

COUNSEL SLIP

COURT FILE

NO.: CV-21-00670409-00CL

DATE: January 14, 2022

NO. ON LIST 1

TITLE OF
PROCEEDING

ROYAL BANK OF CANADA v. SRI AYYAPPAN LTD et al

COUNSEL FOR: Royal Bank of Canada

PLAINTIFF(S)

NAME Saneea Tanvir

APPLICANT(S)

FAX N/A

PETITIONER(S)

EMAIL stanvir@chaitons.com

COUNSEL FOR:

DEFENDANT(S)

NAME Alfred Schorr

RESPONDENT(S)

FAX N/A

EMAIL alfred@schorrlaw.ca

OTHER:

George Benchetrit – Co-counsel for Plaintiff

E: george@chaitons.com

JUDICIAL NOTES:

Conway J. Endorsement

RBC seeks a receivership order over the assets of Sri Ayyappan Ltd. and Thirukumar Pararajasingam (the Debtors) used in relation to a business carried on by them. The assets consist primarily of a gas station enterprise and a residential house that are side-by-side.

There is no issue that the loans have been in default for approximately a year, that a forbearance agreement was granted, and that the Debtors have consented to the appointment of a receiver (both in the security documents and the forbearance agreement). The bank is owed over \$4 million.

The Debtors submit that the application is premature and should be held in abeyance because they have entered into agreements of purchase and sale for both properties. They submit that there is nothing more that a receiver could do in the circumstances beyond what has been done and that it would only add complexity and cost to be borne by the Debtors.

RBC has satisfied me that there are numerous conditions to the transactions that make it highly unlikely that the transactions could close any time soon. In particular, the two properties would have to receive severance (as the purchasers are separate from one another) and that process has not been initiated by the Debtors in any meaningful way. The other conditions, which I acknowledge may be typical for any buyer, include obtaining an environmental assessment, financing, approvals from the franchisor of the retail outlets at the gas station, and approval of the fuel supplier. The record demonstrates that these are far from being satisfied.

Originally, the Debtors submitted that this matter should be put over until the end of February so that the transactions could be closed. There is simply no basis for me to conclude that they will close by then. The bank will be in the same position that it is in now.

I consider that it is just and convenient to appoint a Receiver in this case. The bank is owed the money, the previous forbearance did not result in repayment, the security documents permit the appointment of a receiver, no severance has been initiated, and the status of the agreements makes it extremely unlikely that they will close in February.

Order to go as signed by me and attached to this endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located in the lower-left quadrant of the page. The signature is fluid and cursive, with a prominent initial 'C' and a final flourish.