

Form 3-49
(Rule 3-49)

FILED IN THE OFFICE OF THE
LOCAL REGISTRAR, THE 13th
DAY OF Aug 2024
R. Radon
DEPUTY LOCAL REGISTRAR

COURT FILE
NUMBER

KBG-SA-1002-2024

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

JUDICIAL CENTRE SASKATOON

APPLICANT ROYAL BANK OF CANADA

RESPONDENT MOOSE JAW AUTO & LEISURE LTD.

IN THE MATTER OF THE RECEIVERSHIP OF MOOSE JAW AUTO & LEISURE
LTD.

ORIGINATING APPLICATION
(Appointment of a Receiver)

NOTICE TO THE RECIPIENTS LISTED IN 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
Judicial Centre of Saskatoon
520 Spadina Crescent East
Saskatoon, SK S7K 3G7

Date: Tuesday August 27, 2024

Time: 10:00 a.m.

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

PARTICULARS OF APPLICATION

The applicant seeks the following remedy or order:

1. The applicant, Royal Bank of Canada (“**RBC**”), seeks the following relief:

- (a) an order validating service of this Originating Application and the supporting materials filed by RBC;
- (b) an order pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), section 10-15 of *The King’s Bench Act*, SS 2023, c 28, and section 64(8) of *The Personal Property Security Act, 1993*, SS 1993, c P-6.2 appointing BDO Canada Limited (“**BDO**”) as the receiver of the properties, assets, and undertakings (collectively, the “**Property**”) of the respondent, Moose Jaw Auto & Leisure Ltd. (“**Moose Jaw Auto**”); and
- (c) 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. RBC is entitled to apply to have BDO appointed as receiver over the Property of Moose Jaw Auto for, among others, the following reasons:

- (a) RBC is the senior secured creditor of Moose Jaw Auto and has a security interest in all of Moose Jaw Auto’s present and after-acquired personal property;
- (b) RBC served a demand letter (the “**Demand Letter**”) and notice of intention to enforce security pursuant to section 244 of the BIA (the “**BIA Notice**”) on Moose Jaw Auto’s registered office on July 16, 2024;
- (c) Moose Jaw Auto is insolvent;
- (d) the Indebtedness (as defined below) owed by Moose Jaw Auto to RBC is due and payable in full because:
 - (i) RBC and Moose Jaw Auto are parties to a credit agreement (as amended, the “**Credit Agreement**”) and each of the Loans (as defined below) under the Credit Agreement is payable, in full, upon demand by

RBC; and

- (ii) Moose Jaw Auto has failed to repay the Indebtedness owed to RBC;
- (e) Moose Jaw Auto agreed that RBC is entitled to the remedy of the appointment of a receiver under and pursuant to the agreements made by Moose Jaw Auto in favour of RBC (collectively, the “**Security**”);
- (f) RBC perfected the personal property security interests created by the Security by registering financing statements at both the Saskatchewan Personal Property Registry and the Manitoba Personal Property Registry; and
- (g) it is just and convenient that a receiver be appointed over the Property including because:
- (i) the Security permits RBC to appoint a receiver over the Property;
 - (ii) Moose Jaw Auto is no longer an operating business;
 - (iii) the employment of the majority of Moose Jaw Auto’s employees has been terminated;
 - (iv) the majority of the Property can be readily moved and relocated by any person; and
 - (v) a receiver will be well positioned to, among other things: investigate Moose Jaw Auto’s affairs, including with respect to any reviewable transactions; review and respond to potential third-party claims against Moose Jaw Auto; engage the *Wage Earner Protection Program Act, SC 2005, c 47*, to the extent required; determine if there are outstanding receivables that may be collected for the benefit of Moose Jaw Auto’s creditors; and address outstanding obligations (if any) owed to government agencies, including Canada Revenue Agency and the Saskatchewan Ministry of Finance.

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

3. Moose Jaw Auto is indebted to RBC pursuant to various loans and advances (the "Loans"), the particulars of which are described in the Credit Agreement. The Loans are repayable in full upon demand by RBC.

4. RBC served the Demand Letter and the BIA Notice on Moose Jaw Auto. Moose Jaw Auto has refused or neglected and continued to refuse or neglect to repay the Indebtedness (as defined below). As of July 15, 2024, Moose Jaw Auto was indebted to RBC in the following amounts pursuant to the Loans:

Operating Loan #85953090001:	\$200,599.80
Credit Card #486584****9927:	\$36,947.50
Credit Line EI4133	\$340,096.43
Credit Line EI4135:	\$180,242.50
Credit Line EI4129:	\$54,333.41
Credit Line EI4134:	\$119,094.27
<u>Credit Line EI4132:</u>	<u>\$561,932.14</u>
Total:	\$1,493,246.05

together with ongoing interest and costs, including RBC's legal fees and disbursements (collectively, the "Indebtedness").

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


5. RBC relies on the following material or evidence:

- (a) The originating application, with proof of service;

- (b) Affidavit of Bonnie Holzapfel sworn August 13, 2024 (to be filed);
- (c) Affidavit of Kerry Orth sworn August 13, 2024 (to be filed);
- (d) Draft Receivership Order (to be filed);
- (e) Redline of the Draft Receivership Order to the Saskatchewan Template Receivership Order (to be filed);
- (f) Consent to Appointment, executed by BDO Canada Limited (to be filed); and
- (g) Brief of Law (to be filed).


DATED at Saskatoon, Saskatchewan, this 13th day of August, 2024.

McDOUGALL GAULEY LLP

Per: 
Michael Milani, K.C. and Paul Fedoroff,
Solicitors for the Applicant,
Royal Bank of Canada

This notice is issued at the above-noted judicial centre on the 13th day of Aug, 2024.



 **K. Radem**
Deputy Local Registrar (seal)
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.

The rules require that a party moving or opposing an originating application must serve any brief of written argument on each of the other parties and file it at least 3 days before the date scheduled for hearing the originating application.

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

If prepared by a lawyer for the party:

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Name of lawyer in charge of file:	Michael Milani, K.C./Paul Fedoroff
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