



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00720526-00CL

DATE: April 23, 2025

NO. ON LIST: 4

TITLE OF PROCEEDING: Farm Credit Canada v. Global Food and Ingredients Inc et al

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Other Party:

Name of Person Appearing	Name of Party	Contact Info
Saneea Tanvir Meena Alnajar	Counsels for Receiver FTI Consulting Canada Inc	stanvir@mccarthy.ca malnajar@mccarthy.ca

For Other, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
David Ulmann	Counsel for Richter Receiver for Siena	dullmann@blaney.com

AMENDED ENDORSEMENT OF JUSTICE STEELE:

- [1] The Receiver brings a motion seeking approval of a distribution to Farm Credit Canada; approval of the Receiver's Fourth Report, including the fees and disbursements of the Receiver and its counsel; and the discharge of the Receiver following the completion of the minor remaining matters.
- [2] No one opposes the relief sought.

- [3] Any capitalized terms used in this endorsement that are not defined have the meaning set out in the Receiver's factum.
- [4] I am satisfied that the order be granted.
- [5] The intention of the receivership was to conduct an orderly liquidation of the FCC Secured Property. The three real properties were sold, and approval and vesting orders granted. All that remains is the debtors' intellectual property and an insurance policy. Before filing the discharge certificate, the Receiver intends to exhaust all reasonable efforts in respect of these remaining assets. To the extent that additional proceeds become available they will be distributed to FCC as set out in the Fourth Report. There are other minor activities to be completed such as the filing of the Receiver's final report and filing any required tax returns.
- [6] FCC is the senior secured creditor is owed about \$15 million. The proposed distribution to FCC is about \$6,530,000 plus any additional amounts the Receiver recovers from the Remaining FCC Secured Property, minus the appropriate reserves.
- [7] In determining whether to approve a proposed distribution, the court will consider (i) whether the distribution is made in accordance with a valid and enforceable security interest and (ii) whether the distribution would leave the debtor with sufficient liquidity: *AbitibiBowater inc. (Arrangement relative à)*, 2009 QCCS 6461, at para. 71-77.
- [8] The Receiver received an independent legal opinion from the Receiver's legal counsel with respect to the validity and enforceability of the security granted by the debtors to FCC. The opinion provided that FCC's security is effective, valid and enforceable against the FCC Secured Property and is properly registered against the property. The Receiver seeks to distribute up to the amount of the Indebtedness subject to retaining appropriate reserves to ensure that the Receiver retains sufficient liquidity for any remaining costs of the receivership. The Receiver is not aware of any parties that have an outstanding priority claim ranking ahead of FCC.
- [9] As set out in the Fourth Report, the Receiver is holding a reserve for remaining fees and disbursements of the Receiver and the Receiver's counsel associated with any remaining activities to complete the receivership.
- [10] As is commonly done, the Receiver seeks court approval of its Fourth Report and the activities set out therein. The Court has the jurisdiction to review and approve the activities of a court-appointed receiver as set out in the receiver's reports: *Bank of America Canada v. Willann Investments Ltd.*, 1996 CanLII 2782 (ONCA).
- [11] The Court in *Re Target Canada Co.*, 2015 ONSC 7574, at paras. 22-23, identified several good policy and practical reasons for monitors in CCAA proceedings to routinely seek

court approval of their reports and activities. These policy and practical reasons also apply in receivership proceedings where the receiver seeks approval of its report and activities: *Re Hangfen Evergreen Inc.*, 2017 ONSC 7161, at para. 15.

- [12] I am satisfied that the activities of the Receiver set out in the Fourth Report were reasonable, necessary and undertaken in good faith pursuant to the Receiver's duties and powers and should be approved.
- [13] The Receiver seeks court approval of its fees and those of its counsel. Fee affidavits have been filed. When considering whether to approve professional accounts, the court will consider the overall value contributed, taking into consideration (a) the nature, extent and value of the assets, (b) the complications encountered, (c) the degree of assistance provided by the debtor, (d) the time spent, (e) the receiver's knowledge, experience and skill, (f) the diligence and thoroughness displayed, (g) the responsibilities assumed, (h) the results of the receiver's efforts, and (i) the cost of comparable services when performed in a prudent and economical manner: *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, at paras. 33 and 44-45.
- [14] I am satisfied that the fees and disbursements are fair and reasonable.
- [15] For the reasons set out at para. 50 of the Receiver's factum, I am satisfied that the discharge order is appropriate. The proposed discharge and release is consistent with the Commercial List Model Receiver Discharge Order in all material respects. The order contains language releasing the Receiver for liability arising out of its actions or omissions, unless there has been gross negligence or wilful misconduct.
- [16] Order attached.

