



No. VLC-S-S-244399
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

REQUISITION – GENERAL

Filed by: BDO Canada Limited, in its capacity as court appointed Receiver and
Manager for Vernon Recreational Products (VRP) Sales And Service Ltd. and 13090951
B.C. Ltd. (in that capacity, the "Receiver")

Required:

1. To file the Second Report of the Receiver dated December 9, 2024
(the "Second Report").

This Requisition is supported by the following:

1. Notice of Application, dated December 9, 2024.
2. The Receiver is required to provide a filed copy of the Second Report to the
parties in this proceeding and to post a filed copy on the Receiver's website.

Date: 09/DEC/2024


for: Signature of lawyer for filing party
Jordan Schultz

THIS REQUISITION – GENERAL is prepared and filed by the law firm, Dentons Canada LLP,
20th Floor, 250 Howe Street, Vancouver, B.C. V6C 3R8, Attention: Jordan Schultz (Telephone
number: 604-687-4460) | Email: jordan.schultz@dentons.com

No. S-244399
VANCOUVER REGISTRY

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BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

**VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.,
1390951 B.C. LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY
GOODWIN AND MURRAY BLAIR SULLIVAN**

RESPONDENT

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.
and 1390951 B.C. LTD.**

SECOND REPORT OF THE RECEIVER

December 9, 2024

**BDO Canada Limited, Receiver of
Vernon Recreational Products (VRP)
Sales and Service Ltd. and 1390951
B.C. Ltd.**

Royal Centre
Unit 1100 – 1055 W Georgia Street
Vancouver, BC V6E 3P3

TABLE OF CONTENTS

I.	INTRODUCTION AND BACKGROUND	1
II.	PURPOSE OF THIS REPORT	1
III.	SCOPE AND TERMS OF REFERENCE	2
IV.	THE ACTIVITIES OF THE RECEIVER.....	2
V.	STATEMENT OF RECEIPTS AND DISBURSEMENTS	3
VI.	CONCLUSION AND RECOMMENDATION	5

APPENDICES

Appendix A	Receiver's Certificate – Sale to 1494072 B.C. Ltd.
Appendix B	Receiver's Certificate – Sale to 1495213 B.C. Ltd.
Appendix C	Statement of Receipts and Disbursements for the period July 18, 2024 to December 6, 2024 of 1390951 B.C. Ltd.
Appendix D	Statement of Receipts and Disbursements for the period July 18, 2024 to December 6, 2024 of Vernon Recreational Products (VRP) Sales and Service Ltd.

I. INTRODUCTION AND BACKGROUND

1. On July 18, 2024, the Supreme Court of British Columbia (the “**Court**”) granted an Order (the “**Receivership Order**”) appointing BDO Canada Limited, as receiver and manager (in such capacity, the “**Receiver**”) of Vernon Recreational Products (VRP) Sales and Service Ltd. (“**VRP**”) and 1390951 B.C. Ltd. (“**139**” and collectively, the “**Companies**”).
2. On September 17, 2024, the Court approved the sale of the assets of VRP to 1495213 B.C. LTD. On the same date, the Court approved the sale of the assets of 139 to 1494072 B.C. LTD.
3. On September 17, 2024, the Court approved an interim distribution to the Royal Bank of Canada in an amount up to \$8,000,000. On the same date the Court also amended the Receivership Order to authorize the Receiver to assign the Companies into bankruptcy.
4. On October 1, 2024, the Receiver completed the sale of the 139 assets to 1494072 B.C. Ltd.
5. On October 3, 2024, the Receiver completed the sale of the VRP assets to 1495213 B.C. Ltd.
6. On November 20, 2024, the Receiver assigned VRP and 139 into bankruptcy.
7. As of November 22, 2024, the first secured creditor, RBC has been repaid \$7,961,507. The remaining balance due to RBC is \$151,381 as at November 21, 2024 plus ongoing interest.

II. PURPOSE OF THIS REPORT

8. This second report of the Receiver (this “**Second Report**”) has been prepared to provide this Honourable Court with information with respect to the following:

- a) The activities of the Receiver since the Receiver's First Report to Court dated September 12, 2024;
- b) To request the Court's approval to payout the remaining balance owing to RBC of \$151,381 plus ongoing interest as at November 21, 2024; and,
- c) To outline the remaining activities to be undertaken by the Receiver up until the completion of the receivership.

III. SCOPE AND TERMS OF REFERENCE

- 9. In preparing this Report and in making the recommendations contained herein, the Receiver has relied upon information obtained from discussions with the principals, former employees of the Companies, and where appropriate, the Companies' books and records.
- 10. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Receiver expresses no opinion or other assurance in respect of such information as reflected in this Report.
- 11. All references to dollars are in Canadian currency unless otherwise noted.

IV. THE ACTIVITIES OF THE RECEIVER

- 12. Since the date of the Receiver's First Report to Court dated September 12, 2024, the Receiver has:
 - a) Completed the sale of the VRP assets to 1495213 B.C. Ltd.;
 - b) Completed the sale of the 139 assets to 1494072 B.C. Ltd.;
 - c) Liaised with Chase Payments and Elavon with respect to credit card merchant deposits held by the respective parties for sales made by credit card; and,

- d) Assigned both Companies into bankruptcy.
- 13. Attached as **Appendix A** is a copy of the filed Receiver's Certificate with respect to the completion of the sale of the assets to 1494072 B.C. Ltd.
- 14. Attached as **Appendix B** is a copy of the filed Receiver's Certificate with respect to the completion of the sale of the assets to 1495213 B.C. Ltd.
- 15. The Receiver needs to complete the following tasks prior to the completion of the receivership:
 - a) Payout the final amount owing to RBC of \$151,381, plus accrued interest to the date of the payout;
 - b) Securing the funds currently held by payment processors, Chase Merchant Services and Elavon Canada Company; and,
 - c) Applying for the discharge of the Receiver.
- 16. The Receiver requests the Court approve the payment of \$151,381, plus accrued interest to satisfy RBC's debt in full.

V. STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 17. The Receiver is currently holding approximately \$958,000 between VRP and 139. A summary of the consolidated Statement of Receipts and Disbursements for the period July 18, 2024 to December 6, 2024 is summarized on the following page.

	139	VRP	Total
	(\$000's)		
Receipts			
Enbloc sale of assets	813	5,899	6,712
Return of units to Forest River / Northwood	1,157	368	1,525
RV sales and collection of A/R	819	356	1,175
Parts and service sales	189	67	256
Shareholder injection	-	150	150
Sale of life insurance and extended warranties	72	12	84
PST Collected	62	19	81
GST collected	48	21	69
Cash in bank account	28	-	28
Interest and other	5	7	12
	3,193	6,899	10,092
Disbursements			
Wages and benefits	177	134	311
Receiver's Fees	154	138	292
Parts, services and operational costs	72	66	138
GST Paid	58	32	90
PST remitted	62	19	81
Legal fees	30	30	60
Rent	39	-	39
Life insurance / extended warranty	28	4	32
Insurance	11	14	25
Deemed Trust claim (source deductions)	21	-	21
Disbursement of funds held in trust	15	-	15
Other costs (security, travel, advertising, utilities, etc.)	44	25	69
	711	462	1,173
Net Receipts over Disbursements	2,482	6,437	8,919
Payments to Secured Creditor	2,185	5,776	7,961
Funds in Receiver's Account	297	661	958

18. The Receiver estimates priority creditors for payroll source deductions and Wage Earner Protection Program ("WEPP") claims to be approximately \$127,000. These claims will rank in priority to the claim of RBC.
19. Attached as **Appendix C** is a copy of the Statement of Receipts and Disbursements for the period July 18, 2024 to December 6, 2024 of 139.

20. Attached as **Appendix D** is a copy of the Statement of Receipts and Disbursements for the period July 18, 2024 to December 6, 2024 of VRP.
21. The Receiver anticipates that there will be full payment to the first secured creditor, RBC, and therefore will be a recovery to other creditors who rank behind RBC.

VI. CONCLUSION AND RECOMMENDATION

Conclusion

22. The Receiver anticipates that there will be full payment to the first secured creditor, RBC. There are no other secured creditor claims.
23. The Receiver has completed the sale of the VRP and 139 Assets.
24. The Receiver has assigned the Companies into bankruptcy.

Recommendation

25. The Receiver recommends that the Court approve the final distribution to RBC of approximately \$151,381, plus accrued interest.

All of which is respectfully submitted this 9th day of December 2024.

BDO CANADA LIMITED,

In its capacity as Receiver of
Vernon Recreational Products (VRP) Sales and Service Ltd. and
1390951 B.C. Ltd.
and not in its personal or corporate capacity.

Per:



BDO Canada Limited

Jervis C. Rodrigues, FCPA, FCA, CIRP, CFE, LIT
Senior Vice President

Per:



BDO Canada Limited

Chris Bowra, CPA, CA, CIRP, LIT
Vice President

APPENDIX A

Receiver's Certificate for the sale of assets to 1494072 B.C. Ltd.



NO. S-244399
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
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1390951 B.C. LTD.

Between:

ROYAL BANK OF CANADA

PETITIONER

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VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

REQUISITION – GENERAL

Filed by: BDO Canada Limited in its capacity as Court-appointed Receiver and Manager (in that capacity, the "Receiver") of the assets of the assets, undertakings and properties of Vernon Recreational Products (VRP) Sales and Service Ltd. ("VRP") and 1390951 B.C. Ltd.

Required:

1. To file the attached Receiver's Certificate.

This Requisition is supported by the following:

1. Order Made After Application (Approval and Vesting Order) dated September 17, 2024, before the Honourable Justice Milman.

Date: 04/October/2024

Signature of lawyer for filing party
Cassandra Federico

THIS REQUISITION – GENERAL is prepared and filed by the law firm, Dentons Canada LLP, 20th Floor, 250 Howe Street, Vancouver, B.C. V6C 3R8, Attention: Jordan Schultz/Cassandra Federico (Telephone number: 604-687-4460) | Email: jordan.schultz@dentons.com; Cassandra.federico@dentons.com

RECEIVER'S CERTIFICATE

Reference is made to the Asset Purchase Agreement dated September 3, 2024 (the "**APA**") among BDO Canada Limited., in its capacity as receiver manager of Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C. Ltd., and not in its personal capacity (the "**Receiver**"), as vendor, and 1494072 B.C. Ltd. (the "**Purchaser**"), as purchaser, a copy of which is attached as Schedule "B" to the Order Made After Application made September 17, 2024 (the "**Vesting Order**") and filed herein.

PURSUANT TO PARAGRAPHS 2 AND 3 OF THE VESTING ORDER the Receiver hereby certifies that all conditions of the APA have been satisfied or waived and upon filing this Certificate the sale transaction contemplated by the APA will have completed.

DATED at the City of Vancouver, in the Province of British Columbia, this 1 day of October, 2024.

BDO CANADA LIMITED, in its capacity as court appointed receiver of receiver manager of **VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND 1390951 B.C. LTD.**, and not in its personal capacity

DocuSigned by:
By: Chris Bowra
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APPENDIX B

Receiver's Certificate for the sale of assets to 1495213 B.C. Ltd.



NO. S-244399
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 1390951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

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RECEIVER'S CERTIFICATE

Reference is made to the Asset Purchase Agreement dated September 4, 2024 (the "**APA**") among BDO Canada Limited., in its capacity as receiver manager of Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C. Ltd., and not in its personal capacity (the "**Receiver**"), as vendor, and 1495213 B.C. Ltd. (the "**Purchaser**"), as purchaser, a copy of which is attached as Schedule "B" to the Order Made After Application made September 17, 2024 (the "**Vesting Order**") and filed herein.

PURSUANT TO PARAGRAPHS 2 AND 4 OF THE VESTING ORDER the Receiver hereby certifies that all conditions of the APA have been satisfied or waived and upon filing this Certificate the sale transaction contemplated by the APA will have completed.

DATED at the City of Vancouver, in the Province of British Columbia, this 3 day of October, 2024.

BDO CANADA LIMITED, in its capacity as court appointed receiver of receiver manager of **VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND 1390951 B.C. LTD.**, and not in its personal capacity

By: Chris Bowra
DocuSigned by:
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APPENDIX C

Statement of Receipts and Disbursements for period July 18, 2024 to December
6, 2024 of 1390951 B.C. Ltd.

**In the Matter of the Receivership of 1390951 B.C. Ltd.
Receiver's Interim Statement of Receipts and Disbursements
For the Period July 18 to December 6, 2024**

Receipts	\$
Return of units to Forest River	1,157,150
RV sales	816,903
Enbloc sale of assets	813,191
Parts and service sales	188,653 (1)
Sale of life insurance and extended warranties	72,074
PST Collected	62,126
GST collected	48,022
Cash in bank account	28,392
Interest	4,628
Collection of A/R	2,276
	3,193,415
Disbursements	
Wages and source deductions	170,434
Receiver's Fees	153,782
Inventory and fuel purchases	71,980
PST remitted	62,126
GST paid	58,322
Rent	39,286
Legal fees	30,283
Life insurance / extended warranty	27,757
Deemed trust claim - payroll source deductions	21,456
Disbursement of funds held in trust	15,427
Insurance	10,698
Security	11,825
Advertising	7,256
Travel	7,254
Employee benefits	6,839
Utilities	6,361
Worksafe BC	2,653
Contract labour	2,100
Change of Locks	1,953
Lease	1,770
Courier, postage, redirection of mail	414
Computer services	389
Bank charges	197
	710,562
Net Receipts over Disbursements	2,482,853
Payment to Secured Creditor	
Funds from Forest River	1,157,150
Sales proceeds in trust - from Dentons Canada LLP	813,191
Funds to RBC - from company account	215,016
	2,185,356
Funds in Receiver's Account	297,497

Notes:

1) Does not include \$106,000 that Chase Payments is holding.

APPENDIX D

Statement of Receipts and Disbursements for period July 18, 2024 to December 6, 2024 of Vernon Recreational Products (VRP) Sales and Service Ltd.

**In the Matter of the Receivership of
Vernon Recreational Products (VRP) Parts and Service Ltd.
Receiver's Interim Statement of Receipts and Disbursements
For the Period July 18 to December 6, 2024**

Receipts	\$
Enbloc sale of assets	5,899,151
Return of units to Forest River and Northwood	367,582
RV Sales	330,197
Shareholder injection	150,000
Parts and Services	67,076 (1)
AR collection	24,851
GST collected	21,217
PST collected	19,264
Sale of extended warranty	12,477
Net credit for Seller's Rural Property Taxes	4,807
Interest income	1,879
	6,898,501
Disbursements	
Receiver fees	137,896
Wages and Source deductions	133,828
Operating expenses	65,544
Legal fees	30,283
GST paid	32,434
PST remitted	19,264
Insurance	14,371
Travel	8,306
Security	6,657
Tax return preparation	5,000
Extended warranties	4,000
Utilities	2,988
Mailing expenses	644
Newspaper notices	397
	461,612
Net Receipts over Disbursements	6,436,889
Payment to Secured Creditor	
Sales proceeds in trust - from Dentons Canada LLP	5,211,136
Funds from Forest River and Northwood	367,582
Funds to RBC - from company account	197,432
	5,776,151
Funds in Receiver's Account	660,738

Note 1

An additional amount of \$62,679 is on hold with Elavon pending release.