

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT
 TO SECTION 243 OF THE *BANKRUPTCY AND*
 INSOLVENCY ACT R.S.C. 1985, c. B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

**NOTICE MOTION
(APPROVAL OF SALE PROCESS OTHER RELIEF)
DATE OF HEARING: TUESDAY, MAY 7, 2019 AT 9:00 A.M.
DEWAR, J.**

TAYLOR McCaffrey LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson (204 988-0375)
Fax – 204 957-0945
Client File No. 98665-1 DJAC

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

NOTICE OF MOTION

Grant Thornton Limited in its capacity as Court appointed Receiver and Manager of 5448124 Manitoba Ltd. ("Receiver") will make a motion before the Honourable Mr. Justice Dewar on Tuesday, May 7, 2019 at 9:00 o'clock in the forenoon or so soon after that time as the motion can be heard at the Law Courts, 408 York Avenue at Kennedy Street, in the City of Winnipeg.

THE MOTION IS FOR:

1. An Order substantially in the form as attached hereto as Schedule 1 to this Notice of Motion and provides, *inter alia*:
 - a) An Order validating service of this motion abridging the time period for service, if necessary;
 - b) The advice and direction of this Honourable Court with respect to the facts and matters as have been disclosed in the Sixth Report of the Receiver including, *inter alia*:
 - i) Approving the Receiver's proposed sale process including the engagement of the broker;

- ii) Approve the Second Loan Amending Agreement, Third Loan Amending Agreement and Fourth Loan Amending Agreement between CSFC and the Receiver;
 - iii) Approving the Fourth, Fifth and Sixth Reports of the Receiver;
 - iv) Approving the Receiver's statement of receipts and disbursements up to March 31, 2019;
 - v) Approving the fees and disbursement of the Receiver and its legal counsel up to March 31, 2019;
 - vi) Sealing the confidential appendices to the Sixth Report.
2. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. *Corporation Act* s. 95 CCSM c.C225.
2. *Queen's Bench Act* s. 55 CCSM c.280.
3. Queen's Bench Rule 41.05.
4. By Order pronounced October 16, 2015 this Honourable Court issued an Order appointing the Receiver over all of the assets, undertaking and property of 5448124 Manitoba Ltd. ("544")("Initial Receivership Order").
5. By Order of this Honourable Court pronounced October 27, 2015 the Initial Receivership Order was continued and the Receiver's powers expanded in accordance with the Receiver's First Report dated October 26, 2015 ("Amended and Restated Receivership Order").

6. The Receiver proceeded to carry out its duties and responsibilities in accordance with the Amended and Restated Receivership Order.

7. The Receiver engaged ASH Management Group Inc. ("ASH") to provide management services for 544's property and in particular the 3 story residential apartment building commonly known as 519 Burnell Street, Winnipeg ("Property").

8. After its engagement and inspection of Property, ASH determined that there were a number of deficiencies and other issues which had to be addressed promptly in order to address the health and safety as well as future marketability of Burnell.

9. The Receiver alerted the applicant, Cameron Stephens Financial Corporation ("CSFC") for its input as well as to attend financing under the Receiver's existing borrowing powers to cover the initial cash outlays required by the Receiver to fund expenditures.

10. With the assistance of ASH and CSFC the Receiver attended to the Priority Expenditures which addressed the immediate health and safety issues of the Property and started to address the other rehabilitation needs.

11. Although the Amended and Re-Styled Receivership Order provided the Receiver with authorization to commence the sale and marketing of the Property in consultation with CSFC the decision was made to delay proceeding with such sales efforts until certain milestones of the Property were achieved including:

- a) Completion of the Priority Expenditures work;

- b) Eviction of the non-paying and disruptive tenants;
- c) Lease up the apartments to stabilize occupancy; and
- d) Determine what further and other remediation efforts may be necessary.

12. As the Property did not generate sufficient cash flow to meet required expenditures and professional fees it has been necessary to renew the Receiver's borrowing facilities with CSFC and in particular the Receiver and CSFC entered into a Third Loan Amending Agreement dated November 28, 2017 and a Fourth Loan Amending Agreement dated November 30, 2018.

13. Pending the outcome of its ongoing administration and its efforts to rehabilitate the Property the Receiver has prepared and circulated to all parties on the Service List ongoing reports including, *inter alia*, the Fourth Report of the Receiver dated April 17, 2017 and the Fifth Report of the Receiver dated March 29, 2018.

14. The Receiver in consultation with CSFC it was determined sufficient efforts have been made to rehabilitate the building and improve revenue to the point where it now makes sense to proceed with a sales and marketing process.

15. In consultation with CFSC the Receiver solicited experienced commercial realtors to assist in the development of a sales and marketing plan for the Property.

16. Subject to Court approval the Receiver has engaged Colliers International to market the Property as detailed in the Receiver's Sixth Report.

17. It is commercially reasonable for the Receiver to proceed with the sales and marketing process set out in the Sixth Report ("Sales Process").

18. Since its last appearance before this Court on August of 2016 the Receiver and its legal counsel have not only continued with its duties and obligations but have continued to provide interim accounts for fees and disbursements for which it is appropriate for this Court which have been disclose to the stakeholders and for which it is appropriate for the Court to approve at this time.

19. The Sixth Report of the Receiver contains a confidential appendices which is an unredacted version of an appraisal from Stevenson Advisors dated February 5, 2013 ("Stevenson Report") and while it is just and appropriate for the Receiver to disclose the appraisal to the Court, its public disclosure of the redacted portions could be prejudicial to the Receiver's ability to market the Property under the sales process.

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

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT
THE HEARING OF THE MOTION:

1. The pleadings and proceedings herein.

2. The Third Report to the Court of Grant Thornton Limited dated August 5, 2016 including the confidential appendices thereto.

3. The Fourth Report to the Court of Grant Thornton Limited dated April 17, 2017.

4. The Fifth Report to the Court of Grant Thornton Limited dated March 29, 2018.
5. The Sixth Report of Grant Thornton Limited dated to be filed.
6. Such further and other relief as to this Honourable Court may seem just.

May 1, 2019

TAYLOR McCaffrey LLP
9th Floor – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson
204-988-0375

TO: SERVICE LIST
(attached)

THE QUEEN'S BENCH
Winnipeg Centre

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*
ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

**SERVICE LIST AS AT
APRIL 30, 2019**

TAYLOR McCaffrey LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson (988-0375)
Fax - 957-0945
Client File No. 98665-1 DJAC

THE QUEEN'S BENCH
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**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
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Respondent

SERVICE LIST

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
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<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
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RUSSELL KNIGHT 624 Fairmont Road Winnipeg, MB R3R 1B1 E-Mail: russknight51@gmail.com			Director of the Respondent

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
SUSANNAH SIMES 624 Fairmont Road Winnipeg, MB R3R 1B1 E-Mail: russknight51@gmail.com			Director of the Respondent
CAMERON STEPHENS MORTGAGE CAPITAL LTD. 25 Adelaide Street East Suite 600 Toronto, Ontario M5C 3A1 JERRY MARRIOTT E-Mail: Jerry.marriott@gmail.com			Secured Creditor
RESIDENTIAL TENANCIES BOARD 302-254 Edmonton Street, Winnipeg, MB R3C 3Y4 JANET HALLDORSON E-Mail: Janet.Halldorson@gov.mb.ca	204-945-2476 204-945-5722	 204-945-6273	

SCHEDULE 1

File No. CI 15-01-97928

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

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B E T W E E N:

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- and -

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Respondent.

**ORDER
(SALES PROCESS AND OTHER RELIEF)**

TAYLOR McCaffrey LLP

Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
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R3C 4K5

David R.M. Jackson (204 988-0375)
Fax – 204 957-0945
Client File No. 98665-1 DJAC

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE)
) The 7th day of May, 2019
MR. JUSTICE DEWAR)

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

ORDER

THIS MOTION made by Grant Thornton Limited, in its capacity as Receiver and Manager ("Receiver"), was heard this day at Winnipeg.

ON READING the pleadings and proceedings herein and in particular the Fourth Report of the Receiver dated April 17, 2017 ("Fourth Report"), the Fifth Report of the Receiver dated March 29, 2018 ("Fifth Report") and the Sixth Report of the Receiver dated April ___, 2019 ("Sixth Report") and on hearing the submissions of counsel for the Receiver and the Applicant, no one appearing for any other party though duly served as appears from the Affidavit of Service sworn _____:

Validation of Service

1. THIS COURT ORDERS that the time for service of the Notice of Motion is hereby abridged and validated so this motion is properly returnable today and hereby dispenses with further service thereof.

Sales Process

2. THIS COURT approves the sales process as detailed in the Sixth Report ("Sales Process") and the Receiver is hereby authorized and directed to proceed with same.

3. THIS COURT approves the Broker Selection Process as detailed in the Sixth Report including the Receiver entering into the Colliers Listing Agreement.

Approval of Loan Amendment Agreements

4. THIS COURT APPROVES the Receiver entering into the Second Loan Amending Agreement with Cameron Stephens Financial Corporation ("CSFC") dated December 23, 2016, the Third Loan Amending Agreement with CSFC dated November 23, 2017 and the Fourth Loan Amending Agreement with CSFC November 30, 2018.

Other Relief

5. THIS COURT APPROVES the Fourth Report, Fifth Report and Sixth Report and the Receiver's activities set out therein.

6. THIS COURT APPROVES the Interim Receiver's Statement of Receipts and Disbursements up to March 31, 2019 as detailed in the Sixth Report as Appendix ____.

7. THIS COURT APPROVES the fees and disbursements of the Receiver and its legal counsel, Taylor McCaffrey LLP, up to March 31, 2019 as attached to the Sixth Report as Appendices ____ thereof.

Sealing Order

8. THIS COURT ORDERS that the Confidential Appendix to the Sixth Report be sealed, kept confidential and not form part of the public record and shall remain stored electronically with this Court on an encrypted basis limiting access to only the Registrar of this Court and the presiding Judge and shall only be made accessible or form part of the public record upon further Order of this Court.

Date: _____