

Brahm Rosen

From: Conway, Madam Justice Barbara (SCJ) <Barbara.Conway@scj-csj.ca>
Sent: July 2, 2020 11:50 AM
To: David P. Preger; jdavies@alloway.net; dsazant@bianchipresta.com; spoquiz@poquizlaw.com; Brahm Rosen; Lisa S. Corne; Janet C. Nairne
Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List
Subject: RE: C & K Mortgage Services Inc. v. Camilla Court Homes Inc. et al., Court File No. CV-20-00643021-00CL
Attachments: Counsel Slip July 2.pdf; Signed Receivership Order.pdf
Importance: High

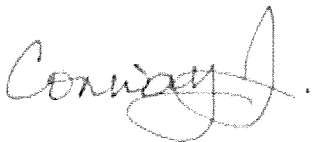
This is the return of the receivership application that I adjourned on June 18, 2020 to today's date. It proceeded by Zoom videoconference. The participants on the call are listed in the attached counsel slip.

The debtors did not file any responding materials but made submissions in opposition to the receivership, saying the record did not establish that it was just and convenient to appoint a receiver. Counsel (and the real estate agent) for the purchasers also attended and expressed their clients' upset and frustration with the pending sale. Counsel for one of the lien claimants attended to observe the hearing.

The Applicant is owed over \$2.5 million on its mortgage from the developer of two properties. The properties secured under the mortgage are under construction. One is almost complete and the other is not. On the affidavit evidence before me (which is not disputed) one of the debtors, Elite, entered into agreements to sell the properties but used the deposit funds to fund the construction and development of the properties. This has created the situation where the mortgage cannot be fully repaid from the sale proceeds. The situation is further complicated by the presence of various construction liens registered on title.

Overall, I consider it just and convenient for a receiver to be appointed to take possession and control of the properties, finance the remaining construction as necessary and then market and sell the properties, all taking into account the interests of the various stakeholders. While I am sympathetic to the concerns of the purchasers, unfortunately they are caught in a situation created by the respondent who independently used the deposit money to fund the construction.

Order to go as signed by me. This order is effective from today's date and is enforceable without the need for entry and filing.



Superior Court of Justice (Toronto)