

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

B E T W E E N:

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and
2473441 ONTARIO INC.**

Applicants

- and -

2244039 ONTARIO INC. and 1526400 ONTARIO INC.

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**AIDE MEMOIRE OF THE RECEIVER
(MOTION FOR DISCHARGE, RET. JUNE 16, 2025)**

June 13, 2025

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry (LSO# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Lawyers for the Receiver

PART I. OVERVIEW

1. This motion is brought by Albert Gelman Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of all property, assets, and undertakings of 2244039 Ontario Inc. (“**224Co.**”) and 1526400 Ontario Inc. (“**152Co.**” and with 224Co., the “**Debtors**”).
2. The Receiver was appointed in December, 2022 and has now substantially completed its mandate, having closed on sales of the real property owned by the Debtors and having assigned both Debtors into bankruptcy under the *Bankruptcy and Insolvency Act*, all pursuant to various Court orders, among other things.
3. The Receiver now brings this motion seeking its discharge as Receiver subject to completing certain minor activities and filing a certificate with the Court confirming same.
4. To the Receiver’s knowledge, the motion is unopposed and the relief sought is routine.
5. As such, the Receiver files this brief Aide Memoire to summarize the background of the motion and the relief sought, all of which is described in more detail in the Receiver’s Third Report filed on this motion (the “**Third Report**”).

PART II. FACTS

A. *Background*

1. **Appointment of Receiver and sales process**

6. The Receiver was appointed on December 13, 2022 at the instance of secured lenders of the Debtors who held first and second mortgages on a pair of real properties owned by the Debtors, at 35 Cherrycrest Road, Brampton, Ontario (the “**Cherrycrest**”).

Property") and 12016 Airport Road, Caledon, Ontario (the "**Airport Road Property**") (collectively, the "**Properties**").

7. After a sale and marketing process, the Court made Orders on July 19, 2023 approving the sale of each of the Properties, as well as an Order approving the Receiver's activities and certain interim distributions.

8. The sale of the Airport Road Property closed on July 31, 2023 and the sale of the Cherrycrest Property closed on August 31, 2023.

2. Assignments into bankruptcy

9. Following the close of the transactions, the Receiver determined that both Debtors were insolvent in light of various obligations arising out of income tax, HST, and payroll deductions.

10. As such, on November 29, 2023, on the Receiver's motion, the Court made an Order authorizing the Receiver to assign both Debtors into bankruptcy. The assignment occurred on December 1, 2023.

11. The Receiver conducted various other administrative activities in respect of the Debtors' affairs, all as summarized in more detail in the Third Report, such as corresponding with the CRA, filing tax returns and interim reports under the *Bankruptcy and Insolvency Act*.

3. Cash on hand and obligations owing

12. The two secured lenders have been repaid in full from the proceeds of the real estate transactions. No other secured lenders exist to the Receiver's knowledge.

13. The sole remaining assets of the Debtors are the residual proceeds of those transactions, which the Receiver is holding in trust, in the aggregate amount of \$800,274 as of June 2, 2025.

14. The CRA has filed unsecured claims against the Debtors in the bankruptcy in the aggregative amount of \$1,481,055.64. The Receiver is not aware of any other material unsecured creditors other than the CRA.

15. The Receiver and its legal counsel have filed fee affidavits on this motion for the period from approximately October, 2023 to May, 2025. The Receiver's fees total \$94,965.20 inclusive of tax; its counsel's fees are \$13,232.96 inclusive of tax.

16. The Receiver's final statement of receipts and disbursements (Appendix H to the Third Report) sets out an estimated further accrual of \$47,460 inclusive of tax through to the completion of its mandate, inclusive of counsel's fees and administrative disbursements (the "**Estimated Fee Accrual**").

17. Shortly following the finalization of the Third Report, the Receiver received the final remaining HST refund from the CRA in respect of 152Co.

B. Discharge of Receiver

18. The Receiver's remaining duties are as follows:

- (a) pay the final fees of the Receiver and counsel to the Receiver, including as set out in the Estimated Fee Accruals;
- (b) transfer the remaining funds in the Receiver's trust accounts to the bankruptcy estate trust accounts for both Debtors; and

- (c) undertake such other administrative activities as may be required to complete its mandate (collectively, the “**Remaining Activities**”).

19. As the Receiver’s administration is substantially complete, the Receiver is seeking an order discharging Albert Gelman Inc. as Receiver upon the filing by the Receiver of a certificate confirming that the Receiver has completed the Remaining Activities, with the provision that Albert Gelman Inc. may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

PART III. ISSUES

20. The Receiver’s motion raises the following two legal issues, both of which should be answered in the affirmative:

- (a) should the Court approve the discharge and release of the Receiver?; and
- (b) should the Third Report, the activities of the Receiver set out therein, and the fees of the Receiver and its counsel be approved?

PART IV. LAW

A. The Court should approve the discharge of the Receiver

21. The Receiver has successfully sold the Properties and distributed the proceeds of the same. Accordingly, the Receiver has substantially completed its mandate as set out in the Receivership Order.

22. As a result, the Receiver submits that it should be discharged and released following its completion of the Remaining Activities.

23. The Receiver also seeks a release from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver, save and except for any gross negligence or willful misconduct on the part of the Receiver.

24. The release is a standard term and mirrors the language used in the Commercial List model discharge order. The case law recognizes that “in the absence of any evidence of improper or negligent conduct, the Release should issue.”¹ There is no evidence or suggestion of improper or negligent conduct by the Receiver and, accordingly, the requested release should be granted.

B. The Activities and Fees of the Receiver Should be Approved

25. The Receiver submits that the Third Report, and its activities set out therein, should be approved. Since the approval of the Second Report, the Receiver has:

- (a) made a final distribution to the two secured lenders, resulting in a full repayment of the secured indebtedness;
- (b) assigned both Debtors into bankruptcy;
- (c) filed interim reports under s. 246(2) of the *Bankruptcy and Insolvency Act*;
- (d) completed and filed T2 corporate income tax returns for the year ended November 20, 2023 for both Debtors;
- (e) responded to information requests from the CRA; and

¹ *Pinnacle v Kraus*, [2012 ONSC 6376](#) at para 47.

(f) prepared this Third Report.²

26. These activities have been for the benefit of the stakeholders of the Debtors and, accordingly, this Court should approve them.

27. The Receiver and its counsel have incurred fees in connection with these activities, as set out in the Third Report and the fee affidavits thereto. Those fees were all incurred in furtherance of the Receiver's duties and powers under the initial appointment order, and for the benefit of the Debtors' stakeholders as a whole. The amounts claimed are reasonable and should be approved, including the estimated fees of the Receiver and its counsel through to the Receiver's contemplated discharge.³

PART V. ORDER REQUESTED

28. The Receiver respectfully requests that this Court make an order in the form of the draft discharge order filed by the Receiver.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 13th day of June, 2025.



Jeffrey Larry/Daniel Rosenbluth

² See Third Report at paras. 19 and following.

³ *Bank of Nova Scotia v. Diemer*, [2014 ONCA 851](#) at [paras. 33-35](#) for a description of the factors that Courts will consider in determining whether a Receiver's accounts are fair and reasonable.

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