



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-0024-00714666- 00CL

DATE: March 6, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: RBC v 181216 Ontario Inc. et. al.

BEFORE: JUSTICE BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Rachel Moses	Pltf.	rmoses@foglers.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
David Hwang	Defs.	david@dhlegal.ca
Adrienne Ho	BMO – Prop. Receiver	aho@airdberlis.com
Yuveaj Chhina	B. Banga – Int. Party	y.chhina@cslawfirm.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE BLACK:

[1] This was a motion by the plaintiff, Royal Bank of Canada (“RBC”) seeking to appoint BDO Canada Limited as receiver of 1818216 Ontario Inc. operating as Ravi Kitchen and Ravi Wraps and Salads (the “Borrower”) pursuant to section 243 of the *Bankruptcy and Insolvency Act* (“BIA”) and section 101 of the *Courts of Justice Act*.

[2] The circumstances and history of the relevant credit facilities and charges, of the security in place, of the debt, of the demands in relation to the debt, and of the various ongoing defaults is set out in detail in RBC’s materials.

[3] In terms of some of the important events, by August of 2023 the Borrower had committed multiple breaches of the Credit Agreement and GSA, including defaulting on municipal property taxes and granting second mortgages registered against title to the Real Properties (as identified and defined in RBC’s materials) without required notice to RBC.

[4] On September 21, 2023, RBC issued demands for outstanding payments, and Notices of Intention to Enforce Security pursuant to s. 244 of the BIA. These demand letters and NOIs expired on October 2, 2023 and the Borrower’s indebtedness remains outstanding.

[5] Between October 5 and December 15, 2023, RBC offered and attempted to negotiate a forbearance agreement, but the Borrower was not prepared to sign the forbearance agreement, and so no such agreement was concluded.

[6] The ongoing defaults include:

- a. A failure to pay monthly amounts due under Term Facility 004 since November 21, 2023;
- b. Failure to pay monthly amounts due under Term Facility 001 since December 16, 2023;
- c. Failure to make monthly payments due under the CSBFL Loan since December 8, 2023;
- d. Outstanding tax obligations to the CRA; and
- e. Unpaid common expense obligations for one of the Real Properties.

[7] The uncontradicted evidence from RBC is that it is owed in excess of \$1.3 million under the relevant credit facilities.

[8] RBC submits, and I accept, that in all of the circumstances it is just and convenient to appoint a receiver here.

[9] RBC has the right under its security to appoint a receiver, there is no doubt about the existence of debts and defaults, and RBC has been patient, and in fact offered a forbearance that the Borrower did not accept.

[10] RBC is understandably concerned about its security given various defaults and given evidence of enforcement proceedings being taken by other creditors and has justifiably lost confidence in the Borrower.

[11] RBC thus amply meets the test set out in the BIA, and in the case law that has discussed the circumstances in which it is appropriate to appoint a receiver.

[12] The Borrower did not file any materials in response to RBC’s motion.

[13] Counsel on behalf of the Borrower did attend at the hearing, advising that he had been retained the night before the hearing. Without any evidence, counsel submitted that the Borrower should be allowed a couple of months to sell certain real properties, which sales, he suggested, should be sufficient to pay off the outstanding debts owed to RBC and other creditors.

[14] RBC expressed doubt about these claims in the absence of tangible evidence, and noted, again, that the Borrower has had considerable time and opportunity to address the outstanding obligations. Counsel for RBC also fairly made the point that the Borrower will have the ability to make any such proposal(s) to the receiver.

[15] In all of the circumstances, I am granting the relief sought by RBC, and order that BDO be and is hereby appointed as receiver over the Borrower, its assets and undertaking.

[16] An Order is to issue in the form of Order provided by RBC and uploaded to Caselines.

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

Black J