

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

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

**2011836 ONTARIO CORP., JEFFERSON PROPERTIES LIMITED PARTNERSHIP,
1000162801 ONTARIO CORP., AMERICAN CORPORATION
and 1000199992 ONTARIO CORP.**

Respondents

IN THE MATTER OF AN APPLICATION UNDER 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

FACTUM OF THE RECEIVER (APPROVAL AND VESTING ORDERS)

January 23, 2026

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Lawyers for the Receiver, Albert Gelman Inc.

TO: Service List

PART I. OVERVIEW

1. In this Motion, Albert Gelman Inc. (“**AGI**”), the receiver and manager (in such capacity, the “**Receiver**”) of 2011836 Ontario Corp. (“**201**”) and Jefferson Properties Limited Partnership (“**JPLP**” and, together with 201, the “**Debtors**”) seeks the following relief to facilitate the Receiver’s efforts to realize upon the Debtors’ primary asset: condominium units in the Richmond Hill Grace project (the “**Project**”):

(a) Nine approval and vesting orders (collectively, “**AVOs**” and, individually, an “**AVO**”):

(i) approving the Transactions and the Pre-Receivership Agreements (as defined below);

(ii) following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to a given AVO, transferring and vesting all of the Debtors’ right, title and interest in and to the relevant Pre-Receivership Unit in the relevant purchaser(s), free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;

(b) An Order approving Eighth Report of the Receiver dated January 14, 2026 (the “**Eighth Report**”); and

(c) An Order sealing the Confidential Appendices to the Eight Report.

2. The Receiver recommends that the Court grant this relief which is, in the Receiver’s view, in the best interests of the Debtors’ stakeholders.

PART II. FACTS

A. Background

3. On December 21, 2023, Justice Cavanagh appointed AGI as Receiver of the Debtors.¹ JPLP is a limited partnership established for the purpose of constructing the Project located at real property municipally known as 39, 53 and 67 Jefferson Side Road, Richmond Hill, Ontario (the “**Real Property**”).²

4. The Project is located at the Real Property and consists of 96 residential units, being 60 stacked condominium townhome units (the “**Stacked Units**”) and 36 freehold townhome units (the “**Freeholds**”) and, together with the Stacked Units, the “**Units**”).³

5. The Project is now substantially complete and the Receiver has commenced the marketing of the Units for sale pursuant to a sales process approved by the Court.⁴

B. The Pre-Receivership Agreements

6. There are currently nine Units that are subject to agreements of purchase and sale (collectively, the “**Pre-Receivership Agreements**” and, individually, a “**Pre-Receivership Agreement**”) that pre-date the appointment of the Receiver.⁵

7. The purchasers under Pre-Receivership Agreements are hereinafter referred to as “**Pre-Receivership Purchasers**” and the Units described in the Pre-Receivership Agreements are hereinafter referred to as the “**Pre-Receivership Units**.”

¹ Appointment Order, Appendix A to the Eighth Report, Receiver’s Motion Record (“**RMR**”), Tab 2, p. 30 ([E16304](#)).

² Eighth Report at para. 1, RMR, Tab 2, p. 11 ([E16285](#)).

³ Eighth Report at paras. 6-8, RMR, Tab 2, p. 13 ([E16287](#)).

⁴ Eighth Report at paras. 9-12, RMR, Tab 2, p. 13 ([E16287](#)).

⁵ Eighth Report at para. 13, RMR, Tab 2, p. 13 ([E16287](#)).

8. The transactions contemplated by the Pre-Receivership Agreements are hereinafter referred to collectively as the “**Transactions.**”

9. The Receiver recommends that this Court approve the Pre-Receivership Agreements and grant AVOs vesting title to the Pre-Receivership Units in the relevant Pre-Receivership Purchasers, upon the closing of these Transactions and filing of the relevant Receiver’s certificate. The Receiver notes the following:⁶

- (a) To the best of the Receiver’s knowledge, the relationships between JPLP and the purchasers under the Pre-Receivership Agreements were arm’s length and the Pre-Receivership Agreements were the product of industry-standard marketing efforts for a single-family residential unit on behalf of JPLP;
- (b) The values of the Units subject to the Pre-Receivership Agreements exceed the Receiver’s estimates of the current market values of these Units, which estimates are set out in the Revised Target Price List, being Confidential Appendix 1 to the Second Supplement to the Sixth Report of the Receiver dated December 17, 2025;
- (c) The Receiver is of the view that, in all the circumstances, further marketing efforts in respect of the Pre-Receivership Units would be unlikely to generate a greater return for the Debtors’ stakeholders than the Pre-Receivership Agreements, taking into account:

⁶ Eighth Report at para. 20, RMR, Tab 2, pp. 16-18 ([E16290](#)).

- (i) the Receiver's estimate of the market value of the Pre-Receivership Units;
 - (ii) the professional fees associated with further marketing efforts; and
 - (iii) the continued accrual of interest on amounts owing to Cameron Stephens under the amounts lent by Cameron Stephens to the Receiver under the Receiver's Borrowing Charge (as defined in the Appointment Order). Such indebtedness can be reduced through the distribution of the proceeds of the Transactions to Cameron Stephens; and
- (d) In all the circumstances, the Pre-Receivership Agreements are commercially reasonable transactions and the Receiver is of the view that the Receiver's completion of the December AVO Agreements would be accretive to the estate of the Debtors and beneficial to their stakeholders.

PART III. STATEMENT OF ISSUES

10. This Motion raises the following issues:
- (a) Whether this Court should approve the Transaction and grant the AVOs;
 - (b) Whether this Court should seal the Confidential Appendices to the Eighth Report; and
 - (c) Whether this Court should approve the Receiver's conduct as set out in the Eighth Report.

11. The Receiver submits that these issues should all be answered in the affirmative.

PART IV. LAW

A. The Court should approve the Transactions and grant the AVOs

12. The factors to be considered by this Court in its assessment of the approval of a sale by a receiver are well established. A Court should consider:

- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers are obtained; and
- (d) whether there has been unfairness in the working out of the process.⁷

13. Having regard to the foregoing, the Receiver submits and recommends that this Court should approve the Freehold AVO Agreements in order to give effect to the Transactions contemplated thereby. In particular, the Receiver notes the following:⁸

- (a) To the best of the Receiver's knowledge, the relationships between JPLP and the purchasers under the Pre-Receivership Agreements were arm's length and the Pre-Receivership Agreements were the product of industry-standard marketing efforts for a single-family residential unit on behalf of JPLP;

⁷ *Royal Bank v. Soundair Corp.*, [1991 CanLII 2727 \(ONCA\)](#) at [para. 16](#) [*"Soundair"*].

⁸ Eighth Report at para. 20, RMR, Tab 2, pp. 17-18 ([E16291](#)).

- (b) The values of the Units subject to the Pre-Receivership Agreements exceed the Receiver's estimates of the current market values of these Units, which estimates are set out in the Revised Target Price List, being Confidential Appendix 1 to the Second Supplement to the Sixth Report of the Receiver dated December 17, 2025; and
- (c) In all the circumstances, the Pre-Receivership Agreements are commercially reasonable transactions and the Receiver is of the view that the Receiver's completion of the Pre-Receivership Agreements would be accretive to the estate of the Debtors and beneficial to their stakeholders.

14. The above factors support the approval of the Transactions and are consistent with factors present where this Court has approved the sale of similar real property by a receiver.⁹

15. A sales process in the context of a receivership is not to be held to a standard of perfection. Rather, a receiver will be found to be making appropriate efforts to get the price if the receiver carefully considers the available information and uses its expertise to determine how best to maximize value in the particular circumstances. This is particularly so where a receiver is dealing with an unusual asset (96 separate residential units) as it is here.¹⁰

⁹ See *People's Trust Company et al. v Vandyk-Backyard Queensview Limited et al* (Court File No. CV-24-00713783) [Endorsement of Justice Black dated January 13, 2025](#) at paras. 5-8 [**"Vandyk"**]; Sixth Report of TDB Restructuring Limited as Receiver in the matter of Vandyk-Backyard Queensview Limited, January 3, 2025, at paras. 24-30 ([E18138](#)).

¹⁰ *National Trust Co v 1117387 Ontario Inc*, [2010 ONCA 340](#) at [paras. 44](#) and [50](#).

16. Having considered the market value of the Pre-Receivership Units, the Receiver has determined that it is appropriate to complete the Pre-Receivership Agreements rather than disclaim them and re-market the Pre-Receivership Units for sale.

17. Additionally, a Court ought only interfere with a receiver's recommendation concerning the sale of a debtor's assets in exceptional circumstances. As the Ontario Court of Appeal agreed with and adopted in *Soundair*:

If the court were to reject the recommendation of the Receiver in any but the most exceptional circumstances, it would materially diminish and weaken the role and function of the Receiver both in the perception of receivers and in the perception of any others who might have occasion to deal with them. It would lead to the conclusion that the decision of the Receiver was of little weight and that the real decision was always made upon the motion for approval. That would be a consequence susceptible of immensely damaging results to the disposition of assets by court-appointed receivers.¹¹

18. In the present case, there are no such exceptional circumstances and no basis for the Court to find that the Receiver's course of conduct was anything other than commercially reasonable.

19. In all, the Pre-Receivership Agreements are commercially reasonable, taking into account:

- (a) the Receiver's estimate of the market value of the Pre-Receivership Units;
- (b) the professional fees associated with further marketing efforts; and
- (c) the continued accrual of interest on amounts owing to Cameron Stephens under the amounts lent by Cameron Stephens to the Receiver under the

¹¹ *Soundair* at [para. 21](#).

Receiver's borrowing charge. Such indebtedness can be reduced through the distribution of the proceeds of the Transactions to Cameron Stephens.¹²

20. There is, accordingly, no basis to interfere with the Receiver's recommendation to approve the Pre-Receivership Agreements.

B. This Court should grant a Sealing Order in respect of the Confidential Appendices to the Eighth Report

21. As noted above, the Receiver requests that this Court grant a sealing order in respect of the Confidential Appendices to the Eighth Report.

22. These Confidential Appendices consist of the unredacted copy of one of the Pre-Receivership Agreements to purchase a Unit and a summary of the financial terms of all of the Pre-Receivership Agreements.

23. Sealing these documents is necessary to ensure that the Receiver can maximize the value of the Units for the benefit of all stakeholders.¹³

24. These documents contain the Receiver's estimation of the current fair market value for each of the Units as well as the financial terms of the Pre-Receivership Agreements.

25. In *Sierra Club*, the Supreme Court of Canada held that courts should exercise their discretion to grant sealing orders where (i) the order is necessary to prevent a serious

¹² Eighth Report at para. 20(c), RMR, Tab 2, pp. 17-18 ([E16291](#)).

¹³ *GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc.*, [2014 ONSC 1173](#) at [paras 32-34](#).

risk to an important interest, including a commercial interest; and (ii) the salutary effects of the order outweigh its deleterious effects.¹⁴

26. In *Sherman Estate v. Donovan*, the Supreme Court of Canada held that a party requesting that a court exercise its discretion in a way that limits the ‘open court’ presumption must establish that: (i) the openness poses a risk to an important interest to the public; (ii) the request sought is necessary to prevent the risk to the identified interest as reasonable alternative measures will not prevent said risk; and (iii) the benefits of the request outweigh the negatives as a matter of proportionality.¹⁵

27. In the insolvency context, when assets are contemplated to be sold pursuant to a court process, it is common to seal bids and other commercially sensitive material, such as sale price and details of competing offers, in the event that a further listing is required should the contemplated proposed transaction not close.¹⁶

28. In this case, the Confidential Appendices contains information relevant to the Receiver’s estimation of the fair market value and pricing strategy of the Units. If any of this pricing information was made public, it would compromise the Receiver’s ability to obtain the best price for the Units because it would provide that purchaser with an informational advantage over the Receiver and other potential purchasers.

¹⁴ *Sierra Club of Canada v Canada (Minister of Finance)*, [2002 SCC 41](#) at [para 53](#).

¹⁵ *Sherman Estate v Donovan*, [2021 SCC 25](#) at [para 38](#).

¹⁶ *Romspen Investment Corporation v Hargate Properties Inc.*, [2012 ABQB 412](#) at [paras 2, 11](#) and [13](#).

29. As a result, the Receiver is of the view that an order sealing these documents will permit the Receiver to maximize the sale proceeds of the Units and is in the best interests of the Debtors' stakeholders.

30. The Receiver submits that there is no other reasonable way to preserve and ensure the viability and integrity of the Sales Process and that the benefits of the protective order outweigh any deleterious impact on the "open court" principle.

31. The proposed sealing order embodies the principle of proportionality. The Receiver is only seeking a sealing order for a limited time: until the Project is complete and all of the Units are sold. After that time, these documents will become part of the public Court record.

C. The Court should approve the Eighth Report

32. The Court should approve the Eight Report and the Receiver's conduct set out therein.

33. The Court has the jurisdiction to review and approve the activities of a court-appointed officer in an insolvency proceeding as set out in the officer's reports and will approve them where they are reasonable and appropriate in the circumstances.¹⁷

34. The Eighth Report details the Receiver's opinion with respect to the reasonability of the Pre-Receivership Agreements and provides details concerning the Pre-

¹⁷ *Cameron Stephens Mortgage Capital Ltd. v 2011836 Ontario Corp. et al.*, [2024 ONSC 3507](#) at paras 48, 52, 57 ([E18122](#)) citing *Target Canada Co. Re*, [2015 ONSC 7574](#) at [paras 2, 12](#); *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, [2023 ONSC 3400](#) at [para 66](#); *Ravelston Corp. (Re)*, [2005 CanLII 63802 \(ON CA\)](#) at [para 40](#).

Receivership Agreements. This analysis has been completed for the benefit of the Debtors' estate and should be approved by this Court.

PART V. ORDER REQUESTED

35. The Receiver requests that this Court grant the relief sought by the Receiver's draft orders.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of January, 2026.



Ryan Shah

SCHEDULE "A" – AUTHORITIES CITED

Cameron Stephens Mortgage Capital Ltd. v 2011836 Ontario Corp. et al., [2024 ONSC 3507](#)

GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc., [2014 ONSC 1173](#)

National Trust Co v 1117387 Ontario Inc., [2010 ONCA 340](#)

People's Trust Company et al. v Vandyk-Backyard Queensview Limited et al (Court File No. CV-24-00713783) [Endorsement of Justice Black dated January 13, 2025](#)

Ravelston Corp. (Re), [2005 CanLII 63802 \(ON CA\)](#)

Romspen Investment Corporation v Hargate Properties Inc., [2012 ABQB 412](#)

Royal Bank v. Soundair Corp., [1991 CanLII 2727 \(ONCA\)](#)

Sherman Estate v Donovan, [2021 SCC 25](#)

Sierra Club of Canada v Canada (Minister of Finance), [2002 SCC 41](#)

Target Canada Co. Re, [2015 ONSC 7574](#)

Triple-I Capital Partners Limited v 12411300 Canada Inc., [2023 ONSC 3400](#)

I, Ryan Shah, lawyer for the Receiver, certify that I am satisfied as to the authenticity of the above noted authorities on this 23rd day of January, 2026:



**CAMERON STEPHENS MORTGAGE
CAPITAL LTD.**

Applicant

and **2011836 ONTARIO CORP., et al.**

Respondents

Court File No. CV-23-00710795-00CL

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