



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: CV-24-723986-00CL DATE: July 19, 2024

NO. ON LIST: Added Matter

TITLE OF PROCEEDING: THE TORONTO-DOMINION BANK v. BUCHH HOLDING INC. et al

BEFORE JUSTICE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

| Name of Person Appearing | Name of Party | Contact Info |
|---|---------------------------|--|
| Cristian Delfino Shaun Parsons Miranda Spence | The Toronto-Dominion Bank | cdelfino@airdberlis.com sparsons@airdberlis.com mspence@airdberlis.com |

For Defendant, Respondent, Responding Party, Defence:

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|--------------------------|-------------------|
| Farhat Buchh | Buchh Holding Inc. et al | Buchh@rotalec.com |
| | | |

For Other, Self-Represented:

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|------------------|---------------------|
| Andrew Adessky | Richter Inc. | AAdessky@richter.ca |
| Lyne Gaulin | BDC Capital Inc. | Lyne.Gaulin@bdc.ca |

ENDORSEMENT OF JUSTICE W.D. BLACK:

- [1] The Toronto Dominion Bank (“TD”), moves for an order appointing Richter Inc. (“Richter”) as interim receiver (in such capacity, “Interim Receiver”), without security, of the assets, undertakings and properties acquired for, or used in relation to, the business carried out by each of the respondents (collectively, the “Debtors”), including all proceeds thereof (collectively, the “Property”).
- [2] The Debtors operate multiple businesses, primarily involving the design and distribution of industrial automation products and robotics.
- [3] The Debtors are indebted to TD with respect to certain credit facilities. Each of the Debtors has provided security in favour of TD, including general security agreements.
- [4] The Debtors defaulted under the credit agreement with respect to, among other things, failing to maintain a monthly borrowing base relative to the credit facilities.
- [5] As a result, TD engaged Richter to act as a consultant to review aspects of the Debtors’ financial circumstances, based on available books and records.
- [6] In this capacity, Richter identified concerning errors in the Debtors’ business records, including substantial overstatements of accounts receivable and inventory, and understatement of payables.
- [7] Management of the Debtors was made aware of the concerning findings, and has not disputed them.
- [8] In the circumstances, TD made formal written demand on the Debtors on July 4, 2024, for payment of amounts owing under the credit agreement, and provided a notice of intention to enforce its security (the “BIA Notice”), under subsection 244(1) of the BIA.
- [9] The 10-day period set out in the BIA Notice expired on July 15, 2024, and the indebtedness has not been repaid.
- [10] In addition, within the last two weeks, the Debtors have taken a number of steps outside the ordinary course of business including terminating employees, halting rent payments, and pushing customers for collection of accounts receivable. TD is concerned that there is significant risk to its collateral.
- [11] TD will be moving to appoint a receiver, and a date for that application has now been confirmed for August 15, 2024 at 11:00 a.m. (for one hour).
- [12] In the meantime, by way of today’s hearing, TD seeks to upgrade Richter from consultant to Interim Receiver immediately, to allow Richter to undertake more robust monitoring of the Debtors’ activities so as to avoid further deterioration of TD’s collateral.
- [13] I find that the proposed appointment of Richter as Interim Receiver is just and convenient, and necessary for the protection of TD’s interests. While evidence of dissipation of assets is not a precondition to this order, I do find that there is concerning evidence of material misrepresentations by the Debtors, breaches of the loan agreements, and defaults thereunder. The appointment of the Interim Receiver is appropriate here to safeguard the Property on a temporary basis, pending the full-blown receivership application.

[14] In the circumstances, I am granting the order sought by TD, and attach a signed copy of the order to this endorsement.



W.D. BLACK J.

DATE: JULY 19, 2024