SUPERIOR COURT OF JUSTICE

COMMERCIAL ENDORSEMENT FORM

COURT FILE NO.: **CV-24-00719261-00CL** **DATE:** **August 27, 2024**

NO. ON LIST: **5**

TITLE OF PROCEEDING: **In the Matter of RBC v COMMERCIAL PACKAGING SOLUTIONS INC et al**

BEFORE JUSTICE: **P. CAVANAGH**

PARTICIPANT INFORMATION

For the Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Nick Hollard	RBC	nickhollard@blg.com
Timothy Hogan	Receiver, Grant Thornton Limited	thogan@harrisonpensa.com

For the Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Samuel Arutsothy (self-represented)	Commercial Packaging Solutions Inc	Samuelsothy3@gmail.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE P. CAVANAGH:

[1] Grant Thornton Limited ("GTL"), in its capacity as court-appointed receiver and manager (the "Receiver") moves for two orders: (i) an Approval and Vesting Order in relation to a proposed transaction (the "Sale Transaction") involving a sale of the Real Property (as defined in the motion materials) pursuant to a Sale Agreement (as defined); and (ii) an Ancillary Order.

[2] The Real Property has been listed for sale by CBRE Limited since November 28, 2023 which resulted in the Sale Agreement with the Purchaser. The Sale Agreement required that the Purchaser pay the deposit by August 20, 2024. The deposit has not yet been paid, therefore, it remains uncertain whether the Sale Transaction will be completed.

[3] The Receiver reports that the proposed selling price pursuant to the Sale Agreement appears commercially reasonable given appraised values of the Real Property and the proposed listing prices in the CBRE and Colliers listing proposals. The Receiver reports that, with the prior exposure of the Real Property through a professional broker, and the indication of value through the appraisal and listing proposals, that the Sale Transaction represents a commercially reasonable transaction which will maximize the recovery and is in the best interests of all stakeholders.

[4] In the event that the Sale Transaction does not close, the Receiver request that the Court authorize and direct the Receiver to enter into an MLS listing agreement with Colliers for the sale of the Real Property, on terms satisfactory to the Receiver, with a listing price of $10,200,000.

[5] I am satisfied that the Sale Transaction should be approved. I accept that the *Soundair* principles are satisfied. The Receiver recommends approval of the Sale Transaction and I accept this recommendation.

[6] If the Sale Transaction is not completed, the Receiver recommends that the Court-approved a sale process as described in the Receiver's report. I accept that the sale process recommended by the Receiver is a reasonable, robust, and transparent one which is designed to realize the fair value for the Real Property and satisfies the criteria for approval.

[7] I am satisfied that a limited sealing order is appropriate in the circumstances. The Confidential Appendices contain sensitive commercial information that, if disclosed, could cause a reduction in any future sale price of the Real Property and harm the creditors of the Debtors. There is no other reasonable alternative that will prevent the Confidential Appendices from becoming public. The principles in *Sherman Estate* are satisfied.

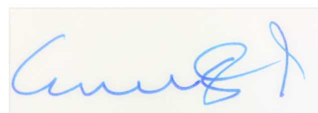
[8] The Receiver requests an order directing TD Bank to provide the Receiver with details of the ownership of the bank accounts into which funds of the Debtors appear to have been deposited. In the circumstances, and based on the information in the Receiver's report, I grant the requested order. The TD Bank has approved the form of the requested order.

[9] The Receiver has identified various assets, including restaurant inventory, storage trailers, tractors, and car hauling trailers both inside and outside the building at the Real Property which do not appear to relate to the Debtors' operations. The Receiver has been in contact with various third parties claiming interest in certain of this property, however, some of the property has not been

claimed. The Receiver requests an order authorizing it to dispose of any third-party property remaining at the Real Property on September 1, 2024. I am satisfied that the requested order should be made.

[10] In its motion materials, the Receiver requested an order directing the principal of the Respondents, Samuel Arutsothy, to pay to the Receiver all funds collected by him and owing to the Debtors. Mr. Arutsothy appeared today and requested a brief adjournment to allow him to retain legal counsel to respond to this part of the motion. He does not admit that property of the Debtors was not paid to the Receiver. The Receiver agreed to adjourn this part of its motion to allow time to Mr. Arutsothy to retain legal counsel and for the Receiver to confer with legal counsel to attempt to resolve any issues. This part of the Receiver's motion may be brought back on for hearing, if necessary.

[11] Orders to issue in forms of Orders signed by me today.



P. CAVANAGH J.

DATE: AUGUST 27, 2024