



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000205-0000

DATE: August 28, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. TECHCITY CANADA INC.;
1000229443 ONTARIO INC.

BEFORE: JUSTICE S. DUNPHY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Cristian Delfino	Csl for Royal Bank of Canada	jnemers@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Jerome Stanleigh, ,	TEHCITY CANADA INC.	jerome.lawoffice@stanleigh.com
	1000229443 ONTARIO INC.	

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE:

- [1] This is an application by the Bank for the appointment of a Receiver. I am persuaded that in all of the circumstances it is just and reasonable to appoint a Receiver as requested and I shall be signing the order to that effect in conjunction with the release of these reasons.
- [2] The basic facts are not in dispute and are fairly summarized in the applicant's factum. In particular, the outstanding credit facilities and security documents are reviewed there and I perceive no dispute from the respondents on any of these background fact issues.
- [3] At the risk of oversimplification, the Bank has a variety of credit Facilities outstanding to the operating business Tech City as well as a term loan outstanding to the related company and landlord optech city the numbered company respondent. There are also cross-guarantees. The various obligations are secured by general security agreements in favor of the bank as well as a specific mortgage on the real estate and a general assignment of rents. The total secured debt is approximately \$2.2 million.
- [4] In addition to the Bank's security there is a second charge registered against the real estate in the amount of \$150,000 that is subsequent in title to the bank's security as well as a purchase money security interest registered by a vehicle lessor. There is a further amount of approximately \$100,000 in accumulated unpaid property tax of which the Bank has become aware.
- [5] It is common ground that the debtor began to experience difficulties following a robbery that occurred in May 2025. Along the way the Bank began to ask for greater transparency from the debtor including a significant laundry list of financial disclosure requested in January 2026. To date, for all intents and purposes, the debtor has declined to provide any of the outstanding financial and other information disclosure that was requested. When one is asking for indulgences from a bank it is generally advisable to display transparency rather than opacity. The respondents appear to have preferred the latter course.
- [6] On February 25 2026 the Bank made their initial demands including notices of intention to enforce security under section 244 of the BIA. After the 10-day notice period expired the Bank made further demands on the guarantors. As well the Bank made demand upon the term loan from the landlord numbered company. None of the demands have been honored until the present time.
- [7] The Bank began these proceedings for enforcement on June 2. The debtors retained counsel who contacted the Bank's lawyers and indicated that they could appear for a scheduling conference but not until July 7. They also indicated a willingness to provide responding affidavit material by July 31 and suggested the matter should be put over until October to allow time for cross examination on undisclosed issues.
- [8] The July 7 scheduling conference was ultimately scheduled at the date and time requested by the debtors' counsel. Unfortunately the debtors' counsel did not appear at the case conference. Justice Dietrich ordered that the timetable be complied with regardless. Although the debtor's affidavit was sworn no later than July 13 it was inexplicably not delivered until July 31. Justice Dietrich adjourned the scheduling of the hearing to August 27 in this court at 9:30 AM.
- [9] The debtors' counsel failed once again to appear at the scheduling conference yesterday. I delivered a brief endorsement then indicating that a third scheduling conference would not be scheduled and that the matter would come on for a hearing before me this afternoon. I directed the Applicant to provide a factum which was filed last evening.
- [10] Also last evening the debtor filed a responding affidavit which contained further information which was more troubling than anything else. Among other things, the responding affidavit informed me that insurance proceeds are apparently being used in the business even though details of the insurance claim from the robbery have still not been provided to the bank or the court despite having been asked for as early as January 2026 if not earlier. The affidavit also offers contains further assurances regarding efforts being made to refinance. Those assurances amounted to little in the form of concrete or actionable indications of

progress, buttressed by an exceptionally vague and apparently inapplicable non-binding expression of interest.

[11] None of the previously requested concrete financial information about the current state of the business has been provided. There is no information on the current state of sales on the current state of inventory or on any of the other basic financial information that the bank or any creditor would be looking to if attempting to assess whether their security situation is deteriorating or improving.

[12] In argument before me, the only substantive position advanced by the respondent was that he is making good faith efforts to refinance the debt for which this court should grant him some more time.

[13] I have no reason to doubt that the respondent is making every possible effort to refinance the debt. However, I can only observe that the debt was demanded upon in February and early March of this year. It is now the end of August, That is a very long time to put together a refinancing transaction to repay a relatively small loan (approximately \$2.5 million) if there is any commercial interest in the marketplace to do so. Results speak for themselves.

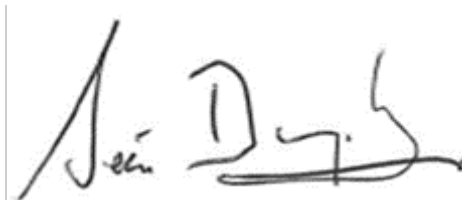
[14] It goes without saying that if the Bank had been approached with a concrete refinancing proposal that was days or even weeks away from completion that appeared credible, there would be every reason to expect the Bank would give such a request for forbearance very serious consideration because it would offer a prospect of repayment that is simpler cheaper and faster than receivership.

[15] I am persuaded that it is just an equitable that a receiver be appointed at this time.

[16] The credit situation of the Bank can only be assessed as being quite opaque. A lack of transparency by the debtor provides neither the Bank nor this court with any capacity to assess whether the bank's situation has been deteriorating or conversely improving during the six or seven months of delay in getting this matter to a hearing in court let alone the further two or three months demanded to pursue the same course. I can only infer that the Bank has been required to run an unknown degree of jeopardy as a result of the delay in getting this matter to a hearing and further delay would unjustifiably impose still further unquantifiable risk arising from further delay.

[17] Further, the Bank bargained for and the respondents agreed to precisely this consequence. While receivership may in the abstract appear to be an extraordinary remedy, it is less so when it is precisely the remedy the parties agreed to in advance and where the court is primarily being asked to hold the parties to the bargain they've already made.

[18] The receivership order in the form requested has been approved. The Applicant is entitled to its costs of this application as the successful party. I assume that the Bank is entitled to recover its actual costs of enforcement as part of its security. If there is any issue on that front, I would direct the respondents to make submissions within ten days of today and the Bank to respond within ten days thereafter.



Sean Dunphy

Date: Aug 28, 2026

