Court File No. CL-26-00000124-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

BAIOCCHI VENTURES INC.

Respondent

APPLICATION UNDER Section 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
(SALE PROCESS MOTION RETURNABLE AUGUST 17, 2026)

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TO: **THE SERVICE LIST**

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PART I - NATURE OF THIS MOTION

1. This Factum is filed in support of a motion by Albert Gelman Inc., in its capacity as court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties (collectively, the "**Property**") of Baiocchi Ventures Inc. (the "**Debtor**"), including the real properties municipally known as 15 Curity Avenue, Toronto, Ontario (the "**Curity Property**") and 8318 Maynard Road, Orono, Ontario (the "**Maynard Property**" and, together, the "**Real Properties**"), seeking

   (a) an Order (the "**Sale Process Order**"), *inter alia*,

(i) authorizing the Receiver to conduct the Sales Processes (as defined below) with respect to the Real Properties, including entering into the Broker Agreements (as defined below); and

(ii) sealing Confidential Appendices "1" and "2" to the First Report (the "**Confidential Appendices**") until the earlier of the closing of the sale of the Real Properties or further order of the Court;

(b) an Order (the "**Writ of Possession Order**"), *inter alia*, declaring that the Receiver is entitled to vacant possession of the Maynard Property and granting the Receiver leave to issue a writ of possession in respect of the Maynard Property; and

(c) an Order (the "**Ancillary Order**"), *inter alia*:

(iii) amending paragraph 21 of the Receivership Order (as defined below) to increase the permitted amount of the Receiver's Borrowings (as defined below) from $250,000 to $500,000;

(iv) approving the First Report of the Receiver dated August 7, 2026 (the "**First Report**") and the conduct and activities of the Receiver described therein; and

(v) approving the fees and disbursements of the Receiver and its legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), up to July 31, 2026, as described in the Fee Affidavits (as defined below).

2. Capitalized terms not defined herein have their meaning as set out in the First Report.

PART II - SUMMARY OF FACTS

A. Background

3. The Receiver was appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 29, 2026 (the "**Receivership Order**").[1]

4. The Debtor's assets primarily consist of the Real Properties, being: (i) the Curity Property, an unoccupied approximately 57,000 square foot commercial and industrial building located in the East York area of Toronto; and (ii) the Maynard Property, a rural residential property in Orono of approximately 196 acres with a large house on the property.[2] The Maynard Property is currently occupied by Yeganeh Baiocchi, the spouse of Aldo Baiocchi, the principal of the Debtor.[3]

B. The Sale Process Order

5. The Receivership Order authorizes the Receiver to, among other things, market and sell the Real Properties, engage agents and real estate brokers to assist with the exercise of the Receiver's powers and apply for any vesting order or other orders necessary to convey the Property, including the Real Properties (or any part thereof), to a purchaser.[4]

6. The Receiver is seeking authorization to conduct a proposed sale process in respect of each of the Curity Property (the "**Curity Sale Process**") and the Maynard Property (the "**Maynard Sale Process**" and together, the "**Sales Processes**"), each of which is described in the First Report.[5]

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[1] *Alterna Savings and Credit Union Limited v. Baiocchi Ventures Inc.* (June 29, 2026), ONSC (Commercial List), Court File No. CL-26-00000124-0000 (*Receivership Order*) at para 3(l) [*Receivership Order*].
[2] *First Report of the Receiver* dated August 7, 2026 at para 11 [*First Report*].
[3] *First Report* at para 14.
[4] *Receivership Order* at para 3(d), (j) & (l).
[5] *First Report* at paras 51 & 61.

7. The Sales Processes, in each case, were designed to provide for a flexible timeline and comprehensive process for the applicable listing agent to robustly canvass the market for the Real Properties and identify a transaction for each that maximizes value for the Debtor's creditors.

8. In connection with the Sales Processes, the Receiver is seeking authorization to enter into (i) a listing agreement with CDN Global (GTA) Real Estate Services and Lennard Commercial Realty, Brokerage (the "**Curity Broker**") to market the Curity Property (the "**Curity Broker Agreement**"); and (ii) a listing agreement with Lennard Commercial Realty Inc. (the "**Maynard Broker**" and together, the "**Brokers**") to market the Maynard Property (the "**Maynard Broker Agreement**" and together, the "**Broker Agreements**").[6]

9. The Broker Agreements, in each case, were the result of a competitive listing proposal solicitation process involving multiple national real estate brokers, during which the Receiver received initial listing proposals and then followed up with brokers to encourage them to improve the competitive terms of their engagement. In each instance, the Receiver selected the applicable Broker having regard to, among other things, their experience in the applicable geographical markets and with similar properties, proposed marketing process, feedback from the applicable mortgagee and competitive compensation structure.[7]

C. The Writ of Possession Order

10. The Receivership Order contemplates that the Receiver will not take possession of the Maynard Property until the earlier of: (a) an agreement between Ms. Baiocchi and the Receiver;

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[6] *First Report* at paras 49 & 58.
[7] *First Report* at paras 44-46 & 53-55.

or (b) further order of this Court.[8]

11. Shortly after its appointment, the Receiver determined that it was necessary to take possession of the Maynard Property to properly fulfill its mandate and maximize the value returnable to creditors. Accordingly, beginning on July 6, 2026, and again on July 16, 29 and 31, 2026, the Receiver requested that Ms. Baiocchi vacate the Maynard Property by an agreed upon date and provide evidence of any legal right she may have to continue occupying the Maynard Property.[9]

12. On July 31, 2026, Ms. Baiocchi, through legal counsel, provided the Receiver with a purported lease for the Maynard Property, dated October 1, 2025 (the "**Maynard Lease**").[10]The Receiver has noted several anomalies with the Maynard Lease. For example, the Maynard Lease provides for monthly rent of $1,000, which amounts may be paid in "lump installments representing multiple months" at Ms. Baiocchi's discretion. The monthly rent is significantly below market value for a property of the nature of the Maynard Property. The Receiver has not received any payments from Ms. Baiocchi for rent since its appointment.[11]

13. The Maynard Lease also bears a witness signature dated March 16, 2026. Prior to that date, the mortgage owing to Holloway Trading Corporation ("**Holloway**" and such mortgage, the "**Holloway Mortgage**") as first mortgagee of the Maynard Property, was in default and Holloway had taken steps to enforce upon the Maynard Property, including: (i) on December 19, 2025, serving a Notice of Sale in relation to the Maynard Property; and (ii) on February 27, 2026, commencing an action in the Ontario Superior Court of Justice seeking payment of the mortgage

[8] *Receivership Order* at para 3A.
[9] *First Report* at paras 66-72.
[10] *First Report* at para 72(b).
[11] *First Report* at paras 72(b), 73-74.

and possession. The Receiver believes that the Maynard Lease may have been entered into around March 16, 2026, and backdated to October 1, 2025.[12]

14. Ms. Baiocchi has also refused to accommodate the Receiver's requests to provide access to the Maynard Property to potential listing agents, which is required to permit such agents to prepare a comprehensive listing proposal for the Maynard Property. Each of the potential listing agents informed the Receiver that their inability to access the Maynard Property may result in inaccuracies in their listing proposals. Ms. Baiocchi's continuing occupation of the Maynard Property is interfering with the Receiver's ability to market and realize upon the Maynard Property in a manner that will maximize the value returnable to the Debtor's creditors.[13]

15. If the Court approves the Maynard Sales Process, the Receiver expects that Ms. Baiocchi would similarly delay or block access to the Maynard Property by potential purchasers and their real estate agents, something that would frustrate the sales process.[14]

16. Ms. Baiocchi attended the June 29, 2026 hearing before Justice Myers that led to the granting of the Receivership Order. At that time, the issue of whether Ms. Baiocchi should vacate the Maynard Property was raised with the Court. This issue and the Court's disposition were reflected in the following parts of Justice Myers's June 29, 2026 endorsement:[15]

> 17. Ms. Spence for Holloway agreed that her client was not looking to take possession of the Maynard Street property immediately. She correctly notes that under the standard language of para. 2 (a) of the Commercial List Template Receivership Order, the Receiver has the right to take possession of all property of the debtor. So, even if Holloway had not shown up here and told

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[12] *First Report* at paras 77-78.
[13] *First Report* at paras 63-65.
[14] *First Report* at paras 64 & 80(g).
[15] *Alterna Savings and Credit Union Limited v. Baiocchi Ventures Inc.*, ONSC (Commercial List), Court File No. CL-26-00000124-0000, (Endorsement of Myers, J. dated June 29, 2026) at paras 17-20.

> Alterna about the Maynard Street property, the Receiver still would have the right to take immediate possession of it once it learned of the property.
>
> 18. I know nothing about the equities as between the debtor and Ms. Baiocchi. Ms. Spence and Mr. Cressatti did not oppose my suggestion that the order be made subject to a term requiring that the Receiver is not to take possession of the Maynard Street property except with the agreement of Ms. Baiocchi or an order of the court obtained on notice to her.
>
> 19. Ms. Baiocchi asked if this gave her the 90 days to leave that she expects on a private sale of her house. I explained that the Commercial List tends to work in matters of a few weeks and not three months. There also is no right to 90 days before a closing on a private sale of real estate. The closing date can be subject to negotiation just as the eviction date can be negotiated here.
>
> 20. I also explained to Ms. Baiocchi that on the appointment of the Receiver, the debtor has lost the ability to sell the Maynard Street property. Only the Receiver can market it and sell it now. Mind you, the Receiver may well be interested in looking at the status of the current listing. It will probably also want to ensure that it can have access to the property for showings and vacant possession before closing. Thise are all things that can be negotiated or brought before the court if necessary.

17. Ms. Baiocchi has been aware of the Receiver's requests for vacant possession of the Maynard Property since July 6, 2026. The Receiver and its counsel have contacted Ms. Baiocchi (and later, her counsel) numerous times but have not reached agreement for her to vacate due to Ms. Baiocchi's unwillingness to engage on this point.[16]

18. The Writ of Possession Order being sought in this motion contemplates that Ms. Baiocchi will be required to vacate the Maynard Property by no later than August 31, 2026, two weeks after the date of the Receiver's motion. If granted, Ms. Baiocchi will have been provided nearly two months of notice of the Receiver's intention to obtain vacant possession of the Maynard Property.[17]

19. The Holloway Mortgage has been in default since December 2025. Ms. Baiocchi's continuing occupation of the Maynard Property will delay and impair the Receiver's ability to realize upon the Maynard Property. Ms. Baiocchi's continuing occupation of the Maynard Property prejudices the Debtor's creditors while benefiting a related party to the Debtor in

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[16] *First Report* at paras 68-71.

[17] *First Report* at para 82.

circumstances where it has not been established that Ms. Baiocchi has any legal entitlement to occupy the Maynard Property.[18]

D. The Ancillary Order

Increase to the Receiver's Borrowings

20. Pursuant to paragraph 21 of the Receivership Order, the Receiver was empowered to borrow amounts to fund the Receiver's exercise of the powers and duties conferred upon the Receiver pursuant to the Receivership Order (the "**Receiver's Borrowings**"). The Receiver's Borrowings were limited to a maximum principal amount of $250,000 (the "**Maximum Borrowing Amount**"). Pursuant to the Receivership Order, the Receiver's Borrowings were secured by a Court-ordered charge upon the Property.[19]

21. The Maximum Borrowing Amount contemplated only the inclusion of the Curity Property within the scope of the receivership proceeding. The funding needs of the Maynard Property were not taken into account.[20]

22. In light of the scope of the Receiver's mandate having been expanded to include the Maynard Property, the Receiver has determined that it is necessary to increase the Maximum Borrowing Amount to $500,000. The proposed increase is projected to fund the highest priority costs of the receivership through the Sales Processes and the consummation of transactions in respect of the Real Properties.[21]

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[18] *First Report* at paras 78-79.
[19] *Receivership Order* at para 21.
[20] *First Report* at paras 84-85.
[21] *First Report* at para 86.

23. The Receiver has consulted with the first registered mortgagees on the Real Properties and each of those parties have confirmed they are supportive of the proposed increase.[22]

Approval of Fees and Activities

24. The Receiver is seeking approval of the First Report and the receipts and disbursements and the activities of the Receiver as described therein.[23]

25. The Receiver is also seeking approval of the fees and costs of the Receiver and Cassels incurred up to July 31, 2026, as set out in the Affidavit of Tom McElroy sworn August 6, 2026 and the Affidavit of Alec Hoy sworn August 6, 2026 (together, the "**Fee Affidavits**").[24]

PART III - STATEMENT OF ISSUES, LAW & AUTHORITIES

26. The issues to be determined on this Motion are whether this Court should:

(a) approve the Sale Process Order, among other things,

(i) authorizing the Receiver to enter into the Broker Agreements and conduct the Sales Processes; and

(ii) sealing the Confidential Appendices to the First Report;

(b) approve the Writ of Possession Order, among other things, declaring that the Receiver is entitled to vacant possession of the Maynard Property and granting the Receiver leave to issue a writ of possession in respect thereof; and

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[22] *First Report* at para 85.
[23] *First Report* at para 2(b)(iii)(B-C).
[24] *First Report* at paras 89 & 91.

(c) approve the Ancillary Order, among other things:

   (i) increasing the Maximum Borrowing Amount to $500,000;

   (ii) approving the First Report and the Receiver's activities described therein; and

   (iii) approving the fees and disbursements of the Receiver and Cassels.

A. The Court Ought to Grant the Sale Process Order

27. Section 243 of the *Bankruptcy and Insolvency Act* ("**BIA**") provides the Court broad discretion as to the powers it grants receivers to exercise control over the property of a company in a receivership and in making orders generally:[25]

> **Court may appoint receiver**
>
> **243 (1)** Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:
>
> (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
>
> (b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
>
> (c) take any other action that the court considers advisable.

28. The Receivership Order was granted pursuant to section 243(1) of the BIA and section 101 of the *Courts of Justice Act* and explicitly authorizes and empowers the Receiver to, among other things, market any or all of the Property of the Debtor, including the Real Properties, and engage,

[25] *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, s. 243(1) [*R.S.C. 1985, c. B-3*].

among others, real estate brokers to assist with the marketing of the Property upon such terms and conditions as the Receiver in its discretion may deem appropriate.[26]

29. The Ontario Court of Appeal has recognized that the purpose of a receivership is to enhance and facilitate the preservation and realization of receivership assets for the benefit of creditors and stakeholders, and that this purpose is generally achieved through a liquidation of the debtor's assets.[27] Sales processes are routinely approved in receivership proceedings to facilitate the realization of those assets.[28]

The Broker Agreements

30. Given the nature and value of the Real Properties, the Receiver determined that engaging qualified real estate brokers would be the most efficient means of broadly canvassing the market and identifying a value maximizing transaction. Accordingly, the Receiver undertook a process to select a listing agent for each of the Curity Property and the Maynard Property.[29]

31. In respect of each of the Curity Property and the Maynard Property, the Receiver solicited and received listing proposals from three national real estate brokerages that the Receiver considered to be market-leading real estate service firms with relevant experience marketing and selling similar properties. In each instance, following receipt of the brokers' initial listing proposals, the Receiver engaged with the brokers to seek clarification and encourage the brokers

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[26] *Receivership Order* at para 3(d), (j) & (l).
[27] *Third Eye Capital Corporation v Resources Dianor Inc/Dianor Resources Inc*, 2019 ONCA 508 at para 73 [*Third Eye Capital*].
[28] *2056706 Ontario Inc v Pure Global Cannabis Inc*, 2021 ONSC 5533 at para 11.
[29] *First Report* at paras 44-45 & 53-54.

to improve the terms of their offer. The Receiver thereafter received improved listing proposals, including with lowered commission rates.[30]

32. In respect of the Curity Property, after reviewing the final versions of the proposals received, and in consultation with Alterna Savings and Credit Union Limited ("**Alterna**"), the first registered mortgagee on the Curity Property, the Receiver selected the Curity Broker taking into consideration, among other things, the Curity Broker's: (i) extensive experience in receivership sales; (ii) experience in the geographical area; and (iii) proposed marketing plan for the Curity Property. The Curity Broker Agreement contemplates a commission of 3% where there is no co-operating broker. Where there is a co-operating broker, total commission will be 3.5%, with 2% paid to the Curity Broker and 1.5% to the co-operating broker. Although another proposal contemplated a commission rate that was 50 basis points lower, the Receiver concluded that the Curity Broker's greater receivership experience and familiarity with the property and market justified the modest increase in commission.[31]

33. In respect of the Maynard Property, after reviewing the final versions of the proposals received, and in consultation with Holloway, the Receiver selected the Maynard Broker taking into consideration, among other things, its (i) proposed commission structure; (ii) experience in receivership sales and residential properties of this type; and (iii) proposed marketing plan for the Maynard Property. The Maynard Broker Agreement contemplates a commission of 2.5% where there is no co-operating broker. If there is a co-operating broker, total commission will be 4%, with 1.5% paid to the Maynard Broker and 2.5% to the co-operating broker. The Receiver determined that the commission structure proposed by the Maynard Broker was the most

[30] *First Report* at paras 44-46 & 48.
[31] *First Report* at para 49.

competitive commission proposal received in respect of the Maynard Property and was likely to incentivize co-operating brokers to solicit interest in the Maynard Property.[32]

34. The Court's exercise of its discretion pursuant to section 243(1)(c) of the BIA to approve the Broker Agreements and the Receiver's engagement of the Brokers is consistent with this Court's past exercise of that discretionary authority.[33]

35. The Receiver submits that it is appropriate for this Court to exercise its jurisdiction to approve the Curity Broker Agreement and Maynard Broker Agreement.

The Sales Processes

36. The Court has held that the reasonableness and adequacy of a proposed sales process must be assessed in light of the factors that the Court will later take into account when considering approval of any transaction arising from the process.[34]

37. In the case of *Royal Bank of Canada v Soundair Corp*, the Ontario Court of Appeal held that a court was to consider the following factors when deciding whether to approve the sale of property subject to a receivership:[35]

(a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;

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[32] *First Report* at para 58.
[33] See, e.g., *Third Eye Capital* at para 85; *Kingsett Mortgage Corporation and Dorr Capital Corporation v Stateview Homes (Minu Towns) Inc., et. al.* (June 5, 2023), ONSC (Commercial List), Court File No. CV-24-00698576-00CL (Sale Process Approval Order) at para 3; *Business Development Bank of Canada v J2ASM Inc.* (January 23, 2025), ONSC (Commercial List), Court File No. CV-24-00731538-00CL (Sale Process Order) at para 3.
[34] *CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd*, 2012 ONSC 1750 at para 6 [*CCM Master Qualified Fund*].
[35] 1991 CanLII 2727 (ONCA) at para 16.

(b) the efficacy and the integrity of the process by which offers are obtained;

(c) whether there has been unfairness in the working out of the process; and

(d) the interests of all parties.

38. In *CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd*, the Court held that the criteria identified in *Soundair* also inform the determination of whether to approve a court-appointed receiver's proposed sale process. Specifically, the Court is to assess:[36]

(a) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver;

(b) the fairness, transparency and integrity of the proposed process; and

(c) whether the sales process will optimize the chances, in the particular circumstances, [37]of securing the best possible price for the assets up for sale.

39. Each of the factors outlined in *Soundair* and *CCM Master Qualified Fund* support the approval of the Sales Processes at this time:

(a) Whether the Sales Processes are commercially efficient. The Sales Processes will be overseen and conducted by the Receiver with the assistance of the Brokers.[38] The Broker's engagement, in each case, arises from a competitive solicitation process undertaken by the Receiver. The Receiver has identified the Brokers as the parties most likely to maximize the value realized from the real properties in

[36] *CCM Master Qualified Fund* at para 6.
[37] *First Report* at paras 49 & 58.
[38] *First Report* at paras 51-52 & 61-62.

consideration of a series of factors. The assistance and involvement of the Brokers, together with the structure of the Sales Processes, will assist the Receiver in conducting the Sales Processes efficiently and maximize value for the Real Properties.[39]

(b) Whether the Sales Processes are fair and transparent. The Sales Processes are fair, open, and transparent processes that contemplate a flexible and broad public marketing process, pursuant to which the Brokers and the Receiver will engage with prospective purchasers of the applicable Real Property. The Sales Processes contemplate making publicly available all information relating to the Real Properties that is relevant and necessary for prospective purchasers to conduct their diligence. Further, any transaction resulting from either Sales Process will remain subject to further approval of this Court prior to completion.[40]

(c) Whether the Sales Processes optimize the chances of securing the best possible price. The Receiver formulated the Sales Processes, with the assistance of the applicable Broker, to broadly canvass the market and identify transactions that maximize value for the Real Properties.[41] The proposed procedures of the Sales Processes are sufficient to ensure the Brokers and the Receiver retain sufficient flexibility to market the Real Properties in a manner determined to be appropriate on an ongoing basis, while also being sufficiently established to provide interested bidders with the requisite certainty. The Receiver submits that these procedures

[39] *First Report* at paras 49 & 58.
[40] *First Report* at paras 52 & 62; *Receivership Order* at para 3(l).
[41] *First Report* at paras 51-52 & 61-62.

optimize the prospect of obtaining the best price reasonably available for the Real Properties.[42]

40. With respect to the Maynard Property, Ms. Baiocchi's refusal to provide access to prospective listing agents has created issues in designing the Maynard Sale Process. In particular, each of the prospective listing agents advised the Receiver that their inability to access the Maynard Property may have resulted in inaccuracies in their proposals, including with respect to estimated market value, suggested listing price and other information.[43] The Maynard Sale Process may require further revisions (such as a revision in the listing price) once access to the Maynard Property is available.

41. For the reasons set out above, the Receiver submits that the proposed Sales Processes are consistent with the criteria established in *CCM Master Qualified Fund* and *Soundair*, optimize the likelihood of securing the best possible price for the Real Properties, and therefore should be approved.

The Confidential Appendices Should Be Sealed

42. The Receiver is seeking a sealing order in respect of the Confidential Appendices to the First Report. The Confidential Appendices contain summaries of the competing broker proposals received in connection with the Real Properties. The proposed sealing order would seal the Confidential Appendices until the earlier of the closing of the sale of the Real Properties or further order of this Court.[44]

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[42] *First Report* at paras 51-52 & 61-62.
[43] *First Report* at para 64.
[44] *First Report* at para 95.

43. In *Sierra Club of Canada v. Canada (Minister of Finance)*, the Supreme Court of Canada 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; and (b) the salutary effects of the order outweigh its deleterious effects.[45] In *Sherman Estate v. Donovan*, the Supreme Court of Canada confirmed that a sealing order may be granted where: (a) court openness poses a serious risk to an important public interest; (b) the order sought is necessary because reasonably available alternative measures will not prevent that risk; and (c) the benefits of the order outweigh its negative effects.[46]

44. Courts routinely seal commercially sensitive information in insolvency proceedings where disclosure could prejudice a sale or marketing process.[47]

45. The Confidential Appendices, in each case, contain sensitive commercial information, including estimates of value of the Real Properties, which could potentially negatively affect the Sales Processes if publicly disclosed.[48]

46. The Receiver submits that the limited sealing relief (both in scope and duration) sought is necessary and appropriate in the circumstances and that the Confidential Appendices should be sealed.

B. The Court Ought to Grant the Writ of Possession Order

47. Pursuant to the Receivership Order, the Receiver was appointed over the Maynard Property, provided that the Receiver was not entitled to take possession of the Maynard Property

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[45] *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 at para 53.
[46] *Sherman Estate v. Donovan*, 2021 SCC 25 at para 38.
[47] *Romspen Investment Corporation v Hargate Properties Inc.*, 2012 ABQB 412 at paras 2, 11 & 13.
[48] *First Report* at para 95.

until the earlier of: (a) an agreement between the Receiver and Ms. Baiocchi; or (b) further order of the Court.[49]

48. Following the issuance of the Receivership Order, the Receiver (or its counsel) made repeated requests that Ms. Baiocchi vacate the Maynard Property and permit access for brokers. Ms. Baiocchi declined to engage with those requests. Ms. Baiocchi's continuing occupation of the Maynard Property is interfering with the Receiver's ability to fulfill its mandate as a court-appointed officer, including to market the Maynard Property and maximize value for creditors.[50]

49. Rather than working with the Receiver to identify an agreeable date for her vacating the Maynard Property, Ms. Baiocchi has (i) advised the Receiver that she does not intend to vacate the Maynard Property; and (ii) provided the Receiver (after several requests) with a lease for the Maynard Property (the "**Maynard Lease**"), the validity and enforceability of which is in issue.[51] With respect to the Maynard Lease, the Receiver notes that, among other things:[52]

(a) it provides for monthly rent of $1,000, a rate which is grossly below market value for a property of the Maynard Property's nature;

(b) it permits Ms. Baiocchi to not pay rent on a monthly basis, and instead make lump sum payments at such time and frequency as Ms. Baiocchi may determine;

(c) it is dated October 1, 2025, but was not signed by a witness until March 16, 2026; and

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[49] *Receivership Order* at paras 2 & 3A.
[50] *First Report* at para 79.
[51] *First Report* at paras 68 & 72(b).
[52] *First Report* at para 73.

(d) section 10 thereof purports to preserve Ms. Baiocchi's tenancy rights even if a receiver or trustee seeks possession of the Maynard Property and further states that the receiver/trustee must give 60 days' written notice to vacate and must comply with Ontario residential tenancy legislation.

50. Notably, the Holloway Mortgage was in default in December 2025 and Holloway had begun taking steps to enforce upon its security prior to March 16, 2026. Based on the foregoing, the Receiver believes the Maynard Lease may have been prepared and executed in March 2026 and backdated to October 2025 to impede Holloway's (and subsequently the Receiver's) ability to realize upon the Maynard Property, especially since section 10 of the Maynard Lease purports to limit a receiver's rights.[53] Ms. Baiocchi has not answered the Receiver's questions about the provenance of the lease or otherwise provided additional information to substantiate the validity of the lease.[54]

51. As the Receiver has been unable to reach an agreement with Ms. Baiocchi for her to vacate the Maynard Property, the Receiver is seeking the Writ of Possession Order.[55]

52. This Court has authority to grant the Writ of Possession Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*.[56] Rule 60.03 of the *Rules of Civil Procedure* provides that an order for the delivery of the possession of land may be enforced by a writ of possession under

[53] *First Report* at paras 77-78.
[54] *First Report* at Appendix "D".
[55] *First Report* at para 80.
[56] *R.S.C. 1985, c. B-3*, s. 243(1).

rule 60.10.[57] A writ of possession may be obtained with leave of the court and upon notice to the persons in actual possession of the applicable land.[58]

53. The Receiver served its motion materials upon Ms. Baiocchi and Ms. Baiocchi has been aware of the Receiver's request for vacant possession since July 6, 2026.[59]

54. The Writ of Possession Order requires Ms. Baiocchi to vacate the Maynard Property by August 31, 2026. If granted, Ms. Baiocchi will have been provided approximately two months to deliver vacant possession of the Maynard Property from the date of the Receiver's first request for vacant possession of the Maynard Property, including two weeks following the issuance of the Writ of Possession Order.[60]

55. The Receiver requires vacant possession of the Maynard Property to market and sell the property. The Holloway Mortgage has been in default since December 2025 and continues to accrue interest and costs to the prejudice of Holloway and the Debtor's other stakeholders. Ms. Baiocchi's continued occupation of the Maynard Property (including upon the terms in the purported Maynard Lease) is prejudicial to the creditors of the Debtor.[61] This Court (Peter Osborne, J., as he then was) has granted relief in similar circumstances involving a residential occupant.[62]

56. The Writ of Possession Order is necessary and appropriate in the circumstances and should be granted.

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[57] *Rules of Civil Procedure*, RRO 1990, Reg 194, r. 60.03 & 60.10 [*RRO 1990, Reg 194*].
[58] *RRO 1990, Reg 194*, r. 60.10.
[59] *First Report* at para 82.
[60] *First Report* at paras 69 & 82.
[61] *First Report* at para 78.
[62] *KingSett Mortgage Corporation v 30 Roe Investments Corp.*, 2023 ONSC 3323 at paras 56-58.

57. Further, the Receiver submits that, if required, the Court should exercise its discretion pursuant to section 52(1) of the *Mortgages Act* to set aside the Maynard Lease on the basis that, among other things, it was entered into: (i) after default under the Holloway Mortgage; and (ii) with the object of interfering with Holloway's realization upon the Maynard Property.[63] The Maynard Lease appears to have been executed on March 16, 2026, after the Holloway Mortgage was in default and Holloway had taken steps to enforce.[64] The Maynard Lease contains very non-market terms, including a monthly rent that is significantly below market value and preferential to Ms. Baiocchi, a related party of the Debtor, to the prejudice of the Debtor's creditors.[65]

58. Finally, and in any event, paragraph 3(a) of the Receivership Order allows the Receiver to "cease to perform any contracts of the Debtor" which, if done in respect of the Maynard Lease, would end any occupancy right that Ms. Baiocchi may have.[66]

C. The Court Ought to Grant the Ancillary Order

The Maximum Borrowing Amount Should be Increased

59. Subsection 243(1) of the BIA authorizes a court to appoint a receiver to, among other things, "take any … action that the court considers advisable". The broad jurisdiction afforded under subsection 243(1) has been interpreted to permit the Court to do what "justice dictates" and what "practicality demands".[67]

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[63] *Mortgages Act*, RSO 1990, c M.40, s. 52(1).
[64] *First Report* at paras 77-78.
[65] *First Report* at para 73.
[66] *Receivership Order* at para 3(a).
[67] *Third Eye Capital* at para 57.

60. This Court will often extend a receiver's borrowing limit in response to evolving circumstances in a receivership, including where the remaining availability under a credit facility is insufficient to cover the anticipated costs of the receivership.[68]

61. Paragraph 21 of the Receivership Order (i) authorizes the Receiver to borrow the Receiver's Borrowings up to the Maximum Borrowing Amount of $250,000 and (ii) contemplates that the Maximum Borrowing Amount may be increased by order of the Court.[69]

62. The Receiver has determined that the Maximum Borrowing Amount is insufficient in the circumstances, including in light of the Maynard Property having been included within the scope of the Receivership Order.[70] The Receiver anticipates that additional funding may be required in connection with the management of both Real Properties, including for the payment of property taxes, insurance, professional fees, property maintenance costs and the implementation of the Sales Processes.[71]

63. To enable the Receiver to conduct the Sales Processes and maintain the Real Properties, the Receiver requests that the Maximum Borrowing Amount be increased to $500,000.

64. Alterna and Holloway, the first-ranking mortgagees of the Curity Property and the Maynard Property, respectively, have informed the Receiver they are supportive of the proposed increase.[72]

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[68] See e.g., *Sage Gold Inc.* (18 December 2018), ONSC (Commercial List), Court File No. CV-18-00601307-00CL (Order) at para 2; *Kingsett Mortgage Corporation et al. v Vandyk et al.* (21 December 2023), ONSC (Commercial List), Court File No. CV-23-00709180-00CL (Order) at para 2.
[69] *Receivership Order* at para 20.
[70] *First Report* at paras 84 & 85.
[71] *First Report* at para 85.
[72] *First Report* at para 86.

65. In the circumstances, the Receiver submits that increasing the Maximum Borrowing Amount is necessary and appropriate.

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

66. The Receiver is seeking approval of the First Report, and the activities and conduct of the Receiver described therein.

67. It has become common practice for court officers to bring motions to seek approval of their reports and the activities set out therein.[73] Court approval, among other things, allows the court officer to bring its activities before the court and presents an opportunity to address concerns of stakeholders, while enabling the court to satisfy itself that the court officer's activities have been conducted in a prudent and diligent manner.[74]

68. The activities of the Receiver described in the First Report were all necessary and undertaken in good faith pursuant to the Receiver's duties and powers set out in the Receivership Order and were in the best interest of the stakeholders of the Debtor.[75]

69. The Receiver therefore respectfully submits that the First Report and the activities of the Receiver described therein should be approved.

The Fees and Disbursements of the Receiver and Cassels Should Be Approved

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[73] *Target Canada Co. (Re)*, 2015 ONSC 7574 at para 2 [*Target Canada*]; *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, 2023 ONSC 3400 at paras 65-66 [*Triple-I Capital*].
[74] *Target Canada* at para 23; *Triple-I Capital* at paras 65-66.
[75] *First Report* at para 15.

70. The Receiver also seeks approval of its fees and disbursements and the fees and disbursements of its legal counsel, Cassels, in each case incurred from June 30, 2026 to July 31, 2026.[76]

71. 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: (i) the nature, extent and value of the assets; (ii) the complications encountered; (iii) the degree of assistance provided by the debtor; (iv) the time spent; (v) the receiver's knowledge, experience and skill, (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results of the receiver's efforts; and (ix) the cost of comparable services when performed in a prudent and economical manner.[77]

72. The Fee Affidavits provide detailed information on the fees and disbursements of the Receiver and Cassels from the period of their engagement to July 31, 2026.[78]

73. The Receiver is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Receiver's instructions and that the overall fees charged by Cassels and the Receiver are reasonable and appropriate in the circumstances.[79]

PART IV - ORDER REQUESTED

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[76] *First Report* at paras 87-94.
[77] *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at paras 33 and 44-45.
[78] *First Report* at Appendix "I" and Appendix "J".
[79] *First Report* at para 94.

74. For the reasons set out above, the Receiver respectfully requests that this Court grant the Sale Process Order, the Writ of Possession Order and the Ancillary Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of August, 2026.

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Lawyers for the Receiver, Albert Gelman Inc.

SCHEDULE "A"

LIST OF AUTHORITIES

1. *2056706 Ontario Inc. v. Pure Global Cannabis Inc.*, 2021 ONSC 5533
2. *Alterna Savings and Credit Union Limited v. Baiocchi Ventures Inc.* (June 29, 2026), ONSC (Commercial List), Court File No. CL-26-00000124-0000 (Endorsement of Myers, J.)
3. *Alterna Savings and Credit Union Limited v. Baiocchi Ventures Inc.* (June 29, 2026), ONSC (Commercial List), Court File No. CL-26-00000124-0000 (Receivership Order)
4. *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851
5. *Business Development Bank of Canada v J2ASM Inc.* (January 23, 2025), ONSC (Commercial List), Court File No. CV-24-00731538-00CL (Sale Process Order)
6. *CCM Master Qualified Fund Ltd. v. blutip Power Technologies Ltd.*, 2012 ONSC 1750
7. *KingSett Mortgage Corporation and Dorr Capital Corporation v. Stateview Homes (Minu Towns) Inc. et al.* (June 5, 2023), ONSC (Commercial List), Court File No. CV-24-00698576-00CL (Sale Process Approval Order)
8. *KingSett Mortgage Corporation et al. v. Vandyk et al.* (December 21, 2023), ONSC (Commercial List), Court File No. CV-23-00709180-00CL (Order)
9. *KingSett Mortgage Corporation v. 30 Roe Investments Corp.*, 2023 ONSC 3323
10. *Romspen Investment Corporation v. Hargate Properties Inc.*, 2012 ABQB 412
11. *Royal Bank of Canada v. Soundair Corp.,* 1991 CanLII 2727 (ONCA)
12. *Sage Gold Inc.* (December 18, 2018), ONSC (Commercial List), Court File No. CV-18-00601307-00CL (Order)
13. *Sherman Estate v. Donovan*, 2021 SCC 25
14. *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41
15. *Target Canada Co. (Re)*, 2015 ONSC 7574
16. *Third Eye Capital Corporation v. Resources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508
17. *Triple-I Capital Partners Limited v. 12411300 Canada Inc.*, 2023 ONSC 3400

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 August 12, 2026

Joshua Gordon

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

***Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3**

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or

(c) take any other action that the court considers advisable.

Restriction on appointment of receiver

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

(a) the insolvent person consents to an earlier enforcement under subsection 244(2); or

(b) the court considers it appropriate to appoint a receiver before then.

[…]

***Courts of Justice Act*, R.S.O. 1990, c. C.43**

Injunctions and receivers

101 (1) In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

Terms

(2) An order under subsection (1) may include such terms as are considered just.

[…]

***Rules of Civil Procedure*, RRO 1990, Reg 194**

Enforcement of Order for Possession of Land

60.03 An order for the recovery or delivery of the possession of land may be enforced by a writ of possession (Form 60C) under rule 60.10. R.R.O. 1990, Reg. 194, r. 60.03.

Writ of Possession

Leave Required

60.10 (1) A writ of possession (Form 60C) may be issued only with leave of the court, obtained on motion without notice or at the time an order entitling a party to possession is made. R.R.O. 1990, Reg. 194, r. 60.10 (1).

(2) The court may grant leave to issue a writ of possession only where it is satisfied that all persons in actual possession of any part of the land have received sufficient notice of the proceeding in which the order was obtained to have enabled them to apply to the court for relief. R.R.O. 1990, Reg. 194, r. 60.10 (2).

Duration

(3) A writ of possession remains in force for one year from the date of the order authorizing its issue, and may, before its expiry, be renewed by order for a period of one year from each renewal. R.R.O. 1990, Reg. 194, r. 60.10 (3).

Eviction Orders under Residential Tenancies Act, 2006

(4) For the purposes of subrule (3) and section 85 of the Residential Tenancies Act, 2006, an eviction order under that Act that is filed with the sheriff remains in force for one year from the date on which the order takes effect and may, before its expiry, be renewed by order for a period of one year from each renewal. O. Reg. 221/25, s. 8.

[…]

***Mortgages Act*, RSO 1990, c M.40**

Application to set aside tenancy

52 (1) The Superior Court of Justice may on application by the mortgagee vary or set aside a tenancy agreement, or any of its provisions, entered into by the mortgagor in contemplation of or after default under the mortgage with the object of,

(a) discouraging the mortgagee from taking possession of the residential complex on default; or

(b) adversely affecting the value of the mortgagee's interest in the residential complex. 1997, c. 24, s. 215 (13); 2000, c. 26, Sched. B, s. 14 (5).

ALTERNA SAVINGS AND CREDIT UNION LIMITED -and- BAIOCCHI VENTURES INC.
Applicant Respondent

Court File No. CL-26-00000124-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FACTUM OF THE RECEIVER

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