



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00700642-00CL DATE: 8 August 2023

NO. ON LIST: 3

TITLE OF PROCEEDING: **EQUITABLE BANK v. JAMES GAULT HOLDINGS INC. et al.**

BEFORE JUSTICE: **CAVANAGH**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Philip Cho	For the Applicant, Equitable Bank	pcho@weirfoulds.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Jeff Larry	For the Respondents, James Gault Holdings Inc. and 1606077 Ontario Inc.	jeff.larry@paliareroiland.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE P. CAVANAGH:

This is an application by Equitable Bank (“EQB”) to appoint a receiver over lands owned by the Respondents (the “Debtors”) pursuant to sections 243 of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*.

EQB is a secured creditor of the Debtors. EQB provided financing totaling \$20,580,000 to the Debtors. The Debtors provided security to EQB including a charge/mortgage registered against title to the properties in question (together, the “Property”). The Debtors have defaulted in their obligations to EQB and the default has continued since February 1, 2023. Although the Debtors had failed to pay taxes when due, these tax arrears have now been paid.

The Property is listed for sale. It has been listed for sale since at least August 2022. The Debtors have not been able to sell the Property. The Debtors submit, based on evidence of an appraisal, that EQB is well secured and that imposing a receiver into the existing sale process will only add cost without any benefit. The Debtors submit that they should be given additional time to enter into a binding agreement of purchase and sale for the Property and they submit that September 30, 2023, when the existing listing agreement expires, is a reasonable timeframe.

The Property has been listed for sale for many months while default in payment of the indebtedness owed to EQB has been continuing. I am not satisfied that a further delay until September 30, 2023 is justified in circumstances.

I am satisfied that it is just and convenient for a receiver to be appointed.

Order to issue in form of Order signed by me today.