



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00746724-00CL

DATE: Jan 14, 2026

NO. ON LIST:1

TITLE OF PROCEEDING: AFC MORTGAGE ADMINISTRATION INC. v. WASAGA HEIGHTS INC.; SOHAIL SIDDIQUI

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Jonathan Kulathungam	Counsel for AFC Mortgage Administration Inc.	jkulathungam@teplitskyllp.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Asim Iqbal	Counsel to Receiver	asim.iqbal@gowlingwlg.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE CONWAY:

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the First Report of the Receiver dated January 5, 2026 (the “**First Report**”). All factual references in this Endorsement come from the First Report.
- [2] The Receiver brings this motion for a Sale Procedure Order that approves (i) the Sale Procedure, (ii) the Stalking Horse APS for purposes of the acting as the stalking horse bid in the Sale Procedure, (iii) the Break Fee, and (iv) the First Report.
- [3] The Property in question is 15.4 acres of vacant, undeveloped land at 123 45th Street South, Wasaga. The Receiver was appointed over the Property on September 11, 2025.
- [4] The motion is unopposed. Mr. Iqbal advised the court that he had a recent email exchange and telephone call with Ms. Patel, counsel for the Respondent Mr. Siddiqui. She indicated that she would be seeking an adjournment so that her client could submit an offer for the Property. After their discussion about the Sale Procedure and the Respondent’s ability to submit an offer through the Sale Procedure, Ms. Patel advised Mr. Iqbal that she was no longer seeking an adjournment. She did not attend today or otherwise oppose the relief sought. The email exchange between counsel has been uploaded to Case Center.
- [5] The Stalking Horse APS was negotiated extensively by the Receiver and the Stalking Horse Bidder. It is for a purchase price of \$7.150 million, with a deposit of \$650,000. The Break Fee is \$187,500, representing 2.62% of the Purchase Price. The Outside Date for closing the transaction is May 29, 2026.
- [6] The Sale Procedure is intended to market the Property to determine whether there is a superior offer available. The bid deadline is 30 days after court approval of the Sale Procedure. I raised the court’s concern that this is a very short period of time in which to canvass the market. Mr. Rosen advised the court that he had no issue with a short extension to 45 days. AFC opposed that extension due to the continued accrual of interest and costs.
- [7] I have determined that the 30-day period should be extended to 40 days to provide additional time for the Receiver to canvass the market and determine if there are any higher or better offers available. In my view, that extended time frame strikes a reasonable balance and takes into account the interests of all stakeholders. Considering the factors in *CCM Mater Qualified Fund Ltd. v. blutip Power Technologies Ltd*, 2012 ONSC 1750, at para. 6, I am satisfied that the Sale Procedure, as now amended, is reasonable, is acceptable to the Receiver, and should be approved.
- [8] I approve the Stalking Horse APS. As noted, it was extensively negotiated by the Receiver (following discussions with AFC, the senior secured creditor, who supports the Stalking

Horse APS). It creates certainty by establishing a floor value for the Property. It incentivizes prospective bidders. It satisfies the factors set out in *DCL Corporation (Re)*, 2023 ONSC 3686, at para. 24.

- [9] The Break Fee is acceptable. As set out in the analysis in Appendix 9 to the First Report, the Break Fee is in the mid-range of reasonable bid protections in comparable insolvency proceedings. It is only payable if an alternative transaction is completed and is payable from the proceeds of any such transaction. AFC supports the Break Fee.
- [10] The First Report and the activities of the Receiver described therein are reasonable and approved.
- [11] Sale Procedure Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

Conway J.