ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000406-0000 **DATE: October 21, 2026**

NO. ON LIST: 2

TITLE OF PROCEEDING: AFC MORTGAGE ADMINISTRATION INC. v. ROMANDALE FARMS LIMITED et al.

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Jonathan Kulathungam	AFC Mortgage Administration Inc.	jkulathungam@teplitskyllp.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Dale Denis	Counsel for Helen Roman-Barber	dale@dilitigation.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Brahm Rosen	Proposed Receiver	brosen@rosengoldberg.com

ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] AFC Mortgage Administration Inc. ("**AFC**") seeks the appointment of Rosen Goldberg Inc. as receiver of the property of Romandale Farms Limited ("**Debtor**") including the real property municipally known as 3975 Elgin Mills Road, Markham, Ontario (the "**Real Property**") pursuant to s. 243 of the *Bankruptcy and Insolvency Act* and s. 101 of *the Courts of Justice Act*.

[2] As a preliminary point, AFC only has security over the Real Property and not over any other assets of the Debtor. Accordingly, counsel to AFC clarified that the appointment is only sought over the Real Property and any proceeds thereof.

[3] The respondent, Helen Roman-Barber was an officer and director of the Debtor and is a guarantor. She is currently an undischarged bankrupt. Her Trustee in Bankruptcy has been provided notice of these proceedings and takes no position.

Adjournment Request

[4] Counsel for Ms. Roman-Barber attended at the hearing today requesting a 10-day adjournment. At that time, he indicated an unsworn affidavit had been delivered to counsel for AFC just minutes before the hearing that provided details of committed financing. I stood the matter down for an hour so that the affidavit could be sworn and reviewed.

[5] After a review of the affidavit of Ms. Roman-Barber sworn today, AFC opposed the request for an adjournment.

[6] I declined to grant the requested adjournment because:

(a) As set out in the endorsement of Justice Steele of October 9, 2026 there is a concern with insurance coverage for the Real Property. In that endorsement, Steele J. provided that if proof of insurance was provided by October 14, 2026, then an adjournment of the hearing could be requested. No proof of insurance was provided by that deadline and the affidavit evidence before me today makes clear insurance has not yet been obtained.

(b) Following the October 9, 2026 attendance no responding material was filed (until during the hearing today as noted above).

(c) Ms. Roman-Barber is bankrupt. It is not clear to me she has any standing to appear or speak on this matter today. As an undischarged bankrupt she cannot act as director of the Debtor and I have no evidence before me that she has any capacity to speak on behalf of the Debtor. She may be a guarantor of the obligations owing by the Debtor to AFC, but again, that debt would be subject to her bankruptcy proceeding. As noted above, her trustee in bankruptcy has taken no position.

(d) The affidavit filed attaches an appraisal as at February 27, 2026 that exceeds the amounts owing to AFC. However, that appraisal is subject to a number of assumptions and importantly, the affidavit that was filed during the hearing does not contain evidence of a firm commitment or available funds. Rather it speaks to an expected letter of intent and a verbal commitment to lend from Alice Huong of

Blackship Capital on behalf of unnamed high networth clients in the local area and in China. A copy of a non-binding indicative loan proposal (the "LOI") which is noted as being for discussion purposes only and not a commitment to lend was also provided. The LOI was not attached to any sworn affidavit nor is it, on its face, evidence of committed financing.

[7] Given my denial of the request for an adjournment, counsel for Ms. Roman-Barber did not express opposition to the appointment of the receiver, provided as noted above that the appointment was limited to the Real Property and proceeds thereof.

The Real Property and Security

[8] The Real Property consists of approximately 89 acres of primarily vacant land, with a manor home and a number of ancillary structures on it.

[9] AFC holds two mortgages over the Real Property. On January 29, 2025, AFC took an assignment of a mortgage registered initially in favour of Vector Financial Services Limited on April 25, 2025. With respect to that loan, pursuant to an amended and restated commitment letter dated June 6, 2025, the First Mortgage matured on July 10, 2026. As of October 1, 2026, it is 7 months in arrears. The amount owing is approximately $4,550,000.00.

[10] As well, on June 18, 2025, AFC also was granted a second mortgage registered against the Real Property in the amount of $1,400,000.00. The Second Mortgage matured on July 31, 2026. On or about August 6, 2026, AFC made a formal written demand to the Debtor to repay the amounts owing pursuant to the Second Mortgage. There has been no response from the Debtor or Guarantor. On August 20, 2026, AFC issued a Notice of Intention to Enforce Security pursuant to Section 244(1) of the BIA ("**BIA Notice**") with respect to amounts owing under the Second Mortgage.

[11] The Real Property is also encumbered by a subsequent mortgage registered in favour of Paul F. Rooney Professional Corporation in the principal amount of $224,950.00.

[12] As noted above, there is also a concern that there is no current insurance on the Real Property.

Issue

[13] There only issue to be determined today, is whether it is just or convenient to appoint a receiver over the Property.

Analysis

[14] The test for the appointment of a receiver under s. 243 of the BIA or s. 101 of the CJA is whether it is just or convenient.

[15] In determining whether it is just or convenient to appoint a receiver the court must have regard to all of the circumstances of the case particularly the nature of the property and the rights and interests of all parties in relation to the property: see *Bank of Nova Scotia v Freure Village of Clair Creek*, [1996] OJ No 5088 at para 10. While the appointment of a receiver is generally an extraordinary equitable remedy, where the rights of the secured creditor include, pursuant to the terms of its security, the right to seek the appointment of a receiver, the burden on the applicant is lessened: see *Bank of Montreal v. Sherco Properties Inc*. 2013 ONSC 7023 at para 41 and 42.

[16] Although the presence of a contractual entitlement to appoint a receiver is not a determinative factor, where the right to appoint a receiver is provided under a mortgage, the remedy becomes less extraordinary see para 44 of *BCIMC Construction Fund Corporation et al. v. The Clover on Young Inc.*, 2020 ONSC 1953.

[17] As summarized by Osborne J. (as he then was) in *Canadian Equipment Finance and Leasing Inc. v. The Hypoint Company Limited*, 2022 ONSC 6186 at para 25, a number of factors have historically been taken into account in the determination of whether it is appropriate to appoint a receiver. The factors are not a checklist, but rather a collection of considerations to be viewed holistically, they include:

(a) whether irreparable harm might be caused if no order is made, although as stated above, it is not essential for a creditor to establish irreparable harm if a receiver is not appointed where the appointment is authorized by the security documentation;
(b) the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of assets while litigation takes place;
(c) the nature of the property;
(d) the apprehended or actual waste of the debtor's assets;
(e) the preservation and protection of the property pending judicial resolution;
(f) the balance of convenience to the parties;
(g) the fact that the creditor has a right to appointment under the loan documentation;
(h) the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulties with the debtor;
(i) the principle that the appointment of a receiver should be granted cautiously;
(j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties efficiently;
(k) the effect of the order upon the parties;
(l) the conduct of the parties;
(m) the length of time that a receiver may be in place;
(n) the cost to the parties;
(o) the likelihood of maximizing return to the parties; and
(p) the goal of facilitating the duties of the receiver.

[18] In this case, it is just and convenient to appoint a receiver.

[19] The Debtor owes in approximately $6 million to AFC. The loans matured in July of 2026 and have not been repaid. Under the terms of the Second Mortgage, AFC is entitled to apply to the Court for the appointment of a receiver upon default.

[20] AFC has demanded repayment of the indebtedness owing as secured by the Second Mortgage and issued the 244 BIA Notice. The notice period under the 244 BIA Notice has since elapsed. The amount owing under the First Mortgage is also in default.

[21] Given the lack of payments and communication from the Debtor and the Guarantor's bankruptcy, AFC has understandably lost all confidence in the Debtor and its ability to repay the amount owing.

[22] A Court-supervised process will provide best protect the interests of AFC and other stakeholders. It will provide a forum for proper insurance to obtained and it will be beneficial to all parties for the Real Property to be sold in an orderly, efficient and transparent process.

[23] Rosen Goldberg Inc. is qualified to act as receiver and has consented to do so.

[24] The terms of the proposed receivership order, as modified during the hearing today to ensure that appointment was limited to the Real Property and proceeds thereof, are appropriate and consistent with the Model Order of the Commercial List.

[25] Accordingly, I grant the receivership order in the form signed by me today.



Date: Oct 21, 2026 Justice J. Dietrich