

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

2367408 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**AIDE-MÉMOIRE OF THE APPLICANT
Application returnable April 7, 2026**

1. This aide-mémoire is filed by Royal Bank of Canada (“**RBC**”), the Applicant, in respect of an application for an order appointing a receiver, without security, of all of the assets, properties and undertakings of 2367408 Ontario Inc. (the “**Debtor**”), acquired for or used in relation to a business or businesses carried on by the Debtor (the “**Application**”).
2. After a significant period of negotiation and several adjournments of the Application, as detailed below, RBC intends to seek the appointment of msi Spergel Inc. (“**Spergel**”) as receiver, without security, of all of the assets, properties and undertakings of the Debtor (collectively, the “**Property**”), on April 7, 2026.

3. The relevant timeline of events of the within Application is as follows:

- (a) February 28, 2025: RBC and the Debtor entered into a forbearance agreement after the Debtor had been in default of its obligations to RBC (the “**Initial Forbearance Agreement**”);
- (b) July 3, 2025: after default under the Initial Forbearance Agreement, RBC served its application record in respect of the Application on the Debtor and the initial service list, with a return date of July 14, 2025;
- (c) July 11, 2025: RBC and the Debtor entered into a second forbearance agreement (the “**Second Forbearance Agreement**”). Pursuant to the Second Forbearance Agreement, the Debtor signed a consent to the immediate private or court appointment of an interim receiver, receiver or receiver and manager, which was to be held in escrow by RBC’s counsel and used in the event of the termination, expiration or non-commencement of the Forbearance Period (as defined in the Second Forbearance Agreement) (the “**Consent**”). The Consent also specifically notes consent to “the appointment of a receiver within the receivership application proceeding commenced at the Ontario Superior Court of Justice (Commercial List) bearing court file number CV-25-00746553-00CL”, being the within Application;
- (d) July 14, 2025: as a result of the Second Forbearance Agreement, the Application was adjourned *sine die*;
- (e) September 30, 2025: the Second Forbearance Agreement expired. While the Debtor had repaid its operating line with RBC, RBC was still owed over \$10,000,000 as at October 31, 2025, with respect to certain lease and credit card facilities, amongst other obligations. Despite the expiration of the Second Forbearance Agreement, RBC continued endeavouring to work with the Debtor on the sale and/or refinancing of certain equipment;
- (f) February 18, 2026:
 - (i) an application by Roynat Inc. to appoint Spergel as receiver over a number of entities related to the Debtor was granted by the Court;
 - (ii) at this same hearing, the Court ordered that (a) the Debtor was to provide RBC with a funded proposal for a commercial transaction in an attempt to resolve the within Application by no later than February 27, 2026, and (b) the within Application was scheduled to return before the Court on March 5, 2026 should the proposal be rejected by RBC. A copy of the Court’s endorsement dated February 18, 2026 is attached as **Exhibit “A”** hereto;

- (g) March 5, 2026: in light of an arrangement reached between RBC and the Debtor, RBC agreed to adjourn the Application to April 7, 2026 on the condition that, among other things, RBC receive a certain sum of money from the Debtor within 30 days. A copy of the Court's endorsement dated March 5, 2026 is attached as **Exhibit "B"** hereto.

4. The 30-day period has expired without the required payment made to RBC. Despite multiple follow-ups to the Debtor's legal counsel on the status of the required payment, counsel for RBC has not received a response. While RBC has received some repayment since the March 5th hearing, it is estimated that over \$6,000,000 remains owing by the Debtor to RBC.

5. RBC has provided the Debtor with numerous opportunities to fulfill its obligations, and the Debtor has failed to do so. The 10-day statutory period provided in the notice issued to the Debtor under subsection 244(1) of the *Bankruptcy and Insolvency Act* expired over nine months ago and the Debtor has not honoured its promises to repay RBC. At this stage, RBC considers that the only reasonable and prudent path forward is to take any and all steps necessary to protect the Property by having a receiver appointed, and it is within RBC's rights under its security, and under the Consent, to do so.

All of which is respectfully submitted this 5th day of April, 2026.



Steven L. Graff
per AIRD & BERLIS LLP

EXHIBIT “A”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.:

DATE: February 18, 2026

**CL-26-00000045-0000
CV-25-00746553-00CL**

NO. ON LIST: 1

TITLE OF PROCEEDINGS:

**Roynat Inc. v. 2674585 Ontario Ltd. et al
Royal Bank of Canada v. 2367408 Ontario Inc.**

BEFORE: The Honourable Justice Jessica Kimmel

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Tony Van Klink	Applicant, Roynat Inc.	tvanklink@millerthomson.com
Steve Graff; Samantha Hans	Applicant, Royal Bank of Canada	sgraff@airdberlis.com; shans@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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Mario Forte; Colin Hunt; Rupinder Minhas (Corp. Counsel)	Respondents- 2674585 Ontario Ltd., 2852804 Ontario Ltd., 2852382 Ontario Ltd., 2367408 Ontario Inc., Universal Sand & Gravel Ltd.	mforte@reconllp.com; chunt@reconllp.com; rupinder@minhaslawyers.ca
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jorden Sleeth	Proposed RBC Receiver in RBC application - Deloitte Restructuring Inc.	jsleeth@deloitte.ca

ENDORSEMENT OF JUSTICE J. KIMMEL:

The Roynat Receivership Application

- [1] The Roynat application for the appointment of a receiver was properly returnable today. It originally sought an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* ("BIA") and section 101 of the *Courts of Justice Act* appointing msi Spergel inc. ("Spergel" or the "Receiver") as receiver and manager, without security, of the assets, undertakings and properties of the respondents, 2674585 Ontario Ltd. ("267 Ontario"), 2852084 Ontario Ltd. ("285 Ontario" and, together with 267 Ontario, the "Debtors"), and 2367408 Ontario Inc. ("236 Ontario"), 2852382 Ontario Ltd. ("382 Ontario"), and Universal Sand & Gravel Limited ("Universal", and together with 236 Ontario and 382 Ontario, "Guarantors").
- [2] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the applicant's factum for this application.
- [3] Four of the respondents, the two debtors (267 Ontario and 285 Ontario) and two of the Guarantors (382 Ontario and Universal), consented today to Roynat's requested receivership order. These respondents had also previously agreed in their loan and/or security documents to the appointment of either a private or court-ordered receiver.
- [4] The technical requirements for appointing a receiver under the BIA have all been satisfied. Further, I find that it is just or convenient to appoint the Receiver over the consenting respondents' property, having regard to the factors summarized in Roynat's factum and: (i) the nature of the property over which the receiver is to be appointed; (ii) the rights and interests of all parties in relation to the property over which the receiver is to be appointed; and (iii) whether the secured creditor has the right under the security agreement to appoint a receiver privately: see *Bank of Nova Scotia v. Freure Village of Clair Creek*, 1996 CanLII 8258 (ON SC), at para. 10; *KEB Hana Bank as Trustee et al. v. Mizrahi Commercial (The One) LP et al.*, 2023 ONSC 5881, at para. 36.

- [5] To obtain the appointment of a receiver and manager, there is no requirement that the secured creditor demonstrate irreparable harm or that there is an actual and immediate danger of assets being dissipated: see *Bank of Montreal v. Carnival National Leasing Limited*, 2011 ONSC 2007, at paras. 25 and 28-29.
- [6] The consent of the four affected respondents accords with the fact that they have been in default under their lending arrangements with Roynat for approximately six months - including by failing to repay their loans upon maturity and failing to pay property taxes when due (which arrears exceed \$320,000). Demands for payment, on proper notice, have been made and not met. Furthermore, and for among other reasons detailed in Roynat's factum:
- (a) 267 Ontario and 285 Ontario own six real properties, in different locations across Ontario. The Debtors have been provided with ample time to sell the Real Properties or refinance the Loans but have been unable or unwilling to do so.
 - (b) A court-supervised receivership will facilitate the realization of the respondents' assets, including the Real Properties, in a stabilized environment.
 - (c) Roynat's collateral position is eroding as the property tax arrears increase.
 - (d) The availability of a vesting order through the court will give a purchaser confidence that it will get clear title to the assets being purchased and avoid discounting of the purchase price.
- [7] As between Roynat and the third Guarantor and operating company, 236 Ontario, it was agreed that Roynat's application would be adjourned *sine die*, to be brought back on 10 days' notice and this is reflected in the revised draft receivership order that the court has been asked to sign in the Roynat application.
- [8] The terms of the proposed Receivership Order are substantially similar to the Commercial List's model receivership order, and are supported by the evidentiary record. The requested priority charges are consistent with those typically provided for in BIA receiverships of this nature, with the exception that the court has asked that the Receiver's authorized borrowing and Borrowing Charge be reduced from \$1,000,000 to \$500,000 given that the operating company is not part of this receivership order. This change has been made.
- [9] The Receivership Order dated and signed on February 18, 2026 may issue.

The RBC Receivership Application

- [10] Royal Bank of Canada ("RBC") is the first secured lender over the property, assets and undertaking of 236 Ontario. It commenced its own receivership application under Court File No. CV-25-00746553-00CL (the "RBC Receivership Application") that was adjourned on July 14, 2025 *sine die* in conjunction with the signing of a forbearance agreement dated July 11, 2025 (the "Forbearance Agreement") that expired in September 2025. 236 Ontario signed a consent to the appointment of a receiver as part of that Forbearance Agreement, and had provided its prior contractual consent to the appointment of a receiver in the event of default as well.
- [11] Until yesterday, RBC had understood that Roynat was seeking the appointment of a receiver over 236 Ontario and was content for that to occur, given RBC's recognized priority in respect of the security over 236 Ontario. RBC learned yesterday of the proposed carve out of 236 Ontario from Roynat's receivership order, and brought the RBC Receivership Application back on today on short notice, returnable at the same time as Roynat's application, asking that Spergel be appointed as receiver over 236 Ontario today. The court was advised that Spergel has consented to such appointment. Although technically its consent was in connection with the Roynat application, it was confirmed during the proceedings today to apply to this application.

- [12] 236 Ontario asked the court to adjourn the RBC Receivership Application for two weeks to allow the respondents time to put a funded proposal for a commercial transaction to RBC to see if the RBC Receivership Application can be resolved without the necessity of a receiver being appointed over the operating company, 236 Ontario. In the meantime, 236 Ontario intends to continue its operations and satisfy its day to day obligations in the normal course of business, in the same manner as its counsel indicated it has been doing since the Forbearance Agreement was signed and since it expired. It was represented to the court that this will allow its 30 employees and 90 independent contractors to continue working while a last attempt is made to reach a commercial resolution.
- [13] Since RBC's notice of return of application was short served for today, and given the absence of any apparent incremental prejudice to RBC over the two-week period of the proposed brief adjournment, the adjournment was granted. The inconvenience of having to re-serve the RBC Receivership Application and supporting material is outweighed by the potential benefits of a commercial resolution, if one can be reached.
- [14] 236 Ontario agreed to present a funded proposal to RBC for a commercial transaction to resolve the RBC Receivership Application by no later than February 27, 2026. On that basis, the RBC Receivership Application was adjourned to a one hour hearing commencing at 11:00 a.m. on March 5, 2026. If the parties have not reached an agreement, RBC will be relying upon 236 Ontario's consent to the appointment of a receiver and other grounds (to be set out in a factum or Aide Memoire to be served and filed in advance of the next return date).
- [15] RBC's Notice of Return of Application for March 5, 2026 and any other material that it intends to rely upon in support of its request for the appointment of a receiver over 236 Ontario shall be served on the service list. All material for the next return of the RBC Receivership Application shall have been served, filed and uploaded into the appropriate hearing bundle in Case Center by no later than 2:30 p.m. on March 4, 2026, to allow for maximum negotiating time. If the parties agree to adjourn this further, the court should be advised of that as soon as possible.

Date: February 18, 2026



Jessica Kimmel

EXHIBIT “B”



**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00746553-00CL

DATE: March 05, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. 2367408 ONTARIO INC. et al.

APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3. AS AMENDED AND UNDER SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c. C.43, AS AMENDED

BEFORE: JUSTICE JANA STEELE

PARTICIPANT INFORMATION

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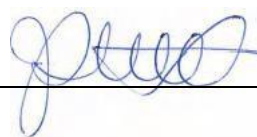
For Defendant, Respondent, Responding Party:

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Rupinder Minhas Sharon Kour	Lawyers for the Respondent-2367408 Ontario Inc.	rupinder@minhaslawyers.ca skour@reconllp.com

ENDORSEMENT OF JUSTICE STEELE:

[1] The Receiver's motion to appoint a receiver over the Debtor's assets is adjourned on consent to **April 7, 2026, at 11 am (30 minutes)**, before me, subject to my availability on the Commercial List.

Date: Mar 05, 2026



ROYAL BANK OF CANADA

- and -

2367408 ONTARIO INC.

Applicant

Respondent

Court File No. CV-25-00746553-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AIDE-MÉMOIRE OF THE APPLICANT
Application returnable April 7, 2026

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