Court File No.: CV-23-00707330-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ENLIGHTENED FUNDING CORPORATION

Applicant

- and -

VELOCITY ASSET AND CREDIT CORPORATION AND
926749 ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING

Respondents

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

Book of Authorities of Deloitte Restructuring Inc. in its Capacity as Court-Appointed Receiver

April 30, 2024

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TO: THE SERVICE LIST

Court File No.: CV-23-00707330-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

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INDEX

TAB 1

SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL **DATE:** October 26, 2023

NO. ON LIST:

TITLE OF PROCEEDING: Enlightened Funding Corporation v. Velocity Asset and Credit Corporation et. al
BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE CONWAY:

[1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant dated October 11, 2023.

[2] The Applicant, Enlightened, brings this application for an order appointing Deloitte as the receiver of the assets, undertakings and property of the Debtors. This matter was before the court on October 13, 2023 and was adjourned to today, for several reasons.

[3] The Debtors do not dispute the underlying facts in the Application. In his responding affidavit of October 20, 2023, Mr. Waddell, principal of the Debtors, acknowledges that there have been defaults under the credit agreements with the Applicant and that arrears are outstanding for August, September and October. He makes a proposal to pay the arrears with funds from a term sheet attached as Exhibit A from an unidentified private lender, which is still in draft form and is not binding. He attaches another term sheet as Exhibit B for replacement financing, which is subject to due diligence and other conditions and provides for closing in 90 days.

[4] The Debtors seek an adjournment to pay the arrears and close the replacement financing. At the conclusion of argument, I said that I was not granting the adjournment and that I was granting the receivership order. These are my reasons for doing so.

[5] Enlightened provided a revolving credit facility to the Debtors of up to $20 million. Under its security, it has the right to appoint a receiver on default. On May 29, 2023, the facility matured and was not repaid. Enlightened issued the Demand Letters. On May 30, 2023, Enlightened agreed to provide the Emergency Draw. On July 11, 2023, the parties entered into the Forbearance Agreement to January 11, 2024 that was conditional, among other things, on the Debtors making all payments to Enlightened. According to Enlightened, as of October 6, 2023, the total indebtedness owing under the credit agreement was $19,406,788.71 (excluding accruing fees, expenses and costs).

[6] As noted above, the Debtors have not paid the arrears. They propose to do so in two weeks based on a non-binding term sheet with an unidentified lender. It is not clear that the $900,000 in financing under that term sheet will cover the arrears, even if the conditions are met. Moreover, the term sheet for the replacement financing is highly conditional. Even if the arrears are paid in two weeks, Beacon (the proposed replacement financier) needs until the end of November to complete its due diligence. There are numerous conditions under that term sheet. Therefore, even if I grant the adjournment for two weeks, there is no assurance that the replacement financing will be available or that the conditions will be met. I therefore exercised my discretion not to grant a further adjournment of this application.

[7] In determining whether it is just and convenient to appoint a receiver, the court is required to have regard to "all of the circumstances but in particular the nature of the property and the rights and interests of all parties in relation thereto": see *Bank of Nova Scotia v. Freure Village on Clair Creek* (1996), at para. 10.

[8] In this case, I have considered all of the circumstances including the nature of the security held by Enlightened that entitles it to appoint a receiver on default, the history of defaults and forbearance over the last five months, the presentation of two highly conditional term sheets by the Debtors, and the uncertainty regarding any prospect of payment of the arrears and the overall indebtedness. There are other secured creditors that will benefit from the stability of a receivership. Enlightened has entered into the

Support Agreement to fund the receivership and preserve the value of the Property pending a court-approved sales process.

[9] I consider it just and convenient to appoint a receiver and have signed the order accordingly.

[10] 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.

TAB 2

SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707330-00CL **DATE: December 8, 2023**

NO. ON LIST: 4

TITLE OF PROCEEDING: ENLIGHTENED FUNDING CORP. -v- VELOCITY ASSET & CREDIT CORP. et al.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

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Jeffrey Haylock	Beacon	jhaylock@polleyfaith.com

ENDORSEMENT OF JUSTICE CONWAY:

[1] **All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Receiver dated December 8, 2023.**

[2] The Receiver was appointed as receiver over the property and assets of the Debtors by order dated October 26, 2023. The appointment over the Dealer was a limited scope one. The Receiver now seeks an amended and restated receivership order ("**ARRO**") that expands the scope of the receivership to include all of the Dealer's property and enhanced investigative powers. The motion is supported by the creditors and OMVIC.

[3] The Receiver's First Report outlines serious concerns with the Dealer operations that the Receiver uncovered in the course of its preliminary investigation. These include issues of duplicate funding, irregularities in lease documentation, transfer of Dealer Property following the Receivership Order, and misappropriation of lease proceeds to purchase additional vehicles. The Receiver also details the communications it has had with OMVIC about public harm issues with respect to the non-remittance of customer payments to Canada General Warranty for insurance and warranty products. The Receiver also states that the Dealer has failed to maintain proper business records.

[4] Mr. Waddell, the principal of the Dealer, attended today and requested an adjournment. He said he only received the materials early this week. He wants an opportunity to consult with counsel and consider the implications of this motion. He does not object to enhanced investigative powers for the Receiver but wants legal advice on the ability of the Receiver to assign the Dealer into bankruptcy.

[5] After hearing submissions, I said that I would adjourn only the issue of the Receiver's ability to assign the Dealer into bankruptcy. However, I denied the adjournment of the remainder of the motion, for two reasons. First, although service is short, Mr. Waddell has been aware of the issues raised by the Receiver since November 17, 2023 (the correspondence with him is in the record). Second, and most important, the record raises issues of public harm. Any adjournment could only exacerbate these concerns.

[6] I am satisfied that it is just and convenient to grant the ARRO in this case. As noted above, the record raises issues of duplicate funding, irregularities in lease documentation, transfer of Dealer Property following the Receivership Order, and misappropriation of lease proceeds to purchase additional vehicles. The appointment of the Receiver is necessary at this stage to preserve, protect, and ultimately realize on the Property subject to the security of secured creditors. Also as noted above, OMVIC has serious concerns about the harm to consumers from unremitted payments to Canada General Warranty.

[7] I make no factual findings at this point. However, the record satisfies me that the appointment of the Receiver is just and convenient and warranted under the circumstances.

[8] I required the Receiver's counsel to amend the draft order to remove the powers re assigning the Dealer into bankruptcy. Counsel has now done so. This part of the motion is adjourned to another date to be set at a scheduling appointment before me.

[9] I have signed the revised ARRO. The approval of activities order is satisfactory to me and I have signed it. Both orders to go as signed by me and attached to this Endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

TAB 3

1994 CarswellOnt 266
Ontario Court of Justice (General Division — Commercial List)

Royal Bank v. Sun Squeeze Juices Inc.

1994 CarswellOnt 266, [1994] O.J. No. 567, 24 C.B.R. (3d) 302, 46 A.C.W.S. (3d) 821

ROYAL BANK OF CANADA v. SUN SQUEEZE JUICES INC. and BEIT-KIRUR LTD.

Farley J.

Heard: February 28, 1994
Judgment: March 16, 1994
Docket: Doc. B253/93

Counsel: *J.A. Carfagnini* and *R. Chadwick*, for Coopers & Lybrand Ltd., court-appointed receiver and manager.
Paul G. Macdonald, for plaintiff.
Edward M. Morgan, for defendants.
Ronald M. Moldaver, Q.C., for Josef Blum, majority shareholder of defendants.

Subject: Corporate and Commercial; Insolvency; Civil Practice and Procedure
Related Abridgment Classifications
Bankruptcy and insolvency
V Bankruptcy and receiving orders
Debtors and creditors
VII Receivers
VII.2 Jurisdiction of court to appoint
Headnote
Bankruptcy --- Receiving order — Effect of receiving order
Receivers --- Jurisdiction of court to appoint
Receiving orders — Effect — Court having jurisdiction to require receiver-manager to consent to receiving order pursuant to petition — Appropriate for court to require consent where bankruptcy best position for debtor and for trustee to resolve certain issues — No interested party to be prejudiced by receiving order.
The bank issued a petition for a receiving order against the defendant company, naming a proposed trustee. The company filed a Notice Disputing the Petition. The court appointed a receiver-manager, which reported that the company's operations were no longer feasible. The receiver-manager was authorized by the court to realize upon the company's assets.
The issue before the court was whether it should authorize the receiver-manager to consent to the receiving order.
Held:
The receiver-manager was directed to consent to a receiving order pursuant to the petition.
The evidence showed that the company was indebted to the bank and that it had not, within the six months preceding the petition, met its liabilities generally as they became due. Several actions had been commenced against the company. The receiver-manager saw little benefit to incurring further costs to defend the actions given the bank's priority position and the fact that it would suffer a significant shortfall on its loans. It was appropriate in the circumstances to direct the receiver-manager to consent to the receiving order. Bankruptcy would allow the trustee to resolve the allegations of fraudulent preferences to the company's majority shareholder, and to investigate suspicious circumstances surrounding a secret bank account. Further, since the company was merely an insolvent shell, its assets having been sold and its operations having been discontinued, no interested party would be prejudiced by a receiving order.
Table of Authorities
Cases considered:

Alberta Treasury Branches v. Hat Development Ltd. (1988), 71 C.B.R. (N.S.) 264, 64 Alta. L.R. (2d) 17 (Q.B.), affirmed (1989), 65 Alta. L.R. (2d) 374 (C.A.) — *referred to*
Brandon Packers Ltd., Re (1962), 3 C.B.R. (N.S.) 326, 33 D.L.R. (2d) 503 (Man. C.A.), leave to appeal to S.C.C. refused [1962] S.C.C. ix — *referred to*
Can Corp Financial Services Ltd., Re (1991), 4 C.B.R. (3d) 99 (Ont. Bktcy.) — *referred to*
Chinavision Canada Corp. v. Ling (January 12, 1994), Doc. B285/92, Farley J. (Ont. Gen. Div. [Commercial List]) — *referred to*
Everex Systems Inc. v. Pride Computer Distribution Ltd. (1988), 68 C.B.R. (N.S.) 24 (B.C. S.C.) — *considered*
First Treasury Financial Inc. v. Cango Petroleums Inc. (1991), 3 C.B.R. (3d) 232, 78 D.L.R. (4th) 585 (Ont. Gen. Div.) — *referred to*
Goodis-Wolf Inc., Re (1990), 80 C.B.R. (N.S.) 146 (Ont. Bktcy.) — *considered*
Nova Metal Products Inc. v. Comiskey (Trustee of) (1990), 1 C.B.R. (3d) 101, (sub nom. *Elan Corp. v. Comiskey)* 41 O.A.C. 282, 1 O.R. (3d) 289 (C.A.) — *referred to*
Prairie Palace Motel Ltd. v. Carlson (1982), 42 C.B.R. (N.S.) 163 (Sask. Q.B.) — *referred to*
Western Hemlock Products Ltd., Re (1961), 2 C.B.R. (N.S.) 207, 35 W.W.R. 184, 27 D.L.R. (2d) 457 (B.C. S.C.) — *referred to*

Statutes considered:

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 —

s. 38

Company Act, R.S.B.C. 1979, c. 59 —

s. 110

s. 111

Petition for receiving order.

***Farley J.*:**

1 The critical question to be answered is whether this Court has the jurisdiction to authorize a Court-appointed Receiver and Manager ("R/M") either to assign a debtor company into bankruptcy or to consent to a receiving order being issued against the debtor company. The second question is, if so, whether this Court should so authorize this R/M in these circumstances.

2 On July 21, 1993 the Royal Bank of Canada ("Bank") issued a Petition for a Receiving Order ("Petition") against Sun Squeeze Juices Inc. ("Sun") naming Coopers & Lybrand Limited ("Coopers") as the proposed Trustee. The next day the Court appointed Coopers as R/M on a motion by the Bank, Sun's secured creditor to the extent of approximately $16 million. On August 6th Sun filed a Notice Disputing the Petition ("Dispute"). The R/M was to report to the Court as to the feasibility of continuing the operations of Sun. In its report of August 6th the R/M advised that this was unfeasible and recommended that Sun's operations be discontinued. On August 12th this Court au thorized the R/M to realize upon Sun's assets. Sun is no longer carrying on business as its assets now have been sold with Court approval.

3 Despite the disarray and gaps in the financial and other records of Sun, has determined that Josef Blum ("Blum"), the majority shareholder of Sun, had withdrawn approximately $1.2 million from bank accounts of Sun during the year prior to the R/M's appointment. Contrary to the arrangement with the Bank, a second (and secret) bank account was opened at the Bank of Nova Scotia ("BNS"). Collections which were not referenced in Sun's accounts receivable sub-ledger were deposited in the BNS. The R/M was unable to determine that the monies withdrawn by Blum were used in the business operations of Sun. The R/M has concluded that Sun was insolvent at all relevant times and it appears that these withdrawals had been made with a view to preferring Blum over other creditors. The R/M considers these payments to be fraudulent preferences as defined under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"). The R/M has similar views as to monies obtained by Blum out of the account at the Bank.

4 Sun's Dispute alleged that Sun was not indebted to the Bank and that it had not, within the 6 months preceding the Petition, failed to meet its liabilities as they generally became due. Given the unchallenged July 8, 1993 letter of Bank counsel to Sun (attention Blum) which recites Blum's request to forbear acting on the demands for payment to afford an opportunity to Sun to submit a proposal for the repayment of the Bank's loans, I am puzzled how Sun can baldly and boldly dispute that it was not indebted to the Bank. Similarly it seems difficult to understand the disagreement concerning the general meeting of its liabilities given the significant number of outstanding accounts and the number of suppliers which had commenced actions against Sun.

5 Actions have been commended and followed up on by three suppliers and one customer. The R/M has examined these claims and concluded that they appear, on their face, to have some basis in law. However, any successful claim would rank only as an unsecured creditor against the estate of Sun. As the Bank will suffer a significant shortfall on its loans, the R/M sees little benefit to incurring further costs to defend these actions given the Bank's priority position. As to Sun's claims in some of these actions, the R/M advises that it does not have sufficient information to prove these claims. The Bank advised the R/M that it had no interest in funding any of the litigation, including, one assumes, the $75 million suit instituted by Sun and Blum against the Bank the day after the July 8th letter setting out their request for forbearance by the Bank so as to allow them to present a repayment proposal. If Sun were put into bankruptcy, then assuming that the Trustee does not pursue any of the litigation (which appears to be a dead certainty), any creditor (including Blum) who wishes to pursue it may do so at his own cost and for his own benefit pursuant to s. 38 of the BIA. See: *Re Can Corp Financial Services Ltd.* (1991), 4 C.B.R. (3d) 99 (Ont. Bktcy.) at p. 107.

6 As to the first question, I do not see that there is any dispute that this Court has the power to authorize the Court-appointed R/M to either file an assignment in bankruptcy or consent to the Petition. See: *First Treasury Financial Inc. v. Cango Petroleums Inc.* (1991), 3 C.B.R. (3d) 232 (Ont. Gen. Div.) at p. 240; *Re Brandon Packers Ltd.* (1962), 33 D.L.R. (2d) 503 (Man. C.A.), at pp. 510-511 and 513, leave to appeal to S.C.C. refused [1962] S.C.C. ix; *Prairie Palace Motel Ltd. v. Carlson* (1982), 42 C.B.R. (N.S.) 163 (Sask. Q.B.) at p. 165; *Chinavision Canada Corp. v. Ling* (Ont. Gen. Div.) my unreported decision released Jan. 12, 1994. As Freedman J.A. said in *Brandon* at p. 511:

> The Editor expresses doubt whether a liquidator has power to file an assignment in bankruptcy. With deference, I would suggest that we are concerned not so much with the powers of a liquidator as the powers of a Judge of the Court of Queen's Bench. After all, a liquidator is subject to the jurisdiction of the Court in the same manner as an ordinary officer of the Court (s. 395 of the *Companies Act*). Here Mr. Flintoft did the wise and proper thing by applying to the Court for directions. The assignment in bankruptcy was not filed on his own motion but by express direction of the Court. Was the Court empowered so to direct him? We must bear in mind that we are here concerned with the authority of a superior Court in whose favour jurisdiction should be presumed unless it is expressly or by implication excluded ...

7 As to whether a Court-appointed R/M takes precedence over the directors and shareholders of the company as to which it is appointed, I believe this has been adequately canvassed in Walter and Hunter, *Kerr on the Law and Practice as to Receivers and Administrators*, 17th ed. (London: Sweet & Maxwell, 1989), at p. 219; *Alberta Treasury Branches v. Hat Development Ltd.* (1988), 71 C.B.R. (N.S.) 264 (Alta. Q.B.) at p. 268, affirmed without this point (1989), 65 Alta. L.R. (2d) 374 (C.A.); *Nova Metal Products Inc. v. Comiskey (Trustee of)* (1990), 1 C.B.R. (3d) 101 (Ont. C.A.) at p. 111.

8 Freedman J.A. in *Brandon, supra*, observed at p. 511 that it would not be "necessary that the Court should first of all call upon the directors so to act. The Court is not bound to do a futile thing." It would seem to me that the Court in *Everex Systems Inc. v. Pride Computer Distribution Ltd.* (1988), 68 C.B.R. (N.S.) 24 at 28 (B.C. S.C.) dealt not with the jurisdiction of the Court and the capacity of a Court-appointed R/M, but rather it over concentrated on the wording of sections 110 and 111 of the *Company Act*, R.S.B.C. 1979, c. 59.

9 As Houlden and Morawetz, *Bankruptcy and Insolvency Law of Canada* 3rd ed., Vol.1, (Toronto: Carswell, 1992) express it, where there is a conflict between an assignment and an existing petition, the proper procedure is for there to be a consent to the receivership order being made pursuant to the petition. See at pp. 2-48-2-49 where it is said [at D§12]:

> **(a) Conflict Between Assignment and Petition**

> There has been a great deal of litigation over which has priority if both an assignment and a petition are filed. However, the procedure to be followed appears now to be well established, and it is this: (1) if a petition is filed first and the Official Receiver knows of the petition, he should not accept an assignment but should request the debtor to consent to the receiving order being made forthwith; (2) if the Official Receiver accepts the assignment, the court will set it aside and make the receiving order on the petition: *Re Lalonde* (1924), 4 C.B.R. 416 (Ont. S.C.); *Re Lakeshore Golf & Country Club* (1933), 19 C.B.R. 127 (C.S. Que.); *Re Slavonia SS Agencies* (1922), 3 C.B.R. 153 (Ont. S.C.). The reasoning behind these cases is that bankruptcy proceedings are primarily for the benefit of creditors, not debtors, and the trustee selected by the creditors is to be preferred over one selected by the debtor: *Re Croteau & Clark Ltd.* (1920), 1 C.B.R. 364, 48 O.L.R. 359, 55 D.L.R. (413 (S.C.).

Therefore, if circumstances dictate that Sun be put into bankruptcy, it would appear appropriate for the R/M to consent to a receiving order being made pursuant to the Royal Bank's Petition of July 21, 1993. I followed that course in *Chinavision, supra*, at p. 4 as well.

10 Courts in Canada have specifically held that the Court has jurisdiction to authorize and direct a Court-appointed R/M or liquidator to put a debtor company into bankruptcy. See *Prairie Palace, supra*, at p. 65; *Re Western Hemlock Products Ltd.* (1961), 2 C.B.R. (N.S.) 207 (B.C. S.C.) at p. 210; *Chinavision, supra*, at pp. 4-5. Guy J.A. in *Brandon, supra*, said at p. 513:

> Must the Court then close its eyes to the facts as reported by its own officer? It is my feeling that no amount of bankruptcy or winding-up legislation can fetter the Court to the extent that it must remain blind to the reality of bankruptcy.
>
> In this case the Court *directed* its appointee to make an assignment in bankruptcy. It is true the Court might have suggested to a creditor that he launch a petition to have the company declared bankrupt; but this, surely, is asking the Court to shirk its plain responsibility and place that responsibility on some third party. When the affairs of the company are under the jurisdiction of the Court, it must accept and fulfill its duty and give judgment "according to the very right and justice of the case".

11 Thus this mater boils down to whether in the circumstances I should authorize the R/M to consent to the receiving order. Each case of course must be determined on its own facts. It seems to me that where there is an obvious insolvency then the Court should examine whether there is a "need" for a bankruptcy and if this need overcomes any contras. For this purpose I will ignore the technicality that given the all encompassing receiver and manager order issued on July 22, 1993, there is reason to question whether the officers and directors had any ability to issue the Dispute. See the discussion of this point above in *Kerr, Hat* and *Nova, supra*. The question of "need" for a bankruptcy was canvassed in *Prairie Palace, supra*, at p. 165 and *Chinavision, supra*, at pp. 4-5.

12 Sun's counsel submitted that where a Petition was disputed, the trial of the issue must be held. He cited *Re Goodis-Wolf Inc.* (1990), 80 C.B.R. (N.S.) 146 (Ont. Bktcy.) as standing for the principle that where there was outstanding litigation between the petitioner and the debtor company it was appropriate to stay the bankruptcy petition pending the determination of the various litigation in progress. I am of the opinion that it is an overstatement. Firstly, it was merely a factor to consider; secondly, it was determined in those circumstances that if the petition were granted, the two commenced actions would be unlikely to go to trial. It was acknowledged therein at pp. 154-155 that:

> *The existence of a prior civil action has not always resulted in the court staying or dismissing a petition*: see, for example, *Re Hutchens* (1983), 46 C.B.R. (N.S.) 234 (Ont. S.C.); and *Re H.M. Simpson Ltd.* (1989), 77 C.B.R. (N.S.) 24, 79 Nfld. & P.E.I.R. 307, *(*sub nom. *Jenkins Transfer Ltd. v. H.M. Simpson Ltd.)* 246 A.P.R. 307 (P.E.I.C.A.). However, in many cases, petitions have been stayed because of a dispute which the court considered better dealt with by the civil trial process. Here, we have a longstanding civil action and no prejudice shown to other creditors if the petition were to be stayed. The petition is part of the battle between the petitioning creditor and the debtor. There is a question in my mind whether the bankruptcy process should be resorted to in such circumstances. I was told that a pre-trial in the first action was cancelled because of the intervening petition. The action should be able to be tried at an early date. It would be less than satisfactory

> to all the parties if all the issues in the litigation were not dealt with. While there may be little likelihood of Goodis-Wolf successfully establishing the claim for advertising work, I consider, on balance, that it is preferable that the litigation be allowed to take its course.

13 [emphasis added]

14 That case is not this case however. I am of the view that bankruptcy would be a preferable condition for Sun. The trustee could advise creditors (including Blum) that it did not wish to pursue the litigation (including the $75 million claim against the Bank); I am of the view that such a process would maximize the chance of any valid and sustainable litigation being pursued since the undertaking creditor would be financing litigation under which it would be the initial beneficiary (and ultimate as well in the case of Blum pursuing the Bank litigation). It would also allow the Trustee to resolve the question of whether the payments to Blum were fraudulent preferences, thereby keeping an even hand among the creditors. As well it would allow the Trustee to fully investigate the suspicious circumstances of the unauthorized and secret BNS account to which there were deposits of surreptitious collections of some of Sun's accounts receivable. Lastly, it would not appear that any interested party (including Sun itself) would be prejudiced by a receiving order issuing since Sun is merely an insolvent shell, its operations and assets having been sold and its business discontinued. Bankruptcy proceedings are class actions on behalf of all creditors and the Trustee must be mindful of the interests of all parties including the shareholders of the bankrupt company.

15 In conclusion I am of the view that it would be appropriate to direct the R/M to consent to the receiving order pursuant to the Petition and allow the Trustee if it proceeds as expected to advise the creditors of the possibility of one or more of them pursuing the existing litigation pursuant to s. 38 of the BIA. There is to be a receiving order issue in the usual form with Coopers & Lybrand Ltd. as Trustee.

Receiver-manager directed to consent to receiving order.

End of Document

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*

ENLIGHTENED FUNDING CORPORATION	and	**VELOCITY ASSET AND CREDIT CORPORATION AND 926749 ONTARIO LTD. O/A CLONSILLA AUTO SALES AND LEASING**
Applicant	Respondents	Court File No.: CV-23-00707330-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

Book of Authorities of Deloitte Restructuring Inc. in its Capacity as Court-Appointed Receiver

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