



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00703382-00CL

DATE: September 29, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING: SIGMA ONE CAPITAL INC. v. KBIJ CORPORATION et al

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] Rosen Goldberg Inc., the Court-appointed receiver of the property of KBIJ Corporation (the “**Debtor**”) seeks two orders. Defined terms used but not defined in this endorsement have the meaning given to them in the factum of the Receiver filed for use on this motion.
- [2] First, an approval and vesting order (the “**AVO**”) is sought, among other things approving the Agreement of Purchase and Sale between the Receiver and 1001680642 Ontario Inc. (the “**Purchaser**”) in respect of the property municipally known as 25 Glen Watford Drive, in Toronto (the “**Property**”) dated July 29, 2026 (the “**APS**”) and the transaction contemplated therein (the “**Transaction**”). The requested AVO also transfers and vests all of the Debtor’s right, title and interest in and to the Property to the Purchaser free and clear of all liens, charges, security, interests, encumbrances, and pre-filing agreements of purchase and sale that were entered into by the Debtor (the “**Pre-Filing Agreements**”) with purchasers (the “**Pre-Filing Buyers**”).
- [3] Second an Administrative Order is sought:
- (a) approving the First Report of the Receiver dated August 25, 2026 (the “**First Report**”), the interim statement of receipts and disbursements attached thereto and the activities of the Receiver described therein;
 - (b) sealing Confidential Appendixes 1, 2, 3 and 4 from the public record until the Transaction is completed, or further Order of the Court;
 - (c) authorizing and directing Shirley Yee Professional Corporation (“**SYPC**”) to immediately pay all deposits it is holding in connection with Pre-Filing Agreements, together with all interest that has accrued thereon (collectively, the “**Deposit Funds**”) to the Receiver; and
 - (d) authorizing and directing the Receiver, upon receiving the Deposit Funds, to return deposits paid by Pre-Filing Buyers to them in accordance with the terms of the Pre-Filing Agreements.
- [4] International Group, Inc. filed responding materials relating to the assumption and assignment of certain settlement agreements registered on title to the Property. Following discussions between the parties those issues have now been resolved and that form of order is now sought without opposition.
- [5] George Tsang has also filed a motion requesting a return of interest on the Deposit Funds to the Pre-Filing Buyers. As noted in the endorsement of Cavanagh J. of September 16, 2026 if the Deposit Funds related relief was not proceeding on consent the scheduling of that hearing was to occur today.
- [6] Although the Receiver and SYPC now have reached a settlement as between them, certain Pre-Filing Buyers express concern with the settlement and notice of the proposed settlement, which includes releases in favour of SYPC was not sufficient. Accordingly, the Deposit Funds relief will be brought by separate motion of the Receiver scheduled as below, Mr. Tsang will now be responding to that motion:
- (a) Receiver's Motion Record to be delivered by October 7, 2026;
 - (b) Responding Motion material to be delivered by October 30, 2026;
 - (c) Reply material to be delivered by November 6, 2026;
 - (d) Receiver's factum to be delivered by November 13, 2026;
 - (e) Responding factum to be delivered by November 20, 2026;
 - (f) Reply Factum to be delivered by November 27, 2026; and
 - (g) **Hearing for 1/2 day on December 2, 2026.**
- [7] All material to be uploaded to case center by November 27, 2026;
- [8] The remainder of the relief is proceeding today unopposed.

- [9] The Receiver was appointed over the assets, undertakings and property of the Debtor, including the Property, pursuant to an Order dated October 24, 2023 (the “**Appointment Order**”). The Receiver’s appointment was obtained upon application by Sigma One Capital Inc. (“**Sigma**”) as a result of the Debtor’s failure to repay a loan (the “**Sigma Loan**”) following maturity. Sigma’s security for the Sigma Loan include a first-ranking charge registered on title to the Property on June 26, 2015 (the “**Sigma Charge**”) and a general security agreement given by the Debtor (the “**Sigma GSA**”). The outstanding amount due under the Sigma Loan was \$18,506,511.20 as of July 31, 2026, with interest continuing to accrue. The Receiver has obtained an independent legal opinion with respect to the validity of the Sigma Charge and the Sigma GSA. Subject to the customary qualifications, the opinion confirms that the Sigma Charge and the Sigma GSA are valid, first-ranking charges against the Property and the Debtor’s personal property, respectively, each enforceable in accordance with their terms.
- [10] The Property is a 1.729-acre parcel of vacant land located on the east side of Glen Watford Drive, north of Sheppard Avenue East, in the City of Toronto. The Property is zoned for high-density mixed use, residential and commercial, and is approved to permit a 10-storey mid-rise retirement residence.
- [11] With respect to the requested AVO, the principles to be applied when determining whether to approve a sale transaction were articulated by the Ontario Court of Appeal in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (“**Soundair**”): (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers have been obtained; (c) whether the interests of all parties have been considered; and (d) whether there has been unfairness in the working out of the process. Further, as set out in *Soundair*, the Court should accept the recommendation of Receiver in respect of sale in all but exceptional circumstances.
- [12] In considering these factors, I am satisfied that the APS should be approved. Following its appointment, the Receiver determined that engaging a qualified listing broker would be the most effective way of broadly canvassing the market and obtained marketing proposals from Colliers and Lennard. The Receiver entered into a listing agreement with Colliers on March 24, 2024. The listing was unpriced. Colliers prepared a marketing package, prepared a confidential information memorandum (the “**CIM**”), established an online date room, installed signage at the Property, listed the Property on the Multiple Listing Service, advertised the opportunity on its website, which received 2,095 views and 137 flyer downloads and posted the opportunity on Realtor.ca. Additional information was provided to interested parties who signed a form of confidentiality agreement including a preliminary development and planning opinion and Phase I and Phase II Environmental site assessment report. A total of thirty-five interested parties signed the Receiver’s form of confidentiality agreement. However, the process undertaken by Colliers generated only one letter of intent and no formal offers.
- [13] Given the outcome of the process and the expectation that market conditions are not likely to improve in the near or medium term, Sigma initiated discussions with the Receiver with respect to submitting a credit bid. The discussions culminated in the Receiver and the Purchaser, who is an affiliate of Sigma, entering into the APS on July 29, 2026. The APS provides, the Purchaser is an affiliate of Sigma and the Receiver is holding a deposit of \$200,000. On closing, Priority Payables are to be paid in cash and the remaining balance of the purchase price is to be satisfied by the Purchaser’s partial assumption of the indebtedness under the Sigma Loan., Under the APS, the Purchaser is not assuming the Pre-Filing Agreements.
- [14] I am satisfied that the Receiver’s marketing and sale process, undertaken with the assistance of Colliers, was commercially reasonable, comprehensive, and widely canvassed the market for prospective buyers.

Further, the marketing and sale process was conducted in a manner that was fair to all who participated and maintained a level playing field for all interested parties.

- [15] The Receiver also seeks approval of its termination of the Pre-Filing Agreements. Paragraph 3(c) of the Appointment Order empowers and authorizes the Receiver to, among other things, cease to perform any contracts of the Debtor. The Receiver in fact sent out notices terminating the agreements in August of 2026. That is now done. I'm not prepared to grant the Receiver specific approval of actions it has already taken such as this. Rather, those actions are more properly considered in the context of the request for approval of the First Report.
- [16] The request to approve the First Report is not unusual and there are good policy and practical reasons for doing so: see *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras. 2, 12, 22. The observations in those cases while made in the context of a *Companies' Creditors Arrangement Act* proceeding apply to the activities of a court appointed receiver: see *Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400 at para 66.
- [17] No opposition to the approval of the First Report has been raised and the approval of the First Report is appropriate in the circumstances as the Receiver has acted reasonably and in good faith. The draft order provided contains the typical language that only the Receiver is entitled to rely on the approval.
- [18] The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize the value of the Property in the event of the transaction does not close. I am satisfied that the requested sealing order for the confidential appendices to the First Report (being unredacted listing proposals, an unredacted summary of the Colliers sale process and current valuation and an unredacted version of the APS) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. The Receiver is directed to follow the applicable guidelines for the filing of sealed material with the court, and to eventually apply, at the appropriate time, for an unsealing order, if necessary.
- [19] Orders to go in the form signed by me this day.

Date: Sep 29, 2026



Justice J. Dietrich