



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000330-0000

DATE: July 31, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: BANK OF MONTREAL v. TRS COMPONENTS LTD. et al

BEFORE: JUSTICE BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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ENDORSEMENT OF JUSTICE BLACK:

[1] This is one of two related applications that proceeded together before me today.

[2] In this application, BMO (in this endorsement I will use this and other terms as defined in the parties' materials) seeks an order appointing AlixPartners as Receiver, without security, of all of the assets, properties and undertakings of TRS, Plant 22 and TNT – the Debtors – including the Real Property.

[3] The uncontroverted evidence is that the Debtors are experiencing a liquidity crisis and are on the brink of defaulting on funding of their operations. Since March of this year, the Debtors have been in default under their loan arrangements with BMO – their senior secured creditor and operational lender, owing approximately \$23.5 million.

[4] It is also uncontroverted that BMO has made formal demand for repayment and delivered Notices of Intention to Enforce Security under s. 244 of the BIA, and that the 10-day statutory period for the Debtors to cure their default under subsection 244(2) has expired, entitling BMO to enforce on its security.

[5] As noted above, BMO's receivership application herein is brought against the Debtors in coordination with a parallel receivership application brought by Celina against TNP, an operating entity sharing common ownership and management with the Debtors. While I am issuing separate endorsements for the two parallel applications, they should be read together, since, while the relief differs somewhat from one application to the other, much of the factual background overlaps.

[6] In this (BMO) receivership application, AlixPartners, if appointed Receiver, seeks the immediate approval of a Sale Process for the assets, properties and undertakings of the Debtors. That Sale Process contemplates a stalking horse bid from newly incorporated entities that are controlled and owned, directly or indirectly, by Celina.

[7] Should the Sale Process be approved and the Stalking Horse Bid be selected as the successful bid, BMO intends to make refinancing funds available to the stalking horse purchasers under a fresh credit agreement.

[8] Each of the Debtors is incorporated pursuant to the laws of Ontario and shares the same group of directors. TRS and TNT are operating entities in the business of manufacturing and supplying residential and commercial construction components. TRS operates primarily out of the Real Property and TNT operates out of leased premises in Glenburnie and Brockville, Ontario. Plant 22 operates as a real estate holding company, leasing the Real Property to TRS.

[9] The Debtors are part of a larger group of entities owned by various investors and Argyle, a Toronto-based private equity firm. Predecessor entities of TRS and Plant 22 were purchased Argyle-controlled entities in July of 2022. TRS is wholly owned by Argyle TRS, and, in turn, TNT is wholly owned by TRS. Plant 22 is wholly owned by ATRS Real Estate Holdings.

[10] TRS and TNP, while distinct entities, were managed by Argyle under an arrangement with Celina and TRS. BMO advises that Argyle has recently stepped away from active management of TRS and TNP and has apparently communicated that it is not willing to advance any further funds to assist with such management under the current configuration.

[11] Under the BMO Credit Facilities and Credit Agreement, BMO holds various security, including a GSA, section 427 Bank Act security, a debenture granted by Plant 22 and supported by a mortgage in the principal amount of \$10 million registered on title to the Real Property and an attornment to general security agreement granted by TNT in respect of the GSA, dated April 1, 2023.

[12] The obligations of the Debtors under the Credit Agreement are cross-guaranteed pursuant to guarantee agreements. In addition, Argyle TRS and ATRS Real Estate Holdings each provided limited recourse guarantees.

[13] Under the GSA granted by what are now TRS and Plant 22, to which TNT has attorned, BMO has the right to appoint a receiver.

[14] BMO also has a registration under the PPSA against each of the Debtors covering various equipment, inventory and accounts.

[15] Suffice to say that BMO has ample security for and under the Credit Facilities and Credit Agreement, and has made required demands, such that there is no doubt concerning its right to enforce, including by having a receiver appointed.

[16] Indeed, there is no opposition to BMO's application to appoint AlixPartners as Receiver, and in my view, there is no doubt concerning BMO's entitlement to that relief, which I grant. I find that it is just and convenient to appoint a receiver in all of the circumstances, particularly inasmuch as BMO's security includes the right to do so.

[17] As also noted above, AlixPartners, now that it is appointed Receiver, seeks the approval of the Sale Process on an immediate basis. The Sale Process contemplates a stalking horse bid. The Stalking Horse Bid and the Stalking Horse APA have been prepared in consultation with BMO and contemplate a sale of substantially all of the Property, including the real Property.

[18] For the most part, there is also no opposition to the Sale Process and Stalking Horse Bid, which are described in various parts of the materials, including in the proposed Sale Process Approval Order and Schedule A thereto.

[19] There are two parties, Argyle Capital Partners Inc., and Whirl 2 Ltd., which support the notion of the Sale Process and take no issue with the Stalking Horse Bid being put in place, and indeed each of which intend to submit bids within the Sale Process, but both of which seek to have the timing for the Sale Process slightly enlarged.

[20] That is, whereas the Sale Process currently contemplates 30 days until the bid deadline, with a discretion for the Receiver to extend the Sale Process by 14 days (subject to certain agreement(s) and consent(s)), Argyle Capital Partners Inc and Whirl 2 Ltd. ask that, instead, the additional 14 days be built into the timeline at the outset, such that the time to bid deadline is 44 days rather than 30 days with a discretionary option on the Receiver's part to extend by 14 days.

[21] Whirl 2 Ltd., in particular, submits that the change is necessary to ensure that Whirl 2 Ltd and its partner (for this purpose) Atlas – a company operating in the same industry as TRS – will have sufficient time to develop and finalize their bid. They note that the Stalking Horse Purchaser is an insider of the Debtor companies with detailed knowledge of their operations, and thus has a leg up on other potential bidders. Whirl 2 Ltd. asserts that extending the bid deadline by 14 days as requested will “enhance the fairness and integrity of the Sale Process.”

[22] Argyle Capital Partners Inc., while supporting the notion of an extra two weeks proposed by Whirl 2 Ltd., is somewhat less adamant in its submission. Its counsel was careful to say that Argyle Capital Partners Inc.'s position should not be understood as an ultimatum; if the current 30-day period remains unaltered, Argyle Capital Partners Inc. intends nonetheless to make a bid.

[23] On the other side of the debate, counsel for the Stalking Horse and counsel for BMO, in particular, were adamant that the 30 days to bid deadline was an important negotiated aspect of the Stalking Horse arrangement, and that an upfront change to that 30 days will undermine that negotiated position and cause the Stalking Horse Bid to be lost. BMO's counsel was insistent that the Stalking Horse Bid, which effectively guarantees a

substantial floor for the ultimate purchase price, should not be risked to assist Whirl 2 Ltd, whose security (in relation to a VTB) is expressly subordinated to that of the senior secured creditors.

[24] On balance, I agree. While it may be that there is an element of brinksmanship to the position of the Stalking Horse and BMO, it is also clearly the case that the 30-day bid period was a negotiated aspect of the Stalking Horse arrangement, and that the participation of the Stalking Horse does serve to ensure a substantial purchase price, to the benefit of all stakeholders.

[25] Moreover, in my view, 30 days, while on the shorter side of the sale process spectrum, is not unrealistically short, particularly inasmuch as the Whirl 2 Ltd. bid will have the benefit of Atlas's experience in the industry, with the attendant appreciation and understanding of values in the industry that this stature and experience will bring.

[26] As such, and again in the absence of any other opposition to this or any aspect of the BMO/AlixPartners application, I grant the Sale Process Approval Order proposed by AlixPartners as well.

[27] To that end, I have signed the Appointment Order provided by BMO and the Sale Process Approval Order provided by AlixPartners.

Released: July 31, 2026

A handwritten signature in blue ink, appearing to read 'W.D. Black', is positioned above a horizontal line.

Justice W.D. Black