

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and-

GC KING BOND LIMITED PARTNERSHIP, by its general partner, GC KING BOND GP INC.

Respondents

**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, R.S.O. 1990, C. C.43, AS AMENDED**

**FACTUM OF THE RECEIVER
(Sales Process Approval Motion – Returnable September 18th, 2025)**

Date: September 15th, 2025

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To: SERVICE LIST

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**FACTUM OF THE RECEIVER
(Sale Process Approval)**

PART I – OVERVIEW

1. On May 2, 2025, pursuant to an application by Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, the Ontario Superior Court of Justice (the “**Court**”) issued an order (the “**Receivership Order**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver (in such capacity the “**Receiver**”), of all the assets, undertakings and properties (collectively, the “**Property**”) of each of GC King Bond Limited Partnership (“**King Bond LP**”), and GC King Bond GP Inc. (“**King Bond GP**”, and together with King Bond LP, the “**Debtors**” or “**GC King Bond**”) acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof, including, in particular the lands municipally known as 301, 311, 319, 329, 339,

349 King Road and 115, 119 Bond Crescent, Richmond Hill, Ontario (the “**Real Property**” or the “**King Bond Site**”).

2. GC King Bond’s principal asset is the Real Property, which consists of partially developed lots for residential townhomes and condominiums.

3. On this motion, the Receiver seeks an Order, among other things:

- (a) approving a proposed sales and investment solicitation process (the “**SISP**”) for the Real Property, together with all other property, assets and undertaking of GC King Bond related to the King Bond Site; and,
- (b) sealing confidential appendix “1” attached to the Receiver’s First Report dated September 12, 2025 (“**First Report**”), being a summary of a Realtor Proposals (as defined below) pending completion of a sale of the Real Property, or until further Order of this Court (whichever is earlier).

4. The SISP is a fair, open, and transparent process that was developed with the assistance of a leading real estate brokerage and has the support of Desjardins. The SISP is designed and intended to canvass the market broadly on an efficient basis to obtain the highest and best price for the Real Property.

5. The summary of Realtor Proposals contain sensitive business information that if made public would prejudice the sales process and recoveries to GC King Bond’s stakeholders.

PART II – FACTS

Background

6. On May 2, 2025, the Court issued the Receivership Order in the Receivership Proceedings appointing Deloitte as Receiver over GC King Bond's Property.¹

7. As of August 31, 2025, GC King Bond is indebted to Desjardins in the approximate amount of \$27,900,000, with interest and costs continuing to accrue. Desjardins is the principal secured creditor of GC King Bond, holding the first registered mortgage on title to the Real Property.²

8. The Real Property was intended to be developed into 115 residential units comprising:³

- (a) 42 condo stacked townhouse units;
- (b) 36 freehold back-to-back townhouse units;
- (c) 33 freehold traditional townhouse units; and
- (d) 4 freehold semi-detached units.

9. Only 4 semi-detached units have been turned over to their respective purchasers, 6 townhouses have been partially completed, and construction on the remaining 105 units has not started.⁴

10. There are no viable financing options to complete the Real Property's development, which would be significant considering the material amount of construction work to be completed.⁵

¹ Motion Record of the Receiver dated September 12, 2025 ("**Receiver's Record**"), First Report of the Receiver dated September 12, 2025 ("**First Report**"), para 1. Note, pursuant to paragraph 3 of the Receivership Order, Property does not include deposits made to the Debtors related to the GC King Bond Site.

² Receiver's Record, First Report, para 20-22.

³ Receiver's Record, First Report, para 13.

⁴ Receiver's Record, First Report, paras 14-15.

⁵ Receiver's Record, First Report, para 39.

11. The best way to maximize returns for GC King Bond's stakeholders is to sell the Real Property, together with all other property, assets and undertaking of GC King Bond related to the King Bond Site.⁶

The Proposed SISP

i. Broker Selection Process

12. On or about June 12, 2025, the Receiver invited four well known real estate brokerages in the Greater Toronto Area that specialize in the sale of similar commercial properties (the "**Realtors**") to submit proposals to list the Real Property for sale (the "**RFP Process**"). Three of the Realtors submitted proposals (collectively, the "**Realtor Proposals**"). The Receiver consulted Desjardins on the Realtor Proposals in its evaluation and selection of a brokerage.⁷

13. The Receiver, in consultation with Desjardins, determined that CBRE Limited's ("**CBRE**") proposal was the best in the circumstances to assist the Receiver to carry out a sale process for the Real Property. The decision was based on, amongst other things:⁸

- (a) CBRE's experience selling the Real Property as CBRE was the listing agent when the Real Property was sold to the Debtors in May 2018;
- (b) CBRE's expertise in selling similar properties, in addition to selling residential real estate properties subject to insolvency proceedings; and,

⁶ Receiver's Record, First Report, para 40.

⁷ Receiver's Record, First Report, paras 42 to 44, and Confidential Appendix "1".

⁸ Receiver's Record, First Report, para 45.

- (c) CBRE's commission structure, which is consistent with market and superior (i.e. has a lower overall commission structure) to the other Realtor Proposals submitted.

14. The Receiver and CBRE have agreed to the terms of a listing agreement pursuant to which CBRE will act as listing agent to market and sell the Real Property. The listing agreement terms do not have a "break-fee".⁹

ii. The SISP

15. Since early July 2025, the Receiver has been working with CBRE to develop and prepare for the SISP, including drafting market materials, developing lists of targeted buyers, and populating a virtual data room ("**Data Room**") pertaining to GC King Bond (the "**Sales Process**").¹⁰

16. The Sales Process is tailored for market norms in selling partially developed residential real estate lands. It runs for approximately five months and is divided into three phases each with its own milestone. The timelines and milestones for the Sales Process are summarized below and are more fully described at paragraphs 50 to 53 of the First Report.¹¹

17. The first phase, being marketing and exposure, runs from September 22, 2025 to November 20, 2025. The first phase will include among other things: a full launch to the market with advertisement, signage at the property, access to the Data Room on a confidential basis, sight walk

⁹ Receiver's Record, First Report, para 46.

¹⁰ Receiver's Report, First Report, para 49.

¹¹ Receiver's Record, First Report, para 50.

throughs, meetings with the development community and potential purchasers, development of the vendor form of agreement of purchase and sale, and for purchasers to begin preparing their bids.¹²

18. CBRE advises that 60 days for phase one is appropriate and provides potential bidders with sufficient time to become aware of the sale process opportunity, complete partial due diligence, and submit an initial offer. There is some flexibility built into the SISP to increase the launch period based on market feedback.¹³

19. The second phase, being offer review and negotiation, runs from approximately November 20, 2025 to November 30, 2025. The second phase includes two key milestones, with the first being a bid submission date of November 21, 2025 (“**Bid Submission Date**”) where potential purchasers will deliver their bids to the Receiver. The Receiver, in consultation with Desjardins and CBRE, will review and compare the bids. There is flexibility built into the SISP to allow for requesting improved offers and negotiation on terms.¹⁴

20. The second milestone in phase two will be the Receiver, in consultation with Desjardins, selecting the successful bidder, finalizing documents (which will be subject to court approval), and delivering a first refundable deposit. The selection will be based on a number of factors including total consideration of offer, third party approvals required, conditions, and other factors affecting the speed and certainty of closing.¹⁵

21. The third and final phase, being due diligence and closing, runs from approximately November 27, 2025 to February 27, 2026, or roughly 90 days from the Bid Submission Date. The

¹² *Ibid.*

¹³ Receiver’s Report, First Report, para 51.

¹⁴ Receiver’s Report, First Report, para 50.

¹⁵ *Ibid.*

first milestone in the third phase will include a 60 day period for the selected bidder to conduct additional due diligence and satisfy/waive conditions, if any. Upon satisfying/waiving conditions, a second deposit will be required with all deposits becoming non-refundable.¹⁶

22. CBRE advises that the proposed length of the condition/due diligence period is market for development lands.¹⁷

23. The second milestone in the third phase will be court approval and closing. It is expected that it will be completed in approximately 90 days from the Bid Submission Date.¹⁸

iii. Other Key Features of the Sales Process

24. Additional aspects of the SISP will include:¹⁹

- (a) the King Bond Site will be marketed and sold on an “as-is, where-is” basis, with limited representations and warranties which is consistent in a receivership transaction;
- (b) the Receiver, has the right to reject any and all offers, including the highest and best offer;
- (c) to the extent permitted by law, all of the rights, title, and interest of GC King Bond in the King Bond Site will be sold free and clear of all pledges, liens, security

¹⁶ *Ibid.*

¹⁷ Receiver’s Report, First Report, para 52.

¹⁸ Receiver’s Report, First Report, para 50.

¹⁹ Receiver’s Record, First Report, para 53.

interests, encumbrances and claims, pursuant to approval and vesting order to be sought by the Receiver;

- (d) the Receiver has the right to: (i) waive strict compliance with the terms of the SISP, including any deadline in the table above; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Property or increase the aggregate recovery from the sale for stakeholders;
- (e) any material modifications to, or the termination of the SISP shall require Court approval; however, the Receiver shall have the discretion to adjust any timeline in the SISP to the extent it feels necessary to maximize value;
- (f) the SISP provides that notwithstanding any other provisions in the SISP, if the Receiver determines it is appropriate to do so, may apply to Court for advice and direction with respect to the discharge of its powers and duties, seek approval of any transaction or proposal, seek to modify or supplement the SISP and/or seek to terminate the SISP; and,
- (g) any transaction by the Receiver for the Real Property shall be subject to Court approval.

PART III – ISSUES

25. The issues to be decided on the Receiver's motion are whether the Court should (a) approve the SISP for the Real Property, together with all other property, assets and undertaking of GC King Bond related to the King Bond Site, as proposed by the Receiver, and (b) seal the Receiver's summary of the Realtor Proposals.

PART IV – LAW AND ARGUMENT

A. The Sale Procedure Should be Approved

26. Court-appointed receivers have the powers set out in the Orders appointing them. The Receivership Order, amongst other things, authorizes and grants the Receiver the powers to deal with the Real Property, specifically: ²⁰

- (a) take possession of and exercise control over the Property (including the Real Property) and any and all proceeds, receipts and disbursements arising out of or from the Property (para 4(a));
- (b) engage consultants, advisors, experts and other persons to assist with the exercise of the Receiver's powers and duties, including those conferred by the Receivership Order (para 4(d));
- (c) market any or all of the Property for sale, including advertising and soliciting offers in respect of the Property or any part or parts thereof, and negotiating such terms and conditions of sale or engagement as the Receiver in its discretion may deem appropriate (para 4(j));
- (d) to sell, convey, transfer, lease or assign the Property out of the ordinary course of business with the approval of the Court (para 4(k)(ii)); and,

²⁰ Receiver's Record, First Report, Appendix "A", Receivership Order, at para 4.

- (e) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property (para 4(l)).

27. Pursuant to section 243(1)(c) of the *Bankruptcy and Insolvency Act*, this Court has jurisdiction to approve the proposed SISP.²¹

28. Although the decision to approve a particular form of sale process is distinct from the approval of a proposed sale, the reasonableness and adequacy of any sale process that is proposed by a receiver must be assessed in light of the factors that a Court will take into account when considering the sale approval. These are the *Soundair* factors, namely:

- (a) whether the receiver has made a sufficient effort to get the best price, and has not acted improvidently;
- (b) whether the interests of all parties have been considered;
- (c) the efficacy and integrity of the process by which offers are obtained; and,
- (d) whether there has been unfairness in the working out of the process.²²

29. Accordingly, when reviewing a sales and marketing process proposed by a receiver, a court should assess:

- (a) the fairness, transparency and integrity of the proposed process;

²¹ *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, [section 243\(1\)\(c\)](#).

²² *KEB Hana Bank v Mizrahi Commercial (The One) LP et al* (“*KEB v. Mizrahi*”), 2024 ONSC 3739 (Ont. S.C.J. – CL) at [para 60](#), citing *Royal Bank of Canada v Soundair Corp.*, 1991 CanLII 2727 (Ont. C.A.).

- (b) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and,
- (c) whether the sale process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.²³

30. A proposed sale process need not be perfect, only reasonable. The Court ought to give significant weight to the recommendation of its receiver, who is a court-appointed officer with significant expertise in insolvency proceedings.²⁴

31. The Receiver's proposed SISP satisfies the above-noted factors to approve a sales process.²⁵

- (a) The SISP is fair, open and transparent, and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
- (b) CBRE, who has significant expertise and knowledge to market the Real Property, were retained through an RFP Process and in consultation with Desjardins;
- (c) the SISP can commence immediately upon Court approval as CBRE is already familiar with the Real Property, has undertaken pre-marketing tasks and is prepared to launch the sale of the King Bond Site without delay, which is expected to facilitate a timely process and help minimize costs;

²³ *KEB v. Mizrahi* at para 59, and *CCM Master Qualified Fund v. Bluetip Power Technologies*, 2012 ONSC 1750 (Ont. S.C.J. – CL) at para 6.

²⁴ *Marchant Realty Partners Inc. v. 2407553 Ontario Inc.*, 2021 ONCA 375 at paras 15 and 19.

²⁵ Receiver's Record, First Report, para 54.

- (d) the SISP will canvass the market broadly on an efficient basis to obtain the highest and best price, including a flexible bidding process that can involve multiple rounds depending on the volume and quality of bids received;
- (e) Deloitte (and CBRE) have conducted real property sale processes in other insolvency proceedings using similar timelines and marketing;
- (f) the SISP is structured such that Green City (being the primary investors in the Debtors) may still pursue a refinancing transaction, thereby allowing concurrent processes in order to reduce costs while improving the prospect of maximizing value and closing a transaction for the benefit of the GC King Bond stakeholders; and,
- (g) the SISP was developed with feedback from Desjardins, who support it.

32. For the foregoing reasons, it is commercially reasonable and appropriate to approve the SISP.

B. Sealing Order

33. Pursuant to s. 137(2) of the *Courts of Justice Act*, R.S.O. c. C.43, the Receiver requests that the unredacted summary of Realtor Proposals attached as a confidential appendix to the First Report, be temporarily treated as confidential and sealed, and not form part of the public record, pending completion of a sale of the Real Property, or until further Order of this Court (whichever is earlier).

34. The test for a sealing order was established by the Supreme Court in *Sierra Club*, and

subsequently recast in *Sherman Estate*. The test requires the court to consider whether:²⁶

- (a) Court openness poses a serious risk to an important public interest;
- (b) the order sought is necessary to prevent this serious risk to the identifiable interest because reasonable alternative measures will not prevent this risk; and,
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

35. Each of these considerations support the proposed sealing order:

- (a) **Public Interest:** The maximization of recovery in insolvency has been found to constitute an important public interest for the purpose of obtaining a sealing order. The granting of a sealing order in respect of commercially sensitive information is therefore “standard practice” in insolvency proceedings,²⁷ and courts have approved sealing orders where they are required to protect commercially sensitive information, including in respect of the purchase price.²⁸

The summary of Realtor Proposals contains opinions of value for the Real Property, which if disclosed to potential purchasers could adversely impact the bidding process by creating a “ceiling” bid and thereby negatively affecting realizations for the Real Property. Moreover, the information in the Realtor

²⁶ *Sherman Estate v. Donovan*, [2021 SCC 25](#), at [para. 38](#).

²⁷ *Yukon (Government of) v. Yukon Zinc Corporation*, [2022 YKSC 2](#) (YT. S.C.), at [para. 39](#).

²⁸ *Danier Leather Inc., Re*, [2016 ONSC 1044](#) (Ont. S.C.J. – Commercial List), at [para. 84](#); *Elleway Acquisitions Limited v. 4358376 Canada Inc. (“Elleway Acquisitions”)*, [2013 ONSC 7009](#) (Ont. S.C.J. – Commercial List), at [para 48](#).

Proposals were delivered to the Receiver with the expectation that it would remain confidential. Sealing of this information is necessary to ensure that recoveries in these receivership proceedings are maximized.²⁹

- (b) **Lack of a Reasonable Alternative:** Courts in insolvency proceedings have found that there is no reasonable alternative to a sealing order in circumstances where declining to grant the proposed order would materially impair the maximization of asset value for the benefit of stakeholders.³⁰ In the present case, there are no reasonable alternatives to a sealing order which would prevent the risks to the stakeholders outlined above.
- (c) **Proportionality:** The benefits of the proposed sealing order greatly exceed any disadvantages. No party will be prejudiced by the temporary sealing of the commercially sensitive information, and no public interest will be served if it is made public prior to closing, prejudicing stakeholder recoveries in the process.³¹

PART V – ORDER REQUESTED

36. For the reasons set out above, the Receiver requests that this Court approve the SISF for the sale of the Real Property, together with all other property, assets and undertaking of GC King

²⁹ Receiver's Record, First Report, at para 55.

³⁰ *Original Traders Energy Ltd. (Re)*, (“*Original Traders*”), [2023 ONSC 753](#) (Ont. S.C.J. - Commercial List), at [paras. 60-62](#).

³¹ See *Elleway Acquisitions*, at [para. 48](#), in which the court held that the beneficial effects of maximizing recoveries in insolvency greatly outweigh any deleterious effects which could result for sealing an APA pending a transaction closing.

Bond related to the King Bond Site, and grant a sealing order in respect of the summary of Realtor Proposals.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 15th day of September 2025.

A handwritten signature in black ink, appearing to read "Stephen Gaudreau". The signature is fluid and cursive, with the first name "Stephen" written in a larger, more prominent script than the last name "Gaudreau".

DAVID ULLMANN/STEPHEN GAUDREAU
Lawyers for the Receiver, Deloitte Restructuring Inc.

Schedule “A” – List of Authorities

1. *CCM Master Qualified Fund v. blutip Power Technologies*, [2012 ONSC 1750](#).
2. *Danier Leather Inc. (Re)*, [2016 ONSC 1044](#), at [para 41](#).
3. *Elleway Acquisitions Limited v. 4358376 Canada Inc.* (“*Elleway Acquisitions*”), [2013 ONSC 7009](#) (Ont. S.C.J. - Commercial List)
4. [KEB Hana Bank v Mizrahi Commercial \(The One\) LP et al](#), 2024 ONSC 3739 (Ont. S.C.J. – CL)
5. [Marchant Realty Partners Inc. v. 2407553 Ontario Inc.](#), 2021 ONCA 375
6. *Original Traders Energy Ltd. (Re)*, (“*Original Traders*”), [2023 ONSC 753](#) (Ont. S.C.J. - Commercial List)
7. [Royal Bank of Canada v Soundair Corp.](#), 1991 CanLII 2727 (Ont. C.A.)
8. *Sherman Estate v. Donovan*, [2021 SCC 25](#)
9. *Yukon (Government of) v. Yukon Zinc Corporation*, [2022 YKSC 2](#) (YT. S.C.)

Schedule “B” - Text of Statutes, Regulations & By-Laws

Bankruptcy and Insolvency Act

R.S.C., 1985, c. B-3, as amended

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person’s or bankrupt’s business; or
- (c) take any other action that the court considers advisable.

Courts of Justice Act

R.S.O. 1990, c. C.43, as amended

Sealing documents

137 (2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

**CAISSE DESJARDINS ONTARIO CREDIT UNION
INC.**
Applicant

and

**GC KING BOND LIMITED PARTNERSHIP, by its
general partner, GC KING BOND GP INC.**
Respondents

Email addresses of recipients: See Service List

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**FACTUM OF THE RECEIVER
(Sales Process Approval Motion – Returnable September
18th, 2025)**

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