

**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
(Sale Approval and Vesting Order)
(Returnable September 23, 2025)**

September 22, 2025

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in its capacity as court-appointed Receiver

TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
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(Re: Approval and Vesting Order)**

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**”) for an order (the “**Approval and Vesting Order**”), among other things:

- (a) approving the 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 and restated by the Amending Agreement (as defined below) (as may be further amended and restated, the “**Asset Purchase Agreement**”);

- (b) authorizing and approving the transaction contemplated by the Asset Purchase Agreement (the “**Transaction**”), and authorizing and directing the Receiver to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
- (c) vesting in the Purchaser the right, title and interest of the Aspire Group, with the exception of Aspire Food Group USA, Inc. (the “**Aspire Vendors**”) in and to the Purchased Assets (as defined in the Asset Purchase Agreement), upon delivery of the Receiver’s certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order; and
- (d) sealing the confidential supplement (the “**Confidential Supplement**”) to the First Report until further order of the Court.

PART I. FACTS

Overview

2. The facts with respect to this motion are set out in more detail in the First Report.¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the First Report and the Asset Purchase Agreement attached as Appendix “**B**” to the First Report, as applicable.

3. By order of the Ontario Superior Court of Justice dated May 6, 2025 (the “**Receivership Order**”), the Receiver was appointed over all of the assets, undertakings and

¹ First Report of the Receiver dated September 18, 2025 [“**First Report**”].

properties of the Aspire Group used in the business carried on at the real property municipally known as 2450 Innovation Drive, London, Ontario (the “**London Facility**”).²

4. The Aspire Group developed and attempted to scale insect agriculture operations in London, Ontario.³ The London Facility underperformed, and the business suffered persistent liquidity shortfalls.⁴

5. As of August 31, 2025, the Aspire Borrowers were indebted to Farm Credit Canada (“**FCC**”) in the approximate amount of \$44.1 million (the “**Indebtedness**”).⁵ Property tax arrears in respect of the London Facility were approximately \$1.2 million as of August 7, 2025.⁶

The Receiver’s Efforts to Market the Property

6. Following its appointment, the Receiver contacted commercial real estate brokerages, commercial liquidators and prospective operators to explore a sale of all or substantially all of the Property.

7. Three real estate brokerages submitted formal marketing proposals (the “**Real Estate Proposals**”) with timeliness for consummation ranging between six and eighteen months. All projected recoveries were below the outstanding Indebtedness, even before commissions and fees.⁷

8. Six liquidators submitted proposals for the Property (the “**Liquidation**

² *Ibid.*

³ *Ibid.*, at para 10.

⁴ First Report *supra* note 1 at para 15.

⁵ First Report *supra* note 1 at para 35.

⁶ First Report *supra* note 1 at para 36.

⁷ First Report *supra* note 1 at para 39.

Proposals”), some with minimum guarantees at values below book value. These proposals required two to five months to complete and were expected to yield proceeds less than the cost of maintaining the London Facility during that period.⁸

9. The Receiver also received a non-binding bid from the Aspire Group’s former management and shareholders (the “**Management Bid**”). After review and consultation with FCC, the Receiver determined the Management Bid was not sufficient to pursue further.⁹

10. Additional unsolicited interest was received from third party prospective purchasers. One party submitted a non-binding letter of intent (the “**First LOI**”) proposing a rollover and partial forgiveness of certain Indebtedness, but no cash consideration. The Receiver, following discussions with FCC, concluded that the economic terms of the First LOI were not preferrable, and rejected the First LOI.¹⁰

The Purchaser and the Asset Purchase Agreement

11. In June 2025, the Receiver received an unsolicited expression of interest from the Purchaser, who submitted a non-binding letter of intent (the “**Purchaser’s LOI**”) on July 3, 2025.

12. The Receiver, in consultation with FCC, determined that the Purchaser’s LOI was the best available option, with minimal closing conditions and reduced carrying costs, maximizing recoveries for stakeholders. The Receiver concluded that extending the formal marketing process or initiating a formal brokerage-led process

⁸ *Ibid* at para 40.

⁹ *Ibid* at para 41.

¹⁰ *Ibid* at para 42.

for the London Facility was unlikely to yield a higher or better offer.¹¹

13. With FCC's support, the Receiver and the Purchaser entered into the Asset Purchase Agreement on August 28, 2025.¹² The Asset Purchase Agreement contemplates the purchase of substantially all assets of the Aspire Vendors, including the London Facility, equipment, certain specified intellectual property, books and records and the assignment of certain contracts.¹³ The outside date is December 15, 2025.¹⁴

14. Monthly carrying costs of the London Facility (excluding professional fees) average approximately \$150,000. FCC, the fulcrum secured creditor of the Aspire Group, supports the approval of the Asset Purchase Agreement and the Transaction contemplated therein.¹⁵

City's Option and the Amending Agreement

15. A notice of option to purchase (the "**Option**") in favour of the Corporation of the City of London (the "**City**") is registered on title to the Real Property. The Asset Purchase Agreement is conditional on the deletion of the Option from title.¹⁶ The Option appears to be intended to secure performance by the Aspire Group of certain commitments related to the policies of the City in relation to the development of designated industrial lands.

¹¹ *Ibid* at para 48.

¹² *Ibid* at para 49.

¹³ *Ibid* at para 51.

¹⁴ *Ibid*.

¹⁵ *Ibid* at para 54.

¹⁶ *Ibid* at para 57.

16. The Receiver engaged in discussions with the City in respect of the Option, and negotiated an amendment to the Asset Purchase Agreement dated September 19, 2025 (the “**Amending Agreement**”) to, among other things, clarify the treatment of the Option and better reflect discussions with the City.¹⁷ The Amending Agreement contemplates the possibility of a negotiated resolution with the City whereby City will consensually delete the Option from the title to the Real Property, or alternatively, that an Order will be made by this Court expunging and deleting the Option from title to the Real Property. The deletion of the Option from title to the Real Property (consensually or by Court Order) is a mutual condition in the Amending Agreement which must be fulfilled at or prior to closing. The Receiver continues its discussions with the City.

Sealing Order

17. The Receiver is seeking a limited sealing order over (a) a summary of the Real Estate Proposals, Liquidation Proposals, Management Bid, and the First LOI; (b) the unredacted version of the Asset Purchase Agreement; and (c) the Amending Agreement. This is intended to avoid any prejudice that may be caused in the event that the Transaction does not close and the Property needs to be remarketed.¹⁸

PART II. ISSUES

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

- (a) whether this Court should approve the Asset Purchase Agreement as contemplated

¹⁷ First Report *supra* note 1 at paras 56-58.

¹⁸ First Report *supra* note 1 at para 52.

by the Approval and Vesting Order sought by the Receiver; and

- (b) seal the Confidential Supplement until further order of the Court.

PART III. THE LAW

The Court has Jurisdiction to and Should Issue the Approval and Vesting Order

19. Section 100 of the *Courts of Justice Act* 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”.¹⁹

20. Similarly, subsection 243(1) of the *Bankruptcy and Insolvency Act* vests the Court with the jurisdiction to “grant a vesting order vesting property in the purchaser”.²⁰

21. Paragraph 3(1) of the Receivership Order empowers and authorizes the Receiver 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”.²¹

22. When determining whether to approve a sale transaction involving an insolvent debtor, courts have regard to the principals set out by the Ontario Court of Appeal in *Royal Bank of Canada v. Soundair*. The relevant considerations include:

- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;

¹⁹ *Courts of Justice Act*, R.S.O. 1990, c. C.43, section 100

²⁰ *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3

²¹ First Report *supra* note 1, Appendix “A” para 3(1).

- (b) whether the interests of all parties have been considered;
- (c) the integrity and efficacy of the process for obtaining offers; and
- (d) whether there has been unfairness in the working out of the process.²²

23. Each of the *Soundair* principles have been satisfied in this case.

24. The Receiver considered the Aspire Groups' informal marketing efforts prior to these Receivership proceedings, and assessed the interest received across multiple channels, including brokerage proposals, liquidation proposals in addition to direct engagement with prospective purchasers and evaluated an insider bid and a third-party LOI.²³ The Receiver provided sufficient time for interested parties to conduct due diligence, attend the Property and adequately assess the opportunity.

25. The Receiver is of the view that the Property was appropriately marketed and that the Transaction represents the greatest recovery available in the circumstances, based on a number of factors, including the minimal closing requirements, and resulting reduced administrative and carrying costs for the London Facility.²⁴

26. The Receiver engaged extensively with FCC, the Aspire Group's fulcrum creditor, who supports the approval of the Transaction. The Receiver has and continues to engage with the City regarding its Option.

27. In order to maintain progress towards the completion of the Transaction but permit the

²² [*Royal Bank of Canada v. Soundair Corp.*](#), [1991] CarswellOnt 205.

²³ First Report *supra* note 1 at para 53.

²⁴ *Ibid* at para 47.

possibility of a consensual resolution of the issues relating to the City's Option, the Receiver is further of the view that it is just and convenient for the Court to approve the Transaction now and vest out all encumbrances except the Option²⁵. The Option will only need to be addressed by the Court at a later hearing if no agreement on a consensual deletion can be concluded with the City in the next few weeks.

The Confidential Supplement Should Be Sealed

28. The Receiver is seeking a sealing order in respect of the Confidential Supplement.

29. Courts frequently issue sealing orders in insolvency proceedings, particularly in relation to information concerning the sales process. The justification for sealing the unredacted Asset Purchase Agreement, the expressions of interest received in respect of the Property and the Amending Agreement is that doing so facilitates the maximization of realizations for stakeholders, especially in circumstances where the Transaction does not proceed to completion.

30. In *Sherman Estate v. Donovan*, the Supreme Court of Canada established the prerequisites for granting sealing orders, which require the applicant to establish that (a) court openness poses a serious risk to an important public interest; (b) the order sought is necessary to prevent this risk to the identified interest because alternative measures will not prevent such risk; and (c) as a matter of proportionality, the benefits of the sealing order outweigh its negative effects.²⁶

²⁵ Certain other customary encumbrances will also remain as Permitted Encumbrances in accordance with the Asset Purchase Agreement.

²⁶ [*Sherman Estate v. Donovan*](#), 2021 SCC 25, at para 38 [**"Sherman Estate"**].

31. The three core principles established in *Sherman Estate* have been met. Maintaining the confidentiality of the information contained in the Confidential Supplement is necessary to preserve the integrity of the sales process and to ensure that value can be maximized for stakeholders prior to closing. The public interest is best served by allowing the parties to protect this information until the Transaction is completed. There are no reasonable alternative measures that would adequately mitigate the risk to preserving value. No party will be prejudiced by sealing of the Confidential Supplement.²⁷

PART IV. CONCLUSION AND RELIEF SOUGHT

32. For the reasons set out above, the Receiver requests that the Court grant the Approval and Vesting Order, substantially in the form included at Tab 3 of the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22nd day of September, 2025.



Stikeman Elliott LLP

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

²⁷ First Report *supra* note 1 at para 52.

SCHEDULE "A"

LIST OF AUTHORITIES

1. [*Royal Bank of Canada v. Soundair Corp.*](#), [1991] CarswellOnt 205
2. [*Sherman Estate v. Donovan*](#), 2021 SCC 25

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

Dated: September 22, 2025

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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.

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Proceeding commenced at Toronto

FACTUM OF THE RECEIVER
(RE: APPROVAL AND VESTING ORDER)

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