



SUPERIOR COURT OF JUSTICE

COMMERCIAL ENDORSEMENT FORM

COURT FILE NO.: CV-24-727009-00CL DATE: September 26, 2024

NO. ON LIST: 4

TITLE OF PROCEEDING: **TORONTO DOMINION BANK v FLORENTINE FINANCIAL CORP et al**

BEFORE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For the Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Talya Bertler and David Preger	Counsel for proposed Applicant	tbertler@dickinson-wright.com dpreger@dickinsonwright.com

For the Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Gina Rhodes	Counsel for Sana Hussain	grhodes@millerthomson.com
Caitlin Fell	Counsel for MNP Ltd	cfell@reconllp.com

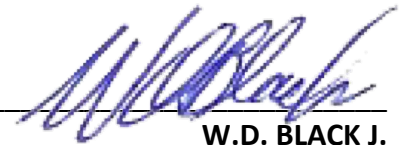
For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Glynnis Hawe	Counsel for Creditor	Glynnis.hawe@paliareroland.com
Shaun Parsons and Jake Wiebe	Counsel for the Receiver Grant Thornton	sparsons@airdberlis.com jake.wiebe@ca.gt.com

ENDORSEMENT OF JUSTICE BLACK :

- [1] 1000877740 Ontario Inc. ("740") brings this motion for an order:
 - (a) Amending the title of proceedings in this application by replacing the Toronto Dominion Bank ("TD") with 740 as the applicant;
 - (b) Discharging Grant Thornton Limited ("GT") as court-appointed receiver and manager (the "Receiver") of the assets, undertakings, and properties (the "Property") of Florentine Financial Corporation ("Florentine") and A & H Assets Auctions Inc. ("A & H", and, together with Florentine, "Debtors") and replacing GT with MNP Ltd. ("MNP") as Receiver of the Property of the Debtors; and
 - (c) Increasing the cap on the Receiver's borrowings from \$200,000 to \$500,000.
- [2] GT was appointed as Receiver on the application of TD by order of Daley J. dated November 23, 2023.
- [3] The primary assets subject to the receivership are an industrial condominium unit on Devon Road in Brampton (the "Devon Unit") and a vacant parcel of land in Vancouver (the "Dunbar Property").
- [4] The condominium building in which the Devon Unit is situated has four industrial units. Peel Condominium Corporation No. 346 ("PCC346") is the building's condominium corporation.
- [5] On May 28, 2024, 740 took an assignment of TD's loan and security, paying the sum of \$1,052,272.34 which was the aggregate of the Debtors' indebtedness to TD and GT's indebtedness to TD under the Receiver's Borrowings Charge (as defined in paragraph 21 of the order appointing the Receiver).
- [6] William Hristovski is the sole officer and director of 740, and of a company – 715486 Ontario Limited ("486") - that owns a unit abutting the Devon Unit. He is also a board member of PCC346.
- [7] Mr. Hristovski's evidence is that before the appointment of the Receiver, Florentine undertook a number of unauthorized alterations to the roof of the Building which caused significant leaking, which is ongoing, into the Devon Unit and into other units in the Building, including the unit occupied by 486.
- [8] Mr. Hristovski's evidence is that to protect the Building, and the interests of PCC346 and 486, he entered into the arrangement to cause the TD loan and security to be assigned to 740.
- [9] 740 also obtained the agreement of GT to step down as Receiver and the agreement of MNP to replace GT as Receiver.
- [10] The order proposed by 740 to amend the title of proceedings to reflect its role, and to appoint MNP to replace GT, also contemplates an increase in the cap on the Receiver's borrowings from \$200,000 to \$500,000. Mr. Hristovski's evidence, generally supported by the Second Report of GT, is that the purpose of the increase is to fund the payment of outstanding fees and disbursements of GT and its counsel, and for general funding purposes, including paying MNP and its counsel their fees and disbursements going forward.

- [11] The funding of the necessary roof repairs and allocation of costs for such repairs as between the Devon Unit and PCC346 is expressly to be deferred for MNP to address at a later date once it has studied the roof issues.
- [12] There was no opposition to the relief sought, except by Sana Hussein, a former officer of Florentine and A & H, who filed an affidavit generally opposing the relief sought, and requesting an adjournment.
- [13] The essence of Ms. Hussein's opposition, and her related request for an adjournment is that there is a dispute about who bears responsibility for the leaking roof, that there will be inefficiencies and added costs associated with MNP getting up to speed on the issues in this receivership, and that in any event the Receiver's borrowings should not be increased.
- [14] There was implicit in counsel's submissions on behalf of Ms. Hussein, as well, a suggestion that MNP would be beholden to 740 and that MNP would thereby be in a conflict of interest.
- [15] I did not accept these submissions. I am confident that MNP, in a familiar role as officer of the court, will be even-handed in that role, and will work for the benefit of all stakeholders.
- [16] I am also concerned that the receivership appears to have stalled to some extent, and that it is in everyone's interest that the matter now proceed expeditiously.
- [17] I am not critical of GT. The evidence shows that there is no funding currently available to allow GT to have progressed further, and this evidence clearly also supports the need for the additional borrowing cap sought in this motion.
- [18] In all of the circumstances, I am prepared to grant the order sought by 740, a signed copy of which is attached to this endorsement.
- [19] In addition to the items discussed above, I approve GT's Second Report, and its activities and fees, and those of its counsel. I also approve of the proposed treatment of the CRA Gemstones (as defined) and the other related relief recited in the order, all of which is in my view appropriate.



W.D. BLACK J.

DATE: SEPTEMBER 26, 2024