ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-26-03429084-0032 **DATE: October 15, 2026**

NO. ON LIST: 1

TITLE OF PROCEEDING: IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SIREG 700 PARKHILL INC

BEFORE: JUSTICE Jana Steele

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Timothy Duggan	Moving unit owners	tduggan@lddclawyers.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Dave Rosenblat Marc Wasserman Laura Culleton	Counsel to AlixPartners Restructuring – Proposal Trustee	drosenblat@osler.com mwasserman@osler.com lculleton@osler.com
Noam Epstein Roth	Monarch Realty Fund LLP	nepsteinroth@litigate.com
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Sobiga Kamalakaran	240 parties (investors, creditors, beneficial owners, NOI entities)	skamalakaran@mlflitigation.com
Michael Ruhl	Counsel for 11 unit owners of Nipissing Standard Condominium Corporation No. 53	mruhl@svlaw.ca

Joseph Bellissimo	NOI Debtors	amerskey@cassels.com

ENDORSEMENT OF JUSTICE STEELE:

[1] Further to my endorsement dated October 14, 2026, the parties returned today on the issue of the proposed appointment of an administrator under section 131 of the *Condominium Act, 1998* (the "Condo Act") to deal with the Unopposed Condos on an interim basis.

[2] Mr. Duggan, counsel for over 700 condo unit holders, indicated that the provision under section 131(1) of the Condo Act (that at least 120 days have passed since a turn-over meeting has been held under section 43) has been met for all but one of the listed Unopposed Condos (Leeds Standard Condominium Corporation 48, which has now been removed from the list of Unopposed Condos in respect of which relief is sought). Further, there are two additional condos that had previously opposed the appointment of the administrator but no longer do so (Lambton Condominium Corporation No. 11 and Essex Standard Condominium Corporation no. 168). These two condos have been added to the appendix setting out the Unopposed Condos.

[3] Mr. Duggan asks that the court make the requested order appointing the interim administrator over the Unopposed Condos. The Proposal Trustee supports the appointment. Firm Capital also supports the appointment in respect of the properties over which it is the mortgagee.

[4] However, Mr. Ruhl, counsel for certain of the owners of the Opposed Condos (which issue is scheduled to be heard next week) raised various issues for the court's consideration.

[5] First, Mr. Ruhl indicated that there may be unit holders in the Unopposed Condos that have not received notice and are unaware of the proceedings. As noted by counsel for the Proposal Trustee, given the public nature of these NOI proceedings, I am satisfied that notice has been provided. In any event, the proposed order includes a comeback clause:

> 19. THIS COURT ORDERS that any person or entity having standing under section 131 of the Condo Act to seek the appointment of an administrator may bring a motion on notice for the advice or directions of the court, or to set aside all or part of this order appointing the Administrator.

[6] I would add that <u>if any of the unit holders in the Unopposed Condos seek to set aside all or part of this order, they may file materials, including affidavit evidence, for the court's consideration in advance of the motion in respect of the Opposed Condos, scheduled to be heard on October 22, 2026. This provides the unit holders of the Unopposed Condos with a fixed comeback date.</u>

[7] The Proposal Trustee points to the court's inherent jurisdiction under s. 183 of the *BIA* to make the order under the unique situation before the court.

[8] Under s. 131 of the Condo Act, the court may make an order appointing an administrator for a condominium corporation if the court is of the opinion that it would be just or convenient to do so:

> 131(1) Upon application by the corporation, a lessor of a leasehold condominium corporation, an owner or a mortgagee of a unit, the Superior Court of Justice may make an order appointing an

administrator for a corporation under this Act if at least 120 days have passed since a turn-over meeting has been held under section 43.

(2) The court may make the order if the court is of the opinion that it would be just or convenient, having regard to the scheme and intent of this Act and the best interests of the owners.

(3) The order shall,

a) Specify the powers of the administrator;

b) State which powers and duties, if any, of the board shall be transferred to the administrator; and

c) Contain the directions and impose the terms that the court considers just.

(4) The administrator may apply to the court for the opinion, advice or direction of the court on any question regarding the management or administration of the corporation.

[9] Papageorgiou J. in *Laxmi Real Estates Inc. v. Toronto Standard Condominium Corporation No. 2470*, 2025 ONSC 3417 set out, at paras. 14-17 the law regarding appointment of an administrator under section 131 of the Condo Act:

> [14] The Condominium Act vests in the unit owners the power to manage the affairs of the corporation through an elected board. Self-governance is the norm: *Bahadoor v. York Condominium Corporation No. 82* (2006), 53 R.P.R. (4th) 281 (Ont. S.C.), at para. 26.
>
> [15] Nevertheless, the Act recognizes that there are circumstances where a corporation must be overseen by an outside party, at least for a time. Section 131 of the Act permits the Court to appoint an Administrator, if the appointment would be just or convenient in regard to the scheme and intent of the Act, and if determined to be in the best interests of the unit owners. Courts take into account a variety of circumstances when considering whether an Administrator should be appointed: *York Condominium Corporation No. 42 v. Hashmi*, 2011 ONSC 2478, at para. 6; *Skyline Executive Properties Inc. v. Metropolitan Toronto Condominium Corporation No. 1385* (2002), 17 R.P.R. (4th) 152 (Ont. S.C.), at para. 26; and *Bahadoor*, at para. 28. The case law establishes the following factors:
>
> • a demonstrated inability of the board to manage the corporation.
>
> • the existence of substantial misconduct or mismanagement or both.
>
> • the necessity of bringing order to the affairs of the corporation.
>
> • whether the Board has formulated an operating and project expenditure plan that presents a reasonable prospect of achieving the orderly management of the affairs of the corporation.
>
> • the existence of a struggle within the corporation amongst competing groups which impedes or prevents proper governance of the corporation.

- whether only the appointment of an administrator has any reasonable prospect of bringing order to the affairs of the corporation.

> [16] These factors must be balanced against the cost of appointing an Administrator: *Bahadoor*, at para. 28.
>
> [17] Further, the power to appoint an Administrator under s. 131 should only be invoked as a last resort. In that regard, when a court is considering this issue, there must be a good reason for why the unit owners should not manage their corporation's affairs through an elected board: *York*, at para. 7; *Bahadoor*, at para. 26.

[10] In the instant case we have an unusual fast-moving situation. AlixPartners Restructuring Inc. was named as proposal trustee under the NOI filed by SIREG 700, and 12 other entities in the SIREG group[1], on or about September 25, 2026.

[11] On or about September 17, 2026 the board members of the condominium corporations for each of the 43 condominium buildings resigned *en masse*.

[12] The evidence of Forrest Todd, Vice-President, Mortgage Banking, of Firm Capital is:

- "On September 29, 2026, the Registrar of the CMRAO ordered the immediate suspension of SIREG Management's license, citing, among other things, concerns regarding the misappropriation of client funds and SIREG Management's failure to meet its obligations."
- There is urgency due to the "cancellation and impending expiry of various insurance policies at the four SIREG properties subject to Firm Capital's mortgages."

[13] The situation is urgent and needs to be addressed. There are no condominium boards for the 43 condos, and the prior condominium management company (SIREG Management) has had its license suspended.

[14] The Proposal Trustee noted in its Aide Memoire, "the urgent near term issues that have been identified to the Proposal Trustee are expired or expiring insurance policies, the need to establish bank accounts for the purpose of receiving condominium fees, addressing urgent maintenance and repairs, addressing threatened disconnection of utilities and the need to elect new condominium corporation boards."

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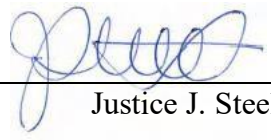
[1] The Joint Aide Memoire filed by the NOI Applicants and the Proposal Trustee for the October 8, 2026 attendance, describes the NOI Applicants' business and structure:
"The underlying businesses of the NOI Applicants and their related NOI proceedings (the "NOI Proceedings") relate to the consolidated business operations known as the Simple Investor Real Estate Group, comprising the NOI Applicants and their affiliates (the "Group"), which are managed on a consolidated basis by one of the NOI Applicants, SIREG Management Inc. ("SIREG Management")."
"The majority of the NOI Applicants are single-purpose property-owning vehicles with no revenue. They solely hold real property title in the SIREG Properties. SIREG conducted two management functions across the SIREG Properties."
"First, SIREG Management manages all of the apartment complexes and units across the Group's portfolio. That management operates on a fully consolidated and integrated basis. In most if not all instances, SIREG Management Inc. is the lease counterparty. All day-to-day buildings operations are conducted and paid for by SIREG Management utilizing its employees and contractors. None of the single-purpose property-owning companies in the Group have any employees or operations."
"Second, SIREG Management manages condominium units owned by third parties pursuant to lease and management agreements with such owners and was the licensed condominium building manager pursuant to the *Condominium Management Services Act* for each of the 43 condominium buildings. SIREG Management was appointed as building manager to these properties by each building's condominium corporation, with are entities created by the *Condominium Act*, and responsible for the common elements of the condominium buildings."

[15] Mr. Duggan represents over 700 unit holders who seek the appointment of an administrator for their condominium to bridge the period until a new condo board can be established at their respective condominium. Counsel informed the court that at least 15 days' notice is required under the *Condominium Act* for a meeting[2] and that there is no provision in the statute that speaks to abridging notice periods for meetings. Accordingly, at an absolute minimum, these condominium corporations would be rudderless until early to mid-November.

[16] The court has recognized absence of a quorum of directors in office and an associated absence of effective governance as a ground for the appointment of an administrator: *B.K. v. York Region Standard Condominium Corp. No. 1253*, 2019 ONSC 4552 (S.C.J.), at paras. 2-4.

[17] There is unquestionably a "demonstrated inability of the board[s] to manage the corporation[s]" because there are no boards. Further, given the pressing issues already identified by the Proposal Trustee, there is also "the necessity of bringing order to the affairs of the corporation[s]." Further, given the notice requirements under the *Condominium Act*, at this point "only the appointment of an administrator has any reasonable prospect of bringing order to the affairs of the corporation[s]." While there are costs associated with appointing an administrator, there are also significant potential costs with not having insurance or having utilities disconnected, among other things. I am satisfied that it is just or convenient, having regard to the scheme and intent of the Condo Act and the best interests of the owners, to appoint the administrator in respect of the Unopposed Condos.

[18] Order to go in the form signed by me today, with immediate effect.



Date: Oct 15, 2026

Justice J. Steele

[2] Section 47(1) of the *Condominium Act* provides:

> Any notice that is required under this Act to be given to owners shall,
>
> a) Be in writing;
> b) Be given at least 15 days before the day of the meeting, if the notice is a notice of meeting of owners;
>
> [...]