



SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: CL-25-00753599-0000 DATE: March 31, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING: 915643 ONTARIO INC. v. 177 CROSS ARGUS DEVELOPMENT INC.

BEFORE: JUSTICE S. DUNPHY

PARTICIPANT INFORMATION

For Plaintiff, Applicant / Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Meena Alnajar	Counsel to the Applicant, 915643 Ontario Inc.	malnajar@mccarthy.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Ian Literovich	Counsel to the Respondents, 177 Cross Argus Development Inc. And Inc.	ian.literovich@be-law.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Danny Nunes	Counsel to the Receiver, Albert Gelman Inc.	dn@capstonelegal.ca
Adam Zeldin	The Receiver, Albert Gelman Inc.	azeldin@albertgelman.com
Jouvana Killiny	Counsel for Hashtag Kitchen & Lounge	Jouvana@elevatelegal.ca

ENDORSEMENT OF JUSTICE S DUNPHY:

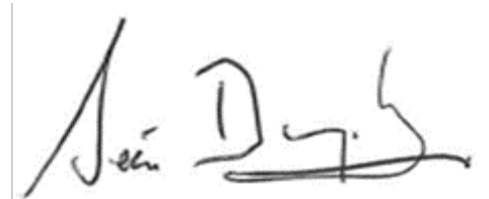
1. This is an application to approve a sale agreement arising from a court-approved sales process with a stalking horse credit bid. The receiver conducted phase 1 of the sales process in accordance with the SISP previously approved by me (including the stalking horse credit bid) on January 20, 2026. The initial phase was moderately successful in that a significant number of potential buyers signed confidentiality agreements and consulted the data room. However, in the end, no qualifying bids were received (other than the stalking horse credit bid). One letter of intent in a non-qualifying form was received but with a proposed value significantly below the price offered by the stalking horse bid.
2. My approval of the SISP and the stalking horse at the January 20 hearing contemplated a separate hearing to assess the merits of the stalking horse bid should that prove to be the highest and best bid. While the stalking horse bid is a credit bid and not a cash bid as such, other steps have occurred in the meantime to solidify the valuation that can be attached to this bid. In particular, a claims process has been conducted to determine whether there are any claims out there which may rank in priority to the stalking horse bidder since, of course, any prior claims could potentially diminish the value of the stalking horse bidder's "currency". At my request, the Receiver sent claims packages to all known creditors, not merely those creditors already known to have prior ranking claims. That claims process resulted in a single potential prior claim surfacing. That claim was examined and disallowed by the Receiver in accordance with the claims procedure established in my prior order. There was no timely objection to nor appeal of the disallowance.
3. In a nutshell, the stalking horse bidder will be providing the cash needed to pay prior claims (receiver's expenses and significant property tax arrears). The balance of the purchase price will be satisfied by way of reduction of the outstanding debt. Given the outcome of the claims process, that is effectively the same as cash from a valuation perspective since the claims process has established that there are no other claims that rank in priority.

4. I am satisfied that the stalking horse bid is both the superior bid and represents that highest value reasonably obtainable in the current market. I am satisfied that the Receiver has diligently conducted the sales process and has followed the directions this court established. The stalking horse bid ought to be approved and I am doing so. The approval and vesting order shall be signed subject to the minor revisions made in its form during the hearing.
5. In addition to seeking approval of the stalking horse bid, the Receiver sought various other items of ancillary relief. These are reflected in the draft ancillary relief order. These provisions authorize distributions and payments to be made from the stalking horse bid's cash portion, including payment of the brokerage commission and the priority payables. These also include approvals of the actions of the Receiver as outlined in its report and its fees, receipts and disbursements.
6. There were no objections to the ancillary relief order as such. Counsel representing a tenant named "Hashtag" wished to communicate that while not opposing the order sought as such, it did not wish to be taken as agreeing with the Receiver's characterization of disputes that it has had as tenant with the Receiver since the Receiver stepped into the landlord's shoes. In particular, there is disagreement about what arrears of rent are owing by Hashtag and the propriety of expense reimbursement sought by the tenant for snow removal services provided by an affiliated company.
7. Approval of the Receiver's actions should not be mistaken for approval of one side or the other of pending disputes described by the Receiver in its report. Those issues will continue to be discussed between the parties and may end up – depending on how things unfold – on being presented to the court for decision. If as and when such disputes require the intervention of the court to resolve, the mere fact that the receiver described its actions in relation to that dispute and obtained a generic approval of its actions and fees charged in relation thereto cannot be construed as a binding prior decision on the merits of the underlying dispute. The tenant may rest easy on that account. It might be appropriate in future to allay any stakeholder concerns in this regard by noting the existence of an on-going

dispute on the subject when describing the Receiver's actions in relation thereto in the Receiver's report itself.

8. The Approval and Vesting Order and the Ancillary Relief orders were both approved by me and signed with minor revisions.

Date: Mar 31, 2026

A handwritten signature in black ink, appearing to read "J. D. B.", written over a horizontal line.

[[Hearing Judge]]