

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

BETWEEN:

FARM CREDIT CANADA

Applicant

- and -

ASPIRE FOOD GROUP LTD./LE GROUPE ALIMENTAIRE
ASPIRE LTÉE, ASPIRE FOOD GROUP CANADA LTD./LE
GROUPE ALIMENTAIRE ASPIRE CANADA LTÉE, 11850407
CANADA INC., 8679398 CANADA INC. AND ASPIRE FOOD
GROUP USA, INC.

Respondents

**FACTUM OF THE RECEIVER
(Distribution, Discharge and Fee Approval)
(Returnable October 27, 2025)**

October 24, 2025

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the FTI Consulting Canada Inc.,
in its capacity as court-appointed Receiver

TO: THE SERVICE LIST

**ONTARIO
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11850407 CANADA INC., 8679398 CANADA INC. AND
ASPIRE FOOD GROUP USA, INC.

Respondents

**FACTUM OF THE RECEIVER
(Re: Distribution, Discharge and Fee Approval)**

PART I: OVERVIEW

1. This Factum is filed by FTI Consulting Canada Inc. in its capacity as court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the property, assets and undertakings (collectively, the “**Property**”) of Aspire Food Group Ltd./Le Groupe Alimentaire Aspire Ltée, Aspire Food Group Canada Ltd./Le Groupe Alimentaire Aspire Canada Ltée, 11850407 Canada Inc., 8679398 Canada Inc. and Aspire Food Group USA, Inc., (collectively, the “**Aspire Group**”) in support of the Receiver’s motion returnable October 27, 2025 seeking:

- (a) an order amending the Approval and Vesting Order to, among other things, remove the Option as a “Permitted Encumbrance” (the “**Amended AVO**”);

- (b) an order (the “**Distribution, Discharge, and Fee Approval Order**”), among other things:
- (i) authorizing the Receiver to make the distributions contemplated therein, including to Farm Credit Canada (“**FCC**”) with respect to the Indebtedness (as defined below);
 - (ii) approving the first report of the Receiver dated September 18, 2025 (the “**First Report**”), the supplemental report of the Receiver dated September 22, 2025 (the “**Supplemental Report**”), and second report of the Receiver dated October 23, 2025 (the “**Second Report**”) and the activities of the Receiver as set out therein;
 - (iii) approving the Receiver’s statement of receipts and disbursements for the period from May 6, 2025, to October 21, 2025;
 - (iv) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Stikeman Elliott LLP (“**Stikeman Elliott**”), as described in the Fee Affidavits appended to the Second Report;
 - (v) approving the fees and disbursements of the Receiver and Stikeman Elliott, as described in the Fee Affidavits (defined below) appended to this Second Report; and
 - (vi) terminating these proceedings and discharging the Receiver from the powers, duties, and obligations attendant to its appointment as Receiver upon service of the Discharge Certificate (as defined below);

and

(c) such further and other relief as this Honourable Court may deem just.

PART II: FACTS

2. The facts with respect to this motion are set out in more detail in the Second Report. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Second Report.

A. Background

3. The Aspire Group entities were in the insect agriculture business, focussing on cricket farming and protein production for pet and human consumption.¹ For reasons described in greater detail in the First Report, the Aspire Group was placed into receivership on May 6, 2025, on application by FCC, its senior secured creditor (such appointing order, the **“Receivership Order”**).

4. Substantially all of the Aspire Vendors’ assets were sold pursuant to an asset purchase agreement between the Receiver, in its capacity as receiver and manager of the Aspire Group, as vendor, and Halali Group Holdings Ltd., as purchaser (the **“Purchaser”**), dated August 28, 2025 (as amended on September 19, 2025, the **“Asset Purchase Agreement”**).² The Purchaser was introduced to the Receiver by Lennard Commercial Realty Ltd. (**“Lennard”**). Pursuant to a commission agreement dated July 24, 2025, Lennard is entitled to a commission in an amount equal to 2% of the purchase price.³

5. This Court approved the Asset Purchase Agreement and the transaction contemplated

¹ Second Report at para 11.

² *Ibid* at para 19.

³ *Ibid* at para 20.

therein pursuant to an order granted September 23, 2025 (such order, the “**Approval and Vesting Order**”).⁴

B. City’s Option and the Amending Agreement

6. The Aspire Group had a production facility at 2450 Innovation Drive, London, Ontario (such lands and premises as more particularly described in Schedule 3 of the Asset Purchase Agreement, the “**Real Property**”).⁵ On July 27, 2020, the Corporation of the City of London (the “**City**”) registered on title to the Real Property a notice of option to purchase in favour of the City (as further described in the Asset Purchase Agreement, the “**Option**”).⁶

7. The Asset Purchase Agreement provides that the Purchaser is to acquire the Real Property free and clear of the Option.⁷ Specifically, subsection 4.3.3 of the Asset Purchase Agreement includes a mutual condition to closing that within 70 days following the acceptance of the Asset Purchase Agreement or:

- (a) such earlier date as the parties agree in writing, the Option will have been deleted from title to the Real Property; or
- (b) such later date as the parties agree in writing, an order will have been made by the Court directing the Land Registry Office No. 4 for the Registry Division of Middlesex to expunge and delete the Option from title to the Real Property, and amending Schedule D to the Approval and Vesting Order to remove reference to the Option as a Permitted Encumbrance (as defined in the Approval and Vesting Order).

⁴ *Ibid* at para 3.

⁵ *Ibid* at para 12.

⁶ *Ibid*.

⁷ *Ibid* at para 21.

8. The Receiver engaged in discussions with the City to determine how the Real Property could be transferred free and clear of the Option. On October 15, 2025, the City’s solicitor advised that the City’s municipal council consented to release the Option. To give effect to this release, the Receiver seeks to amend the Approval and Vesting Order expunge the Option from title and remove it from the schedule of “Permitted Encumbrances”. The Receiver expects that if the Amended AVO is granted, the transaction contemplated by the Asset Purchase Agreement will close in the near future.⁸

C. Priority Creditors

9. As of October 20, 2025, there are property taxes of approximately \$1.3 million owing on the Real Property to the City (the “**Property Tax**”).⁹

10. Certain former employees were owed wages and vacation pay as at the date of the Receivership Order. In connection with the priority granted to wages and vacation pay under subsection 81.4(4) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and Service Canada’s right to subrogate such claims in connection with payments made in accordance with the *Wage Earner Protection Program Act*, the Receiver estimates that Service Canada has a priority claim of approximately \$80,000.¹⁰

11. FCC holds security over the Real Property. The Aspire Borrowers are indebted to FCC in the approximate amount of \$43.4 million (the “**Indebtedness**”) as of October 21, 2025. Stikeman Elliott has completed an independent review of the security granted by the Aspire Group to FCC and has concluded that, subject to standard assumptions and qualifications,

⁸ *Ibid* at paras 22-25.

⁹ *Ibid* at para 26.

¹⁰ *Ibid* at paras 27-29.

FCC's security over the Real Property is valid, enforceable, and properly registered.¹¹

D. The Proposed Distributions

12. The Receiver invited stakeholders to submit notice of any priority claims by October 14, 2025. None were received.¹² The Receiver now proposes to make the following distributions, listed in order of priority:

- (a) to the City, in satisfaction of the Property Taxes;
- (b) to the Receiver and Stikeman Elliott in satisfaction of any fees and disbursements they have incurred or will incur and not yet been paid, and which fees and disbursements are approved by the Court;
- (c) to the holders of the Receiver's Certificates (as defined in the Receivership Order), which represents a total principal amount of \$1.0 million, plus interest thereon to the date of payment;
- (d) to a holdback fund, in an amount that the Receiver considers necessary and appropriate, in consultation with FCC, and which will be used to fund all things necessary to wind-up the receivership proceedings;
- (e) to Service Canada in connection with its subrogated priority claim in respect of wages and vacation pay owed to former employees of the Aspire Group in accordance with the *Wage Earner Protection Program Act*;
- (f) to Lennard, in respect of commissions owed to it for the sale of the Real Property; and

¹¹ *Ibid* at paras 30-32.

¹² *Ibid* at para 33.

(g) to FCC, in connection with the Indebtedness.

E. Approval of the Fees and Activities of the Receiver and its Counsel

13. The Receiver seeks approval of its fees and disbursements for the period May 1, 2025 to October 19, 2025, in the amount of \$893,776.34 (inclusive of HST), and approval of Stikeman Elliott's fees and disbursements for the period February 25, 2025 to October 20, 2025, in the amount of \$146,806.40 (inclusive of HST), as detailed in the Fee Affidavits appended to the Second Report.¹³

14. Separate from the aforementioned fees and disbursements, the Receiver estimates that it will incur additional fees and disbursements in an amount that will not exceed \$250,000.00 (plus HST) from and including October 20, 2025, to the effective date of the Receiver's discharge, and Stikeman Elliott estimates that it will incur additional fees and disbursements in an amount that will not exceed \$50,000.00 (plus HST) from and including October 21, 2025, to the effective date of the Receiver's discharge.¹⁴

F. Discharge of the Receiver

15. Subject to completion of the below-listed activities (collectively, the "**Remaining Activities**"), the Receiver has substantially concluded its administration of this receivership:

- (a) closing the transaction contemplated by the Asset Purchase Agreement;
- (b) remitting certain priority payables under Wage Earner Protection Program to Service Canada;
- (c) filing any required tax returns and recovering any tax refunds;
- (d) issuing the distributions to the City and FCC;

¹³ *Ibid* at paras 43-44.

¹⁴ *Ibid* at paras 46-47.

- (e) such further and other administrative and ancillary matters as may be necessary to complete the administration of the receivership up to the termination of the receivership;
- (f) filing of the Receiver's final report and final statement of receipts and disbursements pursuant to section 246(3) of the BIA with the Office of the Superintendent of Bankruptcy; and
- (g) filing a certificate certifying completion of the administration of the receivership with the Court (the "**Discharge Certificate**").¹⁵

16. The proposed Distribution, Discharge, and Fee Approval Order contains releases in favour of FTI upon the discharge of FTI as Receiver. Upon the Receiver serving the Discharge Certificate, (a) the Receiver will be fully and finally discharged as receiver; (b) the aforementioned releases will be in full force and effect; and (c) these receivership proceedings shall be terminated.¹⁶

PART III: ISSUES

17. The issues to be determined by the Court in respect of this motion are whether this Court should:

- (a) grant the Amended AVO;
- (b) approve the Receiver's proposed distributions;
- (c) approve the Receiver's activities and the fees and disbursements of the Receiver and Stikeman Elliott; and

¹⁵ *Ibid* at para 49.

¹⁶ *Ibid* at paras 50-52.

- (d) discharge the Receiver upon completion of the Remaining Activities and service of the Discharge Certificate.

PART IV: THE LAW

A. The Amended AVO Should be Granted

18. The Receiver previously satisfied this Court that granting the Approval and Vesting Order was appropriate in the circumstances for the reasons set out in the Receiver's factum dated September 22, 2025.¹⁷ In that factum, the Receiver pleaded authorities including s. 100 of the *Courts of Justice Act*, which authorizes the Court to grant an order vesting "in any person an interest in real or personal property that the Court has authority to order be conveyed",¹⁸ and subsection 243(1) of the BIA which vests this Court with the jurisdiction to "grant a vesting order vesting property in the purchaser".¹⁹ The Receiver also relied on paragraph 3(1) of the Receivership Order, which empowers authorizes it to "apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property".²⁰

19. For the same reasons set out in the Receiver's September 22, 2025, factum, it is appropriate and in the best interests of the Aspire Group's stakeholders to amend the Approval and Vesting Order.

20. The Asset Purchase Agreement requires that the Real Property be transferred to the

¹⁷ [Factum of the Receiver](#) (Sale Approval and Vesting Order) dated September 22, 2025.

¹⁸ [Courts of Justice Act](#), R.S.O. 1990, c. C.43, section 100.

¹⁹ [Bankruptcy and Insolvency Act](#), RSC, 1985, c B-3

²⁰ [Order \(Appointing Receiver\)](#) dated May 6, 2025 [Receivership Order] at para 3(1).

Purchaser free and clear of the Option.²¹ The proposed Amended AVO accomplishes this, allowing the Receiver to move forward with the consummation of the transaction contemplated by the Asset Purchase Agreement. The possibility of needing to return to this Court to seek the Amended AVO was flagged to stakeholders in September at the time of the motion seeking the approval of the Approval and Vesting Order.²²

21. The Receiver has received no objections to the proposed Amended AVO.

22. The Receiver respectfully requests that the Amended AVO be granted.

B. The Proposed Distributions Should be Approved

23. The Receiver seeks this Court’s authorization to make the proposed distributions.

24. The Receiver disclosed its intention to make distributions in its First Report. As part of that disclosure, it asked stakeholders who believe that they may have a priority claim to notify the Receiver of the nature and basis of such claim by no later than October 14, 2025. No stakeholders gave such notice to the Receiver.²³

25. Courts commonly grant distribution orders in receivership proceedings.²⁴ In granting orders approving distributions, courts typically take into account whether the payee’s security is valid and enforceable.²⁵ In this case, FCC—as the Aspire Group’s senior secured creditor—holds a valid and enforceable security interest against the Real Property, as confirmed by Stikeman Elliott’s independent review.²⁶

²¹ Second Report at para 21.

²² First Report at para 57.

²³ Second Report at para 33.

²⁴ *Re Windsor Machine & Stamping Ltd.*, 2009 CanLII 39772 (Ont. S.C.) at [para 13](#); *Ontario Securities Commission v Bridging Income Fund LP*, 2022 ONSC 4472 at [para 12](#).

²⁵ *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6461 at [para 75](#).

²⁶ Second Report at paras 30-31.

C. The Receiver's Activities Should be Approved

26. The Receiver respectfully submits that the Court should approve the First Report, the Second Report and the activities of the Receiver described therein.

27. This Court has the inherent jurisdiction to approve a receiver's activities as set out in its reports where the receiver demonstrates that it has acted reasonably, prudently, and not arbitrarily.²⁷

28. The actions, conduct, and activities of the Receiver, as set out in the First Report, the Supplemental Report, and the Second Report, were necessary and undertaken in good faith pursuant to the Receiver's duties and powers under the BIA and the Receivership Order, and were in each case in the best interests of the Aspire Groups' stakeholders.

D. The Receiver and Stikeman Elliott's Fees and Disbursements Should be Approved

29. The Receiver is seeking approval of (a) the fees and disbursements of the Receiver for the period May 1, 2025 to October 19, 2025; (b) the fees and disbursements of Stikeman Elliott for the period February 25, 2025 to October 20, 2025; and (c) the fees and disbursements of the Receiver and Stikeman Elliott incurred and to be incurred to the completion of these receivership proceedings, provided they do not exceed \$250,000.00 (in the case of the Receiver) and \$50,000.00 (in the case of Stikeman Elliott), plus HST.

30. Pursuant to the Receivership Order, the Receiver and its counsel are entitled to be paid their reasonable fees and disbursements, at their standard rates and charges.²⁸ A summary of the fees of the Receiver and Stikeman Elliott are set out in the Fee Affidavits appended to the Second Report.

²⁷ *Lang Michener v. American Bullion*, 2005 BCSC 684 at [para 21](#).

²⁸ Receivership Order at para 17.

31. The overriding principal to be considered on a motion for fee approval is reasonableness,²⁹ with an emphasis on the value provided and what was accomplished.³⁰ The fair and reasonable test does not require the Court to scrutinize dockets to the letter nor invoices to the decimal. The inquiry focuses on what was accomplished.³¹

32. In the present case, the fees incurred and to be incurred are necessary in connection with the Receiver's duties under the Receivership Order.³² The Receiver respectfully submits that the fees and disbursements incurred and to be incurred by the Receiver and Stikeman Elliott are reasonable in the circumstances and have been and will be validly incurred.

E. The Receiver Should be Discharged Upon the Service of the Discharge Certificate

33. Once the Receiver has completed the Remaining Activities, the Receiver will have completed its mandate.³³ The Receiver therefore respectfully submits that following the service of the Discharge Certificate certifying that it has completed the Remaining Activities, these receivership proceedings should be terminated and the Receiver should be discharged and released.

34. This Court has inherent jurisdiction to discharge a Court-appointed receiver upon the completion of its mandate.³⁴ The release of a receiver is a standard term in the Commercial List's model discharge order, and courts have found that releases ought to be issued in the

²⁹ *Laurentian University of Sudbury*, 2022 ONSC 2927 at [para 9](#).

³⁰ *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at [paras 44-45](#).

³¹ *Triple-I Capital Partners Limited v. 12411300 Canada Inc.*, 2023 ONSC 3400 (Commercial List) at [paras 53-54](#).

³² Second Report at para 48.

³³ *Ibid* at para 50.

³⁴ *Yukon (Government of) v Yukon Zinc Corporation*, 2022 YKSC 58 at [paras 27-28](#), citing *Ed Mirvish Enterprises Limited v. Stinson Hospitality Inc.*, [2009 CanLII 55113](#) and *Pinnacle v. Kraus*, [2012 ONSC 6376](#) ("*Pinnacle*"); see also *Rules of Civil Procedure*, RRO 1990, Reg 194, r. 41.06.

“absence of any evidence of improper or negligent conduct on the part of the Receiver”.³⁵ Releases granted in favour of receivers typically carve-out gross negligence and wilful misconduct.³⁶

35. The release proposed in the Distribution, Discharge, and Fee Approval Order provides that FTI is released and discharged from any and all liability arising out of the acts or omissions of FTI while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part.

36. The Receiver therefore respectfully submits that the receivership proceedings should be terminated, and the Receiver should be discharged following the service of the Receiver's Discharge Certificate.

PART V: CONCLUSION AND RELIEF SOUGHT

37. For the reasons set out above, the Receiver requests that the Court grants the relief requested by the Receiver in the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 24th day of October, 2025.



Stikeman Elliott LLP

Lawyers for FTI Consulting Canada Inc., in its
capacity as Court-appointed Receiver

³⁵ *Pinnacle*, *supra* note 34 at [para 47](#).

³⁶ See e.g., *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127 (Commercial List), at [para 47](#); Endorsement of Justice Kimmel dated April 17, 2025, *Royal Bank of Canada v Right Drive Inc. et al.*, Court File No. CV-24-00721952-00CL at [para 24](#).

SCHEDULE “A”

LIST OF AUTHORITIES

1. [*Bank of Nova Scotia v Diemer*, 2014 ONCA 851](#)
2. [*Ed Mirvish Enterprises Limited v. Stinson Hospitality Inc.*, 2009 CanLII 55113](#)
3. [*Hangfen Evergreen Inc. \(Re\)*, 2017 ONSC 7161](#)
4. [*Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127 \(Commercial List\).](#)
5. [*Lang Michener v. American Bullion*, 2005 BCSC 684](#)
6. [*Ontario Securities Commission v Bridging Income Fund LP*, 2022 ONSC 4472](#)
7. [*Pinnacle v. Kraus*, 2012 ONSC 6376](#)
8. [*Re AbitibiBowater Inc.*, 2009 QCCS 6461](#)
9. [*Re Windsor Machine & Stamping Ltd.*, 2009 CanLII 39772 \(Ont. S.C.\)](#)
10. [*Royal Bank of Canada v Right Drive Inc. et al*, \(April 17, 2025\), Endorsement of Justice Kimmel Court File No. CV-24-00721952-00CL.](#)
11. [*Triple-I Capital Partners Limited v. 12411300 Canada Inc.*, 2023 ONSC 3400.](#)
12. [*Yukon \(Government of\) v. Yukon Zinc Corporation*, 2022 YKSC 58](#)

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

Dated: October 24, 2025

A handwritten signature in black ink, appearing to be "KAT", is written over a horizontal line.

SCHEDULE “B”

TEXT OF STATUTES, REGULATIONS & BY-LAWS

Bankruptcy and Insolvency Act, RSC, 1985, c B-3

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.

Courts of Justice Act, R.S.O. 1990, c. C.43

Vesting orders

100 A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed.

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c c-43, as amended

Court File No: CV-24- 00737470-00CL

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Proceeding commenced at Toronto

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(Returnable October 27, 2025)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: 416-869-5230

Nicholas Avis LSO#: 76781Q
Email: navis@stikeman.com
Tel: 416-869-5563

**Lawyers for FTI Consulting Canada
Inc., in its capacity as the
Receiver**