The Company believes that it would be inappropriate and unfair to expect the Professionals to bear all the risks in the event the Transaction is not completed for any reason. Accordingly, the Company is compelled to consider interim financing or pay accruing professional costs from the proceeds of the Transaction. While the latter requires an increased Administration Charge, the Company believes that it is preferable to interim financing. Among other things, interim financing involves additional costs such as interest, lender fees, expense reimbursements, and other financing costs, which the Administration Charge does not. Accordingly, the Administration Charge is preferable to interim financing for creditor recovery.

29. For reference, the Transaction and the Company's restructuring process are complex undertakings that will require significant work. The Transaction must be implemented in

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accordance with various sets of legal requirements, including, among other things, requirements imposed by the *Bankruptcy and Insolvency Act*, the franchise agreements, Franchisor processes, franchise law, critical supplier contracts, and other factors.

30. The Transaction requires three closings pursuant to three sets of transactional documents, being one for each restaurant purchased. Each sale requires carefully drafted documents, including asset purchase agreements, holdback agreements, option agreements, release agreements, third-party consents and critical contract assignments. While each set of documents is expected to be partly similar, the documentation for each sale must be tailored to the circumstances of each restaurant location. I am informed by the Franchisor and by counsel to the Company that, while this is the usual and most efficient way to carry out the Transaction, it involves considerable work.

31. Subsequently, the Company must bring a motion for this Court's approval of the Transaction in accordance with the *Bankruptcy and Insolvency Act*. For efficiency, the Company expects to apply, on the same motion, for an order allowing an interim distribution to CRA and BNS. The motion will necessitate thorough Court material, including an affidavit describing the Transaction and proposed distribution, a factum describing and applying the applicable law, and a detailed report of the Proposal Trustee. This also involves considerable work.

32. Upon closing the Transaction, the Company's restructuring is expected to require additional steps and professional work. Such steps may include, *inter alia*, the aforementioned interim distribution, a proposal to creditors, a creditors' meeting to vote on the proposal, and a motion for the Court's approval of the proposal.

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33. By enabling the Company to advance the Transaction and complete its restructuring process, the Professionals have contributed and will continue to contribute significant value to stakeholders. As seen above, the Transaction is expected to be a favourable outcome, and likely the best available outcome, for creditors and stakeholders. To the contrary, the collapse of the Company's business would cause significant financial and personal hardship to a broad range of stakeholders, including, but not limited to, secured creditors.

34. The Company worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge. The Company and the Proposal Trustee believe that the increased quantum is fair and reasonable in the circumstances as it is commensurate with the expected work required in connection with the Transaction and the Company's restructuring proceedings. The Proposal Trustee shared the particulars of the estimate with the fulcrum creditor, BNS, on a confidential basis.

35. For reference, the proposed quantum of the Administration Charge represents approximately 5.57% of the book value of the Company's assets and approximately 4.6% of the Company's revenues forecasted pursuant to the Updated Cash Flow Forecast. $250,000 is also approximately 1.5% of total sales during the Company's fiscal year 2025, which totalled approximately $16.2 million. The increased Administration Charge would therefore be proportional and reasonable relative to the value and earnings of the Company.

36. I understand that the Proposal Trustee supports the increased quantum of the Administration Charge for those reasons and the further and other ones set out in the Proposal Trustee's Second Report.

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## V. EXTENSION OF THE STAY PERIOD

37. Pursuant to the first Stay Period extension order (Exhibit "B"), the Stay Period is set to expire at the end of the day on which this motion is returnable, namely, November 9, 2026.

38. The Extended Stay Period is necessary to advance the Transaction. As mentioned above, the Company expects to return to Court for approval of the Transaction during the Extended Stay Period, on or before December 11, 2026.

39. During the Extended Stay Period, the Company intends to continue to operate the restaurants in the normal course, generating cash flow from operations and preserving going-concern economic relationships. The Company intends to manage its finances in accordance with the Updated Cash Flow Forecast and under the supervision of the Proposal Trustee.

40. As will be more fully described in the Second Report, the Updated Cash Flow Forecast shows that the Company forecasts sufficient liquidity and access to credit to operate in the normal course during the Extended Stay Period.

41. The Company is acting with due diligence and in good faith, and I do not believe that any creditor could or will be materially prejudiced by the extension requested. To the contrary, as seen at paragraph 18 above, a bankruptcy of the Company would cause significant prejudice to creditors and going-concern stakeholders.

42. The Extended Stay Period makes a viable proposal more likely. As seen above, the contemplated Purchase Price pursuant to the Transaction would be sufficient to fund a proposal to creditors, including after payment of professional costs, CRA's secured claims, and BNS.

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43. I understand that 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. Regarding the approval of the Proposal Trustee's reports, fees and activities, the Company supports this relief. The Proposal Trustee's reports and activities are beneficial, timely, and in the interest of stakeholders. I believe the fees are fair and reasonable and were properly incurred

**SWORN BEFORE ME**: in person [x] by video conference

by **PAUL BURKE** at the City of Alexandria, in the Province of Ontario, before me in the City of Ottawa, in the Province of Ontario, on October 29, 2026 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.

Commissioner for Taking Affidavits *(or as may be)*

Signed by:
Joyce Chen
5DA6A4B6E0CA4BB...
Signature of Commissioner *(or as may be)*

DocuSigned by:
D2824B3F4514447...
Signature of Deponent

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This is Exhibit "A" referred to in the Affidavit of Paul Burke sworn before me on October 29, 2026.

Signed by:
Joyce Chen
5DA6A4B6E0CA4BB...

A commissioner, etc.

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Court File 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.**

**AFFIDAVIT OF PAUL BURKE**
**(sworn September 21, 2026)**

I, **PAUL BURKE**, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the principal of M.G.B. Ventures Inc. (the "**Company**"). Accordingly, I have personal knowledge of the matters set out below. Where I state a fact based on information or belief, I state the source of my information or belief, and I verily believe it true.

2. I swear this affidavit in support of the Company's motion for an order in the form of the draft order appended at **tab 3** of the Company's motion record:

   a. extending the time to file a proposal (the "**Stay Period**") by 45 days to and including Monday, November 9, 2026; and

   b. granting a charge in the initial maximum amount of $250,000 (the "**Administration Charge**") over the Company's current and future assets, properties and undertakings (collectively, the "**Property**"), ranking in priority to all security interests, deemed trusts and encumbrances (collectively, "**Encumbrances**"), as security for the Company's payment of the professional fees and disbursements of Albert Gelman Inc., in

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its capacity as the Company's proposal trustee (in such capacity, the "**Proposal Trustee**"), the Proposal Trustee's independent legal counsel, Miller Thomson LLP, and the Company's legal counsel, Perley-Robertson, Hill & McDougall LLP/s.r.l. (collectively, the "**Professionals**").

3. The Proposal Trustee supports the relief sought. The Company's largest creditor, Canada Revenue Agency ("**CRA**"), and all parties who registered security interests in the Ontario Personal Property Security Registry (the "**PPSR**") with respect to the Company, were served with the materials for this motion.

## I. THE COMPANY

4. The Company is a corporation incorporated pursuant to the Ontario *Business Corporations Act*. The Company's head office is in Alexandria, Ontario. I am the only director of the Company. A corporation profile report for the Company is appended as **Exhibit "A"** hereto.

## II. THE COMPANY'S BUSINESS AND KEY STAKEHOLDERS

5. The Company operates six Tim Hortons restaurant franchises in Eastern Ontario, including two locations in Hawkesbury and one location in each of Alexandria, Dunvegan, Vankleek Hill and L'Orignal (collectively, the "**Restaurants**"). The Company's key stakeholders include the franchisor, employees, landlords, and suppliers, as described below.

### A. The Franchisor

6. The franchise system for the Restaurants is owned by The TDL Group Corp. ("**TDL**" or the "**Franchisor**") and licensed from the Franchisor pursuant to the license agreements described

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below (collectively, the "**Franchise Agreements**"; the obligations of the Company pursuant to the Franchise Agreements are referred to collectively as "**Franchise Standards**").

| Location | Franchise Number | Date of License Agreement |
|---|---|---|
| Alexandria | 928 | December 1st, 2018<br>(Current; original dates back to 1994) |
| Hawkesbury | 1001 | July 14, 2015 |
| Hawkesbury | 3413 | December 1st, 2019 |
| L'Orignal | 9241 | March 16, 2020 |
| Vankleek Hill | 8358 | November 6, 2020 |
| Dunvegan | 2574 | December 1st, 2020 |

7. The key monetary obligations of the Company pursuant to the Franchise Agreements include weekly service fees, monthly advertising levies, transaction fees, gift card fees, and credit card transaction fees (collectively, "**Royalties**"), each calculated as a percentage of gross sales.

### B. The Company's 156 Employees

8. The Company employs approximately 156 employees. The Company's weekly payroll totals approximately $83,171.20.

9. The Company's employees include approximately 109 full-time employees, 41 part-time employees, and 41 temporary foreign workers. 145 of the Company's employees work in one or more Restaurant locations serving customers, preparing food, maintaining premises, and managing local operations. Five (5) persons are employed at the Company's head office and involved in,

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among other things, macro-management, marketing, operations, bookkeeping, accounting, and human resources. The Company's employees are more specifically grouped as follows.

| Location | Full-Time Employees | Part-Time Employees | Temporary Foreign Workers |
|---|---|---|---|
| Hawkesbury (1001) | 18 | 14 | 5 |
| Alexandria | 19 | 4 | 19 |
| Hawkesbury (3413) | 19 | 5 | 8 |
| L'Orignal | 10 | 6 | 3 |
| Vankleek Hill | 16 | 9 | 8 |
| Dunvegan | 22 | 3 | 15 |
| Corporate/HQ | 5 | - | - |
| **Total** | **109** | **41** | **41** |

### C. Landlords

10. Four of the six Restaurants are operated from premises leased or subleased from the Franchisor. The other two Restaurants are operated from premises respectively leased from an arm's length third party, Parkland Fuel Corporation, and from P.G.B. Estate Developments Inc. ("**PGB**"), a corporation of which I am the principal. The leases, and the approximate total monthly net rent payable, are described in the table below.

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| Location | Landlord | Approx. Total Monthly Rent |
|---|---|---|
| Hawkesbury (1001) | 26333344 Quebec Inc. (Head landlord); Franchisor (Sublandlord) | $23,037 + HST |
| Alexandria | Franchisor | $23,825 + HST |
| Hawkesbury (3413) | Franchisor | $17,559 + HST |
| L'Orignal | Parkland Fuel Corporation | $9,577 + HST |
| Vankleek Hill | PGB | $17,793 + HST |
| Dunvegan | Franchisor | $23,220 + HST |
| | **Total:** | **$115,011 + HST** |

**D. Suppliers**

11. The Company's main supplier is the Franchisor, from whom the Company acquire most food products and restaurant operation consumables pursuant to Franchise Standards. This includes a large array of products and items including, for example, coffee and beverage inputs, pre-baked goods and dough mixes, produce, meats and eggs, sauces, frozen foods, packaging and disposables, uniforms, signage, furniture, fixtures, décor, technology and point-of-sale systems, retail consumer products, and more.

12. The Company acquires approximately $729,600 worth of products from the Franchisor every month across the six Restaurants, including approximately $60,000 for the L'Orignal location, $95,470 for the Vankleek Hill location, $122,790 for the Hawkesbury (#3413) location, $141,610 for the Dunvegan location, $153,170 for the Alexandria location, and $156,560 for the Hawkesbury (#1001) location.

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13. Other key suppliers of the Company include Natrel, from whom the Company procures approximately $61,620 of dairy products per month, as well as suppliers of utilities, insurance and waste disposal services, representing total monthly expenses of approximately $36,117.

14. The economic ripple effects of the Company's operations, including in terms of downstream supplies and indirect employment, are significant. The Franchisor procures its own stock from numerous suppliers across Ontario, Quebec, the rest of Canada, and the United States. Accordingly, while the Franchisor represents a single supplier from the Company's perspective, the underlying supply chain encompasses a broad range of stakeholders across Canada.

15. The table below summarizes approximate total monthly supplier payments the Company makes for each Restaurant.

| **Location (Franchise Number)** | **Approx. Total Monthly Supplier Payments** |
|---|---|
| Hawkesbury (1001) | $183 072 |
| Alexandria (928) | $181 621 |
| Hawkesbury (3413) | $142 955 |
| L'Orignal (9241) | $81 983 |
| Vankleek Hill (8358) | $142 807 |
| Dunvegan (2574) | $164 424 |
| **Total:** | **$896,862** |

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## III. FINANCIAL POSITION

### A. Assets

16. Pursuant to the Company's most recent financial statements, prepared as of October 31, 2025 by Lévesque Marchand Welsh s.e.n.c.r.l. (the "**2025 FS**"), the Company's assets total $4,485,829 comprising, among other things, accounts receivable ($25,881), inventories ($86,994), related party loans receivable ($2,345,726), other loan receivable ($426,500), leasehold improvements, equipment and similar asset classes ($1,413,728), and other assets ($90,831). In particular, the net book value of the Company's equipment and leasehold improvements, including accumulated amortization, is $579,344 and $750,634, respectively. A copy of the 2025 FS is appended as **Exhibit "B"** hereto.

### B. Liabilities

17. The Company's key creditors include CRA, The Bank of Nova Scotia ("**BNS**") and the Franchisor, as described below.

#### i. Potential Deemed Trust Liability

18. I am advised by the Proposal Trustee that on September 2, 2026, CRA filed a proof of claim including a claim of $337,789.85 on account of unremitted employee source deductions. A copy of the CRA proof of claim (the "**CRA PoC**") is appended as **Exhibit "C"** hereto.

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ii. Secured Liabilities

*Summary of PPSA Registrations*

19. The table below summarizes PPSR registrations in respect of the Company as of September 13, 2026, ordered by date. The claims underlying each registration are discussed further below. A copy of PPSR search results for the Company, current as of September 13, 2026 (the "**PPSA Search Results**"), is appended as **Exhibit "D"** hereto.

| **Secured Party** | **Date of Registration** | **Collateral Classifications** |
|---|---|---|
| Bank of Nova Scotia | 2018-07-09 | Inventory, Equipment, Accounts, Other, Motor Vehicle Included |
| Franchisor | 2019-11-29 | Inventory, Equipment, Accounts, Other |
| Franchisor | 2020-02-12 | Inventory, Equipment, Accounts, Other |
| Business Development Bank of Canada | 2020-10-16 | Inventory, Equipment, Accounts, Other, Motor Vehicle Included |
| Franchisor | 2020-12-30 | Inventory, Equipment, Accounts, Other |
| Ford Credit Canada Leasing | 2023-04-24 | Equipment, Other, Motor Vehicle Included (2023 Ford Explorer) |
| Franchisor | 2025-08-28 | Inventory, Equipment, Accounts, Other |
| Vault Credit Corporation | 2026-04-20 | Equipment, Other |
| Vault Credit Corporation | 2026-05-15 | Equipment, Other |
| Ministry of Finance | 2026-06-30 | Inventory, Equipment, Accounts, Other, Motor Vehicle Included<br>Limited to $57,521 |

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*BNS Secured Credit Facilities*

20. Pursuant to a Credit Facility Agreement dated July 18, 2025 entered into among the Company and BNS, BNS made available to the Company five (5) credit facilities, including:

a. an overdraft facility with an authorized amount of $250,000 for working capital and general corporate purposes;

b. a revolving term credit facility with an authorized amount of $1,350,000 for working capital and general corporate purposes;

c. a non-revolving term credit facility with an authorized amount of $420,506 to finance equipment, leasehold improvements, and franchise fees with respect to the opening of the Vankleek Hill Restaurant;

d. a non-revolving term credit facility with an authorized amount of $277,350 to finance equipment, leasehold improvements, and franchise fees with respect to the opening of the L'Orignal Restaurant; and

e. a non-revolving term credit facility with an authorized amount of $36,882 to finance the payment of specific corporate expenses.

21. BNS made other facilities available to the Company from time to time, including credit card facilities as well as Canada Emergency Business Account loans totalling the principal amount of $200,000.

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22. In connection with the BNS facilities, the Company executed security agreements granting BNS security interests in the Company's Property, which BNS registered pursuant to the *Personal Property Security Act* (the "**PPSA**") effective July 9, 2018, as set out in the PPSA Search Results (Exhibit "D").

23. The Company understands that BNS and the Franchisor entered into one or more priority agreement(s) whereby BNS's rights and security interests were given priority over the Franchisor's.

24. By letter dated August 17, 2026 (the "**BNS Demand Letter**"), BNS advised the Company that BNS considers the Company in default of its obligations and/or covenants to BNS, and that BNS demanded repayment in full of all the indebtedness of the Company to BNS by September 3, 2026, failing which BNS intended to enforce all security held by BNS. According to the BNS Demand Letter, the Company's indebtedness to BNS totals $1,084,676.59, plus accruing fees, interest and penalties.

25. Appended to the BNS Demand Letter is a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, dated August 17, 2026 (the "**BNS NITES**"). I am informed that but for the Company's filing a notice of intention to make a proposal ("**NOI**") pursuant to the *Bankruptcy and Insolvency Act* (Canada), the BNS NITES would have expired on or around August 27, 2026, from which date an NOI would not have stayed BNS from enforcing its security. A copy of the BNS Demand Letter and BNS NITES is appended as **Exhibit "E"** hereto.

26. I am informed by the Proposal Trustee that the Proposal Trustee requested a copy of all BNS loan and security documents from BNS's legal counsel to determine, with the assistance of

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independent legal counsel, the validity, enforceability and rank of BNS's security interests. To the best of my knowledge, BNS has not complied with the Proposal Trustee's request at this time.

*Franchisor Security*

27. Pursuant to the Franchise Agreements, the Company executed security agreements granting security interests to the Franchisor in the Company's Property as security for the Company's performance of Franchise Standards and other obligations to the Franchisor. The Franchisor registered security interests pursuant to the PPSA effective November 29, 2019, February 12, 2020, December 30, 2020, and August 28, 2025, as set out in the PPSA Search Results (Exhibit "D"). As mentioned above, the Company understands that BNS and the Franchisor entered into one or more priority agreement(s) whereby BNS's rights and security interests were given priority over the Franchisor's.

28. By letter dated August 11, 2026 (the "**TDL Demand Letter**"), TDL advised the Company that TDL considers the Company in default of its obligations to TDL pursuant to the Franchise Agreements, including for failing to pay amounts owed to CRA and for granting a security interest in the Company's Property in favour of Business Development Bank of Canada ("**BDC**") without the prior written consent of TD (the BDC security is discussed in further detail below).

29. TDL states in the TDL Demand Letter that TDL considers itself entitled to terminate the Franchise Agreements with immediate effect and without further opportunity to cure, however TDL granted the Company 30 days to remedy the defaults or otherwise present arrangements satisfactory to TDL before termination occurs. A copy of the TDL Demand Letter is appended as **Exhibit "F"** hereto.

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30. The Company is not aware of any default pay any Royalties or other monetary amount to the Franchisor pursuant to the Franchise Agreements. However, such defaults would likely occur in connection with any termination of the Franchise Agreements and/or a bankruptcy or liquidation of the Company such as pursuant to BNS's enforcement of its security.

*Other Secured Obligations*

31. The Company leases a Ford Explorer vehicle from Ford Credit Canada Leasing, who registered a security interest in the vehicle pursuant to the PPSA effective April 24, 2023, as set out in the PPSA Search Results (Exhibit "D").

32. Pursuant to certain credit agreements entered into among the Company and Vault Credit Corporation ("**Vault**"), Vault financed the Company's acquisition of restaurant equipment required pursuant to Franchise Standards. Vault registered security interests in the financed equipment pursuant to the PPSA effective April 20, 2026 and May 15, 2026, respectively, as set out in the PPSA Search Results (Exhibit "D").

33. I am informed by the Proposal Trustee that the Proposal Trustee intends to review the Ford and Vault loan and security agreements to determine, with the assistance of independent legal counsel, the validity, enforceability and rank of the respective security interests, including, among other things, whether same constitute purchase-money security interests pursuant to the PPSA.

34. By letter dated April 22, 2026, the Ontario Ministry of Finance ("**MoF**") advised the Company that the MoF had assessed the Company in default to pay Employer Health Tax amounts totalling $56,502.88, which were made payable in twelve (12) equal monthly payments of

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$6,015.01 starting on September 15, 2026. The MoF registered a security interest limited to the amount of $57,521 pursuant to the PPSA, effective June 30, 2026, as set out in the PPSA Search Results (Exhibit "D").

iii. Unsecured Liabilities

35. Pursuant to the CRA PoC (Exhibit "C"), CRA claims $1,270,675.98 on an unsecured basis, comprised of corporate income tax and excise tax. The Company's only other known unsecured creditor is the Company's external accountant, Lévesque Marchand Welch s.e.n.c.r.l., owed approximately $219,242.60 on account of unpaid invoices based on the Company's records as of filing the Company's NOI on August 26, 2026 (the "**Filing Date**").

36. The Company was current on rent and payroll as of the Filing Date.

37. The Company is working with the Proposal Trustee to identify any other unsecured creditor claims as of the Filing Date. The Company does not expect to identify significant unsecured creditor claims given among other things that (i) the Restaurants are operating in the normal course, including stable employee and supplier relationships; (ii) the Company's main supplier is the Franchisor and the Company has no knowledge or any missed Royalty payments to the Franchisor, nor does the TDL Demand Letter mention any amounts owing to the Franchisor; and (iii) the Company is not aware of any unsecured creditor demands or contract termination notices.

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iv. Key Contingent Liability: the BDC Secured Guarantee

38. Around November 2020, PGB undertook construction of a new building for the Company's upcoming Vankleek Hill Restaurant location. The work was originally self-funded by the Company and PGB.

39. Due to inflation and shortages in lumber and construction materials, total project costs were revised upward several times, ultimately reaching over $3 million, which is more than $1.2 million over the amount initially projected. Funding ran out during construction, delaying the Restaurant's opening which had a material adverse effect on the Company's revenues.

40. PGB and the Company sought financing to complete the construction as soon as possible. In the context of a global pandemic, financing options were limited and onerous. Ultimately, the only viable financing options which materialized within the necessary timeframe consisted of high-interest private loans combined with a BDC financing facility. Pursuant to the BDC facility, the Company was required to execute a guarantee in favour of BDC, secured by a general security interest over the Company's Property.

41. Such secured guarantee obligations constitute a contingent liability of the Company. At this time, BDC has not taken enforcement action against PGB or the Company.

42. I am informed by the Proposal Trustee that the Proposal Trustee intends to review the BDC loan and security documentation to determine, with the assistance of independent legal counsel, the validity, enforceability and rank of BDC's security interest.

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### C. Cash flow

43. The Company, under the supervision of the Proposal Trustee, prepared a 15-week cashflow forecast for the period from August 31, 2026 to December 13, 2026 (the "**Cash Flow Forecast**"). Pursuant to the Cash Flow Forecast, the Company forecasts total cash receipts of $5,480,775 and total disbursements of $5,641,999 over the forecast period. Key disbursements include payroll ($1,247,568) and Royalties ($2,788,379). I understand the Cash Flow Forecast will be appended to and described in a report of the Proposal Trustee, delivered separately (the "**First Report**").

44. The Company, in consultation with the Proposal Trustee, the Franchisor and BNS, may, in the future, explore interim financing opportunities among options that may be available to the Company to ensure appropriate funding, if necessary.

## IV. THE COMPANY'S FINANCIAL CHALLENGES

45. The Company attributes its current financial challenges to several factors and conditions. Described below are the key contributing factors.

### A. Rapid Initial Growth

46. The Company opened its first Tim Hortons location in 1994 in Alexandria, Ontario. After almost two decades of positive cashflow, the Company opened three additional locations between 2017 and 2019. In the second half of 2019, the Company planned to open a fifth location in March 2020 and was in discussions with the Franchisor regarding two additional locations. In early 2020, all arrangements necessary for the fifth location were in place, and the fifth Franchise Agreement was signed on March 16, 2020. As of early 2020, the Company was cashflow positive.

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### B. Material Adverse Effects of Pandemic and Decision to Pursue Expansion Plan

47. In early 2020, the COVID-19 pandemic reached Canada. On March 17, 2020 – the day after the fifth Franchise Agreement was signed – Ontario declared a provincial state of emergency, with widespread public health restrictions coming into effect.

48. The Company opted to carry out its expansion plans and proceeded to open its fifth, sixth and seventh Restaurants in 2020, proceeding on the expectation that the public restrictions and adverse economic effects of the COVID-19 pandemic would resolve in the short term.

49. The Company's assumption proved wrong. Among other things, the Canadian and Ontario governments maintained public restrictions for roughly 25 months through April 2022, causing significantly decreased in sales for an extended period. For example, one location, being a third Hawkesbury location which the Company does not operate anymore, suffered a 90% decrease in revenues and closed its doors around 2021.

### C. Denied Wage Subsidies

50. The Company applied for and initially benefitted from several economic assistance programs introduced by the federal and provincial governments to support qualifying businesses through the pandemic.

51. The Company suffered a material economic setback when it was informed, around 2021, that it had been disqualified from wage subsidies due to some of the Restaurants having technically "opened" during the pandemic, which was a disqualifying factor. As a result, the Company was denied more than $500,000 in wage subsidies, which had a material adverse effect on its finances.

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### D. Temporary Foreign Worker Housing Subsidies

52. The Company operates Restaurants in smaller Eastern Ontario communities, where population is low and recruiting employees is challenging. To meet its workforce requirements, the Company participates in Temporary Foreign Worker ("**TFW**") programs. In general, TFW programs connect foreign workers with Canadian employers, allowing foreign workers to live and work in Canada on a temporary basis. Employers who participate in TFW programs may be required to provide different forms of assistance, including language training and housing support, particularly where the employee is required to work in a smaller community or remote area.

53. That is the case of the Company, who is required to subsidize housing for its temporary foreign workers. To achieve this, the Company partners with PGB. Specifically, PGB buys or builds houses and apartments near the Restaurants, which the Company rents from PGB and subleases to temporary foreign workers, both at break-even rates.

54. As part of restrictions imposed in response to the COVID-19 pandemic, the Government of Canada significantly restricted TFW programs. As a result, the Company employs a lower number of temporary foreign workforce and some of the properties leased from PGB are under-utilized. The Company is working on streamlining its temporary foreign worker housing structure, however the Company may not unilaterally re-house its workers. While PGB did provide rent relief, the recent restrictions in TFW programs caused inefficiencies in the Company's housing subsidy program which had an adverse effect on its cash flow.

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### E. Delayed Restaurant Opening and BDC Guarantee

55. As described above, work stoppage in the construction of the Vankleek Hill Restaurant delayed the Restaurant's opening. PGB and the Company were compelled to finance the project's completion, pursuant to which the Company was required to execute a guarantee in favour of BDC, secured by a general security interest over the Company's Property. These events had a material adverse effect on the Company's cash flow and balance sheet, respectively.

### F. Inflation in Food Prices

56. It is well documented that food prices have undergone drastic inflation during and since the pandemic. However, higher food prices did not increase the Company's profits and, in fact, compressed margins.

57. Rising food prices increase the Franchisor's procurement costs, which in turn compels the Franchisor to increase the cost of products which the Company is required to acquire exclusively from the Franchisor pursuant to Franchise Standards. At the same time, the Company is not authorized to unilaterally adjust the price of items to restore profit margins. Rather, prices are set by the Franchisor pursuant to Franchise Standards. While prices are periodically adjusted, franchisees are informed that the Franchisor is presently unable to restore pre-inflation profit margins given market pressures including competition and consumer spending data.

### G. Delayed HST Remittances

58. Given the adverse impact of the foregoing circumstances, the Company was occasionally unable to fund operations and service its debt obligations from cashflow for certain periods. The

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Company was occasionally constrained to pay critical supplies – including *inter alia* payroll, food items and equipment repairs – instead of remitting HST at the prescribed time.

59. Delayed remittances were temporary, and the Company usually cured arrears during the following reporting periods. However, the exceptional persistence of the foregoing conditions – particularly compressed margins and reduced consumer spending over several years – exacerbated the Company's reliance on delayed HST remittances to preserve going-concern operations and meet Franchise Standards. In or around the year 2025, arrears began to accumulate.

### H. Trade Tensions and Economic Uncertainty

60. The recent trade tensions between Canada and the United States, including the imposition of tariffs and retaliatory measures, added to the Company's financial difficulties. Among other things, the Company continues to forecast lower sales as the prevailing economic uncertainty affects consumers. Given that the Franchisor imports numerous products required under Franchise Standards, including consumables and food products, the Company also expects the price and availability of supplies to be impacted.

## V. REASONS FOR NOI FILING: THREATENED ENFORCEMENT AND ADVERSE EFFECTS OF BUSINESS SHUTDOWN

61. In or before July 2026, the Company initiated focused discussions with the Franchisor and BNS regarding the Company's likely need to implement a financial restructuring to streamline its balance sheet and maximize value for stakeholders, including the Franchisor and secured creditors.

62. In August 2026, the Company received demands from the Franchisor and BNS, as described above. In particular, pursuant to the TDL Demand Letter dated August 11, 2026, the

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Franchisor advised the Company that, unless all HST arrears were cured and the BDC security was discharged within 30 days, the Franchisor would consider itself entitled to terminate the Franchise Agreements with immediate effect. Moreover, pursuant to the BNS Demand Letter and BNS NITES dated August 17, 2026, BNS demanded payment of $1,084,676.59 plus accruing fees, interest and penalties by September 3, 2026, failing which BNS intended to enforce its security.

63. The Company was unable to comply with the Franchisor's and BNS's demands within the allotted time. Notwithstanding ongoing discussions, the Company legally faced imminent creditor enforcement and franchise terminations, which would have material adverse effects on stakeholders, including, without limitation:

a. loss of employment for some or all of the Company's 156 employees, many of whom occupy lower-wage positions and could therefore face heightened financial hardship from sudden unemployment;

b. potential visa, residence, work authorizations and immigration repercussions for the Company's 41 temporary foreign workers;

c. loss of value for the Franchisor in the form of loss of revenues from Royalties and supply sales;

d. further loss of value for the Franchisor in terms of the negative effects of the Company's failure on market perception, investor confidence and the Franchisor's ability to attract and retain franchisees, among other things;

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e. losses for the landlords, 26333344 Quebec Inc., the Franchisor, Parkland Fuel Corporation and PGB, including lost rent payments and the cost of work required to reconfigure the premises to attract and accommodate replacement tenants; and

f. losses for non-Franchisor suppliers of goods and services, including many small, local businesses.

64. In addition, I am advised and verily believe that conventional security enforcement, including the appointment of a receiver, may or would result in suboptimal recoveries for secured creditors including BNS, CRA, and the MoF, given that a bankruptcy or liquidation typically generates lesser realizations than a turnkey transaction for a revenue-generating business in possession of its operations.

65. Accordingly, the Company, in consultation with the Proposal Trustee, elected to file an NOI on August 26, 2026 to provide the Company with the breathing room necessary to formulate and implement a going-concern restructuring with a view to maximizing value for creditors and preserving going-concern economic relationships.

## VI. RESTRUCTURING PLAN AND STATUS OF RESTRUCTURING EFFORTS

66. The Company's restructuring plan includes:

a. the sale of at least three Restaurants as turnkey, going-concern operations;

b. the distribution of proceeds of sale to creditors, including BNS, CRA, MoF and the Franchisor, as applicable; and

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c. with the assistance of the Proposal Trustee, identifying cost-cutting opportunities and implementing right-sizing initiatives to improves cashflow in the immediate and short term. Such measures may include, without limitation, reorganizing employee shifts, deferring non-critical maintenance and improvements, renegotiating or terminating unfavourable third-party contracts, seeking lower-cost options for services and supplies, eliminating discretionary expenses, limiting my personal compensation, improving inventory management, and seeking rent relief.

67. In furtherance of its restructuring plan, the Company has acted in good faith and with due diligence, including, but not limited to, after the Filing Date. Among other things, at this early stage of the NOI process, the Company achieved the following:

a. retained the Proposal Trustee on or around August 20, 2026;

b. filed the NOI on August 26, 2026;

c. prepared the Cash Flow Forecast with the assistance of the Proposal Trustee;

d. retained experienced insolvency and restructuring legal counsel on or around September 10, 2026;

e. organized and provided the Proposal Trustee and counsel all documents, information and analyses required by them in connection with their review of, *inter alia*, the Company's key contracts, assets, liabilities, cash flow, creditors, landlords, suppliers, employees, stakeholders, operations, cash management system, financial challenges, restructuring plan, and pre-filing discussions with creditors and stakeholders;

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f. with the assistance of the Proposal Trustee, engaged in discussions with the Franchisor and BNS, including without limitation with respect to the NOI proceedings, the Company's financial position, the Company's restructuring plan, and the relief sought on this motion, including without limitation the Administration Charge;

g. with the assistance of the Proposal Trustee, engaged in initial discussions with the Franchisor and BNS regarding the development of an effective and efficient sale and investment solicitation process (the "**SISP**") that, among other things, leverages the Franchisor's established franchise transfer processes and the Franchisor's extensive network of prospective buyers, including existing and new franchisees; and

h. with the assistance of counsel, prepared detailed motion materials for the Court's and stakeholders' review.

68. Should the Court grant the Company's request to extend the Stay Period, the Company intends to develop, in consultation with the Franchisor, the Proposal Trustee and BNS, the terms of a SISP, and bring a motion for the Court's approval of same as soon as possible and in any event within the current extension of the Stay Period.

## VII. RELIEF SOUGHT

### A. Administration Charge

69. The Company seeks the approval of the Administration Charge over the Company's Property as security for the Company's payment of the professional fees and disbursements of the

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Proposal Trustee, the Proposal Trustee's independent counsel, and counsel to the Company, including without limitation in regard to the development, approval and completion of the SISP.

70. The Proposed Administration Charge shall rank in priority to all Encumbrances and will be limited to the maximum amount of $250,000, unless increased pursuant to further order of the Court which, if at all necessary, shall only be sought pursuant to a motion brought on appropriate notice to all creditors. The Proposal Trustee supports the approval and quantum of the Administration Charge.

71. The Company has relied upon and requires the continued support of each of the Professionals to undertake these NOI proceedings and to develop and implement a viable restructuring plan, including the completion of the SISP, any resulting transaction(s), and the administration of the insolvency process, among other things. These NOI proceedings, the SISP and the applicable Court applications are complex undertakings for which the engagement of experienced Professionals is necessary. Accordingly, the Professionals have contributed, and will continue to contribute, significant value to stakeholders, including but not limited to secured creditors, the Franchisor, employees, and landlords.

72. As more fully appears from the Cash Flow Forecast, the Company faces significant liquidity pressure and is required to finance part of the payment of the Professionals' fees and disbursements in a manner that is reasonable and acceptable to the Professionals. At this initial stage, the Company is not proposing to finance the payment of restructuring costs through interim financing. Rather, the Professionals are prepared to extend credit to the Company, provided that

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the Court grants an appropriate and sufficient Administration Charge in the maximum initial amount of $250,000.

73. I am advised, and verily believe, that the involvement of experienced professionals is necessary to any insolvency process, including these NOI proceedings and secured creditor enforcement processes. Given the Company's cash flow, I am advised and believe that any such process will require first-ranking security for payment of professional costs.

74. The professionals whose fees are proposed to be secured by the Administration Charge include a leading Ottawa-based law firm as the Company's counsel, a recognized mid-market licensed insolvency trustee firm as the Proposal Trustee, and a national law firm as the Proposal Trustee's independent legal counsel. Those Professionals have a discrete role, and there is no unnecessary overlap. Moreover, the Company believes that the Professionals have put forward appropriate and proportionate cost structures in the circumstances, it being understood that the Professionals' expertise is rare and specialized and that the Company's restructuring is a complex undertaking that is expected to require significant professional involvement.

75. The Company worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge. Based on those discussions, the Company believes that the quantum of the Administration Charge is fair and reasonable in the circumstances as it is commensurate with the expected work required in connection with the SISP and the Company's restructuring proceedings, subject to re-evaluation in consultation with all appropriate stakeholders if this proves necessary. For reference, the proposed quantum of the Administration Charge represents approximately 5.57% of the value of the Company's assets and 4.56% of the Company's revenues over the

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upcoming 15-week period as forecasted in the Cash Flow Forecast, which the Company submits is proportional and reasonable in the circumstances.

76. I am advised that the Proposal Trustee met with the Franchisor and BNS's legal counsel in the week of September 14, 2026, at which time the Proposal Trustee advised the Franchisor and BNS that the Company intended to seek the Court's approval of an Administration Charge on a motion returnable September 25, 2026 and that the Company and the Proposal Trustee were in the process of determining the initial amount of the Administration Charge. I am advised by the Proposal Trustee that the Franchisor did not advise of any opposition. I further understand that the Proposal Trustee and my counsel intend to engage in further discussions with BNS prior to the return of this motion regarding the Administration Charge.

77. I understand that the Proposal Trustee supports the approval and quantum of the Administration Charge for those reasons and the further and other ones set out in the First Report.

78. Accordingly, the Company respectfully request the Court's approval of the Administration Charge.

**B. Extension of Stay Period**

79. The Company filed an NOI on August 26, 2026. I am advised that the initial Stay Period expires 30 days thereafter, on September 25, 2026, being the day on which this motion is returnable. The Company seeks to extend the Stay Period by 45 days to and including Monday, November 9, 2026. This would be the first extension.

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80. During the extended Stay Period, the Company intends to continue to operate the Restaurants in the normal course and in accordance with the Cash Flow Forecast, under the supervision of the Proposal Trustee. The Company intends to develop the terms of a SISP in consultation with the Franchisor, the Proposal Trustee and BNS, and to bring a motion for the Court's approval of same as soon as possible and in any event within the current extension of the Stay Period.

81. The Company is acting with due diligence and in good faith, and I do not believe that any creditor could or will be materially prejudiced by the extension requested. To the contrary:

a. I am advised that non-extension of the Stay Period would cause the Company to automatically become bankrupt, which would bring about the disruption and prejudice described above at paragraph 63;

b. the Company believes that developing and performing the SISP, among other restructuring initiatives, is in the interest of all stakeholders, including, but not limited to, employees, landlords, BNS, and the Franchisor;

c. the extension of the Stay Period will provide the Company with the time to implement a viable restructuring plan which is intended to preserve the value of the Company and maximize recovery for creditors, including pursuant to a viable proposal.

82. I understand that the Proposal Trustee supports the extension for those reasons and the further and other ones set out in the First Report.

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**SWORN BEFORE ME**: in person [x] by video conference

by **PAUL BURKE** at the City of Alexandria, in the Province of Ontario, before me in the City of Ottawa, in the Province of Ontario, on September 21, 2026 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.

Commissioner for Taking Affidavits *(or as may be)*

Signed by:
Joyce Chen
5DA6A4B6E0CA4BB...

Signature of Commissioner *(or as may be)*

DocuSigned by:
D2824B3E4514447...

Signature of Deponent

Docusign Envelope ID: C24F95CE-8A28-87D0-8397-A25596DE383E



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

Court File No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

**AFFIDAVIT OF PAUL BURKE**
**(sworn September 21, 2026)**

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

**Joël Turgeon** LS#: 80984R
jturgeon@perlaw.ca
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Lawyers for M.G.B. Ventures Inc.

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This is Exhibit "B" referred to in the Affidavit of Paul Burke sworn before me on October 29, 2026.

Signed by:
Joyce Chen
5DA6A4B6E0CA4BB...

A commissioner, etc.

Docusign Envelope ID: C24F95CE-8A28-87D0-8397-A25596DE383E



Court File No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

| | | |
|---|---|---|
| THE HONOURABLE | ) | FRIDAY , THE 25TH |
| | ) | |
| JUSTICE M. SMITH | ) | DAY OF SEPTEMBER 2026 |

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

**ORDER**

**THIS MOTION** made by M.G.B. Ventures Inc. (the "**Company**"), for an order to (i) extend the time to file a proposal by 45 days to and including Monday, November 9, 2026; and (ii) grant a charge in the maximum amount of $75,000 (the "**Administration Charge**") over the Companies' current and future assets, properties and undertakings (collectively, the "**Property**"), ranking in priority to all security interests, trusts and other encumbrances ("**Encumbrances**"), as security for the Companies' payment of the professional fees and disbursement of Albert Gelman Inc. in its capacity as proposal trustee to the Company (in such capacity, the "**Proposal Trustee**"), the Proposal Trustee's independent counsel, and counsel to the Companies (collectively, the "**Professionals**");

**ON READING** the affidavit of Paul Burke sworn on Monday, September 21, 2026 and the exhibits thereto.

Docusign Envelope ID: C24F95CE-8A28-87D0-8397-A25596DE383E



**ON HEARING** the submissions of counsel for the Companies, counsel for the Proposal Trustee, and no one else appearing for any other person although duly served.

**EXTENSION OF TIME**

1. **THIS COURT ORDERS** that the time for the Company to make a proposal to creditors, and the time for the Proposal Trustee to file such a proposal with the official receiver, is extended by 45 days up to and including Monday, November 9, 2026, in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").

**ADMINISTRATION CHARGE**

2. **THIS COURT ORDERS** that the Professionals shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company, as and when same becomes due. The Company is hereby authorized and directed to pay the accounts of the Professionals on a bi-weekly basis and, in addition, the Company is hereby authorized, *nunc pro tunc*, to pay to the Professionals such reasonable retainer amounts as they may require, to be held by the Professionals as security for payment of their respective fees and disbursements outstanding from time to time.

3. **THIS COURT ORDERS** that the Proposal Trustee and counsel to the Proposal Trustee shall pass their accounts from time to time, and for this purpose such accounts are hereby referred to a judge of the East Region Commercial List of the Ontario Superior Court of Justice.

4. **THIS COURT ORDERS** that the Professionals are entitled to the benefit

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of and are hereby granted the Administration Charge, which shall not exceed an aggregate amount of $75,000 unless permitted by further order of this court, on all of the Property, as security for payment of their professional fees and disbursements incurred at the standard rates and charges, both before and after the making of this Order, in respect of these proceedings and any subsequent bankruptcy, receivership or other proceeding pursuant to the BIA.

5. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any Encumbrance, right, title or interest filed, registered, recorded or perfected prior to or subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

6. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other Encumbrances in favour of any Person.

7. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, the Administration Charge, unless the Company also obtains the prior written consent of the Professionals or a further Order of this Court.

8. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Professionals

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thereunder shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement: (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Company of any Agreement to which they are a party; (b) the Professionals shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and (c) the payments made by the Company pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

9. **THIS COURT ORDERS** that the Administration Charge shall, with respect to leases of real property in Canada, shall only be a charge in the Company's interest in such real property leases.

**GENERAL**

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order, without the need for entry

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and filing, but the Company shall use best efforts to enter and file a copy of this Order in the consolidated Court file for these proceedings as soon as reasonably practicable.

Order issued and entered on September 25th, 2026

JUSTICE M. SMITH

Docusign Envelope ID: C24F95CE-8A28-87D0-8397-A25596DE383E



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

Court File No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

**ORDER**
**(Extension of time to file proposal and Administration Charge)**

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

**Joël Turgeon** LS#: 80984R
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Lawyers for M.G.B. Ventures Inc.

Docusign Envelope ID: C24F95CE-8A28-87D0-8397-A25596DE383E



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

Court File No. BK-24-03134118-0033
Estate No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

# AFFIDAVIT OF PAUL BURKE
**(sworn October 29, 2026)**

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

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Lawyers for M.G.B. Ventures Inc.

# TAB 3 –

# DRAFT ORDER

Court File No. BK-24-03134118-0033
Estate No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

| | | |
|---|---|---|
| THE HONOURABLE | ) | MONDAY, THE 9TH |
| | ) | |
| JUSTICE KERSHMAN | ) | DAY OF NOVEMBER 2026 |

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

**ORDER**

**THIS MOTION** made by M.G.B. Ventures Inc. (the "**Company**"), for an order to (i) extend the time to file a proposal by 45 days up to and including Thursday, December 24, 2026; (ii) increase to $250,000 the maximum amount of the Administration Charge, as that term is defined in the Order of the Honourable Justice M. Smith made in this Court File No. BK-24-03134118-0033 as of September 25, 2026 (the "**Administration Charge Order**"); (iii) approve the First Report of Albert Gelman Inc. in its capacity as proposal trustee of the Company (in such capacity, the "**Proposal Trustee**") dated September 22, 2026 (collectively with appendices thereto, the "**First Report**") and the Second Report of the Proposal Trustee dated October 29, 2026 (collectively with appendices thereto, the "**Second Report**" and together with the First Report, the "**Reports**"); and (iv) approve the fees and disbursements of the Proposal Trustee and its independent legal counsel, Miller Thomson LLP ("**MT**"),as described in the Second Report, including in the fee affidavits of Tom McElroy sworn _____ and Kim

Sellers sworn _____ (together, the "**Fee Affidavits**"), was heard this day by videoconference in Ottawa, Ontario;

**ON READING** the Reports and the affidavit of Paul Burke sworn on October 28, 2026 and the exhibits thereto;

**ON READING** the affidavit of service of _____ sworn _____ and the exhibits thereto;

**ON HEARING** the submissions of counsel for the Company, counsel for the Proposal Trustee, and counsel for _____ , no one else appearing for any other person although duly served;

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the notice of motion and all materials filed in respect of this motion is abridged and validated so that this motion is properly returnable today, and dispenses with further service thereof.

**EXTENSION OF TIME**

2. **THIS COURT ORDERS** that the time for the Company to make a proposal to creditors, and the time for the Proposal Trustee to file such a proposal with the official receiver, is extended by 45 days up to and including Thursday, December 24, 2026, in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada).

**ADMINISTRATION CHARGE**

3. **THIS COURT ORDERS** that the maximum amount of the Administration Charge, as that term is defined in the Administration Charge Order, is hereby increased to $250,000, and paragraph 4 of the Administration Charge Order as well as the first recital of the Administration Charge Order are hereby amended, *nunc pro tunc*, to change the reference to the amount of "$75,000" to "$250,000", and, for the avoidance of doubt, the terms of the Administration Charge Order are otherwise unchanged and the Administration Charge Order remains valid and enforceable in accordance with its terms.

**APPROVAL OF PROPOSAL TRUSTEE'S REPORTS, FEES AND ACTIVITIES**

4. **THIS COURT ORDERS** that the Reports and the activities, conduct and decisions of the Proposal Trustee described therein are hereby approved, provided, however, that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the professional fees and disbursements of the Proposal Trustee and MT, as set out in the Second Report and in the Fee Affidavits, be and are hereby approved.

6. **THIS COURT ORDERS** that this Order is effective from the date it is made and is enforceable without the need for entry and filing.

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

Court File No. BK-24-03134118-0033
Estate No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

**ORDER**
**(Extension of Time and Administration Charge)**

**Perley-Robertson, Hill & McDougall LLP/s.r.l.**
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF M.G.B. VENTURES INC.**

Court File No. BK-24-03134118-0033
Estate No. 33-3415664

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(EAST REGION COMMERCIAL LIST)**

Proceeding commenced at Ottawa

# MOTION RECORD
**(Returnable November 9, 2026)**

**Perley-Robertson, Hill & McDougall LLP/s.r.l.**
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Ottawa, ON K1R 0A5

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Lawyers for M.G.B. Ventures Inc.