CITATION: Re: 1382769 Ontario Limited et. al.
COURT FILE NO.: CV-26-104097
DATE: 2026 08 24

ONTARIO SUPERIOR COURT OF JUSTICE
EAST REGION COMMERCIAL LIST

RE: IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 1382769 ONTARIO LIMITED AND 1622356 ONTARIO LIMITED

BEFORE: C. MacLeod RSJ

COUNSEL: Joel Turgeon, for the Applicants

Matthew Cressatti, for the Proposal Trustee

HEARD: August 24, 2026

IN THE MATTER of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ENDORSEMENT

[1] This is a motion to approve the 1st, 2nd and 3rd Reports of the Proposal Trustee and to extend the time for making a proposal under s. 50.4 (9) of the BIA.

[2] By way of background the corporations are related corporations that operate franchise restaurants in Kingston. A proposed sale of the businesses was interrupted by threatened enforcement steps by CRA which claims to be owed something in order of $3.5 million. Both corporations filed notices of intention to make a proposal on May 1, 2026. The Superintendent of Bankruptcy file numbers for the two estates are 33-3368241 and 33-3368242 but by order of Justice Smith, the NOI has been consolidated and has been proceeding under 33-3368241.

[3] To further complicate matters, no bankruptcy file has yet been opened in Ottawa and instead, the documents filed electronically have been given the civil file number that appears above (CV-26-104097) although the formal orders show the 33-3368241 number (the SOB estate number). What should have occurred is that a bankruptcy file or files should have been opened – BK-33-3368241.

[4] This is an administrative issue that should not prevent the court from dealing with the matter and does not affect the validity of the orders. The civil Registrar and the Bankruptcy Clerk should confer and ensure the orders are properly recorded in the correct file. Until then, orders may continue to display the file number 33-3368241 and will be recorded in FRANK in file CV-26-104097.

[5] There have been two previous orders by Justice Perron extending the time while the companies pursued a “stalking horse” transaction with a view to completing a court supervised

sale and investment process (SISP). The SISP has now concluded and although there was potential interest in the businesses, no other bids were received. The stalking horse bidder was therefore successful, and the parties anticipate concluding the sale in the near future. As set out below, I have scheduled a motion for approval of the sale at the beginning of September.

[6] I am asked to approve the Reports of the Proposal Trustee, the steps taken pursuant to the SISP and number of proposed steps along with another extension of the time to make a proposal. No one on the service list appeared to oppose the order. I am satisfied that the factors enumerated in the legislation and detailed in the July 13, 2026 endorsement of Perron J. justify a further extension in order to complete the sale and obtain court approval.

[7] **The court therefore orders and directs as follows:**

a. An order will issue in the form signed by me, extending the time for making a proposal to October 12, 2026 and approving the steps taken to date.

b. A motion for approval of the sale and related relief will be heard by videoconference on September 9, 2026 at 9:30 a.m. The videoconference link will be as follows:

https://ca01web.zoom.us/j/62252331696?pwd=g9hqoZ49gyhI88xGk0aHDDqTpvdu9M.1

c. This scheduling order is effective without further formality. A copy of the order shall be placed in each affected court file.

Digitally signed by C. MacLeod RSJ
Date: 2026.08.24 13:16:13 -04'00'

Justice C. MacLeod

Date: August 24, 2026