

Form 3-49
(Rule 3-49)

01084

COURT FILE NUMBER KBG-SA-_____-2025

COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

APPLICANT BUFFALO RIVER DEVELOPMENT LP, by its general partner, BUFFALO RIVER ENTERPRISES CORP.

RESPONDENTS THREEOSIX INDUSTRIAL SERVICES INC. and 102056994 SASKATCHEWAN LTD.

IN THE MATTER OF THE RECEIVERSHIP OF THREEOSIX INDUSTRIAL SERVICES INC. and 102056994 SASKATCHEWAN LTD.

ORIGINATING APPLICATION
(Appointment of Receiver)

NOTICE TO THE MEMBERS OF THE PRELIMINARY SERVICE LIST

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where: Court of King's Bench for Saskatchewan
520 Spadina Crescent East
Saskatoon, Saskatchewan

Date: September 8, 2025

Time: 10:00 a.m.

Go to the end of this document to see what you can do and when you must do it.

The applicant seeks the following remedy or order:

1. The applicant, Buffalo River Development LP, by its general partner, Buffalo River Enterprises Corp. ("BREC"), seeks:

- (a) an order pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-6 (the "*BIA*"), section 10-15 of *The King's Bench Act*, SS 2023, c 28 (the "*KB Act*"), and section 64(8) of *The Personal Property Security Act*, 1993, SS 1993, c P-6.2 (the "*PPSA*") appointing BDO Canada Limited ("**BDO**") as receiver of all the assets, undertakings, and properties of the respondents, ThreeOSix Industrial Services Inc. ("**ThreeOSix**") and 102056994 Saskatchewan Ltd. ("**994**"), and together with ThreeOSix, the "**Debtors**", acquired for, or used in relation to, the Debtors' business, including all proceeds thereof (the "**Property**"); and
- (b) such further and other relief as counsel may request and this Honourable Court may allow.

The applicant's grounds for making this application are:

2. Section 243 of the *BIA*, section 10-15 of the *KB Act*, and section 64(8) of the *PPSA* grant this Court jurisdiction to appoint BDO as receiver of the Property.

- (a) section 243 of the *BIA* provides that, on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:
 - (i) take possession of all or substantially all of the inventory, accounts receivable, or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
 - (ii) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
 - (iii) take any other action that the court considers advisable;
- (a) on an interlocutory application pursuant to section 10-15 of the *KB Act*, the Court may appoint a receiver unconditionally or on any terms and conditions that the Court considers appropriate; and
- (b) section 64(8) of the *PPSA* permits the appointment of a receiver upon the application by an interested person to perform the actions set out in section 64(3) of the *PPSA*, which include taking custody and control of the collateral in accordance with the security agreement or order pursuant to which the receiver is appointed.

The applicant's summary of the material facts is as follows:

A. The Respondents

3. ThreeOSix and 994 are Saskatchewan corporations with registered offices in Saskatoon, Saskatchewan.

4. BREC is the majority shareholder of 994 holding 153 of the 205 issued Class A shares. The other 51 Class A shares are held by Longroad Consulting Limited.

5. ThreeOSix is a wholly owned subsidiary of 994.

B. Loan and Security

6. Between March 8, 2024 and May 9, 2024, BREC advanced \$6.852 million to 994 pursuant to:

- (a) a March 8, 2024 promissory note in the amount of \$500,000, which is payable on demand and secured by, among other things, a security interest in 994's shares in ThreeOSix;
- (b) a March 13, 2024 promissory note in the amount of \$1 million, which matured on March 14, 2025;
- (c) a March 14, 2024 promissory note in the amount of \$1 million, which matured on March 14, 2025;
- (d) a March 28, 2024 promissory note in the amount of \$1.5 million, which matured on March 14, 2025;
- (e) an April 17, 2024 promissory note in the amount of \$1.5 million, which is payable on demand; and
- (f) a May 9, 2024 promissory note in the amount of \$1.3 million, which is payable on demand.

(collectively, the "**Promissory Notes**")

7. Under each of the Promissory Notes, 994 agreed to pay interest at 12% per annum and all of BREC's legal costs and disbursements.

8. In addition to the Promissory Notes, BREC and 994 entered into a loan agreement dated March 8, 2024, as amended by the parties pursuant to an amending agreement dated March 14, 2024 (collectively, the "**994 Loan Agreement**," and together with the Promissory Notes, the "**Agreements**"), the terms of which included the following:

- (a) the maximum indebtedness to be advanced under the 994 Loan Agreement was \$4 million;
- (b) the loan was to mature on March 14, 2025; and
- (c) ThreeOSix (and other parties) agreed to indemnify BREC for any defaults under the 994 Loan Agreement.

9. BREC holds the following as security for the amounts advanced by BREC to 994 under the Agreements:

- (a) a general security agreement dated April 9, 2024 executed by 994 in favour of BREC, whereby 994 granted BREC a security interest in all of 994's present and after-acquired personal property (the "**994 GSA**");
- (b) a guarantee dated April 9, 2024 executed by ThreeOSix in favour of BREC, whereby ThreeOSix guaranteed the repayment of 994's indebtedness to BREC up to a maximum amount of \$4 million (plus interests and costs) (the "**ThreeOSix Guarantee**"); and
- (c) a general security agreement dated April 9, 2024 executed by ThreeOSix in favour of BREC, whereby ThreeOSix granted BREC a security interest in all of ThreeOSix's present and after-acquired personal property (the "**ThreeOSix Property**") as security for the ThreeOSix Guarantee.

10. Finally, ThreeOSix is additionally indebted to BREC pursuant to an assignment agreement dated May 13, 2024, as amended by an amended and restated purchase and assignment agreement dated October 31, 2024 (collectively, the "**Amended Assignment Agreement**"), whereby BREC purchased all of ThreeOSix's \$3,917,257.72 debt to the Bank of Montreal and took an assignment of its security for the same.

C. Default and Demand

11. 994 and ThreeOSix have committed acts of default under, among other things, the terms of the Agreements and the 994 GSA, including the following:

- (a) half of the Promissory Notes matured on March 14, 2025 and the indebtedness owed by 994 under the same has not been repaid; and
- (b) ThreeOSix and 994 are insolvent and unable (or soon will be unable) to meet its ongoing obligations, thereby putting BREC's security for the ThreeOSix Guarantee at risk.

12. Accordingly, BREC demanded payment from 994 under the Agreements and from ThreeOSix under the ThreeOSix Guarantee and served the requisite notice pursuant to section 244 of the *BIA* on August 29, 2025.

13. 994 and ThreeOSix have failed to repay their indebtedness to BREC in accordance with its demand, and BREC remains concerned that the ThreeOSix Property, in particular, is in jeopardy.

14. An order appointing BDO as receiver of the Property is necessary to preserve the value of the Property and 994 and ThreeOSix's business operations for the benefit of their creditors. BDO is a licensed insolvency trustee and has consented to be appointed as receiver of the Property.

In support of this application, the applicant relies on the following:

15. In support of this application, BREC relies on:

- (a) this originating application;
- (b) the affidavit of Tyrone Rutzki;

- (c) a proposed form of receivership order in both clean and blacklined versions with the changes in the latter tracked to the Court's template receivership order;
- (d) a consent to appointment executed by BDO;
- (e) a brief of law, to be served and filed in accordance with rule 6-15(b); and
- (f) such further and other materials and evidence that counsel may advise and this Honourable Court may allow.

DATED at Saskatoon, Saskatchewan, this 3rd day of September, 2025.

McDOUGALL GAULEY LLP


Per: 

PAUL FEDOROFF, counsel to the applicant, Buffalo River Development LP, by its general partner, Buffalo River Enterprises Corp.

This notice is issued at the above-noted judicial centre on the 3rd day of September, 2025.

N. Watier
Local Registrar



 (Deputy) Local Registrar

NOTICE

You are named as a respondent because you have made or are expected to make an adverse claim with respect to this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form.

A party moving or opposing an originating application must serve on each of the other parties and file a brief of written argument in accordance with the timelines specified in rule 3-50. The applicant's brief must be served and filed at least 10 days before the hearing. The respondent's brief must be served and filed at least 5 days before the hearing.

If you intend to rely on an affidavit or other evidence when the originating application is heard or considered, you must serve a copy of the affidavit and other evidence on the originating applicant at least 10 days before the originating application is to be heard or considered.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm: McDougall Gauley LLP
Name of lawyer in charge of file: Paul Fedoroff / Craig Frith
Address of legal firm: 500-616 Main Street
Saskatoon, SK S7H 0J6
Telephone number: 306-665-5405
Fax number: 306-652-1323
Email address: pfedoroff@mcdougallgauley.com
cfrith@mcdougallgauley.com