Court File No. CV-25-00740567-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

THE TORONTO-DOMINION BANK

Applicant

\- and -

DOSANJH CARE INC.

Respondent

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
(Motion returnable July 9, 2026)

July 7, 2026

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
E-mail: harvey@chaitons.com

Danish Afroz (LSO No.65786B)
Tel: (416) 218-1137
E-mail: dafroz@chaitons.com

Hugh McHenry (LSO No. 93272D)
Tel: (416) 218 – 1770
E-mail: HMcHenry@chaitons.com

Lawyers for Albert Gelman Inc. in its capacity as Court-Appointed Receiver.

TO: **THE SERVICE LIST**

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FACTUM OF THE RECEIVER

PART I – OVERVIEW

1. This factum is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as Court-appointed receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Dosanjh Care Inc. (the "**Company**"), including the proceeds thereof (collectively, the "**Property**"), in support of its motion for:[1]

   (a) an approval and vesting order (the "**AVO**"), substantially in the form included at Tab 3 of the Motion Record of the Receiver (the "**Motion Record**"), *inter alia*:

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the First Report, the Sale Agreement, the AVO or the Distribution, Discharge and Ancillary Relief Order, as applicable.

(i) abridging and validating the time for service and filing of the Notice of Motion and the Motion Record so that this motion is properly returnable and dispensing with further service thereof;

(ii) approving the agreement of purchase and sale dated April 28, 2026, between the Receiver and Nwaligbe Restful Health Care Inc. (the "**Purchaser**"), as amended by an amendment to agreement of purchase and sale dated May 12, 2026 and as further amended by an amendment to agreement of purchase and sale dated May 20, 2026, together with such minor amendments thereto as the Receiver may deem necessary in its sole discretion (collectively, the "**Sale Agreement**"), and the transaction contemplated thereby (the "**Transaction**");

(iii) authorizing and directing the Receiver to complete the Transaction and to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction;

(iv) vesting title in and to the real property known municipally as 532 Main Street, Powassan, Ontario (the "**Real Property**"), in the Purchaser, free and clear of all encumbrances other than permitted encumbrances, upon the delivery of a Receiver's Certificate to the Purchaser confirming, among other things, the completion of the Transaction; and

(v) sealing the Confidential Appendices to the first report of the Receiver dated July 3, 2026 (the "**First Report**"), such that they shall be sealed, kept confidential and not form part of the public record until Closing of the Transaction; and

(b) a distribution, discharge and ancillary relief order (the "**Distribution, Discharge and Ancillary Relief Order**"), substantially in the form included at Tab 5 of the Motion Record, *inter alia*:

(i) approving the First Report and the actions, activities and conduct of the Receiver as set out therein;

(ii) approving the Receiver's Final Statement of Receipts and Disbursements as at July 2, 2026 (the "**Final SRD**"), including the estimated final accruals to complete the Receiver's mandate set out therein (the "**Estimated Final Accruals**");

(iii) approving the fees and disbursements of the Receiver and its counsel, Chaitons LLP ("**Chaitons**"), as described in the First Report;

(iv) approving the proposed distributions described in the First Report (the "**Distributions**");

(v) effective upon the filing of a certificate (the "**Discharge Certificate**"), discharging AGI as Receiver and releasing AGI from any liability arising from its acts or omissions while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct; and

(vi) such further and other relief that the Receiver may request and this Honourable Court may consider just.

PART II – FACTS

Background

2. By Order of the Ontario Superior Court of Justice (Commercial List) dated June 2, 2025, AGI was appointed Receiver, without security, over all of the Property of the Company, including the proceeds thereof (the "**Appointment Order**"). The Property includes the Real Property.[2]

3. The Real Property consists of adjacent parcels of land associated with the municipal address 532 Main Street, Powassan, Ontario: PIN 52209-0615 (the "**Mortgaged Parcel**") and PIN 52209-0643 (the "**Additional Parcel**").[3]

4. Prior to the Appointment Order, AGI was appointed as interim receiver by Order of the Court dated May 6, 2025 (the "**IR Order**") pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "***BIA***"), for the limited purposes of, among other things, effecting the placement of insurance coverage on the Mortgaged Parcel and registering the IR Order against title to the Mortgaged Parcel.[4]

5. On June 13, 2025, Kiranjit Dosanjh ("**K. Dosanjh**"), on behalf of the Company, served a Notice of Appeal of the Appointment Order to the Ontario Court of Appeal. On October 9, 2025, Justice Wilson J.A. declined to grant an extension of time to serve and file the appeal or seek leave

[2] First Report at para. 1; Appendix "A" to the First Report.
[3] First Report at para 2.
[4] First Report at para. 3.

to appeal, and stated that the appeal was a nullity. Accordingly, the Appointment Order remains in force and effect.[5]

6. The Company was incorporated under the *Canada Business Corporations Act*[6] in Canada on September 13, 2022. Pursuant to a corporate profile report obtained by the Receiver and generated on June 1, 2026, K. Dosanjh is the sole director of the Company.[7]

7. The Company is the owner of the Real Property. The building located on the Real Property consists of a 48-bed assisted living facility and a detached single family residential dwelling and was previously operated as a care home facility under the Community Homes for Opportunity Program. The operation was closed in October 2023 pursuant to an order of the North Bay Parry Sound District Health Unit.[8]

TD Bank's Security

8. The Toronto-Dominion Bank ("**TD Bank**") provided financing to the Company pursuant to a loan agreement dated October 14, 2022, which provided for a loan facility in the principal amount of $2,250,000 to finance the Company's acquisition of the Real Property.[9]

9. As security for the Company's obligations to TD Bank, the Company granted, among other things, collectively, the "**TD Bank Security**": (a) a first-ranking charge in the principal amount of $2,250,000 registered on January 13, 2023 against the Mortgaged Parcel (the "**TD Bank Mortgage**"); (b) a general security agreement dated December 20, 2022, registered under the

[5] First Report at paras. 4-5; Appendix "B" to the First Report.
[6] R.S.C., 1985, c. C-44.
[7] First Report at para. 12.
[8] First Report at para. 13.
[9] First Report at para. 14.

Personal Property Security Act, R.S.O. 1990, c. P.10, as amended, on January 13, 2023 (the "**TD Bank GSA**"); and (c) a general assignment of rents registered on January 13, 2023 against the Mortgaged Parcel.[10]

10. The Company's obligations to TD Bank were also guaranteed by Kiranjit Kaur Dosanjh pursuant to a guarantee dated December 20, 2022.[11]

11. There are no other charges or mortgages registered on title to the Mortgaged Parcel. There are no charges or mortgages registered on title to the Additional Parcel.[12]

12. TD Bank provided the Receiver with a payout statement showing that the Company was indebted to TD Bank in the amount of approximately $2.475 million as of June 9, 2026, plus accruing interest and costs.[13]

13. Pursuant to a Personal Property Security Act (Ontario) ("**PPSA**") search conducted by the Receiver on January 26, 2026, TD Bank is the only creditor to have registered a financing statement against the Company.[14]

14. Chaitons, as independent legal counsel to the Receiver, has provided the Receiver with a security opinion in respect of TD Bank's security (the "Security Opinion"). Subject to the assumptions and qualifications set out therein, the Security Opinion provides, among other things, that the TD Bank Mortgage is a valid and enforceable registered charge against the Mortgaged

[10] First Report at para. 15.
[11] First Report at para. 16.
[12] First Report at para 24.
[13] First Report at para. 25; Appendix "E" to the First Report.
[14] First Report at para. 26.

Parcel, and that the TD Bank GSA creates a security interest in favour of TD Bank in the Company's present and after-acquired personal property.[15]

CRA and Other Priority Claims

15. The Receiver received a notice from the Municipality of Powassan dated June 22, 2026 indicating unpaid property tax arrears of $10,185.80.[16]

16. Based on the information available to the Receiver, including its communications with Canada Revenue Agency ("**CRA**") to date, CRA has not identified any amounts owing by the Company in respect of goods and services tax / harmonized sales tax ("**GST/HST**") or employee source deductions, and the Receiver is not aware of any collected but unremitted GST/HST or unremitted employee source deduction amounts.[17]

17. The Receiver understands that the Company's historical operations consisted of care-home and residential accommodation operations and that GST/HST was not required to be collected from residents in respect of those operations.[18]

18. The Receiver has requested the Company's books and records from K. Dosanjh in order to assess and, if necessary, complete any outstanding tax filings. As of the date of the First Report, K. Dosanjh had not provided the Receiver with the location of the Company's books and records or the information requested by the Receiver.[19]

[15] First Report at para. 27.
[16] First Report at para. 28.
[17] First Report at para. 29.
[18] First Report at para. 30.
[19] First Report at para. 31.

Receiver's Activities

19. Since the date of the IR Order, the Receiver obtained property and liability insurance coverage over the Real Property and registered the IR Order on title to the Mortgaged Parcel.[20]

20. Since the date of the Appointment Order, the Receiver has, among other things: taken possession of the Real Property; retained Richmond Advisory Services Inc. as property manager; registered the Appointment Order on title to the Mortgaged Parcel; retained TL Smith Appraisals to prepare an appraisal for the Real Property; continued insurance coverage; negotiated and executed an N11 Agreement to End the Tenancy with the individual residing at the Real Property; advised the Municipality of Powassan of the Receiver's appointment; entered into a listing agreement with Lennard Commercial Realty, Brokerage; engaged Chaitons to provide the Security Opinion; engaged Pinchin Ltd. to prepare Phase I Environmental Site Assessments; and undertaken the sales process described below.[21]

21. The Receiver also served K. Dosanjh with the Appointment Order and requested documents and information to assist with the receivership administration. K. Dosanjh did not respond and has not cooperated with the Receiver. The Receiver also retained Chaitons as independent legal counsel, issued the prescribed notices under the BIA to known creditors, contacted CRA, provided regular updates to TD Bank, established the case website, responded to stakeholder inquiries, and prepared the First Report.[22]

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[20] First Report at para. 18.
[21] First Report at para. 19(a)-(k).
[22] First Report at para. 19(l)-(s).

22. After the Appointment Order was granted, a statement of claim was issued in the name of the Company against the North Bay Parry Sound Health Unit under Court File No. CV-25-00000130-000 (the "**North Bay Action**"). The Receiver did not authorize the commencement of the North Bay Action. Following its review of the statement of claim and the available information, the Receiver determined that pursuing the North Bay Action would not be commercially reasonable or in the interests of the receivership estate. Chaitons, as counsel to the Receiver, served a Notice of Change of Lawyer and filed a Notice of Discontinuance in respect of the North Bay Action.[23]

Sale Process and Sale Agreement

23. The Receiver obtained a comprehensive appraisal report from TL Smith Appraisals (the "**Appraiser**") in respect of the Real Property, including both the Mortgaged Parcel and the Additional Parcel. The appraisal provides an opinion of the market value of the Real Property as of June 24, 2025 (the "**Appraisal**"). An unredacted copy of the Appraisal is attached to the First Report as Confidential Appendix "1".[24]

24. The Receiver understands from the Appraiser that the Additional Parcel is landlocked and has no independent realizable value.[25]

25. In accordance with paragraphs 3(j) and 3(k) of the Appointment Order, the Receiver was empowered and authorized to market and sell any or all of the Property, subject to Court approval.[26]

[23] First Report at paras. 20-21; Appendices "C" and "D" to the First Report.
[24] First Report at para. 33; Confidential Appendix "1" to the First Report..
[25] First Report at para. 34.
[26] First Report at para. 35; Appendix "A" to the First Report.

26. On December 2, 2025, the Real Property was publicly listed by Lennard Commercial Realty, Brokerage (the "**Realtor**") on the Multiple Listing Service for $600,000.[27]

27. During the marketing period, the Realtor received 21 inquiries about the Real Property and conducted 8 tours. The Receiver received a total of 6 offers from 4 separate parties. A summary of the offers received for the Real Property is attached to the First Report as Confidential Appendix "2".[28]

28. On or about April 13, 2026, the Receiver received an offer from the Purchaser (the "**Offer**"), which included conditions related to financing, general due diligence and solicitor approval. Over a period of approximately six weeks, the Purchaser conducted its due diligence, advised that it had obtained the necessary financing to close, and waived all conditions on May 22, 2026.[29]

29. The only remaining condition under the Sale Agreement is obtaining the AVO. The Sale Agreement contemplates the sale of the Real Property, which includes both the Mortgaged Parcel and the Additional Parcel. No value was allocated to the Additional Parcel, which the Receiver understands from the Appraiser is landlocked and has no independent realizable value.[30]

30. The Receiver determined that the Offer was the best offer received, taking into account the purchase price, execution risk and the Purchaser's ability to close. A copy of the Sale Agreement, with the purchase price redacted, is attached as Appendix "F" to the First Report. An unredacted copy is attached as Confidential Appendix "3".[31]

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[27] First Report at para. 36.
[28] First Report at para. 37; Confidential Appendix "2" to the First Report.
[29] First Report at paras. 38-39.
[30] First Report at paras. 40-41.
[31] First Report at para. 42; Appendix "F" and Confidential Appendix "3" to the First Report.

31. The Receiver recommends approval of the Sale Agreement and authorization to close the Transaction because, among other things: the Real Property was exposed to the market for approximately six months; the market was sufficiently canvassed; the purchase price is fair and reasonable given the appraised amount and time exposed to market; the Transaction is the best offer received; the Sale Agreement is on an "as is, where is" basis with no representations or warranties by the Receiver in respect of the Real Property; and the Sale Agreement is conditional only upon the Court issuing an approval and vesting order.[32]

32. The Receiver believes that the Transaction, as contemplated by the Sale Agreement, is fair and reasonable and represents the highest and best realization for the Real Property in the circumstances.[33]

33. The sale proceeds generated from the Transaction are expected to result in a partial payout of the TD Bank Mortgage, resulting in TD Bank suffering a shortfall. Representatives of TD Bank have advised the Receiver that TD Bank consents to the Transaction.[34]

34. Accordingly, the Receiver recommends that the Court approve the Transaction contemplated by the Sale Agreement, authorize completion of the Transaction, and grant the AVO.[35]

Sealing of the Confidential Appendices

35. The Receiver seeks a sealing order in respect of the Confidential Appendices. The Confidential Appendices contain commercially sensitive information, including the purchase

[32] First Report at para. 43.
[33] First Report at para. 44.
[34] First Report at para. 45.
[35] First Report at para. 46.

price, valuation information and details of competing offers. Disclosure of such information before closing could prejudice the receivership estate if the Transaction does not close and the Real Property must be remarketed. The proposed sealing order is limited in scope and duration and will expire upon the closing of the Transaction.[36]

Funding and Proposed Distributions

36. Pursuant to the Appointment Order, the Receiver is authorized to borrow up to $250,000 by way of revolving credit facilities or otherwise, secured by the Receiver's Borrowings Charge and subject to the Receiver's Charge, each as defined in the Appointment Order.[37]

37. As of the date of the First Report, the Receiver had borrowed $250,000 from TD Bank under Receiver's Certificates to fund certain costs and expenses of the receivership administration. Copies of the Receiver's Certificates issued to TD Bank are attached as Appendix "G" to the First Report.[38]

38. Subject to the Court granting the AVO and completion of the Transaction, the Receiver proposes to make the Distributions from the net sale proceeds generated from the Transaction as follows: first, payment of any outstanding realty taxes and amounts required to be paid on closing to the Municipality of Powassan in respect of the Real Property; second, payment of amounts secured by the Receiver's Charge and the Receiver's Borrowings Charge; third, payment of the approved fees and disbursements of the Receiver and Chaitons; and fourth, payment of the balance to TD Bank on account of the indebtedness owing by the Company to TD Bank.[39]

[36] First Report at para. 47; Confidential Appendices "1", "2" and "3" to the First Report.
[37] First Report at para. 48; Appendix "A" to the First Report
[38] First Report at para. 49; Appendix "G" to the First Report.
[39] First Report at para. 50.

39. Given that TD Bank will suffer a shortfall in respect of the TD Bank Mortgage, there will be no distribution to any other creditors of the Company.[40]

Final SRD, Fees and Remaining Activities

40. The Final SRD is attached to the First Report as Appendix "H".[41]

41. The Receiver's fees for the period to June 30, 2026 are detailed in the affidavit of Tom McElroy sworn July 3, 2026, attached to the First Report as Appendix "I". The Receiver's fees encompass 184.3 hours at an average hourly rate of approximately $487.14, for a total of $89,779.50 plus applicable taxes. The Receiver seeks approval of total fees inclusive of applicable taxes in the amount of $101,450.84.[42]

42. The fees and disbursements of Chaitons for the period June 4, 2025 to June 30, 2026 are detailed in the affidavit of Hugh McHenry sworn July 2, 2026, attached to the First Report as Appendix "J". Chaitons' fees encompass 103.30 hours at an average hourly rate of approximately $538.58, for total fees of $55,635.00 and accounts totalling $63,908.25 inclusive of disbursements and applicable taxes.[43]

43. The Receiver is of the view that the hourly rates charged by Chaitons are consistent with the rates charged by law firms practising in the area of insolvency in the Toronto market, and that Chaitons' fees are reasonable and appropriate in the circumstances.[44]

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[40] First Report at para. 51.
[41] First Report at para. 52; Appendix "H" to the First Report.
[42] First Report at paras. 53-54; Appendix "I" to the First Report.
[43] First Report at paras. 55-56; Appendix "J" to the First Report.
[44] First Report at para. 57.

44. In order to complete its mandate, the Receiver intends to complete the Transaction, make the Distributions, pay the final fees of the Receiver and counsel to the Receiver as set out in the Estimated Final Accruals, and undertake such other administrative activities as may be required to complete its mandate (collectively, the "**Remaining Activities**").[45]

45. Upon completing the Remaining Activities, the Receiver will file the Discharge Certificate with the Court in order to effect its discharge as Receiver of the Company.[46]

PART III – ISSUES

46. The Receiver's motion raises the following issues:

(a) Should the Court approve the Transaction and grant the AVO?

(b) Should the Court seal the Confidential Appendices pending closing of the Transaction?

(c) Should the Court approve the Distributions, including the proposed distribution of the balance of the net sale proceeds to TD Bank on account of the indebtedness owing by the Company to TD Bank?

(d) Should the Court approve the Receiver's First Report and the activities described therein?

(e) Should the Court approve the Final SRD, including the Estimated Final Accruals?

[45] First Report at para. 58.
[46] First Report at para. 59.

(f) Should the Court approve the fees and disbursements of the Receiver and its counsel?

(g) Should this Court approve the discharge and release of AGI as Receiver, effective upon the filing of the Discharge Certificate?

PART IV – LAW AND ARGUMENT

The Transaction Should Be Approved and the AVO Should Be Granted

47. The Appointment Order empowers and authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers, to sell, convey, transfer, lease or assign the Property with Court approval where required, and to apply for any vesting order or other orders necessary to convey the Property free and clear of liens or encumbrances affecting such Property.[47]

48. Section 100 of the *Courts of Justice Act* authorizes this Court to grant an order vesting "in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed." Accordingly, this Court has jurisdiction to grant the AVO.[48]

49. The following criteria are to be considered by the Court when asked to approve a sale of assets in a receivership context, as articulated by the Court of Appeal for Ontario in *Royal Bank of Canada v Soundair Corp.* ("***Soundair***"):[49]

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[47] Appointment Order at paras. 3(j), 3(k) and 3(l); Appendix "A" to the First Report.
[48] *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 100.
[49] *Royal Bank of Canada v Soundair Corp* (1991), 4 OR (3d) 1 at para 16; *Elleway Acquisitions Limited v 4358376 Canada Inc*, 2013 ONSC 7009 at para 31.

(a) whether the receiver made a sufficient effort to obtain the best price and did not act improvidently;

(b) the interests of all parties;

(c) the efficacy and integrity of the process by which the party obtained offers; and

(d) whether the working out of the process was unfair.

50. Deference is to be afforded to a receiver respecting its proposed sale process. Absent a violation of the *Soundair* principles or other exceptional circumstances, the court should uphold the business judgment of the receiver, as its court officer.[50]

51. The Soundair test is satisfied for the reasons set out at paragraphs 23 to 34 above. In particular, the Real Property was exposed to the market for approximately six months, the market was sufficiently canvassed, the Receiver received 6 offers from 4 separate parties, the Sale Agreement is conditional only upon the Court issuing an approval and vesting order, and the Receiver is of the view that the Transaction is fair and reasonable and represents the highest and best realization for the Real Property in the circumstances.[51]

52. Accordingly, the Receiver respectfully submits that the Transaction should be approved and that the AVO should be granted.

The Sealing Order Should Be Granted

[50] *Crown Trust Co et al v Rosenberg et al* (1986), 60 OR (2d) 87 at paras 83-84 (Sup Ct J).
[51] First Report at paras. 33-46.

53. The Receiver seeks an order sealing the Confidential Appendices until the closing of the Transaction. The Confidential Appendices consist of the Appraisal, the offer summary and the unredacted Sale Agreement.[52]

54. The Supreme Court of Canada has held that a sealing order may be granted where: (a) the order is necessary to prevent a serious risk to an important interest, including a commercial interest, because reasonably alternative measures will not prevent the risk; and (b) the salutary effects of the confidentiality order outweigh its deleterious effects, including the effects on the right to free expression and the public interest in open and accessible court proceedings.[53]

55. In *Sherman Estate v Donovan*, the Supreme Court of Canada held that a person asking a court to exercise discretion in limiting the open court presumption must establish that: (a) court openness poses a serious risk to an important public interest; (b) the order sought is necessary to prevent the risk to the identified interest because reasonably alternative measures will not prevent this risk; and (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.[54]

56. This Court has applied the *Sierra Club* test in court-supervised sale proceedings to ensure that competitors or potential bidders do not gain an advantage if a proposed sale transaction does not close. In *GE Canada Real Estate Financing Business Property Co. v 1262354 Ontario Inc.*, this Court held that the "integrity of the sales process necessitates keeping all bids confidential until a final sale of the assets has taken place."[55]

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[52] First Report at para. 47; Confidential Appendices "1", "2" and "3" to the First Report.
[53] *Sierra Club of Canada v. Canada (Minister of Finance)*, [2002] 2 S.C.R. 522, 2002 SCC 41 at paras. 53– 57.
[54] *Sherman Estate v. Donovan*, 2021 SCC 25 (CanLII), [2021] 2 SCR 75 at para. 38.
[55] *GE Canada Real Estate Financing Business Property Company v 1262354 Ontario Inc*, 2014 ONSC 1173 at para 34.

57. The sealing relief should be granted for the reasons set out at paragraph 35 above. The Confidential Appendices contain commercially sensitive information, including the purchase price, valuation information and details of competing offers. Disclosure of such information before closing could prejudice the receivership estate if the Transaction does not close and the Real Property must be remarketed.[56]

58. The proposed sealing order is limited in scope and duration, as it applies only to the Confidential Appendices and expires upon the closing of the Transaction. In the circumstances, the salutary effects of the sealing order outweigh its deleterious effects.[57]

The Proposed Distributions Should Be Approved

59. The Appointment Order provides that all funds received or collected by the Receiver, including without limitation, from the sale of all or any of the Property (as defined in the Appointment Order), shall be held by the Receiver to be paid in accordance with the terms of the Appointment Order or any further order of the Court.[58]

60. Subject to the Court granting the AVO and completion of the Transaction, the Receiver proposes to make the Distributions from the net sale proceeds generated from the Transaction in the manner set out at paragraph 38 above.[59]

61. The proposed Distributions should be approved. TD Bank is owed approximately $2.475 million as of June 9, 2026, plus accruing interest and costs. TD Bank is the only creditor to have registered a financing statement against the Company. The Security Opinion provides, among

[56] First Report at para. 47; Confidential Appendices “1”, “2” and “3” to the First Report.
[57] *Sierra Club* at paras. 53-57; *Sherman Estate* at para. 38.
[58] Appointment Order at para. 13; Appendix “A” to the First Report.
[59] First Report at para. 50.

other things, that the TD Bank Mortgage is a valid and enforceable registered charge against the Mortgaged Parcel and that the TD Bank GSA creates a security interest in favour of TD Bank in the Company's present and after-acquired personal property.[60]

62. The Receiver understands from the Appraiser that the Additional Parcel is landlocked and has no independent realizable value, and no value was allocated to the Additional Parcel in the Sale Agreement. However, to the extent that any portion of the sale proceeds is attributable to the Additional Parcel, the TD Bank GSA supports the proposed distribution of those proceeds to TD Bank.[61]

63. Under the *Personal Property Security Act* (Ontario), "proceeds" is defined broadly to include identifiable or traceable personal property in any form derived directly or indirectly from any dealing with collateral or proceeds of collateral. Where a general security agreement creates a security interest in personal property and proceeds, that security may attach to money or sale proceeds derived from collateral.[62]

64. In *Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, the Court held that, although RBC did not have a registered mortgage or security interest against the real property sold by the receiver, RBC's general security agreement gave it a security interest in money held by the debtor, including net proceeds generated from the sale of the real property. The Court held that the proceeds of sale were properly payable to RBC to the extent of its indebtedness pursuant to its secured claim.[63]

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[60] First Report at paras. 25-27; Appendix "E" to the First Report.
[61] First Report at paras. 34 and 41; *Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, 2024 ONSC 4600.
[62] *Personal Property Security Act*, R.S.O. 1990, c. P.10, s. 1(1), "proceeds".
[63] *Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, 2024 ONSC 4600 at paras. 35, 40 and 48-51.

65. The Court of Appeal dismissed the appeal in Business Development Bank of Canada v. 170 Willowdale Investments Corp. and confirmed that proceeds language in an approval and vesting order is intended to determine creditor priorities against the net proceeds of sale, and does not elevate the debtor's entitlement to those proceeds over the claims of creditors. The Court of Appeal held that the relevant approval and vesting order did not terminate RBC's status as a creditor or subordinate its rights to those of the debtor.[64]

66. In the present case, the proposed Distributions are consistent with the priority scheme described in the First Report. Realty tax arrears and receivership charges are to be paid first, followed by approved fees and disbursements of the Receiver and Chaitons, with the balance to TD Bank on account of the indebtedness owing by the Company to TD Bank.[65]

67. Given that TD Bank will suffer a shortfall in respect of the TD Bank Mortgage, there will be no distribution to any other creditors of the Company. Accordingly, the proposed Distributions should be approved.[66]

The First Report and the Activities of the Receiver Should Be Approved

68. The Court has the inherent jurisdiction to review and approve the activities of a court-appointed receiver as set out in the receiver's reports.[67]

69. It has become common practice for court officers to bring motions to seek approval of their reports and the activities set out therein. Court approval, among other things, allows the court officer to brings its activities before the court and present an opportunity to address concerns of

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[64] *Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, 2025 ONCA 251 at paras. 26-36.
[65] First Report at para. 50.
[66] First Report at para 51.
[67] *Bank of America Canada v Willann Investments Ltd*, 1996 CanLII 2782 (ONCA).

stakeholders, while enabling the court to satisfy itself that the court's officer's activities have been conducted in a prudent and diligent manner.[68]

70. The Receiver's activities described in the First Report and summarized at paragraphs 19 to 22 above were undertaken in accordance with the Receiver's duties and powers under the Appointment Order, were necessary and appropriate in the circumstances, and should be approved.[69]

71. In the circumstances, the First Report and the actions, activities and conduct of the Receiver described therein should be approved.[70]

The Final SRD and Estimated Final Accruals Should Be Approved

72. The Final SRD should be approved. The First Report seeks approval of the Final SRD, including the Estimated Final Accruals required to complete the Receiver's mandate. The Final SRD is attached to the First Report as Appendix "H".[71]

The Fees and Disbursements of the Receiver and its Counsel Should Be Approved

73. The Appointment Order provides that the Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts.[72]

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[68] *Target Canada Co. (Re), 2015 ONSC 7574* at paras. 2 and 23; *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, 2023 ONSC 3400 at paras 65-66.
[69] First Report at paras. 18-21.
[70] First Report at paras. 6(a) and 6(b)(iv).
[71] First Report at paras. 6(b)(v), 52 and 58; Appendix "H" to the First Report.
[72] Appointment Order at para. 19; Appendix "A" to the First Report.

74. In determining whether to approve the accounts of a Court-appointed receiver and its counsel, the Court will consider the overall value contributed, taking into account the following factors: a) the nature, extent and value of the assets; b) the complications encountered; c) the degree of assistance provided by the debtor; d) the time spent; e) the receiver's knowledge, experience and skill; f) the diligence and thoroughness displayed; g) the responsibilities assumed; h) the results of the receiver's efforts; and i) the cost of comparable services when performed in a prudent and economical manner.[73]

75. The Receiver's fees and Chaitons' fees and disbursements are supported by detailed fee affidavits. The Receiver's fees for the period to June 30, 2026 total $89,779.50 plus applicable taxes, and the Receiver seeks approval of fees inclusive of applicable taxes in the amount of $101,450.84. Chaitons' accounts total $63,908.25 inclusive of disbursements and applicable taxes. The Receiver is of the view that Chaitons' hourly rates are consistent with rates charged by law firms practising in the area of insolvency in the Toronto market, and that Chaitons' fees are reasonable and appropriate in the circumstances.[74]

76. In the circumstances, the fees and disbursements of the Receiver and Chaitons should be approved.[75]

The Receiver's Discharge and Release Should Be Approved

77. A court-appointed receiver is an officer and instrument of the Court. Typically, a court-appointed receiver is discharged by the court once it has completed the substance of its mandate.

[73] *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at para 33.
[74] First Report at paras. 53-57; Appendices "I" and "J" to the First Report.
[75] First Report at paras. 6(b)(vi) and 53-57; Appendices "I" and "J" to the First Report.

Creditors typically support the requested discharge at that time as they do not wish additional receivership expenses to be incurred which would reduce their recoveries.[76]

78. The proposed discharge and release should be approved. In order to complete its mandate, the Receiver intends to complete the Transaction, make the Distributions, pay the final fees of the Receiver and counsel to the Receiver as set out in the Estimated Final Accruals, and undertake such other minor administrative activities as may be required to complete its mandate. Upon completing the Remaining Activities, the Receiver will file the Discharge Certificate with the Court in order to effect its discharge as Receiver of the Company.[77]

79. The proposed release is appropriate in the circumstances and contains the customary carve-out for gross negligence or wilful misconduct.[78]

PART V – RELIEF SOUGHT

80. The Receiver respectfully recommends and requests that the Court grant the relief sought on this motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this **7th** day of July, 2026.

CHAITONS LLP
Lawyers for the Court-appointed Receiver,
Albert Gelman Inc.

[76] *Ed Mirvish Enterprises Limited v Stinson Hospitality Inc* (2009), 2009 CanLII 55113 at para 8 (Ont Sup Ct J).
[77] First Report at paras. 58-59.
[78] First Report at para. 6(b)(vii); Draft Distribution, Discharge and Ancillary Relief Order.

SCHEDULE "A"

LIST OF AUTHORITIES

Tab	Cases	Pinpoints
1	*Bank of America Canada v Willann Investments Ltd*, 1996 CanLII 2782 (ONCA)	
2	*Bank of Nova Scotia v Diemer*, 2014 ONCA 851	33
3	*Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, 2024 ONSC 4600	35, 40, 48-51
4	*Business Development Bank of Canada v. 170 Willowdale Investments Corp.*, 2025 ONCA 251	26-36
5	*Crown Trust Co et al v Rosenberg et al* (1986), 60 OR (2d) 87 (Sup Ct J)	83-84
6	*Ed Mirvish Enterprises Ltd v Stinson Hospitality Inc* (2009), 181 ACWS (3d) 471 (Ont Sup Ct J)	8, 13
7	*Elleway Acquisitions Limited v 4358376 Canada Inc*, 2013 ONSC 7009	31
8	*GE Canada Real Estate Financing Business Property Company v 1262354 Ontario Inc*, 2014 ONSC 1173	34
9	*Royal Bank of Canada v Soundair Corp* (1991), 4 OR (3d) 1	16
10	*Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41, [2002] 2 SCR 522	53-57
11	*Sherman Estate v Donovan*, 2021 SCC 25, [2021] 2 SCR 75	38
12	*Target Canada Co (Re)*, 2015 ONSC 7574	2, 23

13	*Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400	65-66

I certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date: July 7, 2026

Signature

SCHEDULE “B”

STATUTORY AUTHORITIES

***Courts of Justice Act*, RSO 1990, c C.43**

Vesting orders

100 A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed. R.S.O. 1990, c. C.43, s. 100.

***Personal Property Security Act*, R.S.O. 1990, c. P.10**

s. 1(1) “proceeds” means identifiable or traceable personal property in any form derived directly or indirectly from any dealing with collateral or the proceeds therefrom, and includes,

(a) any payment representing indemnity or compensation for loss of or damage to the collateral or proceeds therefrom,

(b) any payment made in total or partial discharge or redemption of an intangible, chattel paper, an instrument or investment property, and

(c) rights arising out of, or property collected on, or distributed on account of, collateral that is investment property;

THE TORONTO-DOMINION BANK -and- DOSANJH CARE INC.
Applicant Respondent

Court File No. CV-25-00740567-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FACTUM OF THE RECEIVER

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
E-mail: harvey@chaitons.com

Danish Afroz (LSO No. 65786B)
Tel: (416) 218-1137
Email: dafroz@chaitons.com

Hugh McHenry (LSO No. 93272D)
Tel: (416) 218 – 1770
Email: HMcHenry@chaitons.com

Lawyers for Albert Gelman Inc., in its capacity as Court-Appointed Receiver