



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.: CV-24-00714813-00CL

DATE: April 26, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC. v.
1703306 ONTARIO INC. et al.

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Francis, Catherine L	Applicant, Hillmount Capital Mortgage Holdings Inc.	cfrancis@foglers.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Verrilli, Alexander	Respondents, 1703306 Ontario Inc. and R.O. Beam & Son Construction Limited	Alexander.verrilli@mckenzielake.co
Patchet, Adam	Respondents, 1650661 Ontario Inc. and Terence Joseph St. Amand by his Litigation Guardian Lisa St. Amand	apatchet@sullivan-mahoney.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Korosis, Harry	CSGR8SPACE4U INC.	hkorosis@lcwlawyers.com
Verrilli, Alexander- Agent for Johanna McNulty	Lien Claimant, CH Plumbing Inc.	alexander.verrilli@mckenzielake.com
Mahoney, Peter	Lien Claimants Cotton Inc. and Keizer Investments Ltd. o/a (Smithville Home Hardware)	pamahoney@sullivan-mahoney.com

Nadeau, Dylan - Agent for Sarah J. Draper	Lien Claimant, Frank & Company Construction Ltd.	nadeaud@niagaralaw.ca
Dias, Kevin	Counsel for Canada Revenue Agency	kdias@justice.gc.ca
Rutman, Allan	Proposed Receiver for Respondent 1703306 Ontario Inc.	aar@zeifmans.ca

ENDORSEMENT OF JUSTICE STEELE :

[1] This is an application by Hillmount Capital Mortgage Holdings Inc. under section 243(1) of the *Bankruptcy and Insolvency Act* and s. 101 of the *Courts of Justice Act* seeking, among other things, the appointment of Zeifmans Partners Inc. as the receiver and manager of the right, title, and interest of 1703306 Ontario Inc. and R.O. Beam & Son Construction Limited in and related to certain properties set out at Schedule A to the proposed Order (the “Hodgkins Lots”).

[2] After several adjournments to give the respondents the opportunity to finalize proposed financing, and new information regarding certain CRA liabilities, the receivership is now proceeding on consent.

Background

[3] Hillmount advanced a mortgage to finance the purchase of the Hodgkins Lots and the construction of homes on the lots. Hillmount is the first mortgagee.

[4] 1703306 is the borrower under Hillmount’s mortgage. R.O. Beam is a guarantor of the mortgage and the builder of homes on the Hodgkins Lots.

[5] The Hillmount mortgage matured on July 1, 2023 and was not repaid. Demand has been made.

[6] On September 14, 2023, Hillmount issued a Notice of Intention to Enforce Security and a Notice of Sale.

[7] On June 6, 2023, 1650661 Ontario Inc. and Terence Joseph St. Amand (collectively “1650661”) brought an *ex parte* motion for a CPL over the Hodgkins Lots and other properties owned by R.O. Beam. By order of Ramsay J. dated June 7, 2023, 1650661 was granted leave to issue the CPL, which was issued on June 8 and registered on June 13, 2023. A motion was subsequently brought to discharge the CPL, which was dismissed.

[8] There are numerous construction liens that have been registered against the Hodgkins Lots.

[9] There is also a second mortgage on the Hodgkins Lots in the principal amount of \$1.3 million in favour of GR8SPACE4U Inc.

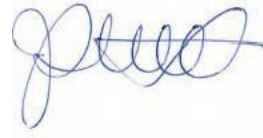
Is it just or convenient to appoint the Receiver?

[10] I am satisfied that it is “just or convenient” in the circumstances to appoint the Receiver. The reasons for this include the following:

- a. The Hillmount mortgage is in default and the Borrower failed to pay the balance upon the expiry of the term or pursuant to the demands for payment;
- b. An enforcement action has been taken by 1650661 in the CPL action, which also is an event of default under the Hillmount mortgage;

- c. Hillmount is entitled under the Hillmount mortgage and other security, including the GSA, to appoint a receiver over the Hodgkins Lots;
- d. As a result of the registration of the CPL and the construction liens, construction of the homes on the Hodgkins Lots has been halted for some time. The project is in a semi-finished state and the homes are exposed to the elements.

[11] Order attached.



Judiciary

Date: April 26, 2024