

COUNSEL SLIP

Court File No. 1V-18-008368

Date: Feb 21, 2019

No. On List 5

Title of Proceeding Royal Bank of Canada v. Northview Collision et al.

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Petitioner(s)

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Bala

February 21, 2019

On February 19, 2019, the applicant appeared before me and requested an order for receivership against the respondent companies based on the order of Wilton-Siegel J. dated Dec. 11, 2018 and specifically para. 9 thereof on the basis that the debtors had not paid the indebtedness owing to the applicant by February 15, 2019. No one appeared for the respondents. In the absence of a motion record establishing non-payment, I declined to grant the order and adjourned the matter to today to enable the applicant to serve and file a motion record, which it has done.

Mr. Bala, the respondents' accountant has appeared to day and requests an adjournment for one day to enable the debtors to finalize and obtain a signed commitment with respect to private financing on the Scarborough property. The problem is that the commitment letter will only be for \$1.2 million or 60% of the appraised value of the Scarborough property, whichever is less. The applicant is owed \$1.7 million. So, even with a signed commitment letter, and assuming the conditions are satisfactory, the debtors will not be able to pay off the full amount owed to the Applicant.

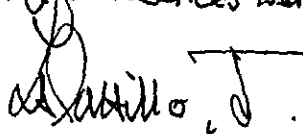
Para. 9 of the December 11, 2018 order provides that in the event
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the debtors have not "willingly repaid its indebtedness to the Applicant by February 15, 2019, the Debtors consent to the Court issuing a Receivership Order, substantially in the form attached hereto as Schedule 'A'."

The evidence in the Second Supplementary Application Record establishes the indebtedness to the Applicant has not been paid as of today. Further, adjourning the matter for a further 24 hours will not result in the Applicant being fully paid, even if a signed commitment letter is obtained and is satisfactory to ABC. Accordingly, I am not prepared to further adjourn ABC's motion. An order shall issue substantially in the form of Schedule "A" to the December 11, 2018 order appointing Msi Spengel dnc. Receiver, without security, over the assets, undertakings and properties of the Debtors.

The Applicant has indicated that it will work with the Debtors over the next 24 hours or more to consider the commitment letter and the refinancing, without prejudice to proceeding with the Receivership if required.

Order signed by me. Scheduling appt. to deal with proceeding on the guarantees set for March 28, 2019 at 9:30 am.

 J. Adillo