



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00730212- 00CL

DATE: November 20, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: Royal Bank of Canada v. Chesswood Group Ltd. et al.

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Milly Chow	Royal Bank of Canada	milly.chow@blakes.com
Jake Harris	Royal Bank of Canada	jake.harris@@blakes.com
Kelly Bourassa	Pre-Filing Agent	kelly.bourassa@blakes.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Adriana Forest	Ryan Marr	aforest@rossnasseri.com
Matthew P. Gottlieb	Daniel Wittlin	mgottlieb@lolg.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Sean Stidwill	Monitor, FTI Consulting Canada	sstidwill@osler.com
Mark Wasserman	Monitor, FTI Consulting Canada	mwasserman@osler.com

ENDORSEMENT OF JUSTICE CAVANAGH:

[1] Royal Bank of Canada (“RBC”), in its capacity as administrative agent and collateral agent in its capacity as administrative agent and collateral agent (the “Agent”) to a group of lenders (the “Pre-Filing Lenders”) under a credit agreement dated as of January 14, 2022, as amended (the “Pre-Filing Credit Agreement”), moves for an order and related relief under the CCAA providing for:

- a. the lifting of the stay of proceedings (the “Stay”) established pursuant to the amended and restated initial order dated November 7, 2024 (the “ARIO”) in the within proceedings to permit the Agent, for and on behalf of the Pre-Filing Lenders, to commence and pursue a proceeding (the “Claim”) against Chesswood Group Limited (“Chesswood”) and certain former directors and officers or senior management figures (the “Individual Defendants”) of the CCAA Parties (as defined in the motion materials); and
- b. an order directing the registrar of the Ontario Superior Court of Justice to issue the Claim.

[2] Chesswood is a holding company based in Toronto, Ontario and incorporated pursuant to the Ontario *Business Corporations Act* (“OBCA”). Chesswood and its subsidiaries operated in specialty finance across various industries and sectors. The business of Chesswood and its subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment.

[3] On October 29, 2024, this Court granted an order (the “Initial Order”) that, among other things, established the Stay until November 8, 2024 (the “Stay Period”), approved interim financing arrangements for the benefit of the Chesswood Group and appointed FTI Consulting Canada Inc. as Monitor (the “Monitor”) with enhanced powers to manage the Chesswood Group and the sale of its assets, for the benefit of its stakeholders.

[4] On November 7, 2024, this Court granted an order amending the Initial Order (the “Amended and Restated Initial Order”) which, among other things, extended the Stay Period. The Amended and Restated Initial Order provides that the Stay applies not only to claims against any of the CCAA Parties, including Chesswood, but also to any claim against any of the former, current or future directors or officers of the CCAA Parties.

[5] Following the issuance of the Amended and Restated Initial Order, the Chesswood Group and the Monitor engaged in extensive marketing of the Chesswood Group's assets. These efforts resulted in the sale of substantially all of the assets of the Chesswood Group. During this time, the Stay Period was extended several times by orders of this Court.

[6] At this point of the CCAA proceedings, the CCAA Parties have no material assets and no operating businesses remaining.

[7] The Pre-Filing Lenders are still owed approximately C\$83.2 million as at October 24, 2025 pursuant to the Pre-Filing Credit Agreement.

[8] The Pre-Filing Lenders have determined that it is prudent to direct the Agent to move to lift the Stay and bring the Claim against Chesswood and the Individual Defendants in respect of matters related to the Borrowing Base Deficiency at this time. The reason for this determination as stated in the affidavit filed in support of this motion is so that the defendants to the claim have an opportunity to make a request of the retention of particular books and records in accordance with the Books and Records Protocol that was approved by the Court by Order dated October 2, 2025. Under this protocol, the Monitor is authorized to destroy the books and records after December 31, 2025.

[9] The Stay has been extended to January 30, 2026. The Agent submits that avoiding the passage of additional time until the Stay is no longer in effect before the Agent is able to issue the Claim is another valid reason for the requested order.

[10] An order lifting a stay imposed by an initial order made in CCAA proceedings is discretionary. Courts will consider three broad factors when determining whether to lift a stay imposed under the CCAA: (a) the relative prejudice to the parties; (b) the balance of convenience; and (c) where relevant, the merits. See *Timminco Limited (Re)*, 2012 ONSC 2515 (CanLII), at para. 17.

[11] One of the proposed defendants, Daniel Wittlin, opposes the requested lift stay order. Mr. Wittlin submits that the proposed Claim does not disclose a reasonable or tenable cause of action against him. Mr. Wittlin also relies on the fact that the Agent has refused his request to provide information and documents concerning steps taken or investigations made that would support the proposed Claim against him. The Agent responded that it will engage with Mr. Wittlin once the Claim has been issued.

[12] The Agent has shown that lifting the stay will not prejudice the CCAA Parties or the Individual Defendants, including Mr. Wittlin. I accept that there is no prejudice to the Individual Defendants in facing a claim approximately two months sooner than the Agent would otherwise be permitted to proceed with the Claim. I also accept that there is unlikely to be any material prejudice to the Agent if the requested order is not made and the Claim is issued after expiry of the Stay on January 30, 2026.

[13] With respect to the balance of convenience, I accept that the underlying purpose of the CCAA proceeding has been accomplished and no restructuring of the CCAA Parties will be put at risk if the Agent is permitted to commence the Claim now. The ability of the Agent to issue the Claim now instead of after January 30, 2026, although not rising to the level of prejudice if this is not permitted, is a factor that very slightly favours the Agent.

[14] In these circumstances, where the Claim will be issued, and the only question is whether it will be issued now or after January 30, 2026, I do not regard the merit or absence of merit of the Claim to be a factor that should influence whether the requested lifting of the stay is granted or not. Once the Claim is issued, the parties will have their procedural rights under the *Rules of Civil Procedure*. I do not consider the Agent's response to Mr. Wittlin's request for information and documents to be a relevant factor on this motion.

[15] I am satisfied that where the underlying purpose of the CCAA proceeding has been accomplished, the avoidance of a short period of delay until after January 30, 2026 for the Agent to issue the Claim justifies the exercise of discretion to grant the requested lift stay order.

[16] Order to issue in form of Order signed by me today.