



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-21-00673084-00CL

DATE: March 27, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: ROYAL BANK v PEACE BRIDGE DUTY FREE INC. et al

BEFORE: JUSTICE KIMMEL

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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Other:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE KIMMEL :

- [1] This receivership application has been pending for a number of years and has a long procedural history. It was re-scheduled to be heard today after a decision was released on January 27, 2025 by the Court of Appeal in connection with a dispute between the Debtor and its landlord (in *Royal Bank of Canada v. Peace Bridge Duty Free Inc.*, 2025 ONCA 54). The application was scheduled for a short appearance today on the basis that the Debtor had signed a consent to the appointment of a receiver in April of 2024 in connection with the last (of many) adjournments of this application that the Debtor has asked for since the application was commenced in December of 2021.
- [2] Yesterday, Cindy Beam, the Store Manager and Manager of Human Resources of Peace Bridge Duty Free Inc. ("PBDF") retained counsel who appeared today to request that the application be adjourned for a brief period of time (two weeks or less). The purpose of this adjournment request was to allow counsel for Ms. Beam (and potentially other employees of the Debtor) to get up to speed and gain a better appreciation of the history of the proceedings and potential implications for their employment in the event that a receiver is appointed.
- [3] The Debtor supported the adjournment request, which was opposed by the applicant bank and the landlord.
- [4] The bank, reinforced by the information about the financial position of the Debtor contained in the Monitor's Fourth Report, has determined that there are insufficient free funds to repay the Debtor's entire exposure under its Credit Agreements with the bank.
- [5] In addition to its indebtedness to the bank, the Debtor owes substantial arrears of rent to its landlord. While the precise amounts owing are not agreed, it is agreed that the Debtor owes the landlord many millions of dollars. The landlord's enforcement remedies have been stayed since December of 2021 and it wants the stay to be lifted or a receiver appointed so that it can move forward with the remedies available to it, one way or the other.
- [6] But for the stay that prevents the landlord from enforcing the rent arrears, the Debtor is clearly unable to meet its liabilities, based on the financial information in the record (even accounting for disagreements about some of the inputs and assumptions used by the Monitor).

- [7] That said, the Debtor contends that it has sufficient cash on hand and available sources of funds to ensure that the bank's collateral is not at risk and to pay current obligations owing to the landlord under the lease. The bank and the Monitor take a different view of the Debtor's financial position and the extent to which the bank is at risk. The Debtor nonetheless holds out the prospect that there might be a chance (faced with the alternative of the appointment of a receiver) of repaying and/or otherwise satisfying the indebtedness to the bank in the near term. If that occurs, the bank might be prepared to withdraw this receivership application.
- [8] The last minute request for an adjournment by an employee coming late to the proceedings would not on its own have been a sufficient reason for me to exercise my discretion to grant an adjournment of this application, which I would otherwise have been inclined to grant today based on the written and oral submissions of the parties. However, the prospect that the bank might be satisfied such that it would be prepared to withdraw this application made the adjournment request more reasonable.
- [9] This receivership application is adjourned to April 8, 2025, commencing at 11:00 a.m. by zoom.
- [10] The parties shall re-upload the relevant materials from today into the April 8, 2025 hearing bundle, together with brief Aide Memoires (maximum 3 pages double spaced) updating the court on whether the application is being withdrawn or proceeding on April 8, 2025, and any other relevant considerations. The materials for this attendance, including any updating Aide Memoires, shall be served, filed and uploaded into the appropriate hearing bundle in Case Center by no later than 2:30 p.m. on April 7, 2025.
- [11] The landlord has indicated that if the receivership application is being withdrawn it may be seeking to schedule a motion to lift the stay of proceedings when this matter next returns on April 8, 2025.

A handwritten signature in black ink, appearing to read "Kimmel J.", written in a cursive style.

KIMMEL J.