



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-23-00710413-00CL DATE: 22 December 2023

NO. ON LIST: 1

TITLE OF PROCEEDING: MBL ADMINISTRATIVE AGENT II LLC, v. TRADE X GROUP OF COMPANIES INC., et al

BEFORE JUSTICE: JUSTICE CAVANAGH

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Natalie Renner	Lawyer for Applicant, MBL Administrative Agent #LLC	nrenner@dwpv.com

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info
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Helen Fotinos	Lawyer for Respondents TradeX Group of Companies	helen.fotinos@dentons.com

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Caroline Descours	Lawyer for Proposed Receiver FTI Consulting Canada Inc.	cdescours@goodmans.ca
Kamran Hamidi	Representative of FTI Consulting Canada Inc.	Kamran.Hamidi@fticonsulting.com


**ENDORSEMENT OF JUSTICE CAVANAGH:**

The Applicant, MBL Administrative Agent II LLC (“MBL”) seeks the appointment of FTI Consulting Canada Inc. (“FTI”) as receiver and manager (the “Receiver”) of substantially all of the assets, undertakings and property of the Respondents pursuant to section 243 (1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*.

This application was first scheduled to be heard on December 11, 2023. On that day, Justice Penny released an endorsement that reflected that the parties had negotiated the terms of an adjournment to permit the debtors an opportunity to refinance. Justice Penny issued an interim order providing for the appointment of FTI as Information Officer and giving the debtors until December 21 to conclude a transaction that was under consideration. Justice Penny’s endorsement provides that if a revised offer has not closed by the end of day on December 21, 2023, or such other date as the parties may agree, the Respondents consent to the appointment of FTI as receiver pursuant to the receivership application at a hearing scheduled for December 22, 2023. Justice Penny issued an interim order that day.

At the hearing before me today, the Applicant seeks an order appointing FTI as receiver. The Respondents consent to this application. No one appeared to oppose.

Counsel for the Respondents appeared and made submissions concerning requests that had been made for payment of amounts due to staff, contractors and other suppliers to the Respondents, including Dentons Canada LLP, the law firm that provided legal services to the Respondents. Dentons had provided the Information Officer with a copy of an invoice dated November 30, 2023 in the amount of \$84,750. By email dated December 18, 2023, counsel for the Information Officer advised that the requested disbursements, including the Dentons invoice, had been reviewed. The Information Officer confirmed that, at this time, the Information Officer does not approve the proposed disbursements.

At the hearing, I was advised that Dentons has provided to the Information Officer a further invoice for services provided after December 11, 2023, the date of Justice Penny’s order. The Information Officer has not yet completed its review of this invoice and has not taken a position on whether it is approved for payment.

Counsel for the Respondents submits that in the circumstances, including Justice Penny’s order, and having regard to the professional obligations of Dentons as legal counsel to the Respondents, the amounts due to Dentons under both invoices should be approved for payment. Counsel for the Respondents submits that, in the circumstances, a receivership order should not operate to prejudice a claim for payment of these invoices.

At the hearing of this application, the Applicant does not consent to payment of the amounts claimed by the Respondents, including the amounts invoiced by Dentons. Counsel for the Applicants advised that her clients do not intend to rely on the stay of proceedings in the requested form of receivership order to oppose the bringing of a motion to determine whether amounts due to Dentons should be paid.

I advised counsel that on the evidentiary record before me I was not prepared to make a determination of whether the Dentons invoices should be paid. I encouraged counsel to communicate with each other about this issue. If a motion is needed, it should be scheduled in the usual way through the Commercial List Office.

I am satisfied that the requested receivership order should be made.

Order to issue in form of Order signed by me today.