ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00719261-00CL **DATE: April 9, 2025**

NO. ON LIST: #3

TITLE OF PROCEEDING:
ROYAL BANK OF CANADA v. COMMERCIAL PACKAGING SOLUTIONS INC. et al

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For the Applicant:

Name of Person Appearing	Name of Party	Contact Info
Nick Hollard	Counsel for the Applicant, Royal Bank of Canada.	nhollard@blg.com

For the Respondent:

Name of Person Appearing	Name of Party	Contact Info
Cameron Wetmore (Did not appear)	Counsel for the Respondents, Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd.	cwetmore@srtslegal.com

For the Receiver:

Name of Person Appearing	Name of Party	Contact Info
Tim Hogan	Counsel for the Court Appointed Receiver, Grant Thornton Ltd.	thogan@harrisonpensa.com
Jake Wiebe	Representative for the Court Appointed Receiver, Grant Thornton Ltd.	Jake.Wiebe@doane.gt.ca

ENDORSEMENT OF JUSTICE CONWAY:

[1] There are two motions before me today. Both motions are unopposed.

[2] The first is by the Applicant, Royal Bank of Canada ("**RBC**"). It seeks an order lifting the stay of proceedings against Commercial Packaging Solutions Inc. ("**CPSI**") to permit Grant Thornton Limited (the "**Receiver**") to file an assignment in bankruptcy on behalf of

CPSI. The reason for the lift stay is to reverse the statutory priority under s. 222(1) of the *Excise Tax Act*, R.S.C., 1985, c. E-15, as amended. On bankruptcy, CRA's priority claim (ranking ahead of RBC's secured claim) would be reversed, giving priority to RBC.

[3] It is appropriate for a creditor to seek an assignment in bankruptcy for the purpose of reordering priorities, including to defeat a deemed trust regime: *Grant Forest Products Inc. v. The Toronto-Dominion Bank*, 2015 ONCA 570, at para. 118. Courts have approved a lift stay for the purpose of reversing statutory priorities on numerous occasions, including in the context of a receivership: see, for example, *Ivaco Inc., Re*, 2006 CanLII 34551 (ON CA), at para. 76, *Bank of Nova Scotia v. Huronia Precision Plastics Inc.*, 2009 CanLII 2319 (ON SC), at para. 13, *The Bank of Nova Scotia v. 55 Town Centre Holdings Ltd. et al.*, Ont. S.C.J. [Commercial List], CV-23-00701950- 00CL, February 14, 2025 (unreported endorsement of Justice Cavanagh).

[4] The request to lift the stay in this case is made for a legitimate purpose, well recognized by the case law under the applicable statutory regimes. RBC's motion is granted. 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.

[5] The second motion is by the Receiver. It seeks two orders: (i) an Approval and Vesting Order (AVO) approving the sale of the Real Property of 2777463 Ontario Ltd. to 890 Dillingham Inc.; and (ii) an Ancillary Order approving the Receiver's Second Report and Supplemental Second Report and the activities detailed therein, sealing the Confidential Appendices to the Second Report, authorizing the Distributions described in the reports, approving interim statement of receipts and disbursements, and approving the fees and disbursements of the Receiver and its counsel.

[6] I am satisfied that the sale transaction should be approved. The *Soundair* factors have been met. In particular, the Receiver listed the property with the assistance and guidance of professional brokers. It negotiated the terms of the transaction with the purchaser. I accept the Receiver's view that this is the best price available in the circumstances and that further marketing of the property would not yield a higher price.

[7] I grant the AVO. 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.

[8] With respect to the Ancillary Order, as noted there is no objection to the relief sought and RBC (senior secured creditor) supports the relief. The Distribution for CPSI reflects the bankruptcy of that company and the priorities on bankruptcy. The Receiver's activities are approved as are the fees and disbursements of the Receiver and its counsel, which reflect the nature and extent of the work done. The interim statement of receipts and disbursements is approved.

[9] The order contains a sealing order for the Confidential Appendices. I am satisfied that the requested sealing order for the Confidential Appendices meets the test in *Sierra Club/Sherman Estates* and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. It is time limited to the closing of the sale transaction. It only covers information that could prejudice stakeholders if the transaction failed to close and the property had to be remarketed. **I direct counsel for the Receiver to file a hard copy of the Confidential Appendices with the Commercial List office in a sealed envelope with a copy of the Ancillary Order and this Endorsement.**

[10] I have signed the Ancillary Order. 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.

Conway J.