

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

B E T W E E N:

CC2 (100) GP INC.

Applicant

- and -

KING DAVID INC.

Respondent

FACTUM OF THE RECEIVER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit (LSO No. 34163H)

Tel: (416) 218-1141

Email: george@chaitons.com

David Im (LSO No. 89765G)

Tel: (416) 218-1124

Email: dim@chaitons.com

**Lawyers for AlixPartners Restructuring,
Inc., in its capacity as Receiver**

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PART I – OVERVIEW¹

1. This Factum is submitted by AlixPartners Restructuring, Inc. (“**AlixPartners**”), formerly KSV Restructuring Inc. (“**KSV**”), in its capacity as court-appointed receiver and manager (in such capacity, the “**Receiver**”) in respect of the lands and premises municipally known as 100 Cathedral High Street, Markham, Ontario (the “**Real Property**”), together with any personal property of King David Inc. (the “**Debtor**”) located on or arising from the use of the Real Property, and any proceeds derived from the Debtor’s dealings with the Real Property, in support of its motion seeking an order approving the Receiver’s marketing and sale process for the Real Property (the “**Sale Process**”).

¹ Capitalized terms used but not defined herein have the meaning defined in the First Report of the Receiver dated July 23, 2026 (the “**First Report**”).

PART II – FACTS

Background

2. The Debtor is the registered title holder of the Real Property, which is a 1.48-acre parcel of vacant land located within the Cathedraltown development in Markham, Ontario.²

3. The Real Property is currently approved for the development of a mid-rise residential condominium building.³

4. On application by CC2 (100) GP Inc. (“CC2”), the Debtor’s principal secured creditor, AlixPartners was appointed as Receiver pursuant to an Order of the Court made on July 9, 2026 (the “**Receivership Order**”).⁴

The Sale Process

5. In anticipation of its potential appointment as Receiver, AlixPartners, then known as KSV, solicited a proposal from Cushman & Wakefield ULC (“**Cushman**”) to act as listing agent for the Real Property.⁵

6. Subject to Court approval of the Sale Process, the Receiver intends to retain Cushman as listing agent pursuant to a listing agreement, the material terms of which are set out in section 4.2 of the First Report of the Receiver dated July 23, 2026 (the “**First Report**”).

² First Report, s. 2.0 at para. 1.

³ First Report, s. 2.0 at para. 2.

⁴ First Report, s. 1.0 at para. 1; Appendix “A” to the First Report (the “**Appointment Order**”).

⁵ First Report, s. 4.1 at paras. 1 and 2.

7. Key details and milestones of the Sale Process are described in section 4.3 of the First Report.⁶

8. Additional aspects of the Sale Process include:⁷

- (a) the Real Property will be marketed on an “as is, where is” basis;
- (b) to the extent permitted by law, the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order to be sought by the Receiver;
- (c) the Receiver will be entitled to extend any deadlines in the Sale Process if it considers it to be appropriate or necessary in the circumstances to maximize value;
- (d) the Receiver will have the right to reject any and all offers, including the offer with the highest purchase price;
- (e) the Receiver shall consult with CC2 regarding any offer that does not provide for repayment of the Indebtedness⁸ and shall not accept any such offer without either CC2’s consent or Court approval without the consent of CC2;
- (f) if no offers are received that will repay CC2 in full, CC2 shall have the right to submit an offer for the Real Property, including by way of credit bid; and
- (g) any transaction will be subject to Court approval.

⁶ First Report, s. 4.3.

⁷ First Reports. 4.3 at para. 2.

⁸ Capitalized terms used but not defined herein have the meanings given to them in the First Report.

PART III – ISSUES

9. The sole legal issue on this motion is whether the Court should approve the Sale Process.

PART IV – LAW AND ARGUMENT

The Sale Process Should be Approved

10. This Court has jurisdiction to approve the Sale Process pursuant to section 243(1)(c) of the BIA.⁹

11. Paragraph 4 of the Receivership Order authorizes, among other things, the Receiver to:¹⁰

- (a) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
- (b) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties.

12. In the case of *Royal Bank of Canada v. Soundair Corp.* ("**Soundair**"), the Ontario Court of Appeal held that a court should consider the following factors when deciding whether to approve the sale of property subject to a receivership:¹¹

⁹ *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, [s. 243\(1\)\(c\)](#).

¹⁰ Appointment Order, paras. 3(d) and 3(j).

¹¹ *Royal Bank of Canada v. Soundair Corp.* (1991), [4 OR \(3d\) 1](#) at para [16](#) (ONCA)

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

13. In *CCM Master Qualified Fund Ltd. v. blutip Power Technologies Ltd.*, the Court held that the criteria identified in *Soundair* also inform the determination of whether to approve a court-appointed receiver's proposed sale process. Specifically, the court is to assess:¹²

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

14. The Receiver recommends that the Court approve the Sale Process for the following reasons:¹³

- (a) the Sale Process is a fair, open and transparent process intended to canvass the market broadly on an orderly basis. The terms are consistent with real estate sale processes approved by this Court and conducted in the context of several

¹² *CCM Master Qualified Fund v. blutip Power Technologies*, 2012 ONSC 1750 at para 6

¹³ First Report, s. 4.4 at para. 1.

receivership proceedings where AlixPartners (and its predecessor firm, KSV) has acted as receiver;

- (b) there will be no delay commencing the Sale Process – marketing materials are being prepared. This should allow for the process to be conducted on a timely basis, which will assist in reducing costs;
- (c) the duration of the Sale Process is considered sufficient to allow interested parties to perform diligence and to submit an offer by the tentative Bid Deadline (September 17, 2026). The Sale Process is intended to be flexible based on market feedback and Cushman’s guidance, and accordingly, the Receiver will have the right to extend or amend timelines, as appropriate. The Sale Process timelines are slightly longer than is typical because the Sale Process is being conducted during the summer months, when sales activity is generally slower in this sector;
- (d) Cushman’s team for this assignment is based in Toronto and has experience selling development properties in the GTA. Cushman is familiar with the Cathedraltown development. Cushman’s team also has experience selling real property in insolvency proceedings and has previously worked with AlixPartners in this regard;
- (e) the Receiver independently assessed Cushman’s qualifications, experience in marketing development lands in the GTA, familiarity with the Real Property and surrounding development lands, and proposed compensation structure;
- (f) based on the Receiver’s experience, Cushman’s commission rate and other compensation terms are consistent with market; and

- (g) CC2 consents to the terms of the Sale Process.

PART V – RELIEF SOUGHT

15. For the reasons set out above, the Receiver respectfully requests that the Court grant an order approving the Sale Process.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of July, 2026.


per:
CHAITONS LLP
*Lawyers for AlixPartners Restructuring, Inc.,
in its capacity as Court-Appointed Receiver*

SCHEDULE "A"

Table of Authorities

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I certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date July 28, 2026



Signature

SCHEDULE “B”
RELEVANT STATUTES

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.

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Applicant

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Court File No. CL-26-00000233-0000

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Proceeding Commenced in Toronto

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CHAITONS LLP

5000 Yonge Street, 10th Floor
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George Benchetrit (LSO No. 34163H)

Tel: (416) 218-1141

Email: george@chaitons.com

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