



Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

(Court Seal)

THE TORONTO-DOMINION BANK

Applicant

and

1000760489 ONTARIO INC. o/a MARACLE PRESS

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

On a date to be set by the registrar at the following location: Zoom coordinates to be provided.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant

-2-

does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 31, 2025

Issued by _____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto, Ontario M5G 1R7

TO **ALBERT GELMAN INC.**
250 Ferrand Dr., Suite 403
Toronto, ON M3C 3G8

Attention: Bryan A. Gelman
Tel: (416) 504-1650
Email: bgelman@albertgelman.com

Proposed Receiver/Bankruptcy Trustee

AND TO: **1000760489 Ontario Inc. o/a Maracle Press**
1156 King Street
East Oshawa, ON
L1H 1H8

Attention: Michael Hothi
Email: HothiMichael@gmail.com

Respondent

-3-

AND TO: **Michael Hothi**
1156 King Street
East Oshawa, ON
L1H 7N4

Guarantor

AND TO: **Maracle Press Limited**
1042 Regent Drive
Oshawa, ON
L1G 1J7

Attention: Michael Hothi
Email: HothiMichael@gmail.com

AND TO: **Merchant Opportunities Canada Limited Partnership**
171 Water Street, Suite 200
Vancouver, BC
V6B 1A7

Email: clients@merchantgrowth.com

AND TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Attention: Rakhee Bhandari
Tel: 416-952-8563
Email: rakhee.bhandari@justice.gc.ca

AND TO: HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTRY OF FINANCE
Revenue Collections Branch – Insolvency Unit
33 King Street W., P.O. Box 627
Oshawa, ON L1H 8H5
Email: insolvency.unit@ontario.ca

-4-

APPLICATION

1. The Applicant, The Toronto-Dominion Bank makes application for:
 - (a) an Order substantially in the form included in the Application Record served herewith (the “**Receivership Order**”), seeking, *inter alia*, an Order:
 - (b) abridging the time for service and filing of this Notice of Application and the Application Record or, in the alternative, dispensing with same;
 - (c) appointing Albert Gelman Inc. (“**AGI**”), as the Receiver and Manager (in such capacity, the “**Receiver**”), without security, of all present and future property, assets and undertakings of 1000760489 Ontario Inc., (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”);
 - (d) empowering the Receiver upon its appointment to, among other things:
 - (i) take possession and exercise control over the Property;
 - (ii) manage, operate and carry on the business of the Debtor;
 - (iii) settle, extend or compromise and indebtedness owing to the Debtor;
 - (iv) borrow funds on a priority basis under Receiver’s certificates to fund the costs of the receivership;

-5-

- (v) initiate, prosecute, and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property, or the Receiver, and to settle or compromise any such proceedings; and
- (vi) take any steps reasonably incidental to the exercise of the aforementioned powers or the performance of any statutory obligations;
- (e) awarding the Applicant its costs of this proceeding, including legal fees, disbursements, and HST thereon, on a full indemnity basis; and
- (f) such further and other relief as counsel may request and to this Honourable Court may seem just.

Background

2. THE GROUNDS FOR THE APPLICATION are:

- a) The Respondent Debtor is a corporation that is incorporated pursuant to the laws of the Province of Ontario.
- b) The borrower is indebted to the Toronto Dominion Bank (“**TD Bank**”) with respect to a credit facility made available under the terms of a Letter Agreement dated February 23rd, 2024 (the “**Loan Agreement**”).
- c) The Loan Agreement provided for a committed reducing Term Facility, in the amount of \$1,250,000.00 and an operating loan in the amount of \$1,000,000.00, for a total

-6-

\$2,250,000.00 (the “**Loan**”) to be utilized for the purpose of financing the purchase of the assets of Maracle Press Limited and financing working capital.

- d) The Loan Agreement was amended by Amending Letter of Agreement dated August 27th, 2024, (the “**Amending Agreement**”, and together with the Loan Agreement, hereinafter collectively referred to as the “**Loan Agreement**”).
- e) As security for the obligations to TD Bank, the Debtor provided security which included, *inter alia*:
 - i. A General Security Agreement (the “**GSA**”) dated March 15th, 2024 registered under the PPSA on March 15th, 2024 which was registered by TD under the *Personal Property Security Act* (“**PPSA**”) under File No. 503531244, by means of a Financing Statement; and
 - ii. a Security Agreement for Specified Assets dated March 15th, 2024, which was registered by TD under the *Personal Property Security Act* (“**PPSA**”) under File No. 503531298.
- f) The obligations of the Debtor to TD Bank were guaranteed by Michael Hothi (“**Hothi**”), the principal of the Debtor, pursuant to a Guarantee dated March 15th, 2024 (the “**Guarantee**”). Pursuant to the Guarantee, Hothi agreed unconditionally to pay off all amounts owed by the Debtor to TD Bank, together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment.

-7-

The Default

- g) Under the terms of the Loan Agreement, interest was to be paid on the Loan at the rate of Prime Rate plus 1.5% per annum.
- h) In or about April of 2025, the Loan fell into default as, *inter alia*:
 - i. The Debtor exceeded its allowable margin coverage; and
 - ii. The Debtor failed to comply with financial reporting covenants under the Loan Agreement.
- i) On April 29th, 2025, the Applicant caused written demand for payment to be made on the Debtor under the Loan, and a Notice of Intention to Enforce Security pursuant to section 244 of the BIA was delivered. In addition, on May 1st, 2025, the Applicant made written demand upon the Guarantor (hereinafter, collectively referred to as the “**Demands**” and “**NITES**”).
- j) In May of 2025, the Debtor requested that TD Bank forbear from taking action on the Security, and TD Bank and the Debtor entered into a Forbearance Agreement dated May 12, 2025 (the “**Forbearance Agreement**”), for the purposes of allowing the Debtor, to seek a refinancing and repayment of the Indebtedness.
- k) As a term of the Forbearance Agreement, the Debtor and the Guarantor consented to an order for the appointment of a receiver in the event of default.
- l) The Forbearance Termination Date under the Forbearance Agreement was the earlier of:

-8-

- i. August 8th, 2025; and
 - ii. the occurrence of an event of default, as defined in the Forbearance Agreement.
- m) Further, the Forbearance Agreement, was conditional upon, *inter alia*:
- i. The Borrower making payment to Canada Revenue Agency (“CRA”) by May 31, 2025, of 50 percent of all outstanding amounts owing for HST and source deductions, and payment of the remaining 50 percent by June 30, 2025;
 - ii. The Guarantor irrevocably directing any real estate solicitor engaged to complete a sale of the property known municipally as 1080 Black Canary Drive, Ottawa, Ontario (the “**Black Canary Property**”) to pay all net proceeds of sale to the bank within 24 hours of closing. to be applied to reduce the Indebtedness; and
 - iii. The Borrower providing updates on the progress of its refinancing efforts by delivery of a Term Sheet or other satisfactory evidence telling the status of refinancing progress by June 16th, 2025.
- n) The Debtor has defaulted under the Terms of the Forbearance Agreement in that:
- i. The Guarantor completed a sale of the Black Canary Property on June 16th, 2025, without notice to the Bank and without payment of the net proceeds of sale to the Bank within 24 hours thereafter, or at all; and
 - ii. The Debtor failed to pay the balance of the Indebtedness owing to CRA by June 30th, 2025.

-9-

- o) The Bank delivered written notice of default under the terms of the Forbearance Agreement and intends to rely upon the signed Consent to the appointment of a receiver.
- p) Notwithstanding the prior demand and the expiry of the ten-day statutory notice and the expiry of the term of forbearance, the Debtor has not repaid the Loan in whole or in part. As of July 23, 2025, the amount outstanding under the Loan, for principal, interest and fees, excluding legal costs, was \$1,617,812.86. Interest, fees and costs have continued to accrue.
- q) Furthermore, PPSA search reveals the following registrations:
 - i. A General Security Agreement in favour of Maracle Press Limited, registered March 14, 2024, under Reference File No. 503512875. Maracle Press Limited, executed a Subordination Agreement on March 15, 2024, subordinating its claims to that of TD Bank; and
 - ii. A Security Agreement registered in favor of Merchant Opportunities Canada Limited Partnership, registered February 4, 2025, under Reference File Number 513195561.
- r) On July 22, 2025, the Defendant, 1000760489 Ontario Inc. o/a Maracle Press, made a voluntary assignment into bankruptcy and Albert Gelman Inc. was appointed as Trustee in Bankruptcy. Albert Gelman Inc. has consented to the proposed receivership proceeding and has advised the Bank of its consent to release any claims to the Property as Trustee.

-10-

Albert Gelman Inc has also consented to act as court appointed Receiver and Manager of the Debtor's Property.

s) The appointment is urgent as:

- (i) The Debtor is unable to pay out the Indebtedness to the Lender and a shortfall on recovery is anticipated; and
- (ii) The Lender believes the assets are at risk of being comingled with other assets of arms-length corporations and/or improperly seized by creditors of such related corporations;

It is Just and Convenient to Appoint a Receiver

- a) The Debtor is unable to fulfill its obligations to TD Bank.
- b) Pursuant to the Loan and Security Documents, the Applicant has a contractual right to the appointment of a receiver upon the occurrence of a default or event of default, as applicable. In furtherance of its contractual rights, the Applicant is entitled to commence these receivership proceedings to protect its investment and preserve and maximize the value of the property.
- c) The Debtor and Guarantor consented to the appointment of a receiver in the event the Loan was not paid out by the end of the Forbearance Term.
- d) AGI is a licensed Insolvency Trustee.

-11-

- e) AGI as Bankruptcy Trustee, has consented to the appointment of a court appointed Receiver and Manager, and has further consented to act as Receiver in order to liquidate the assets of the Debtor.
- f) As the Debtor made a voluntary assignment in Bankruptcy, is not anticipated the Debtor will oppose.
- g) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
- h) Rules 1.04, 2.03, 3.02, 16.08 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and
- i) Such further and other grounds as counsel may advise and this Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

- (a) Affidavit of Rukshana Belliappa with attached Exhibits referred to therein;
- (b) The Consent of AGI to act as Receiver of the Property; and

Such further and other evidence as counsel may advise and this Honourable Court may permit.

-12-

Date: July 31, 2025

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

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Toronto, Ontario M5C 2V9

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Lawyers for the Applicant

RCP-E 14E (September 1, 2020)

THE TORONTO-DOMINION BANK 1000760489 ONTARIO INC.
Applicant and Respondent

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***COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS**
AMENDED
Proceeding commenced at TORONTO

NOTICE OF APPLICATION

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File Number: 13976-025

RCP-F 4C (September 1, 2020)