



SUPERIOR COURT OF JUSTICE

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-22-00678808-00CL

DATE: 12-MAY-2023

NO. ON LIST: 3

**TITLE OF PROCEEDING:** CANADIAN EQUIPMENT FINANCE AND LEASING INC. v. THE HYPOINT COMPANY LIMITED et al.

**BEFORE:** JUSTICE PENNY

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Jonathan Rosenstein	Delrin Investments Inc. and Bruce Lubelsky	jrosenstein@rosensteinlaw.ca
Mitch Stephenson	The Litigation Guardian, Chris Clapperton	mstephenson@fasken.com

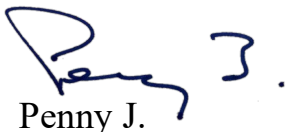
**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Shaun Parsons	The Receiver, MSI Spergel	sparsons@reconllp.com
Roger Jaipargas	The Purchaser, GIL Brantford Inc.	rjaipargas@blg.com

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**ENDORSEMENT OF JUSTICE PENNY:**

- [1] The Receiver applies for an order approving the sale of the real and personal property of the debtor and approving the Receiver's report and fees (as well as those of its counsel).
- [2] The principal asset is real property. There is also valuable HVAC equipment. The real and personal property were widely exposed to the market. The process was open to the public, fair, established a level playing field and was conducted by professionals with experience in the subject matter area (cannabis growing facilities). There were 29 potential purchasers who signed nondisclosure agreements, 27 toured the property and six made offers. The proposed sale is to the highest bidder which, in the receiver's view, represents the best executable offer received. This offer is also consistent with the independent appraisals that were obtained.
- [3] The business currently generates no income. The Receiver had to borrow to pay ongoing management expenses, insurance etc. as well as the property taxes. These ongoing costs will continue to accrue if the sale is not approved. This will obviously have a negative impact on recoveries.
- [4] A limited sealing order of the appraisals etc. is necessary and appropriate in the circumstances. The Receiver's request for a sealing order meets the test in *Sherman Estate v. Donovan*.
- [5] I am satisfied with the Receiver's report and the Receiver's activities. I am likewise satisfied that the Receiver's fees, and those of its counsel, are appropriate in the circumstances.
- [6] Although the parties accept the purchaser's allocations of the purchase price between the real and personal property for purposes of the sale approval, it is acknowledged that this is without prejudice to any outstanding allocation dispute between security holders.
- [7] Orders to issue in the form signed by me this day.

  
Penny J.