



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: BK-23-00459641-0031

DATE: April 19, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **INTEGRO BUILDING SYSTEMS INC et al**

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

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Doug Smith Roger Jaipargas	Counsel for Royal Bank of Canada	dsmith@blg.com rjaipargas@blg.com 416-367-6266
Sandra Tsui Bryant Godkin	Counsel for CRA	Sandra.tsui@justice.gc.ca Bryant.godkin@justice.gc.ca
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ENDORSEMENT:

- [1] Counsel advised me this morning that, relative to the main issue that had been dividing or delaying the parties, as discussed in my previous endorsement in this matter dated March 8, 2024, the additional time since that last attendance has allowed RBC to satisfy itself on the question of realizations in the Estate.
- [2] Accordingly, I was advised that but for one item, the parties are agreed as to the endorsement and order they ask me to make (and indeed they have uploaded suggested language for the gist of the endorsement, and have respectively provided proposed orders, with one difference between their respective versions).
- [3] The one issue not agreed relates to the question of whether or not I should approve, in the order I am to make, the activities of the Trustee as set out in its First Report.
- [4] The backdrop to this “dispute” relates, it appears, to certain concerns raised by or on behalf of RBC in January of this year relative to a certain sale transaction, and a view on the part of RBC that the price was “too low”.
- [5] However, RBC provided no further details to substantiate its purported concern (despite the Trustee asking for such details) and, most importantly, Wilton-Siegel J. approved the sale transaction on February 23, 2024.
- [6] His Honour specifically found that “the Trustee made a sufficient effort to market the assets”, and that he was comfortable that “the sale price represents market value for the assets.” RBC did not oppose the order approving the sale.
- [7] Although RBC subsequently filed materials in which it continued to express certain concerns about the activities of the Trustee, in my view there is insufficient evidence to raise significant issues, particularly in light of Wilton-Siegel J.’s order.
- [8] Moreover, I see no utility in allowing RBC to hedge after the fact, for unknown (or at least undeclared) reasons.
- [9] As requested by the parties, I am including in this endorsement the language to which they have agreed, as follows:

“MNP and Cassels can only look to CRA for payment of their fees and disbursements (“Fees and Disbursements”) with respect to services rendered under the Administration Agreement and the Amended Administration Agreement between MNP and CRA after first applying the \$287,000.00 held in trust by MNP pursuant to the Third Party Deposit Agreement between MNP and Hi-Rise Vista Holdings Inc., 61/67 Clairville Holdings Ltd. and Chafhold Corporation (the “Third Party Deposit Agreement”) to those Fees and Disbursements. Any shortfall in the Fees and Disbursements up to a maximum of \$305,560.13 will be paid out of the recovery payable to the CRA on its deemed trust claim of \$3,534,468.52 (the “Deemed Trust Amount”) and such Fees and Disbursements will not be added to the Deemed Trust Amount, nor paid in priority to the secured claims of Royal Bank of Canada (“RBC”).

Further, CRA has indicated that it will not provide any further funding for the continuation of certain legal proceedings in the Supreme Court of British Columbia between the Bankrupt and Vitrum Industries Ltd. (the “Vitrum Litigation”) and takes no interest in those proceedings. To the extent that RBC pursues the Vitrum Litigation, RBC will have priority to any amounts recovered thereunder ahead of the Deemed Trust Amount.”

[10] In addition, for the reasons set out above, I am granting the version of the order including the approval of the Trustee’s activities.

A handwritten signature in blue ink, appearing to read 'W.D. Black', is written over a horizontal line.

W.D. BLACK J.

DATE: April 19, 2024