

CITATION: Marquis Capital Corp. v. Alice & Roger Inc., 2026 ONSC 5243
COURT FILE NO.: CL-26-00000130
DATE: 20260922

SUPERIOR COURT OF JUSTICE – ONTARIO [Commercial List]

RE: MARQUIS CAPITAL CORP., ALAR INVESTMENTS NA LIMITED, SALTON
DS INVESTMENT GROUP INC. and FALCOR INVESTMENTS INC.

Applicants

AND:

ALICE & ROGER INC.

Respondent

BEFORE: Justice Jana Steele

COUNSEL: *John R. Hart, Gary D. Graham & Curtis Van Vliet*, for the Applicants

R. Uukkivi & I. Jamie Arabi, for the Respondent

HEARD: September 4, 2026

ENDORSEMENT

Overview

[1] The applicants seek the appointment of an inspector under s. 161 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16 (the “*OBCA*”), to investigate the affairs of Alice & Roger Inc. (“A&R”).

[2] The applicants also seek leave to commence a derivative action in the name of and on behalf of the respondent. However, given that insufficient time was booked for the application, that relief has been adjourned to be addressed at a future date.

[3] The applicants seek an inspector to investigate certain alleged oppressive conduct. The applicants allege that Mr. Spring, the president and a director of A&R, has engaged in undisclosed self-dealing with a company or companies he owns. While certain conduct has been known and ongoing for a number of years, it appears that Mr. Spring’s interest in RCC (defined below) may not have been disclosed. RCC was the initial Operations Manager for A&R and holds certain Class B shares of A&R. When the agreement among the co-tenants of A&R was entered into, Mr. Spring’s interest in A&R’s Asset Manager, Bayfield, was disclosed. However, it appears that his interest in RCC was not.

[4] For the reasons set out below, I am satisfied that it is appropriate to appoint an investigator under s. 161 of the *OBCA* to investigate the affairs of A&R.

Background

[5] Each of the applicants is a co-tenant in a co-tenancy agreement, dated October 5, 2005 (the “CTA”). Each co-tenant holds shares of A&R in the same proportion as their ownership in the co-tenancy.

[6] Affiant Tony Falco is the principal shareholder of the applicant, Falcor Investments Inc.

[7] Affiant Frank Giuliani is the principal shareholder of the applicant, Marquis Capital Corp.

[8] The respondent, A&R, is an Ontario company that holds legal title to the co-tenancy property in trust for the owners. A&R has no beneficial interest in the property. A&R was appointed pursuant to the CTA to hold the assets of the co-tenancy in trust for the benefit of the co-tenants.

[9] Harold Spring is the president and a director of A&R.

[10] The directors’ register of A&R shows the current directors as Mr. Spring (since 2005-11-04), Jeff Snow (since 2025-10-01), and Zahir Bhaidani (since 2025-10-01). Mr. Spring is the nominee for the Asset Manager, Mr. Snow is the nominee for the Major Owner, and Mr. Bhaidani is the nominee for the remaining Owners.

[11] Bayfield Realty Advisors Inc. (“Bayfield”) is a corporation that Mr. Spring controlled until October 2025, when Mr. Spring says that it was sold to another entity.

[12] Under the CTA, Bayfield was appointed as Asset Manager to provide asset management, oversight, and administration of the co-tenancy and its business. As consideration, Bayfield initially received an asset management fee of 1.5 percent of gross receipts.

[13] Under s. 6.05 of the CTA, the Asset Manager is given the authority to engage “a competent, experienced operations manager (the “Operations Manager”) to oversee the operation of and provide the administration for the Property” and perform certain obligations.

[14] Day-to-day management of the retirement home was initially assigned to Retirement & Care Centres Inc. (“RCC”) as the Operations Manager. RCC’s fee for operations management was three percent. RCC also holds Class B shares of A&R. As set out further below, Mr. Spring also owns and controls RCC.

[15] Subsequently, in or around 2007, Societe De Gestion Cogir S.E.N.C. (“Cogir”) assumed the operations role from RCC. However, the Class B shares of A&R were not cancelled or transferred to Cogir. When Cogir assumed the role of Operations Manager for A&R, the operations management fee increased from 3 to 3.5 percent.

Analysis

Is the application statute barred?

[16] The respondent took the position that the relief sought by the applicants is statute barred. Accordingly, I first consider whether the applicants' complaints are barred by the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched. B (the "*Limitations Act*").¹

[17] Sections 4 and 5 of the *Limitations Act* set out the general limitation period of two years from the date the claim was discovered:

4. Unless this Act provides otherwise, a proceeding shall not be commenced in respect of a claim after the second anniversary of the day on which the claim was discovered.

5 (1) A claim is discovered on the earlier of,

(a) the day on which the person with the claim first knew,

- i. that the injury, loss or damage had occurred,
- ii. that the injury, loss or damage was caused by or contributed to by an act or omission,
- iii. that the act or omission was that of the person against whom the claim is made, and
- iv. that, having regard to the nature of the injury, loss or damage, a proceeding would be an appropriate means to seek to remedy it; and

(b) the day on which a reasonable person with the abilities and in the circumstances of the person with the claim first ought to have known of the matters referred to in clause (a).

[18] Section 15 of the *Limitations Act* sets out the ultimate limitation period of 15 years:

- (1) Even if the limitation period established by any other section of this Act in respect of a claim has not expired, no proceeding shall be commenced in respect of the claim after the expiry of a limitation period established by this section.

¹ Certain of the complaints relate to actions so many years ago that they appear to be barred by the ultimate limitation period under s. 15 of the *Limitations Act*.

- (2) No proceeding shall be commenced in respect of any claim after the 15th anniversary of the day on which the act or omission on which the claim is based took place.

[19] I agree that some of the applicants' complaints appear to be statute barred, including:

- a. the failure of A&R to produce audited financial statements for several years (audited financial statements have been produced for the past five years following a complaint made by certain applicants regarding the lack of audited financial statements); and
- b. the fact that the board of directors of A&R was improperly constituted (after the resignation of two directors in or around 2008,² only Mr. Spring remained on the board, contrary to the provisions in the CTA).³

[20] However, there are other acts or omissions that may not be statute barred.

[21] The Court has an obligation to consider whether there were "discrete acts of oppression" that are not barred by the two-year limitation period: *Maurice v. Alles*, 2016 ONCA 287, 130 O.R. (3d) 452, at paras. 3 and 50-54. The Court of Appeal stated at paras. 52-54:

[52] A party that engages in a series of oppressive acts can always make the argument that it is all part of the same corporate malfeasance and that the limitation period begins to run with the discovery of the first oppressive act. In analyzing that conduct, courts must have regard to the remedial nature of the oppression remedy and the fact that any threatened or actual conduct that is oppressive, or unfairly prejudicial to, or unfairly disregards the interests of any complainant can constitute a discrete claim of oppression. The oppression remedy section of the OBCA is drafted in the broadest possible terms to respond to the broadest range of corporate malfeasance.

[53] Where the motion judge erred was in failing to carefully scrutinize the respondents' conduct to determine whether there were any discrete acts of oppression within the two-year period prior to the commencement of the cross-application. In my view, the sibling respondents committed a new act of alleged

² Marvin Gord and Mr. Giuliani resigned from the A&R Board of Directors on September 21, 2008. That same day, Vish Brijbassi was appointed to the board. Mr. Brijbassi and Mr. Spring were the only two directors until January 29, 2010, when Mr. Brijbassi ceased to be a director, leaving only Mr. Spring. Between March 31, 2014 and February 12, 2019, Cemach Green was a director along with Mr. Spring. From February 12, 2019 to October 1, 2025, Mr. Spring was the sole director.

³ The CTA requires three directors, one of which shall be a nominee of the Asset Manager, one a nominee of the owner of the greatest number of units, and one a nominee of the remaining Owners.

oppressive conduct when they brought their application and attempted to rely upon their previous alleged oppressive conduct as part of the share valuation.

[54] The practical effect of the motion judge's reasoning is that where a party is alleged to have acted in an oppressive manner and no oppression remedy application is commenced as a consequence, he or she is free to take additional oppressive steps in furtherance of, or based upon, the initial oppressive conduct. That reasoning is contrary to the broad purposive interpretation that must be afforded this statutory cause of action. [Citations omitted.]

[22] The Court of Appeal, in *Zhao v. Li*, 2020 ONCA 121, 149 O.R. (3d) 353, at paras. 26-29, provided further guidance on how the limitation period may apply when there are numerous "discrete acts of oppression" over a period of time. At paras. 28-29, the Court of Appeal stated:

Maurice stands for the proposition that where what is complained of is a series of singular discrete acts of oppression over a period of time, claims arising from the acts committed or discoverable within two years of the action are not statute barred, even if the series of acts commenced, and claims for earlier oppressive acts in the series were discoverable, more than two years prior to the commencement of the action. A later oppressive act, even if based on or in furtherance of earlier oppressive acts, gives rise to a new cause of action because it is new oppressive conduct: [*Maurice*,] at paras. 3 and 50-54.

Although not expressly stated in *Maurice*, it follows that claims arising from singular discrete acts of oppression (in a series of such acts) that are discoverable more than two years before an action are statute barred. As a result, a series of singular discrete acts of oppression that stretches over a period of time may result in some claims for oppression arising from earlier acts in the series being statute barred while claims arising from later acts in the series are not.

[23] The respondent takes the position that Mr. Spring's failure to disclose his ownership interest in RCC is also statute barred. In my view, this "discrete act of oppression" may not be statute barred.

[24] Mr. Spring's evidence with regard to control of RCC is as follows:

[RCC] is the Operations Manager pursuant to the [CTA]. Edward Shaw, the sole individual signatory to the Agreement, was in charge of RCC until he passed away in 2007. Thereafter, I acquired Mr. Shaw's interest in RCC and worked towards securing a replacement Operations Manager. Eventually, [Cogir] filled the position as RCC's delegated authority.

[25] While Mr. Spring's interest in Bayfield was clearly spelled out in the CTA,⁴ there is no such disclosure regarding Mr. Spring's interest in RCC. It is unclear when the applicants learned of Mr. Spring's long-standing interest in RCC. In Mr. Guiliani's affidavit, he states that RCC is "a company controlled by Edward Shaw as the initial Operations Manager under the Co-Tenancy Agreement." He further states that when Edward Shaw passed away, "RCC was replaced in the short term by several Operations Managers, until Harold Spring brought in Cogir." As noted, the non-voting Class B shares of A&R were issued to RCC. These Class B shares were not cancelled or transferred to Cogir when it assumed the role of Operations Manager.

[26] While the Class B shares remained with RCC⁵ even after it ceased its role as Operations Manager, Mr. Spring's evidence is as follows: "To incentivize performance and returns for Owners, the Operations Manager is entitled to 24 percent of annual distributions to Owners only if distributions to Owners reach or exceed a 9 percent return on equity." Mr. Spring's statement suggests that the 24 percent annual distribution (where distributions to owners are at least 9 percent return on equity) is to incentivize the Operations Manager (the "Class B Incentive Payment"). However, as set out above, RCC ceased to be the Operations Manager in or around 2007 and Cogir assumed that role. Cogir did not, however, receive the Class B shares to which the Class B Incentive Payment is attached.

[27] RCC, which Mr. Spring owned and controlled, continued to hold the Class B shares. Mr. Spring's evidence is that he acquired his interest in RCC following the death of Edward Shaw in 2007. In cross Mr. Spring indicated that everyone knew that Mr. Shaw was a principal of RCC. However, the corporate profile report for RCC indicates that Mr. Spring has been the only director and officer since RCC was established in 2005.

[28] There is also an oddity in the signing lines on the CTA. The original signed copies of the CTA were not located by any of the parties. However, the signed version (copy) the applicants say they were given shows Edward Shaw signing on both signing lines for RCC, including as the president of RCC. Mr. Spring's name is crossed out. As noted, according to the corporate profile report, Mr. Spring has been the only officer of RCC since it was established.

[29] The signed version (copy) of the CTA that Mr. Spring attaches to his affidavit shows both Mr. Spring and Edward Shaw signing, and both signing in the capacity as president of RCC.⁶

⁴ Section 22.11 provides that: "The parties further acknowledge that they have been advised prior to the execution of this Agreement that Harold Spring is a principal of the Asset Manager [Bayfield]."

⁵ The applicants did not know that the Class B shares remained with RCC. Mr. Guiliani's affidavit stated that he was "unaware of the present owner of any of the Class B Shares."

⁶ Mr. Shaw also signed the CTA in his personal capacity. There is one section in the CTA related to Mr. Shaw, s. 19.01, which provides:

Indemnity of Shaw

In consideration of Shaw providing an indemnity in relation to environmental matters to the lender granting the loan required to facilitate the purchase of the Property and for other good and valuable consideration (the

There is a clear discrepancy in the signature pages of the CTA as between what the applicants say they were provided and what Mr. Spring says was the agreement.

[30] As discussed further below, the applicants say they were unaware of Mr. Spring's interest in RCC until more information became available through the application, including the discrepancy in the CTA signing pages. At this stage, it is not clear whether the ultimate limitation period would apply, or whether subsection 15(4) of the *Limitations Act* may apply. I am therefore not persuaded that the request to appoint an inspector is barred by limitation period concerns.

[31] Further the recent mortgage increase transaction that occurred in 2025 (discussed further below) would not be statute barred.

Should the Court direct an investigation to be made of A&R under section 161 of the OBCA?

[32] The applicants ask the Court to direct an investigation of A&R under s. 161 of the *OBCA*. I am satisfied that it is appropriate to order such investigation.

[33] Subsections 161(1) and (2) of the *OBCA* provide:

- (1) A registered holder or a beneficial owner of a security or, in the case of an offering corporation, the Commission may apply, without notice or on such notice as the court may require, to the court for an order directing an investigation to be made of the corporation or any of its affiliates.
- (2) Where, upon an application under subsection (1), it appears to the court that,
 - a) [...]

receipt and sufficiency of which is acknowledged), the Owners agree on a several basis limited to their individual interests in the Co-tenancy Assets, to indemnify and pay, protect, defend and save the Lender harmless from and against all actions, proceedings, losses, damages, liabilities, taxes, claims, demands, judgments, rights, remedies, recourses, costs and expenses of any kind or nature including all legal fees and disbursements on a solicitor and its own client basis (collectively, "Claims") imposed upon, made against or incurred by Shaw from time to time, and arising from or relating to, directly or indirectly, any of the following matters: (a) any actual or alleged breach of Environmental Laws relating to or affecting the Property; (b) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom; (c) any actual or threatened Environmental Proceeding against or affecting the Property including any settlement thereof; (d) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding lands or otherwise complying with Environmental Laws, provided that if a claim arises with respect to the matters set out in (a) or (b) it did not arise out of the wanton neglect or gross negligence of Shaw.

- b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised, in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards, the interests of a security holder;

[...]

the court may order an investigation to be made of the corporation and any of its affiliates.

[34] The test for the appointment of an inspector under section 161 of the *OBCA* has three parts. The applicant must:

- a. Show that the applicants are security holders in the corporation over which they seek the appointment of an inspector: *OBCA*, s. 161(1);
- b. Make out a *prima facie* case of oppressive conduct by showing that there is at least an “index of suspicion or appearance that reasonable shareholder expectations have not been met in viewing the actions or non-actions of management and directors”: *Jones v. Mizzi*, 2016 ONSC 4907, 61 B.L.R. (5th) 95, at para. 14, citing *Catalyst Fund General Partner I Inc. v. Hollinger Inc.* (2004), 48 B.L.R. (3d) 194 (Ont. S.C.), at para. 39; and
- c. Satisfy the court that the investigation is appropriate: *OBCA*, s. 161.

[35] The respondent agrees that the applicants are security holders.

[36] Accordingly, the applicants focused their submissions on establishing a *prima facie* case of oppressive conduct. The applicants must establish a *prima facie* case that “the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised, in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards, the interests of a security holder”: *OBCA*, s. 161(2)(b).

[37] As noted in *Jones*, at para. 13, the evidentiary threshold that applicants must meet to appoint an inspector is low. In *Consolidated Enfield Corp. v. Blair*, 1994 CarswellOnt 249, at para. 83 (referenced by the Court in *Jones* at para. 13), Eberle J. agreed with the following statement by Galligan J.A.:

...a court need not be satisfied that the conduct complained of took place, or that such conduct has been proved to have taken place. If such a standard of proof were required, it would make any investigation unnecessary. Having regard to the fact that the relief provided for in the section is an investigation, it seems to me that a Court is entitled to make an order for an investigation if it appears on the face of the material submitted to the Court that there is good reason to think that conduct complained of may have taken place.

[38] As set out below, I am satisfied that the applicants have met this “low” evidentiary threshold in respect of certain “discrete acts of oppression.”

[39] I am satisfied that there is a *prima facie* case of oppressive conduct. As set out above, it appears that Mr. Spring’s interest in RCC may not have been disclosed to the applicants. While RCC may have been replaced as the Operations Manager in 2007, RCC continued to hold the Class B shares of A&R and as discussed below, received a payment in respect of those shares because of the increased mortgage transaction.

[40] The affidavit evidence suggests that the applicants were unaware of Mr. Spring’s interest in RCC until more information became available through the application (including the different CTA signing pages produced). In their submissions, counsel for the applicants indicated that it was not until they received Mr. Spring’s materials that “the pennies start[ed] to drop” regarding Mr. Spring’s involvement in RCC. As noted above, the CTA, which deals with both the Asset Manager and the Operations Manager, clearly discloses Mr. Spring’s interest in the Asset Manager, but says nothing of his interest in and control of RCC, the former Operations Manager (and Class B shareholder).

[41] Certainly, the applicants would have had a reasonable expectation that any self-dealing would be disclosed, and that Mr. Spring would disclose his interest in the Operations Manager, RCC, which held the Class B shares.

[42] Another recent event that the applicants raised was the 2025 increase to the mortgage in the amount of about \$3.6 million engineered by Mr. Spring, resulting in a payout to the owners and more debt on the property. The applicants were informed on or about November 7, 2025, after the mortgage had closed, that in conjunction with the financing, the following payments were made:

- a. A mortgage arrangement fee to the Asset Manager [Bayfield] in the amount of \$30,736;
- b. A distribution to Class B Owner [RCC] in accordance with the CTA in the amount of \$651,901;
- c. A guarantee fee of \$61,472 (paid to one of Mr. Spring’s corporations).

[43] Mr. Spring’s companies benefited from significant payments on the closing of the mortgage increase. I agree with the applicants that they had a reasonable expectation that Mr. Spring would not engage in self-dealing without disclosure and sign off.

[44] Under s. 132 of the *OBCA*:

- (1) A director or officer of a corporation who,
 - (a) is a party to a material contract or transaction or proposed material contract or transaction with the corporation; or

- (b) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the corporation,

shall disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest.

- (2) The disclosure required by subsection (1) shall be made, in the case of a director,
 - (a) at the meeting at which a proposed contract or transaction is first considered;
 - (b) if the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
 - (c) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
 - (d) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director.

[45] As noted above, from the beginning of 2019 to October 1, 2025, Mr. Spring was the sole board member of A&R, contrary to the provisions of the CTA. While the applicants were aware of the deficiencies in the board of directors for some time, they were not aware that Mr. Spring was potentially engaged in self-dealing with regard to the mortgage increase that ought to have been disclosed to a properly constituted board of directors to consider.

[46] And, as noted above, while the applicants were aware for some time that the A&R board of directors was not properly constituted, it appears that they were not aware that Mr. Spring was the individual behind both the prior Operations Manager (RCC, which continued to hold the Class B shares of A&R even after Cogir assumed the role) and the Asset Manager.

[47] I am satisfied that the applicants have met the low evidentiary threshold required for the appointment of an inspector.

[48] The respondent submits that it has provided the applicants with everything about the operations of the business they have requested, including 10 years of A&R's banking records. However, certain information requests regarding RCC have been refused.

[49] I am satisfied that it is appropriate in the circumstances to put in place an inspector to investigate, among other things, the non-arm's length transactions between the Asset Manager and/or RCC and A&R. As the applicants note, the structure is ripe for abuse; in or around October 2025, the applicants became aware of a circumstance where Mr. Spring had increased the fees payable from A&R to Bayfield. When Mr. Spring was confronted with that issue, the excess fees were repaid. However, the fact of the repayment when confronted does not address the potential underlying issue related to the potential self-dealing in that case, as well as the subsequent recent

mortgage transaction. In my view, it is in the best interests of the corporation to have an investigation.

[50] The respondent argued that the applicants should have relied on the arbitration clause in the CTA.⁷ However, at this stage, the applicants are seeking an inspection; it is not a dispute ripe for arbitration. The arguments regarding arbitration were first raised at the hearing. Based on the record before me and the brief oral arguments on the issue, I am satisfied that the court can appoint the inspector as requested.

[51] The applicants seek the appointment of Jeffrey Berger from TDB Advisory and informed the court that he has consented to act. The applicants shall deliver a copy of the signed consent to act from Mr. Berger.

[52] The applicants had sought certain relief that included Cogir; however, as noted by the respondent, Cogir was not served with the application. Accordingly, such relief is not granted without prejudice to the applicants' ability to seek such relief on proper notice.

[53] The applicants had requested that the time period of the inspector's mandate commence in 2005. I have determined that, at least initially, the inspector's mandate will be limited to the previous five years, which includes the increased mortgage issue, without prejudice to the applicants' ability to request that the time period be extended further back.

Disposition and Costs

[54] Order to go as follows:

⁷ Section 20.01 of the CTA provides:

If at any time, either while this Agreement is in force or thereafter, any dispute, difference or question shall arise between or among any of the parties hereto or their representatives or nominees touching the business of the Co-Tenancy, this Agreement or any part hereof, or the construction, meaning or effect of these presents, or anything herein contained, or specifically, if there is any dispute concerning the procedure for the enforcement of rights flowing from the default by a Defaulting Owner pursuant to the provisions of this Agreement, or if there is any dispute involving the Accountants regarding any calculations or financial statements made for the purpose of the Agreement, which cannot be resolved by the provisions of the Agreement or by agreement of the parties, the matter in dispute shall be resolved by arbitration. Such dispute shall be referred to the arbitration of a single arbitrator to be appointed by the disputants. If the disputants fail to appoint an arbitrator within 30 days of the giving of a written notice by a disputing party requiring arbitration and advising of the matter in dispute to be dealt with, any disputant may upon seven (7) days' notice to the other disputants apply to a Judge of the appropriate Court in the City of Toronto as persona designate to appoint such arbitrator. If such arbitrator so appointed refuses to act or is incapable of acting or dies, a substitute for him may be appointed in the manner hereinbefore provided. The decision of the arbitrator so appointed shall be final and binding upon the parties. The cost of arbitration may be apportioned as the arbitrator may decide.

- a. An inspector shall be appointed to investigate the affairs of Alice & Roger Inc.
- b. The mandate of the inspector shall include the authority to inquire into and report on:
 - i. Transactions between the Respondent and Mr. Spring and those other companies that are (or were) owned or controlled by Mr. Spring, including Bayfield Realty Advisors Inc. during such time as it was owned or controlled by Mr. Spring or any party not operating at arm's length to Mr. Spring or the Respondent ("Bayfield"), or any of its affiliates, or any other parties not operating at arm's length, such transactions to include:
 - 1. The amount or value of revenues received by or on behalf of the Respondent from September 30, 2021 (the "Time Period") to the present, whether directly from payments of the seniors' residence of the Respondent or indirectly from Bayfield, or any other party that received those payments from such residents on behalf of the Respondent;
 - 2. The costs incurred by the Respondent over the Time Period including:
 - a. The amounts paid by or on behalf of the Respondent to Harold Spring, to Bayfield, any affiliate of Bayfield or to any other party not operating at arm's length to the Respondent or Mr. Spring.
 - b. The amounts paid by or on behalf of the Respondent to any vendor to or creditor of Bayfield, any affiliate of Bayfield or any other parties not operating at arm's length to Mr. Spring or Bayfield.
 - c. The services or goods on account of which any payments described in 2a or 2b above were made together with any records authorizing such payments.
- c. The inspector shall prepare and deliver a written report to the Court and to the parties within 60 days of appointment, with liberty to seek further directions, if required.
- d. The Respondent, its directors, officers, employees and agents, and any related entities shall not obstruct, interfere with, or impede the inspector's investigation.
- e. The Respondent shall preserve all books, records, electronic data, and communications pending completion of the investigation.

- f. The inspector shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Inspector by any applicable legislation.
- g. The Respondent shall pay to the inspector a retainer in the amount of \$50,000 forthwith upon the issuance of the Order of the Court.

[55] The respondent shall pay the applicants' costs fixed in the amount of \$130,000 (inclusive of taxes and disbursements) within 30 days of this Order.

[56] The applicants may schedule another appearance for the other relief sought on the application (the request for leave to the applicants to commence a derivative action).

Justice Jana Steele

Date: September 22, 2026