

Zeldin, Adam

From: Dietrich, Madam Justice Bernadette (SCJ)
Sent: Thursday, March 18, 2021 4:50 PM
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Cc: Anissimova, Alsou (MAG); Pera, Jonathan (JUD); Minassian, Ade (MAG)
Subject: RE: Receivership Application | Re 2607380 Ontario Inc. Court File No. CV-20-00636875-00CL
Attachments: Meridian, 2607380 Ontario Inc. - Counsel Slip - Receivership Application (March 18, 2021).docx; Meridian_ 2607380 Ontario Inc - Order Appointing Receiver (March 18 2021) Signed Dietrich J..pdf; Meridian_ 2607380 Ontario Inc. - Order to Terminate CCAA Proceeding (March 18 2021)-signed Dietrich J..pdf; Meridian, 2607380 Ontario Inc. - Counsel Slip - Motion to Terminate CCAA (March 18, 2021).docx

Attention! Courriel externe | External Email

Two hearings were held in the above-noted matter via videoconference today. The counsel in attendance were those whose names appear on the Counsel Slips attached hereto.

Endorsement

The applicant Meridian Credit Union Limited (“Meridian”) brings a motion for an Order terminating the CCAA proceedings, among other relief, including approval of the Monitor’s activities as set out in its Fifth Report, and approving the fees and disbursements of the Monitor and its counsel. It also brings an application seeking an Order appointing a Receiver, among other relief.

All parties on the service list have been served. There is no opposition to the relief sought. 2607380 Ontario Inc. (the “Company”) consents to the relief sought. The Monitor is supportive of the termination of the CCAA proceedings and of the appointment of a Receiver.

Renovations to the Nuvo Property were completed and a sales process was undertaken with the assistance of CBRE, but the Monitor did not receive an acceptable bid. There are no firm commitments for a refinancing or sale transaction. The Company is in default and in breach of the forbearance agreement. Meridian (the primary secured creditor and DIP lender) is not willing to support the Company through a further extension of the CCAA proceedings. The current stay will expire on March 19, 2021. The Company has agreed to a lifting of the stay to permit a Receiver to be appointed.

In these circumstances, I find that it is just and convenient for a Receiver to be appointed. Once a Receiver is appointed, there will be no need for the CCAA proceedings to continue. It is therefore appropriate to terminate the current stay and to terminate the CCAA proceedings.

I have reviewed the Monitor’s Fifth Report. Its activities described therein should be approved. The fees of the Monitor and its counsel appear to be fair and reasonable, and they should also be approved.

The Orders shall issue in the forms attached hereto and signed by me. Each Order is effective as of today’s date and it does not need to be entered.

On consent of Meridian and the Company, with the Monitor’s agreement, the provisions of the Orders made by the Court today terminating the CCAA proceedings and appointing msi Spergel Inc. as Receiver in the proceeding (in Court

File No. CV-21-00659019-00CL), which preserve the priority of the Administrative Charge established under the Amended and Restated Initial Order in these CCAA proceedings, are without prejudice to the rights of Meridian and the Receiver to contest the quantum of the fees and disbursements claimed under the Administrative Charge by Company counsel and without prejudice to the rights of the Company and Company counsel to assert these claims, subject to the \$300,000 existing limit on all claims under the Administrative Charge. For the avoidance of doubt, no payment of any amount on account of the Administrative Charge shall be made unless and until there is a sale or refinancing of the Nuvo Property as that term is defined in the material filed, or pursuant to further Order of this Court.



**Dietrich J.
Superior Court of Justice (Toronto)
March 18, 2029**