



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