



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000331-0000

DATE: July 31, 2026

NO. ON LIST: 5

TITLE OF PROCEEDING: CELINA CAPITAL CORPORATION v. 1001281812 ONTARIO INC.

BEFORE: JUSTICE BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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ENDORSEMENT OF JUSTICE BLACK:

[1] This matter was one of two related applications before me today. This endorsement should be read in conjunction with my endorsement in the matter of Bank of Montreal v. TRS Components Ltd., et al (Court File No. CL-26-00000330-0000).

[2] The factual matrix for this application is largely duplicative of that in the BMO v. TRS matter, and I do not propose to repeat here the entire description of that factual backdrop set out in the endorsement in that matter.

[3] In the matter at hand, it is important to note that Celina (in this endorsement I will continue to use terms as defined in the parties' materials) is a Toronto-based lender in the business of advancing and managing investments in various companies in Ontario and elsewhere.

[4] TNP is an Ontario corporation that manufactures pre-fabricated structural components used in the construction industry. TNP operates from leased premises in Smith Falls, Ontario, and has approximately 24 employees.

[5] In 2025, Celina and Fox – the TNP Lenders - advanced a secured loan in favour of TNP under which TNP is indebted to the TNP Lenders. The TNP Loan was advance for the purpose of funding the acquisition by TNP of the assets of two insolvent companies – the Prior Owners – as part of a prior insolvency proceeding.

[6] Currently TNP and TRS are directly owned by and wholly-owned subsidiaries of Argyle TRS Holdings, which is in turn owned and controlled by Celina, Argyle and Fox.

[7] The term of the TNP Indebtedness matured on February 11, 2026 and was not repaid (in whole or in part) as required by the applicable loan and security agreement.

[8] On February 13, 2026, Celina served the Demand Letter and the NITES demanding repayment of to total amount outstanding at that time, \$4,065,361.70. No portion of the TNP Indebtedness has since been paid.

[9] The TNP Lenders have made some additional advances since the Maturity Date, such that the amount outstanding as of June 30, 2026 was \$4,954,803.50 (plus applicable interest and costs).

[10] Celina is the only creditor of TNP to have registered security generally over all of TNP's assets.

[11] The security held by Celina against TNP authorizes Celina to move for the appointment of a Receiver over the assets of TNP on default.

[12] TNP is insolvent and unable to fund bi-weekly payroll and other critical payments. Celina is the only party currently prepared to fund TNP's immediate cashflow requirements, but views the current circumstances as unsustainable and believes that long term stabilization of TNP can only be achieved through a sale of the business and assets.

[13] Celina is willing to make the advances that will be required for payroll, rent and other critical payments in the near term to avoid a shutdown of TNP's operations, but is only willing to do so in the context of a receivership, and the sale of the business as a going concern under such receivership.

[14] It is important to note that the Prior Owner filed an NOI in April of 2025. AG was appointed as proposal trustee of the Prior Owner. Following a fulsome sale process within the NOI proceedings, AG recommended that

the court approve acceptance of an offer from or on behalf of TNP to purchase the Prior Owner's business and assets.

[15] That transaction was approved, and completed in August of 2025. The business and assets have not substantially changed since then.

[16] Immediately after its acquisition by Holdings, TNP began defaulting on rental payments owed to TNP's real property landlord and others. TNP has never generated positive cashflow from its operations.

[17] It was said before me, without opposition or contradiction, that TNP urgently requires funding to make critical payments to sustain its business operations.

[18] As noted and discussed in the parallel endorsement for the BMO v. TRS matter, TRS like TNP is a wholly-owned subsidiary of Holdings. However, TRS and TNP have distinct and separate business and financing arrangements; BMO is the senior secured creditor and operating lender for TRS.

[19] BMO brought its application vis-à-vis TRS simultaneous with the commencement of Celina's application herein.

[20] As Celina puts it in its factum, given the "overlapping facts and circumstances which have led to the distress of both TRS and TNP, BMO, Celina and AlixPartners are aligned in the view that the most practical and efficient manner of proceeding will be for this Application and the companion BMO Application to proceed together and, assuming both the relief sought by Celina on this Application and BMO on the companion Application is granted, each be administered by a common receiver."

[21] I have granted the order appointing AlixPartners as Receiver in the parallel BMO application, and I am granting the order doing so in this proceeding as well.

[22] In my view, given TNP's evident and critical insolvency, given Celina's willingness to keep TNP's business afloat in the context of a receivership, and given the inevitable overlap between this matter and the BMO matter, it is just and convenient to appoint AlixPartners as the Receiver for this matter as well. Indeed, the overlap should mean efficiencies between the two matters with AlixPartners as a common Receiver.

[23] I note that there is no opposition to that relief.

[24] AlixPartners has filed materials in support of its motion, if appointed as Receiver (as has now occurred) seeking and Approval and Vesting Order, among other relief:

- a. Authorizing and directing the Proposed Receiver to execute the Sale Agreement between the Receiver as seller and Celina and Fox (the Purchaser) as buyer dated July 24, 2026 and approving the Transaction contemplated in that Sale Agreement; and
- b. Vesting in the Purchaser of its nominee TNP's right, title and interest in and to the Purchased Assets.

[25] TNP, as noted above, acquire its business and assets less than a year ago, in August 2025, as the successful bidder in a court-approved sale process. The purchase price at that time was approximately \$3.1 million.

[26] A year later, TNP faces an existential cashflow crisis and has ongoing operating losses.

[27] AlixPartners asserts that a going-concern sale of TNP's business and assets to the Purchaser is the best available outcome for all stakeholders. The Sale Agreement provides a price that significantly exceeds TNP's liquidation value and the purchase price from 2025, assumes substantially all trade payables, and offers employment to substantially all of TNP's employees on substantially the same terms.

[28] On that basis, while I hesitated in first reviewing the relief sought to approve a sale before even any sale process, it is evident that the market was very recently canvassed for this very business (leading to the sale less than a year ago) and that it is highly unlikely that a purchaser will be found, particularly in the near term, that will be prepared to pay the amount offered by the Purchaser (which has specific knowledge of the TNP business that it will be acquiring).

[29] Moreover, as discussed, TNP's circumstances are sufficiently dire that, without the immediate support and cash infusion that the proposed Transaction will yield, it is unlikely that any going concern version of the business will survive.

[30] As such, in these unique circumstances, I am prepared to, and hereby grant the Approval and Vesting Order sought by AlixPartners. I find that the sale meets the criteria established by the Supreme Court of Canada in Soundair.

[31] I note that there is also no opposition to the proposed Transaction and the Approval and Vesting Order.

[32] Finally, I was asked, by counsel in attendance on behalf of RBC, a creditor with respect to property that is the subject of an equipment lease, and without objection by any other party, to include the following language in this endorsement, which I am prepared to do:

“The issuance of this Court’s Order dated July 31, 2026 is without prejudice to any right that Royal Bank of Canada may have to assert the position and argue that it holds a property claim in respect of its equipment lease and/or that it holds security interests in respect of property that does not form part of the Property (as defined in the said Order) and/or its right to bring a lift-stay motion.”

Released: July 31, 2026



Justice W.D. Black