



SUPERIOR COURT OF JUSTICE
COUNSEL SLIP

COURT FILE

NO.: CV-22-00683167-00CL

DATE: 05-AUG-2022

1

TITLE OF
PROCEEDING

ROYNAT INC.
v.
2796996 ONTARIO INC.

BEFORE JUSTICE DIETRICH

NAMES OF COUNSEL AND PARTY:

APPLICANT(S)

- I. Klaiman

PHONE _____

PLAINTIFF(S)

EMAIL iklaiman@lzwlaw.com

NAMES OF COUNSEL AND PARTY:

RESPONDENT(S)

- A. Chaudhry (self-represented)

PHONE _____

RESPONDENT(S)

DEFENDANT(S)

EMAIL amjidchaudhry@yahoo.com

DEFENDANT(S)

PHONE _____

EMAIL _____

NAMES OF COUNSEL AND OTHER PARTIES:

- S. Green

PHONE _____

EMAIL sgreen@foglers.com

PHONE _____

EMAIL _____

ENDORSEMENT OF JUSTICE DIETRICH:

[1] The applicant Roynat Inc. seeks an order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* and s. 101 of the *Courts of Justice Act* appointing msi Spergel Inc. as the receiver over of the property of 2796996 Ontario Inc. (the "Debtor"), and an order pursuant to subsection 243(6) of the *BIA* granting the receiver's charge.

[2] On July 25, 2022, Justice McEwen made an order appointing msi Spergel Inc. as Interim Receiver. He did so, in part, based on evidence that the subject premises were abandoned, unattended, unlocked and uninsured.

[3] The court may appoint a receiver where it considers it to be just and convenient to do so.

[4] I have considered the relevant factors relating to the appointment of a receiver, as set out in the jurisprudence. I have also considered the relevant circumstances, including the nature of the property, and the rights and interests of all parties in relation thereto. I am satisfied that it is just and convenient to order the appointment of a receiver in this case. Msi Spergel Inc. has agreed to take on the role of receiver.

[5] The applicant has a right under its security documentation (a first-ranking mortgage and GSA) to appoint a receiver. Also, there have been events of default. The mortgage loan went into default in December 2021 and the Debtor has been in arrears for some time. The applicant has lost confidence in the ability of the Debtor to pay.

[6] Mr. Chaudhry, the principal of the Debtor, who is present today, admits that despite his efforts to raise funds, he cannot pay what the Debtor owes to the applicant and others. He does not oppose the receivership order. Accordingly, I find that a court-appointed receiver is the means by which the Debtor's property can be administered in an orderly fashion having regard to the interests of all the stakeholders.

[7] The applicant submits that all known stakeholders have been served. There is no opposition to the application.

[8] An order shall issue in the form attached hereto and signed by me. The Order is effective as of today's date and it does not need to be entered.

A handwritten signature in cursive script that reads "Dietrich J.".

August 5, 2022