



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00743765-00CL

DATE: FEB 03 2026

NO. ON LIST: 02

TITLE OF PROCEEDING: HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC. v. TERESA GRECO; MARIO GRECO; LISA VOLPE

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
GIOVANNI (JOHN) RUSSO	TERESA GRECO	jrusso@pallettvalo.com
GIOVANNI (JOHN) RUSSO	MARIO GRECO	jrusso@pallettvalo.com
GIOVANNI (JOHN) RUSSO	LISA VOLPE	jrusso@pallettvalo.com
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE J. DIETRICH:

[1] Zeifman Partners Inc. as court-appointed receiver of real property municipally known as 12371 Highway 48, Stouffville, Ontario, 5270 Main Street, Stouffville, Ontario, 5318 Main Street, Stouffville, Ontario, 5286 Main Street, Stouffville, Ontario and 5262 Main Street, Stouffville, Ontario (the "**Real Property**") owned either individually by, or jointly among, Teresa Greco, Mario Greco and Lisa Volpe (collectively, the "**Debtors**") and personal property owned by the Debtors located thereon seeks two orders.

[2] First, an order (the "**AVO**") is sought:

(a) approving the sale transaction contemplated by an Agreement of Purchase and Sale dated December 10, 2025 (as amended, the "**Sale Agreement**") entered into between the Receiver and CPH Development Projects Inc. ("**CPH**"), which agreement was amended by the Receiver and CPH and assigned by CPH to City Park Homes (Stouffville) Inc. (the "**Purchaser**") pursuant to an Assignment and Amending Agreement dated January 9, 2026 (the "**Amending Agreement**"); and

(b) authorizing and directing the Receiver to make a distribution from the proceeds of the Transaction to Hillmount Capital Mortgage Holdings Inc. ("**Hillmount**").

[3] Second, an order (the "**Ancillary Order**") is sought:

(a) approving of the First Report of the Receiver dated January 21, 2026 (the "**First Report**") and the actions of the Receiver described therein;

(b) approving the fees and disbursements of the Receiver and Receiver's legal counsel as set out in the affidavits attached to the First Report;

(c) sealing the Confidential Appendices to the First Report until closing of the Transaction or further order of the Court; and

(d) discharging and releasing the Receiver upon the filing of a certificate.

[4] No opposition was raised with respect to the relief sought by the Receiver.

- [5] Defined terms used but not otherwise defined have the meaning provided for in the factum of the Receiver filed for use on this motion.
- [6] On July 23, 2025, the Receiver was appointed by Order of this Court.
- [7] The Real Property is a development property consisting of approximately 17.70 acres, is located in the town of Stouffville and includes a few vacant structures in poor condition.
- [8] Pursuant to a commitment letter dated April 13, 2021 and subsequent amending agreements, Hillmount advanced a secured mortgage loan to the Debtors in the principal amount of \$11.8 million (the “**Loan**”). The Loan matured on November 15, 2024. As of May 21, 2025, the amount owing to Hillmount under its first-ranking mortgage is \$12,229,315.95, plus accrued interest, legal fees and other expenses.
- [9] Following the Receiver’s appointment, the Receiver undertook steps to secure the Property and prepare it for being marketed to the public. The Receiver obtained an appraisal from Cornwall Property Consultants Ltd. on August 14, 2025 in respect of the Real Property. The Receiver also determined that substantially all of the real estate records were on a data site maintained by CBRE, who had previously been retained by the Debtors to sell the Real Property. Additional records were obtained from the Debtors.
- [10] The Receiver determined it would be most efficient to enter into a listing agreement with CBRE given CBRE’s extensive involvement with the Real Property prior to the Receiver’s appointment and the familiarity it had established in respect of the Real Property, as well as its data site including marketing materials and a significant amount of information relating to the development process (including third party reports).
- [11] The Receiver requested a proposal from CBRE and, after further discussion and consultation with Hillmount in its capacity as the first mortgagee, engaged CBRE to list the Property for sale on August 11, 2025. After discussions with CBRE, the Receiver set a deadline for submission of letters of intent of September 15, 2025. Details of the marketing activities undertaken by CBRE are set out in the First Report. 31 parties signed confidentiality agreements and were given access to a data room. Eight letters of intent with received following which parties were invited to submit their final and best offer.
- [12] The Receiver negotiated with certain parties who either withdrew from the process or failed to sign a revised agreement.
- [13] On December 3, 2025, CPH made an offer to the Receiver to purchase the Property. The offer initially had an acceptance deadline of December 9, 2025. The Receiver was able to negotiate with CPH to extend the deadline to December 11, 2025. Although a previous party attempted to reengage with the Receiver at this point, given the prior negotiations that avenue was not pursued further.

- [14] Rather, the Receiver entered into the Sale Agreement with CPH on December 10, 2025, which had a 30-day conditional period. During the diligence period, certain amendments to the Sale Agreement were entered into pursuant to the Amending Agreement, including a reduction in purchase price of 1.9% as a result of the discovery of certain work which had been recommended by the Ministry of Heritage but had not been undertaken.
- [15] The principles to be applied when determining whether to approve a sale transaction were articulated by the Ontario Court of Appeal in *Royal Bank of Canada v Soundair Corp.* (“*Soundair*”): (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers have been obtained; (c) whether the interests of all parties have been considered; and (d) whether there has been unfairness in the working out of the process.
- [16] I am satisfied that the *Soundair* principles have been met. The Real Property was exposed widely to the market through a professional and licensed commercial real estate broker that is well known in the market. In the views of CBRE and the Receiver, the Real Property was exposed to the market for a sufficient period of time for prospective purchasers to make an offer. The Receiver advises that purchase price is in excess of the appraised value. The Receiver received eight initial offers for the Real Property and the Sale Agreement represents the best offer for the Real Property, taking into account both the purchase price and the certainty of closing. The terms of the Sale Agreement are typical for sale by a receiver with respect to real property and do not include any conditions which are expected to delay closing. Further, the first mortgagee supports the Transaction.
- [17] Accordingly, I am satisfied that approval of the Transaction is appropriate in the circumstances.
- [18] Should the Transaction close, the Receiver advises that it intends to allocate the proceeds first to CBRE’s sales commission, and the unpaid fees and disbursements of the Receiver and its counsel. The proceeds would then be used to repay Hillmount the \$200,000 it advanced (with interest) under the Receiver’s Borrowing Charge and satisfy certain amounts owing to Hillmount under its Mortgage. Receiver's counsel advises that property taxes are to be paid on closing, the Receiver is not aware of any other priority amounts and Hillmount is expected to suffer a shortfall under its Mortgage.
- [19] In this regard, the Receiver advises that it has received an opinion from its independent legal counsel that Hillmount's security is valid and enforceable (subject to the typical qualifications and assumptions). Accordingly, I am satisfied that the Interim Distribution is appropriate and it is approved.
- [20] The request to approve the First Report is not unusual and there are good policy and practical reasons for doing so. No opposition to the approval of the First Report has been

raised and the approval of the First Report is appropriate in the circumstances as the Receiver has acted reasonably and in good faith. The draft order provided contains the typical language that only the Receiver is entitled to rely on the approval.

- [21] The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize the value of the Property in the event of the Transaction does not close. I am satisfied that the requested sealing order for the Confidential Appendices to the First Report (being an unredacted version of the Sale Agreement and the Amending Agreement as well as a listing activity summary from CBRE) meet the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. The Receiver is directed to follow the applicable guidelines for the filing of sealed material with the court, and to eventually apply, at the appropriate time, for an unsealing order, if necessary.
- [22] The Receiver also seeks approval of the fees and disbursements of the itself and its legal counsel, including a fee accrual to complete matters. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Property and liabilities as well as the complexity of the Proceeding. In considering these guiding principles, the fees of the Receiver and its counsel are appropriate and are approved, subject to the comments below regarding the fee accrual.
- [23] As for the Receiver's request for a discharge, I appreciate the desire for cost efficiency, however, as the Transaction has not yet closed, I am not prepared to grant the Receiver a release in connection with a discharge at this time. That is relief that the Receiver should return to court to request at the appropriate time (once the substantive mandate has been completed). Approval for the remaining fees and disbursements, including the fee accrual can also be made at that time.
- [24] Orders to go in the forms signed by me this day.



Justice J. Dietrich

Date: Feb 03, 2026

