ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00750706-00CL **DATE: November 4, 2025**

NO. ON LIST: 4

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. 12870428 CANADA INC. et al

BEFORE: JUSTICE MYERS

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Calvin Horsten	Counsel to the Applicant, Royal Bank of Canada	chorsten@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Samir Chhina	Counsel to the Respondents 12870428 Canada Inc. et al	samir@chhinalaw.ca

ENDORSEMENT OF JUSTICE MYERS:

1) The bank applies for a Receiver over businesses operating Popeyes restaurant locations.

2) All of the respondent debtors other than 12870428 Canada Inc. consented to the receivership as a term of a forbearance agreement with the bank dated November 25, 2024. The bank duly waited for payment to February 10, 2025 as agreed. No payment was made by the respondents by the expiration of the forbearance period.

3) One term of the forbearance agreement required the respondents to provide monthly statements of the priority claims of the CRA. None was provided.

4) The bank made demand of 128 in April, 2025. Its counsel told the bank that 128 had sold its business to pay the bank. A director of 128 swore a stat dec that there were no priority

payables outstanding to CRA. When the stat dec was provided to counsel for the bank, the bank sought proof of the state of accounts in a form that is usually appended to these types of stat decs. At that point counsel for 128 advised that the stat dec was incorrect and there were indeed priority payables due to CRA. No payment was made to the bank. To this day 128 has not told the bank the amount of its priority obligations to CRA.

5) The bank has understandably lost confidence in management of the respondents.

6) This application was scheduled by me on October 15, 2025. As the other three respondents had already consented to the receivership, I directed that if 128 wished to respond, it must do so by October 31, 2025.

7) Instead, the respondents purported to deliver a Notice of Appearance and a supporting affidavit today. The affidavit disclosed sales of locations made by two of the respondents. Both agreements were signed September 15, 2025. Closing dates are December 15, 2025. Mr. Chhina requests a brief adjournment to allow the respondents to establish that waiting for the sale proceeds to be paid in six weeks is in the bank's benefit

8) The bank opposes any adjournment. It says this is just another stalling tactic by the respondents. The affidavit suggests that at least one of the two sale agreements will be at risk of cancellation if there is a receivership. Counsel for the bank is concerned with the implication that the buyers may not know that their vendors have already consented to the appointment of a receiver. Moreover, the bank questions the *bona fides* of the respondents entering into sale agreements in September without any disclosure to the bank of the transaction s until hours before court.

9) In my view, if the agreements are in the best interest of creditors, then a receiver will be able to affirm them or close them. But protection of creditors cries out for the intervention of a neutral court officer to manage the process and the locations going forward.

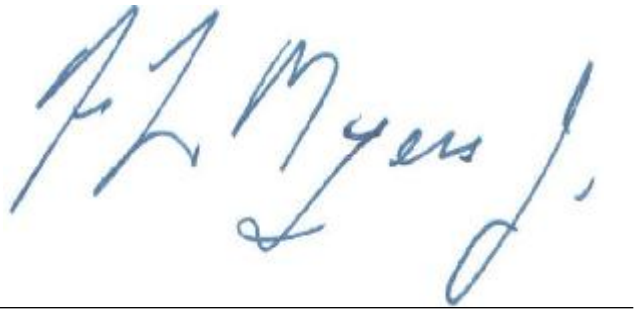
10) While the court is not bound by the respondents' consents, they are important. They confirm that the debtors accepted that they had done all they could to preserve their equity February last. The forbearance agreements admit the indebtedness and the validity of the security and guarantees. The bank already has judgment on the guarantee of the affiant of today's late-breaking affidavit.

11) 128 has not consented. But its debt remains outstanding. Its CRA machinations put all creditors at risk. The two agreement of purchase and sale now disclosed by the respondents do not include a sale by 128.

12) The interests of justice favour moving forward with the receivership application as scheduled rather than waiting another six week. Trying to surreptitiously sell collateralized

business assets out from under a secured creditor is hardly a demonstration of management considering the interests of all stakeholders on the eve of insolvency. The last second disclosure of the supposed deals bespeaks a desperation that positively requires the removal of management in favour of a court-appointed officer who will be responsible to all interested parties.

13) Order signed as asked.



Date: Nov 04, 2025

Frederick L. Myers