

COURT FILE NUMBER Q.B.G. No. 480 of 2019

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

JUDICIAL CENTRE SASKATOON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS P.S. ELECTRIC LTD. and HARVEY KING

IN THE MATTER OF THE RECEIVERSHIP OF P.S. ELECTRIC LTD.

NOTICE OF APPLICATION

(Sale Approval and Vesting Order)

**NOTICE TO RESPONDENT**

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 House, 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Monday, December 14, 2020
Time	9:00 a.m.

Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. To confirm the telephone number where you can be reached on the date of the application, you must immediately contact the office of the local registrar at (306) 933-5135 and provide your telephone number. You must remain available by telephone at that number on that date until your matter is heard.

*(Read the Notice at the end of this document to see what else you can do and when you must do it.)*

**Remedy claimed or sought:**

1. An Order in the form of the proposed draft Sale Approval and Vesting Order filed herewith:
  - (a) approving, authorizing and directing BDO Canada Limited, in its capacity as Receiver (the "**Receiver**") of the assets, undertakings and properties of P.S. Electric Ltd. (the "**Debtor**"), to implement the auction process (the "**Auction Sale**") pursuant to the Equipment Sale Proposal between the Receiver and McDougall Auctioneers Ltd. (the "**Auctioneer**") dated December 8, 2020 (the "**Auction Contract**") respecting certain equipment in the possession of P.S. Electric Ltd. (the "**Assets**") attached to the Confidential Supplement to

the First Report of the Receiver (the "**Confidential Supplement**"), in accordance with the Auction Contract;

- (b) vesting in the respective purchasers at auction of the Assets all right, title and interest in and to such Assets, free and clear of all liens, charges and encumbrances;
- (c) approving the activities of the Receiver; and
- (d) sealing the Confidential Supplement on the Court file.

2. Such further and other relief as counsel may request and this Honourable Court may allow.

**Grounds for making this application:**

- 3. The Debtor carried on business as an electrical contractor in and around Estevan, Saskatchewan, prior to the appointment of the Receiver on October 13, 2020.
- 4. Between October 16-19, 2020, the Receiver and its agents attended the Debtor's main business premises in the Rural Municipality of Estevan No. 5, Saskatchewan, and seized the Debtor's equipment, inventory, and vehicles (the aforementioned Assets).

Sale Approval and Vesting Order

- 5. Pursuant to paragraph 3(k) of the Receivership Order granted in these proceedings on October 13, 2020 by the Honourable Mr. Justice R.W. Elson (the "**Receivership Order**"), the Receiver has considered and pursued various options to liquidate the Assets. The Receiver elected, subject to the approval of this Honourable Court pursuant to paragraph 3(l)(ii) of the Receivership Order, to proceed with the Auction Contract in order to have the Auctioneer sell the Assets at auction.
- 6. As detailed in the First Report of the Receiver (the "**First Report**") and the Confidential Supplement thereto, the Receiver has explored multiple options and represents the best opportunity available to obtain good value for the Assets, particularly in light of the Net Minimum Guarantee provided by the Auctioneer.
- 7. Royal Bank of Canada, the Debtor's senior secured creditor, supports the Auction Sale.

Approval of the Activities of the Receiver

- 8. As more particularly detailed in the First Report and the Confidential Supplement thereto, the activities of the Receiver to date have at all times been conducted with efficiency and integrity, with due regard for the interests of all parties, and with the support of RBC, the senior secured creditor.

### Sealing of the Confidential Supplement

9. The Confidential Supplement contains commercially sensitive information, including details of the proposals made in respect of the Assets, as well as an unredacted copy of the Auction Contract, which in turn references, *inter alia*, the net minimum guarantee given for the Assets.
10. Publicly disclosing this commercially sensitive information prior to the Auction Sale would be prejudicial to any future sale in the event that this Honourable Court does not grant the Sale Approval and Vesting Order sought, or if the Auction Sale does not occur for any reason.
11. The Receiver has given notice to the media of its intention to seek a sealing order, as required by General Application Practice Directive #3.
12. Such further or other grounds as counsel may advise and this Honourable Court may allow.

### **Material or evidence to be relied on:**

13. this Notice of Application, with proof of service;
14. the First Report of the Receiver dated December 8, 2020;
15. the Confidential Supplement to the First Report of the Receiver;
16. a form of draft Sale Approval and Vesting Order;
17. a redline document showing the changes made in the draft Sale Approval and Vesting Order from the Saskatchewan Template Sale Approval and Vesting Order;
18. a Brief of Law (to be filed);
19. proof of compliance with General Application Practice Directive #3; and
20. Such further and other materials as counsel may advise and this Honourable Court may allow.

### **Applicable Acts and Regulations:**

21. *The Bankruptcy and Insolvency Act*, RSC 1985, c B-3, Part XI.
22. *The Personal Property Security Act*, 1993, SS 1993, c P-6.2, sections 63-64.

23. *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01, section 12.

DATED at Saskatoon, Saskatchewan, this 9th day of December, 2020.

**MLT AIKINS LLP**

Per: 

Jeffrey M. Lee, Q.C. and Paul Olfert, counsel for the Receiver, BDO Canada Limited

**NOTICE**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

Name of firm: MLT Aikins LLP  
Lawyer in charge of file: Jeffrey M. Lee, Q.C. and Paul Olfert  
Address of firm: 1201, 409 3<sup>rd</sup> Avenue South, Saskatoon SK S7K 5R5  
Telephone number: 306.975.7100  
Email address: JMLee@mltaikins.com / POlfert@mltaikins.com  
File No: 63921.8