

15-Aug-25

REGISTRY

NO. S-241456  
VANCOUVER REGISTRY**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE RECEIVERSHIP OF

MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS LTD., 786SD ESTATE LTD., MG 786 ENTERPRISES LTD., 1237647 B.C. LTD., 1257271 B.C. LTD., HEERA JEWELLERS INC., P. SONA JEWELLERS INC., RCJ JEWELLERS INC.

**NOTICE OF APPLICATION****Name of applicant: BDO Canada Limited, in its capacity as court appointed receiver and manager ("BDO" or the "Receiver")**To: the Service List, attached a **Schedule "A"** to this Notice of Application

TAKE NOTICE that an application will be made by the applicant to the presiding judge or associate judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on 29/AUG/ 2025 at 9:45 a.m. for the orders set out in Part 1 below.

The applicant(s) estimate(s) that the application will take 20 minutes.

- This matter is within the jurisdiction of an associate judge.
- This matter is not within the jurisdiction of an associate judge.

**ORDERS SOUGHT**

1. An order substantially in the form attached hereto as **Schedule "B"** (the "**Auction Approval Order**"):
  - (a) approving the auction and sale of certain inventory of Mahindra Jewellers Ltd. ("**Mahindra**"), Surrey Gold Jewellers Ltd. ("**Surrey Gold**"), P. Sona Jewellers Inc. ("**Sona**"), 1237647 B.C. Ltd. ("**123**"), 1257271 B.C. Ltd. ("**125**"), Heera Jewellers Inc. ("**Heera**"), and RCJ Jewellers Inc. ("**RCJ**" and, together with Mahindra, Surrey Gold, Sona, 123, 125, and Heera, the "**Companies**"), by Bonhams & Butterfields Auctioneers Corporation ("**Bonhams**");

- (b) declaring that the inventory to be sold by Bonhams is property of the Companies;
2. an order substantially in the form attached hereto as **Schedule “C”** (the **“Meltdown and Sale Agreement”**):
  - (a) approving the sale of select inventory of the Companies to Guardian International Gold Corp.;
  - (b) declaring that certain third-party inventory is property of the Companies and that the Receiver be at liberty to sell the same to Guardian International Gold Corp.; and
3. an order substantially in the form attached hereto as **Schedule “D”** (the **“Distribution Order”**) approving an interim distribution to Canadian Imperial Bank of Commerce (**“CIBC”**); and
4. such further and other relief as this Honourable Court deems just.

**Part 2: FACTUAL BASIS**

**A. The Companies**

1. Mahindra, Surrey Gold, and Sona each operated retail jewelry businesses, located in the lower mainland.
2. 123 is a holding company which owned real property located at Unit 116 - 32083 Hillcrest Avenue, Abbotsford, British Columbia, which was sold by order of this Court, made June 11, 2025.
3. 125 is a holding company which owns real property located at 2548 Clearbrook Road, Abbotsford, the location from which the Companies' head office operated.
4. Heera does not appear to have any active operations. The Receiver understands that this entity was intended to operate a retail jewelry store which did not ultimately open.
5. RCJ does not have any active operations. The Receiver understands that this entity was used for wholesale jewelry sales.
6. In addition to retail jewelry sales, the Companies offered jewelry repair services and layaway programs, whereby customers could make monthly installment payments towards a purchase, with the jewelry item delivered on payment in full.

7. CIBC provided credit facilities (the “**Credit Facilities**”) to the Companies.
8. The Companies are collectively indebted to CIBC in the estimated amount of \$10,000,000 as at March 4, 2025.
9. On March 4, 2025, on application of CIBC, BDO was appointed as court-appointed receiver of all the assets, undertakings and property of the Companies, including all proceeds but excluding certain real property.

**B. The Inventory**

10. The Receiver has recovered certain inventory from various of the premises from which the Companies operated (the “**Inventory**”). The Inventory consists of approximately 9,000 pieces of assorted jewelry, made of gold, silver, diamonds, and various other gemstones.
11. The Companies have been uncooperative and so the Receiver is unable to determine whether all of the Companies’ inventory has been recovered.
12. The Receiver engaged Imperial Gem Lab Ltd. (“**Imperial**”), a certified gemologist, to identify and assess the Inventory. Preliminary findings indicated that the majority of the Inventory’s value is derived from its gold content. Therefore, the estimated melt value is being utilized by the Receiver as the minimum floor value for the Inventory.
13. In addition to gold jewelry, the Inventory also consists of silver jewelry and a selection of lab-grown diamonds and various other gemstones. Based on its assessment, Imperial has determined that these pieces have limited realizable value.
14. The Receiver contacted several auctioneers (the “**Auctioneers**”), to solicit interest in the auction of the Inventory. The Receiver was advised by the Auctioneers that due to the nature of the Inventory – predominantly East Indian and non-designer pieces – interest was limited. The Receiver experienced significant difficulty in securing interest from the Auctioneers willing to accept the Inventory for sale.
15. Based on discussions with the Auctioneers, the Receiver understands that:
  - (a) the majority of the Inventory is not expected to achieve values exceeding the melt value of the metals, although select pieces may do so;
  - (b) due to recent increases in gold prices, the melt value of the Inventory is currently elevated;

- (c) the Inventory lacks designer branding, thereby reducing the inherent value of craftsmanship and restricting marketability;
  - (d) the majority of the Auctioneers have no interest in auctioning the silver inventory, citing the low individual value of the pieces;
  - (e) existing jewelry retailers are melting gold and silver to raise cash;
  - (f) typical gold jewelry is a lower karat weight, typically 10 karat, but most of the Inventory that is gold jewelry is 22 karat, which results in a significantly higher gold price; and,
  - (g) there were concerns regarding the condition of the jewelry and damage to certain pieces, likely resulting from a rushed packing process by the Companies, which negatively impacts salability.
16. The Receiver noted the following concerns:
- (a) the Inventory is highly susceptible to theft, and in the absence of an itemized inventory listing, there is no means to track any potential losses;
  - (b) the Receiver engaged in discussions with HUB Insurance, who advised that, in the absence of an itemized inventory listing with corresponding value, procuring insurance coverage for the Inventory would be exceedingly difficult, if not entirely unfeasible; and,
  - (c) the auction process would be prolonged due to the volume of inventory, during which time interest would continue to accrue on the indebtedness of the Companies.
17. Given that an auctioneer is not likely to achieve a price for the majority of the Inventory above melt-down value and the other above-listed concerns related to the Inventory and insurance for the same, the Receiver is of the view that an auction for all items of the Inventory is not practical in these circumstances.

### **Bonhams Auction**

18. Bonhams, one of the Auctioneers which expressed interest in the Inventory, was granted access by the Receiver to inspect the Inventory.
19. After conducting its inspection, Bonhams advised the Receiver of the following:
- (a) that a number of items in the Inventory are composed of less than 22 karat gold and contain a significant quantity of gemstones and/or diamonds; and

- (b) with respect to the above-mentioned items, Bonhams would be prepared to sell them at auction, as it anticipates the potential to achieve sale prices in excess of melt value.
- 20. Bonhams has selected certain items from the Inventory which it is prepared to sell at auction (the "**Auction Items**").
- 21. In aggregate, Bonhams estimates the value in an auction for the Auction Items to be between \$275,000 and \$381,000. The estimated melt value of these items ranges from \$120,000 to \$180,000.
- 22. The Receiver has entered into two agreement with Bonhams to auction the Auction Items (the "**Bonhams Auction Agreement**"). The separate agreements relate to Inventory of Mahindra and Surrey Gold, respectively.
- 23. One of the conditions of the Bonhams Auction Agreement is that the Receiver be able to deliver clear title to the Auction Items.
- 24. The Receiver is not aware of any person who has asserted title or ownership of the Auction Items. In particular, none of the Auction Items are Third-Party Inventory (as defined below).
- 25. The Receiver accordingly requests the Court's approval of the Bonham's Auction Agreement, and a declaration that the Auction Items are the property of the Companies, pursuant to the Receivership Order.

### **Remaining Inventory**

- 26. The Receiver has considered several options for the disposition of the remaining Inventory, other than the Auction Items (the "**Remaining Inventory**").

### ***Silverman***

- 27. The Receiver contacted Silverman Consulting & Retail Services ("**Silverman**"), a firm specializing in retail liquidation of jewelry and consumer goods.
- 28. Silverman advised the Receiver that:
  - (a) any sale would need to be conducted from one of the Companies' retail locations. The only retail location that the Receiver was in possession of was the Hillcrest Property which has now been sold;
  - (b) Silverman does not guarantee any recovery over melt value;

- (c) Silverman would require 4 weeks to prepare the Remaining Inventory for sale and expects the sale to take a further 12 weeks;
- (d) Silverman would focus primarily on the gold pieces of the Remaining Inventory and does not expect there to be much interest in the silver pieces;
- (e) the Remaining Inventory remains highly susceptible to theft, and without an itemized list, losses would be difficult to detect; and
- (f) Silverman does not guarantee that all of the Remaining Inventory would be sold.

29. The Receiver has determined not to move ahead with Silverman.

***Retail Buyers***

- 30. The Receiver also sought to generate interest in a bulk or partial purchase of the Remaining Inventory and engaged in discussions with a third-party retailer (the “**Retailer**”).
- 31. The Retailer advised the Receiver that, at present, they are able to procure gold jewelry from India at prices below the prevailing spot price and that such pricing arrangements are common among East Indian jewelry importers.
- 32. Consequently, the Receiver understands that jewelry imported from India holds limited resale value in the Canadian market. Based on the foregoing the Retailer advised the Receiver that there would likely be minimal interest from comparable retailers in acquiring the Remaining Inventory at a price equal to or above the melt value.

***Retail and Wholesale Buyers***

- 33. The Receiver prepared a marketing package (the “**Teaser**”) for circulation among prospective retail and wholesale buyers.
- 34. The Teaser was distributed to 54 entities across Canada engaged in the jewelry trade, with particular emphasis on identifying retailers and wholesalers catering to the East Indian market.
- 35. Of the 54 recipients, only four parties responded to the Teaser. None of the parties provided an offer and cited the following concerns:

- (a) due to the absence of accompanying documentation—specifically certificates of authenticity and hallmarking—the Remaining Inventory could not be imported into other jurisdictions;
  - (b) the inability to inspect the inventory in detail raised concerns that a portion of the items may be outdated in style, potentially rendering them unsellable given the fashion-driven nature of the jewelry industry;
  - (c) the stated weights for the jewelry items may not be accurate;
  - (d) the timeline for completing a transaction and the volatility of gold pricing presented additional challenges. Specifically, potential purchasers were concerned that any offer based on a fixed price might be rendered uncompetitive by the time Court approval was obtained and the transaction finalized. Although the Receiver advised that offers could be indexed to the prevailing spot price of gold, no such offers were received; and
  - (e) one retailer noted that their standard practice is to acquire newly styled jewelry at or near spot pricing, which enables more efficient turnover. Given that the Companies' inventory likely consists primarily of older and non-branded pieces, the retailer did not consider it commercially viable to proceed with a purchase.
36. The Remaining Inventory includes a significant number of low-quality set gemstones and imitation stones, which diminishes overall market desirability. The jewelry lacks notable branding or stylistic features that would otherwise generate consumer interest. Based on these factors, the Receiver believes it is unlikely that a retail-based purchaser will submit a competitive offer for the Remaining Inventory.

### ***Refiners***

37. The Receiver has determined that it will obtain the best price for the remaining gold component of the Remaining Inventory by refining the same and obtaining its melt-value.
38. The Receiver received offers from five gold and silver refiners across Canada (the "**Refiners**"), to melt down the Remaining Inventory.
39. The Receiver estimates that, following the melting and refining process, the total weight of the gold will be approximately 13,750 grams.
40. Key terms of the proposals received from the Refiners are as follows:

- (a) the Refiner's will take a percentage fee of the gross value from 1.5% to 10%, with the gross value being the spot price of gold;
  - (b) payment for the Remaining Inventory will be remitted within 72 hours following delivery of the Remaining Inventory to the Refiner's facilities; and
  - (c) all of the Refiners offer secure pickup via armored transport and provide insurance coverage whilst the Remaining Inventory is in transit and in their possession.
41. In reviewing the proposals received from the Refiners, the Receiver considered, amongst other things:
- (a) the anticipated recovery to creditors;
  - (b) the provision of any financial guarantees;
  - (c) the commission structures, buyer's premiums, and other related pricing mechanisms;
  - (d) the terms and conditions for each proposal;
  - (e) the ability to maintain insurance coverage on the Remaining Inventory throughout the disposition process;
  - (f) the security of the Remaining Inventory; and
  - (g) the level of support expressed by CIBC for each proposal.
42. Having regard to the foregoing factors, the Receiver concluded the proposal from Guardian International Gold Corp. ("**Guardian**") was the best proposal received, and subsequently the Receiver entered into an agreement with Guardian for the same (the "**Guardian Agreement**").
43. CIBC has expressed support for the Guardian Agreement, and Guardian comes recommended by industry experts.
44. The Receiver is of the opinion that the sales process undertaken prior to entering into the Guardian Agreement was fair, transparent, and afforded all interested parties an equal opportunity to access relevant information and submit an offer or proposal.

45. The Receiver is of the view that, given the circumstances, the sale process was sufficiently robust and of adequate duration to maximize the value of the Remaining Inventory.
46. The Receiver believes that the relevant market was thoroughly canvassed for stakeholders with a potential interest in the Remaining Inventory. The Receiver worked in collaboration with its network of professionals to identify and engage with prospective purchasers.

### **Third-party Inventory**

47. The Receiver identified certain Inventory at the retail premises of the Companies that was segregated and labelled to suggest it may have been left at the stores for repairs or under layaway arrangements, and that third parties may have an interest in such Inventory.
48. Specifically, the Receiver identified 103 items across the 4 stores that appeared to constitute third-party inventory. While certain items were tagged with customer information, such as names, telephone numbers, dates, and outstanding balances, most items were not accompanied by any identifying information.
49. The Receiver located customer details for only 36 of the 103 items identified at the stores.
50. The Receiver attempted to contact each customer for whom a telephone number was available, making two separate attempts and leaving voicemail messages where direct contact could not be established.
51. The Receiver received several unusual responses to these outreach efforts:
  - (a) two individuals advised that they had retrieved their items on March 11, 2025, eight days after the date of the Receivership Order, during which time the stores were closed and under the Receiver's control. The Receiver believes these items may have been retrieved from a related-party location, specifically a store within the same plaza as Mahindra that had rebranded to "Mahindra Gold and Jewels", which was observed by the Receiver on March 6, 2025, and is owned by Pawandeep and Sonia Dhunna. Notwithstanding these claims, the Receiver remains in possession of inventory tagged for pick-up by these individuals;
  - (b) two individuals stated they had no inventory pending retrieval. However, the Receiver remains in possession of inventory items bearing their identifying tags; and

- (c) two individuals advised that they had collected their inventory several months prior. Nonetheless, the Receiver retains inventory tagged under their names.
52. Some third parties provided email addresses to the Receiver to facilitate coordination for pick-up. To date, only three individuals have attended to retrieve items.
53. In addition to direct outreach efforts, the Receiver posted notices on the entrance doors of each of the Companies' retail locations, providing its contact information.
54. As of the date of this Report, the Receiver remains in possession of 100 items identified as third-party inventory (the "**Third-Party Inventory**").
55. The Receiver does not believe that any more of the Third-Party Inventory will be claimed. The Receiver further notes that the records for the Third-Party Inventory indicate that some of the pieces were dropped off in 2022 and 2023.
56. As set out above, the Receiver has made considerable efforts to identify and return the Third-Party Inventory. To date, the Receiver remains in possession of the Third-Party Inventory. Given the lack of identifying documentation, the prolonged storage period, and the absence of additional inquiries from potential claimants or purchasers, the Receiver requests the Court make a declaration that the Third-Party Inventory is property of the Companies, pursuant to the Receivership Order and this Court's approval to dispose of the remaining inventory in its possession by way of sale to Guardian for the purpose of melting, in the same manner as the rest of the Remaining Inventory. The Receiver is of the view that this approach provides the most efficient, secure, and commercially reasonable means of realizing value for the estate.

### **Interim Distribution**

57. CIBC has a first-in-time security interest registered in the British Columbia Personal Property Registry against all present and after-acquired property of the Companies.
58. The Receiver has completed the sale of the Hillcrest Property and holds the sale proceeds in trust.
59. It is expected that on completion of the sale of the Inventory, Third-Party Inventory, and the Clearbrook Property, that the Receiver will be in a position to pay out up to \$9 million to CIBC.

60. Any payment to CIBC will be subject to the claim of CRA for deemed trust claims. CRA is still in the process of completing payroll trust examinations for the Companies. The Receiver will make appropriate holdbacks for these and any other known priority claims.
61. The Receiver seeks the Court's approval to make an interim distribution to CIBC, subject to holdback for priority claims as mentioned above.

**Part 3: LEGAL BASIS**

1. The Petitioner will rely on:
  - (a) the Receivership Order;
  - (b) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as may be amended from time to time) [**BIA**];
  - (c) Rule 13-5 of the *Supreme Court Civil Rules*; and
  - (d) Section 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.
2. Section 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") provides the court with jurisdiction to authorize the Receiver to take any action that the Court considers advisable:

243 (1) Subject to subsection (1.1), 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:

- (a) take possession of all or substantially all of the inventory, accounts receivable or the 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;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
- (c) take any other action that the court considers advisable.

*Bankruptcy and Insolvency Act*, s.243(1)

3. The purpose and object of a receivership authorized by the *BIA* is to facilitate and enhance the preservation and realization of the assets of an insolvent debtor for the benefit of creditors in accordance with their priority rankings.

*British Columbia v. Peakhill Capital Inc.*,  
2024 BCCA 246 at para 21

4. This necessarily involves the receiver being endowed with the power to liquidated assets, and being charged with a principal responsibility to ensure the liquidation of assets results in the maximum return to creditors.

*Ibid.* at para 21

5. While jurisdiction under 243(1)(c) is not unbounded, orders granted under a statutory regime will be legitimate to the extent they are consistent with, and further the purposes and objects of, the statute.

*Ibid.* at para 23

**Approval of the sale of the Inventory and Third-Party Inventory to Bonhams and Guardian**

6. Pursuant to paragraphs 3(l)(ii) and 3(m) of the Receivership Order, the Receiver was granted the power to sell the Property, subject to approval of this Court, and to apply for a vesting order in connection with the same.
7. *Royal Bank v. Soundair Corp.* is the leading authority on the relevant considerations guiding the Court when approving a sale proposed by a receiver, which are:
  - (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
  - (b) the interests of all parties;
  - (c) the efficacy and integrity of the process by which offers are obtained; and
  - (d) whether there has been unfairness in the sales process.

***Royal Bank v. Soundair Corp.*, 1991  
CarswellOnt 205 (O.N.C.A.) [*Soundair*] at  
para. 16.**

8. In this case the Receiver submits all of the *Soundair* factors have been met and the Court should approve the sale proposed herein. The Receiver submits that an order approving the sale of the Property to the relevant purchaser is appropriate for the following reasons:

- (a) the Receiver has made a sufficient effort to get the best price for the Inventory and has not acted improvidently, and the purchase price reflects the fair market value for the Inventory;
- (b) both the Bonhams Agreement and Guardian Agreement are supported by CIBC, as is the application to sell the Third-Party Inventory to Guardian;
- (c) the sale process was sufficiently robust and of adequate duration to maximize the value of the Inventory;
- (d) the relevant market was thoroughly canvassed for stakeholders with a potential interest in the Inventory. The Receiver worked in collaboration with its network of professionals to identify and engage with prospective purchasers; and
- (e) the process used to market and sell the Inventory was fair and reasonable.

#### **Distribution to CIBC**

- 9. CIBC has a first-in-time security interest registered in the British Columbia Personal Property Registry against all present and after-acquired property of the Companies.
- 10. Any payment to CIBC will be subject to the claim of CRA for deemed trust claims and no distribution will be made to CIBC until the amount of such claims are known to the Receiver.

#### **Part 4: MATERIAL TO BE RELIED ON**

- 1. Receivership Order made March 4, 2025;
- 2. Receiver's First Report to the Court, filed May 28, 2025;
- 3. Receiver's Second Report to the Court, to be filed; and
- 4. Any other material this Honourable Court may allow.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days of service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed Application Response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: 15/AUG/2025

  
 \_\_\_\_\_  
 Signature of lawyer for filing party  
 Jordan Schultz

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
<input type="checkbox"/>	with the following variations and additional terms:
_____	
_____	
_____	
Date:	_____
Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Associate Judge	

\_\_\_\_\_

## APPENDIX

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- discovery: comply with demand for documents
- discovery: production of additional documents

- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

**Schedule "A"**

**SERVICE LIST**

As at January 13, 2025

<p><b>BDO Canada Limited, in its capacity as court-appointed Receiver</b> Royal Centre, 1055 West Georgia Street Unit 1100, PO Box 11101 Vancouver, BC V6E 3P3</p> <p><b>Chris Bowra</b> tel: 604-694-8372 Email: <a href="mailto:cbowra@bdo.ca">cbowra@bdo.ca</a></p> <p><i>Court-appointed Receiver of Mahindra Jewellers Ltd., Surrey Gold Jewellers Ltd., 1237647 B.C. Ltd., 1257271 B.C. Ltd., Heera Jewellers Inc., P. Sona Jewellers Inc., RCJ Jewellers Inc.</i></p>	<p><b>Dentons Canada LLP</b> 20<sup>th</sup> Floor, 250 Howe Street Vancouver, BC V5C 3R8</p> <p><b>Attention: Jordan Schultz</b></p> <p>Email: <a href="mailto:jordan.schultz@dentons.com">jordan.schultz@dentons.com</a> <a href="mailto:nav.sidhu@dentons.com">nav.sidhu@dentons.com</a> <a href="mailto:chelsea.denton@dentons.com">chelsea.denton@dentons.com</a></p> <p><i>Counsel for the Receiver, BDO Canada Limited</i></p>
<p><b>Gowling WLG (Canada) LLP</b> 2300 – 550 Burrard Street Vancouver, BC V6C 2B5</p> <p><b>Jonathan B. Ross</b> tel: 604-891-7278 email: <a href="mailto:jonathan.ross@ca.gowlingwlg.com">jonathan.ross@ca.gowlingwlg.com</a></p> <p><i>Counsel for the Petitioner, Canadian Imperial Bank of Commerce</i></p>	<p><b>Campbell, Froh, May &amp; Rice LLP</b> 5611 Cooney Road Richmond, BC V6X 3J6</p> <p><b>William Macleod</b> tel: 604 273-8481 Email: <a href="mailto:bmacleod@cfmrlaw.com">bmacleod@cfmrlaw.com</a></p> <p><i>Counsel for the Debtors, Mahindra Jewellers Ltd., Surrey Gold Jewellers Ltd., 786SD Estate Ltd., MG 766 Enterprises Ltd., 1237647 B.C. Ltd., 1257271 B.C. Ltd., Heera Jewellers Inc., P. Sona Jewellers Inc., RCJ Jewellers Inc.</i></p>
<p><b>Richards &amp; Richards</b> 10325 150<sup>th</sup> Street Surrey, BC V3R 4B1</p> <p><b>George H. Richards</b> tel: 604-588-6844 email: <a href="mailto:litigation@richardslaw.com">litigation@richardslaw.com</a></p> <p><i>Counsel for the Debtors, Balbir Kaur Sangha and Jasbinder Kaur Gohal</i></p>	<p><b>Ministry of the Attorney General (BC)</b> Legal Services Branch, Min. of Attorney General PO Box 9280 Stn Prov Govt (2<sup>nd</sup> Flr, 1001 Douglas Street) Victoria, BC V8W 9J7</p> <p><b>Hanjia Yu, Paralegal</b> tel: (236) 468-1544 (direct) email: <a href="mailto:AGLSBRevTaxInsolvency@gov.bc.ca">AGLSBRevTaxInsolvency@gov.bc.ca</a></p> <p><i>Counsel for the Province of BC (Justice, Health and Revenue)</i></p>

**Borden Ladner Gervais LLP**

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**Kendall Andersen**

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*Counsel for LFC Hickory24 Limited Partnership,  
by its general partner, Lanyard Investments Inc*

**Schedule "B"**

Draft Order

*(See Attached)*



- (d) “**Debtors**” means Mahinda Jewellers Ltd., Surrey Gold Jewellers Ltd., 1237647 B.C. Ltd., 1257271 B.C. Ltd., Heera Jewellers Inc., P. Sona Jewellers Inc., and RCJ Jewellers Inc.;
- (e) “**Property**” has the meaning given to that term in the Auction Agreements;
- (f) “**Second Report**” means the Second Report of the Receiver dated August \_\_, 2025; and
- (g) “**Transactions**” means the sale of the Property to the Buyers pursuant to and in accordance with the terms of the Auction Agreements.

### **Title to Property**

2. The Property is declared to be property of the Debtors within the meaning of the Receivership Order made March 4, 2025.

### **Approval of Auction Agreements and Vesting of Property**

3. The Transactions contemplated by the Auction Agreements are hereby approved and the Auction Agreements are commercially reasonable. The execution of the Auction Agreements by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance to any Buyer of the assets described in the Auction Agreements.

4. The Receiver and the Auctioneer are authorized to market and sell the Property in accordance with the terms of the Auction Agreement, and upon sale of any of the Property by the Auctioneer in accordance with the Auction Agreements and payment of the purchase price for such Property, all of the Debtors’ right, title and interest in and to such Property shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated March 4, 2025 (the “**Receivership Order**”); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (collectively, the “**Encumbrances**”); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

5. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Property is

required for the due execution, delivery and performance by the Receiver of the Auction Agreement.

6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property (the "**Net Proceeds**") shall stand in the place and stead of the Property, and all Claims shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

7. The Buyers shall, by virtue of the completion of the acquisition of any Property, as contemplated by this Order and the Auction Agreements, have no liability of any kind whatsoever in respect of any Claims against the Debtors.

8. Upon receipt of the Net Sale Proceeds and completion of the transactions contemplated in the Auction Agreements to the satisfaction of the Receiver, the Receiver shall file a certificate with this Court confirming the same.

#### **General**

9. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtors now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of any Debtor,

the vesting of the Property in a Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of a Debtor and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

12. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of Jordan Schultz  
Lawyer for the Receiver

By the Court.

\_\_\_\_\_  
Registrar

**SCHEDULE "A"**

**LIST OF COUNSEL**

<b>Name</b>	<b>Appearing for</b>

NO. 241456  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE RECEIVERSHIP OF

MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS LTD.,  
786SD ESTATE LTD., MG 786 ENTERPRISES LTD., 1237647 B.C. LTD.,  
1257271 B.C. LTD., HEERA JEWELLERS INC.,  
P. SONA JEWELLERS INC., and RCJ JEWELLERS INC.

---

**ORDER MADE AFTER APPLICATION  
[AUCTION APPROVAL]**

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DENTONS CANADA LLP  
BARRISTERS & SOLICITORS  
250 Howe Street, 20<sup>th</sup> Floor  
Vancouver, BC V6C 3R8  
Phone No.: (604) 687-4460  
Attention: Jordan Schultz

**Schedule "C"**

Draft Order

*(See Attached)*



- (e) **"Second Report"** means the Second Report of the Receiver dated August \_\_, 2025; and
- (f) **"Transaction"** means the sale of the Jewellery to the Purchaser pursuant to and in accordance with the terms of the Sale Agreement.

### **Title to Jewellery**

2. The Jewellery is declared to be property of the Debtors within the meaning of the Receivership Order made March 4, 2025.

3. Without limiting the foregoing, the Third Party Inventory (as defined in the Second Report) is declared to be property of the Debtors within the meaning of the Receivership Order made March 4, 2025.

### **Approval of Sale Agreements and Vesting of Jewellery**

4. The Transaction and other steps contemplated by the Sale Agreements (including, without limitation, the smelting and refinement of the Jewellery) are hereby approved and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement.

5. Upon delivery by the Receiver to the Purchaser of a certificate confirming completion of the Transaction and receipt of the net sale proceeds (the **"Receiver's Certificate"**), all of the Debtors' right, title and interest in and to the Jewellery shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the **"Claims"**) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated March 4, 2025 (the **"Receivership Order"**); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (collectively, the **"Encumbrances"**); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Jewellery are hereby expunged and discharged as against the Jewellery.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Jewellery is

required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Jewellery shall stand in the place and stead of the Jewellery, and all Claims shall attach to the net proceeds from the sale of the Jewellery with the same priority as they had with respect to the Jewellery immediately prior to the sale, as if the Jewellery had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

8. The Purchaser shall, by virtue of the completion of the acquisition of any Jewellery, as contemplated by this Order and the Sale Agreement, have no liability of any kind whatsoever in respect of any Claims against the Debtors.

9. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.

#### **General**

10. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtors now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of any Debtor,

the vesting of the Jewellery in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of a Debtor and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

13. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

---

Signature of Jordan Schultz  
Lawyer for the Receiver

By the Court.

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Registrar

**SCHEDULE "A"**

**LIST OF COUNSEL**

<b>Name</b>	<b>Appearing for</b>

NO. 241456  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE RECEIVERSHIP OF

MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS LTD.,  
786SD ESTATE LTD., MG 786 ENTERPRISES LTD., 1237647 B.C. LTD.,  
1257271 B.C. LTD., HEERA JEWELLERS INC.,  
P. SONA JEWELLERS INC., and RCJ JEWELLERS INC.

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**ORDER MADE AFTER APPLICATION  
[MELTDOWN AND SALE APPROVAL]**

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DENTONS CANADA LLP  
BARRISTERS & SOLICITORS  
250 Howe Street, 20<sup>th</sup> Floor  
Vancouver, BC V6C 3R8  
Phone No.: (604) 687-4460  
Attention: Jordan Schultz

**Schedule "D"**

Draft Order

*(See Attached)*

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE RECEIVERSHIP OF

MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS LTD.,  
786SD ESTATE LTD., MG 786 ENTERPRISES LTD., 1237647 B.C. LTD.,  
1257271 B.C. LTD., HEERA JEWELLERS INC., P. SONA JEWELLERS INC.,  
and RCJ JEWELLERS INC.

**ORDER MADE AFTER APPLICATION  
(DISTRIBUTION)**

BEFORE ) THE HONOURABLE JUSTICE )  
) )  
) ) 29 / AUG /2025  
) )

ON THE APPLICATION of the BDO Canada Limited, in its capacity as court appointed receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Jordan Schultz, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto, and no one else appearing, although duly served;

THIS COURT ORDERS AND DECLARES THAT:

1. The distributions authorized and approved by paragraph 2 of this Order shall at all times be subject to:
  - (a) the completion of the transactions authorized and approved by this Court pursuant to orders made June 11, 2025 (in respect of the sale of 116 32083 Hillcrest Avenue), and this day (in respect of the Bonhams Auction Agreements and the Guardian Sale Agreement);
  - (b) receipt by the Receiver of the net proceeds from the sale from the above noted transactions (the "**Net Sale Proceeds**"); and
  - (c) the Receiver retaining from the Net Sale Proceeds a reserve of funds (the "**Holdback Reserve**") in an amount satisfactory to the Receiver sufficient for the payment of:

- (i) the obligations secured by the Receiver's Charge as defined in the Receivership Order made March 4, 2025 (the "**Receivership Order**");
- (ii) any borrowings permitted by the Receivership Order and secured by the Receiver's Borrowing Charge as defined in the Receivership Order;
- (iii) amounts owing by the Receiver in respect of (x) its ordinary course post-appointment obligations incurred since the commencement of these receivership proceedings up to and including the date of this Order, and (y) amounts incurred, or estimated to be incurred, by the Receiver in respect of its ordinary course post-appointment obligations from and after the date of this Order;
- (iv) amounts required to be remitted to the Canada Revenue Agency in relation to payroll source deductions and goods and services tax;
- (v) wages and vacation pay owed to employees of the Debtor assessed by the Receiver prior to its appointment in accordance with the *Wage Earner Protection Program Act*; and
- (vi) such other obligations or claims for which the Receiver deems it to be prudent in the circumstances to maintain a Holdback Reserve for.

2. Subject to the availability of sufficient Net Sale Proceeds, and the requirement to maintain the Holdback Reserve, the Receiver is authorized to make interim distributions to Canadian Imperial Bank of Commerce ("**CIBC**"), up to the amount of the amount outstanding to CIBC.

3. For clarity, the Receiver is authorized to make the interim distributions set out herein from any and all proceeds, including by not limited to the Net Sale Proceeds, subject to the requirement to maintain the Holdback Reserve.

4. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of Jordan Schultz  
Lawyer for the Receiver

By the Court.

\_\_\_\_\_  
Registrar

**SCHEDULE "A"**

**LIST OF COUNSEL**

<b>Name</b>	<b>Appearing for</b>

NO. 241456  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE RECEIVERSHIP OF

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1257271 B.C. LTD., HEERA JEWELLERS INC.,  
P. SONA JEWELLERS INC., and RCJ JEWELLERS INC.

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**ORDER MADE AFTER APPLICATION  
[DISTRIBUTION]**

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DENTONS CANADA LLP  
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250 Howe Street, 20<sup>th</sup> Floor  
Vancouver, BC V6C 3R8  
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