

**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
DATE OF HEARING: THURSDAY, FEBRUARY 25, 2021 AT 9:00 A.M.
DEWAR, J.

TAYLOR McCaffrey LLP
Barristers and Solicitors
2200 – 201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

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

**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.

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 Thursday, February 25, 2021 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, by teleconference. The dial-in coordinates are as follows:

Dial-in information will be forwarded to the Service List immediately upon receiving same from the Court.

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 or abridging the time period for service, if necessary;
 - b) Approving the activities of the Receiver as set out in the Eighth Report of the Receiver dated February 17, 2021 ("Eighth Report");
 - c) Approve the Receiver's final Statement of Receipts and Disbursements;
 - d) Approving the fees and disbursements of the Receiver and its legal counsel;
 - e) Authorizing the Receiver to distribute any remaining funds on hand to the Plaintiff, Cameron Stephens Financial Corporation ("Cameron Stephens");
 - f) Discharging the Receiver; and
 - g) Lifting the Sealing Orders in effect with respect to the Confidential Appendices previously filed in these proceedings.
2. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. *Corporation Act* CCSM c.C225 s. 95.
2. *Personal Property Security Act* CCSM c.P35 s.64.
3. Queen's Bench Rules 41.05, 41.06, 3.02(1), 16.04(1) and 68.08 and 37.08(2).
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 numerous deficiencies and other issues which had to be rectified promptly in order to properly address immediate health and safety ("Priority Expenditures") as well as other remediation efforts necessary before the Property could be properly marketed.

9. The Receiver alerted the Applicant, Cameron Stephens, as to its concerns and the need for funding Priority Expenditures and other remediation requirements under the Receiver's borrowing powers.

10. With the assistance of ASH and Cameron Stephens the Receiver promptly attended to the Priority Expenditures which addressed the immediate health and safety issues of the Property and then started to address the other remediation requirements.

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 Cameron Stephens 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 were necessary.

12. As the Property did not generate sufficient cash flow to meet required expenditures and professional fees it has been necessary for the Receiver from time to time to renew and increase borrowing facilities with Cameron Stephens.

13. The Receiver had previously obtained an opinion from its independent legal counsel that Cameron Stephens has a prior perfected security interest over all of the Property.

14. During its administration of the Property the Receiver prepared, filed with the Court and circulated to all parties on the Service List ongoing reports detailing its efforts to address Priority Expenditures and other remediation efforts including, most recently, Eighth Report of the Receiver. From time to time it was also necessary for the Receiver to file with the Court Appendices to certain of these Reports on a confidential basis which were filed under seal until further Order of the Court.

15. Having completed the sale transaction approved by this Court under the Approval and Vesting Order and having substantially completed its duties as Receiver it

is appropriate for the Receiver to be discharged and distribute any excess funds to Cameron Stephens.

16. The Confidential Appendices filed with certain previous reports of the Receiver under seal contained confidential information including appraisals, valuations of the Property as well as the various offers received for the Property under the sales process. Now that the sale of the Property has been completed there is no longer a need to maintain the Sealing Orders and this Honourable Court should lift same.

17. 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 and in particular the previous Orders of this Court which directed that certain confidential Appendices be filed under seal including, *inter alia*:

- a) The Order of August 16, 2016 with respect to the Confidential Appendices to the Third Report;
- b) The Order (Sales Process) pronounced May 7, 2019 regarding the Confidential Appendix to the Sixth Report;
- c) The Approval and Vesting Order pronounced December 2, 2020 regarding the Confidential Appendix to the Seventh Report.

2. The Approval and Vesting Order pronounced December 2, 2020.

3. The Eighth Report to the Court of the Receiver dated February 17, 2021.

4. Such further and other documentation as counsel may advise and this Honourable Court may permit.

February 18, 2021

TAYLOR McCaffrey LLP
2200 – 201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

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 NOVEMBER 24, 2020**

TAYLOR McCaffrey LLP
Barristers and Solicitors
2200 – 201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

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

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
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BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION,

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5448124 MANITOBA LTD.,

Respondent.

SERVICE LIST

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
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GRANT THORNTON LIMITED 200 King Street West, 11 th Floor Box 11 Toronto, ON M5H 3T4 AARON PREVITE E-Mail: aaron.previte@ca.gt.com DANIEL WOOTTON E-Mail: dan.wootton@ca.gt.com	416-366-0100 416-360-5023 416-360-3063	416-360-4949 905-475-8906 416-360-4949	Receiver

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
TAYLOR McCAFFREY LLP 9 TH Floor – 400 St. Mary Ave. Winnipeg, MB R3C 4K5 DAVID JACKSON E-Mail: djackson@tmlawyers.com	204-949-1312 204-988-0375	204-953-7178	Counsel for the Receiver
DEPARTMENT OF JUSTICE CANADA 301 – 310 Broadway Winnipeg, MB R3C 0S6 PENNY PIPER E-Mail: penny.piper@justice.gc.ca	204-983-2391 204-984-1756	204-983-3636	Counsel for Canada Revenue Agency
MANITOBA JUSTICE CIVIL LEGAL SERVICE 730 – 405 Broadway Winnipeg, MB R3C 3L6 SEAN BOYD E-Mail: sean.boyd@gov.mb.ca	204-945-2832 204-945-0165	204-948-2041 204-948-2826	Counsel The Province of Manitoba (Employment Standards) (Finance)
5448124 MANITOBA LTD. 910-388 Portage Avenue, Winnipeg, MB, R3C 0C8 E-Mail: russknight51@gmail.com			Debtor (Respondent)
RUSSELL KNIGHT 624 Fairmont Road Winnipeg, MB R3R 1B1 E-Mail: russknight51@gmail.com			Director of the Respondent
SUSANNAH SIMES 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>
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 DARREN COOPER E-Mail: darren.cooper@gov.mb.ca	204-945-2476 204-945-4435	 204-945-6273	
PITBLADO LLP 2500 – 360 Main Street Winnipeg, Manitoba R3C 4H6 TOM TURNER E-Mail: turner@pitblado.com	204-956-3516	204-957-0227	Counsel for Lavro Properties Inc.

SCHEDULE 1

File No. CI 15-01-97928

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT
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B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

DISCHARGE ORDER

TAYLOR McCaffrey LLP

Barristers and Solicitors
2200 – 201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

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	)	THURSDAY, THE 25 TH DAY OF
	)	
MR. JUSTICE DEWAR	)	FEBRUARY, 2021

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and –

5448124 MANITOBA LTD.,

Respondent.

DISCHARGE ORDER

THIS MOTION, made by Grant Thornton Limited in its capacity as the Court-appointed Receiver and Manager (the "Receiver") of the undertaking, property and assets of the Defendant, 5448124 Manitoba Ltd. (the "Debtor"), for an Order discharging the Receiver and other relief was heard this day at Winnipeg, Manitoba.

ON READING the Eighth Report of the Receiver dated February 17, 2021, and on hearing the submissions of counsel for the Receiver and counsel for the Applicant, Cameron Stephens Financial Corporation ("Cameron Stephens"), no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed:

1. THIS COURT ORDERS that the time for service of the motion materials in support of this Discharge Order is hereby validated and abridged such that the motion is properly returnable today and hereby dispenses with further service.

2. THIS COURT ORDERS that the Eighth Report and activities of the Receiver, as set out therein, are hereby approved.

3. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Eighth Report including their Final Fees , are hereby approved.

4. THIS COURT APPROVES the Receiver's final statement of receipts and disbursements as attached to the Eighth Report.

5. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to Cameron Stephens.

6. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 5 hereof and upon the Receiver filing a certificate substantially in the form attached hereto as Schedule A to this Order certifying that it has completed the Remaining Duties described in the Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Grant Thornton Limited in its capacity as Receiver.

7. THIS COURT ORDERS AND DECLARES that Grant Thornton Limited is hereby released and discharged from any and all liability that Grant Thornton Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Grant Thornton Limited while acting in its capacity as Receiver herein, save and except for any gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing,

Grant Thornton Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or willful misconduct on the Receiver's part.

8. THIS COURT ORDERS AND DECLARES that no action or other proceeding shall be commenced against the Receiver, including its officers, directors, employees, solicitors and agents and assigns in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver, and upon such terms as this Court may direct.

9. THIS COURT ORDERS AND DIRECTS that the confidential appendices to the previously filed Receiver's Reports, in particular:

- a) The Confidential Appendices to the Third Report dated August 5, 2016;
- b) The Confidential Appendix 1 to the Sixth Report dated May 1, 2019;
- c) The Confidential Appendices to the Seventh Report dated November 25, 2020.

("Confidential Appendices")

shall no longer remain stored electronically on an encrypted basis with this Court and hereby directs the Registrar of this Court to make the Confidential Appendices accessible to the public and to form part of the Public Record.

I, David R.M. Jackson, of the firm of Taylor McCaffrey LLP hereby certify that I have received the consents as to form of the following parties:

[INSERT]

As directed by the Honourable [INSERT]

SCHEDULE A

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE	)	THURSDAY, THE 25 TH DAY OF
MR. JUSTICE DEWAR	)	FEBRUARY, 2021
	)	

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

RECEIVER'S DISCHARGE CERTIFICATE

A. Grant Thornton Limited was appointed Receiver ("Receiver") of all of the assets, property and undertaking of the Defendant 5448124 Manitoba Ltd. ("Debtor") pursuant to an Amended and Restated Order of the Court of Queen's Bench signed October 28, 2015 ("Receivership Order");

B. Pursuant to the Discharge Order of this Court pronounced February 25, 2021 ("Discharge Order") the Receiver has paid out any net realizations as directed by the Discharge Order and completed the administration of the Debtor's estate;

C. Unless otherwise indicated the Receiver's Certificate shall have the same meaning as given to them in the Discharge Order.

THE RECEIVER CERTIFIES the following:

1. The Receiver has paid the net proceeds in accordance with the Discharge Order and in particular:

[INSERT PARTICULARS OF PAY OUT]

2. The Receiver has completed the Remaining Duties described in the Eighth Report and completed its administration of the Debtor's estate.

DATED at _____, Manitoba, this ____ day of _____, 2020.

Grant Thornton Limited in its capacity as Receiver of
5448124 Manitoba Ltd.

Per: _____