



No. S-229607  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN

**MITSUBISHI HC CAPITAL CANADA INC.**

Petitioner

- and -

**VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.**

Respondents

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

**IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.**

**NOTICE OF APPLICATION**

(Final Distribution and Discharge Order)

**Names of applicant:** BDO Canada Limited, in its capacity as Court-appointed receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties (the "**Property**") of Vic Van Isle Construction Ltd. ("**Vic Van Isle**"), VVI Construction Ltd. ("**VVI**"), and Lortap Enterprises Ltd. ("**Lortap**" and together with Vic Van Isle and VVI, collectively, the "**Debtors**").

**To:** The Service List attached hereto as **Schedule "A"**

**TAKE NOTICE** that an Application will be made by the Receiver to the presiding Judge at the courthouse 800 Smithe Street, Vancouver, British Columbia, on the 2<sup>nd</sup> day of February, 2024.

The Petitioner estimates that the hearing of the Petition will take 30 minutes.

This matter is not within the jurisdiction of a master.

## **PART 1 – ORDERS SOUGHT**

1. The Receiver seeks an Order, substantially in the form attached as **Schedule “B”**, approving the assignment transaction (the **“Transaction”**) contemplated by the Assignment Agreement dated January 9, 2024 (the **“Assignment Agreement”**) between the Receiver and VVI Construction (2020) Ltd (**“VVI 2020”**) for the sale of all accounts receivable held by the Debtors as set out in the Assignment Agreement.
2. The Receiver seeks an Order, substantially in the form attached as **Schedule “C”**, among other things:
  - (a) approving a distribution to the Debtors' senior secured creditor, Mitsubishi HC Capital Canada, Inc. (**“Mitsubishi”**), in an amount not to exceed \$25,000.00;
  - (b) approving a distribution to Mr. James Gordon Hampton (**“Hampton”**) of the remainder of the funds held by the Receiver at the conclusion of these proceedings in an amount estimated to be \$166,000;
  - (c) approving the Receiver's activities, conduct and fees incurred to date plus the estimated fees, disbursements and taxes to a maximum of \$15,000 to complete the administration of the receivership;
  - (d) approving the accounts of the Receiver's legal counsel, Miller Thomson LLP (**“Miller Thomson”**) to date, plus estimated fees, disbursements and taxes to a maximum of \$20,000 to complete the administration of the receivership; and
  - (e) discharging the Receiver, subject to the distribution of funds on hand in accordance with the Order of the Court.
3. Such further and other relief as counsel may advise and this Honourable Court deems just and appropriate in the circumstances.

## **PART 2 – FACTUAL BASIS**

4. On December 2, 2022, BDO Canada Limited was appointed as receiver of certain assets (the “**Limited Receiver**”) of Vic Van Isle.
5. On April 11, 2023, the Limited Receiver was discharged and BDO Canada Limited was appointed as Receiver of all the assets, undertakings, and properties (collectively, the “**Property**”) of the Debtors pursuant to an Order of the Honourable Justice Fleming (the “**Receivership Order**”).
6. Vic Van Isle and VVI Ltd.’s primary business prior to the appointment of the Receiver was providing general contractor and design build services to construction projects located in interior British Columbia, Alberta and Ontario. Lortap’s primary business was millwork and cabinetry manufacturing.
7. On or about July 19, 2023, the Receiver assigned Vic Van Isle and Lortap into bankruptcy in accordance with Paragraph 3(s) of the Receivership Order.
8. As set out in the Third Report of the Receiver dated January 18, 2024 (the “**Third Report**”), the mandate of the receivership is substantially completed subject to completing the Transaction and distributing the remaining funds with the Receiver to creditors in accordance with priorities.
9. The Receiver intends to make a final distribution in relation to the proceeds realized during the course of the receivership and seek its discharge.

### **Assignment of Accounts Receivable**

10. As set out in the Third Report, the Receiver has made numerous attempts to collect the accounts receivable of the Debtors (the “**Accounts Receivable**”) with limited success.
11. The Receiver has exhausted all efforts to collect the Accounts Receivable and does not believe that future collections will be forthcoming without significant costs and effort expended by the Debtors’ estate.
12. Pursuant to the Assignment Agreement, the Receiver has agreed to assign the Receiver’s right, title and interest in the Accounts Receivable to VVI 2020 for \$25,000.
13. The Transaction and Assignment Agreement are subject to court approval.

14. It is appropriate in the circumstances for the Court to approve the Assignment Agreement and Transaction.

### **Distribution to Creditors**

#### Mitsubishi

15. The Receiver's independent legal counsel has reviewed the security granted to Mitsubishi and has provided an opinion, subject to standard qualifications and assumptions, that the security is valid and enforceable.
16. On September 20, 2023, the Receiver made an interim distribution to Mitsubishi pursuant to the Interim Distribution Order of the Honourable Justice Douglas granted September 19, 2023 in the amount of \$1,000,000.00 (the "**Interim Distribution**").
17. Following the Interim Distribution, the secured claim of Mitsubishi against the Debtors was still approximately \$900,000.00 owing to Mitsubishi, plus accrued interest and legal costs.
18. The secured claim of Mitsubishi against the Debtors was guaranteed by, among others, one of the directors of the Debtors, Hampton. As security for Hampton's guarantee for the obligations to Mitsubishi of the Debtors, Hampton granted Mitsubishi a mortgage against his personal residence.
19. On January 12, 2024, Hampton closed a transaction for the sale for his personal residence, which sale resulted in Mitsubishi being paid out the remaining amounts owing to it by the Debtors, less \$25,000, which Mitsubishi owed to 2427324 Alberta Ltd., which was the landlord of the premises in which the Debtors operated (the "**Personal Residence Sale**").
20. As senior secured creditor, Mitsubishi is entitled to receive payment of the remaining \$25,000 owing, in full and final satisfaction of its priority secured claim.

#### Hampton

21. If Hampton did not make the Personal Residence Sale, Mitsubishi would have experienced a shortfall of its secured claim of approximately \$710,000.00.

22. Since Mitsubishi has been satisfied as a result of the Personal Residence Sale, pursuant to the laws of subrogation, the Receiver is of the view that a distribution to Hampton is appropriate as he stands in the position of Mitsubishi as senior secured creditor.

### **Activities of the Receiver**

23. The activities of the Receiver in the course of these receivership proceedings are set out in detail in the Third Report. The Receiver's activities include, among other activities:
- (a) performing its statutory duties as required pursuant to subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA") in relation to creditor and Official Receiver notification;
  - (b) attending the Debtors' premises located at 96 Cartier Street and 1300 Powerhouse Road, both in Revelstoke, British Columbia to take control of the Property (the "Premises");
  - (c) facilitating and administering the Wage Earner Protection Program ("WEPP") claims of forty-four (44) former employees of the Companies;
  - (d) obtaining new insurance coverage;
  - (e) working with the Canada Revenue Agency to facilitate a payroll and GST trust audit;
  - (f) conducting a sales process to obtain offers to purchase the Property;
  - (g) obtaining Court approval for the sale of the Property by way of auction;
  - (h) working with the auctioneer, McDougall Auctioneers Ltd., to prepare and facilitate the auction;
  - (i) pursuing collection of the Debtors' accounts receivable;
  - (j) liaising with numerous creditors;
  - (k) disclaiming the lease for the Premises on July 21, 2023; and,
  - (l) preparing and filing three reports for the Court.

## Professional Fees and Disbursements

24. From January 3, 2023 to November 17, 2023, the Receiver billed approximately 765.05 hours in connection with these receivership proceedings, representing total fees and disbursements incurred by the Receiver at its standard rates and charges during the relevant period, inclusive of taxes, of \$330,466.00, which consists of \$297,418 in fees, \$17,411 in disbursements, and \$15,638 in applicable taxes.
25. The details of the Receiver's fees and disbursements in these proceedings are set out in Affidavit #1 of Chris Bowra, sworn January 18, 2024 (the "**Bowra Affidavit**"). Details of the work required of the Receiver is set out in the Receiver's Reports filed in this proceeding.
26. For December 2023, Miller Thomson billed approximately 14.6 hours in connection with these receivership proceedings, representing total fees incurred by Miller Thomson at their standard rates and charges during the relevant period, inclusive of taxes, of \$9,584.35 which consists of \$8,461 in fees, \$21.30 in disbursements, and \$1,102.05 in applicable taxes.
27. The details of Miller Thomson's fees and disbursements in these proceedings are set out in Affidavit #1 of James W. Reid, sworn January 22, 2024 (the "**Reid Affidavit**").

## Discharge of Receiver

28. With the distributions and the activities completed to date as set out in the Receiver's Reports filed with the Court, the Receiver will have completed the activities contemplated by the Receivership Order. The activities described in the Third Report represent the final activities of the Receiver to conclude its administration of the estate of the Debtors in these receivership proceedings. As such, the Receiver seeks to be discharged of its role as the receiver of the assets, property and undertaking of the Debtors.

## PART 3 – LEGAL BASIS

29. The Receiver relies on:
  - (a) the *Law and Equity Act*, RSBC 1996, c 250;
  - (b) the *Supreme Court Civil Rules*; BC Reg 168/2009 (the "**Rules**");

- (c) the BIA;
- (d) the Receivership Order;
- (e) the inherent jurisdiction of this Honourable Court; and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit.

**Assignment of Accounts Receivable and Sale Approval and Vesting Order**

- 30. Pursuant to the Receivership Order at 3(l), the Receiver may sell, convey, lease or assign the Debtors' property, or any parts thereof out of the ordinary course of business with approval of the Court.
- 31. Further, pursuant to section 3(m) of the Receivership Order, the Receiver may apply for any vesting order necessary to convey the property.
- 32. The Court has the authority to approve a sale by receiver and grant a vesting order.

*The Rules, r 13-5*  
*Law and Equity Act, RSBC 1996, c 250*

- 33. The Court will look at the following factors to determine whether it will approve a transaction:
  - (a) whether sufficient effort has been made to obtain the best price and that the receiver has not acted improvidently;
  - (b) whether the interests of all parties have been considered;
  - (c) the efficacy and integrity of the process by which offers have been obtained; and
  - (d) whether there has been unfairness in the working out of the process.

*Royal Bank v Soundair Corp, 1991 CarswellOnt 205 at para 16.*

- 34. This Court has adopted these criteria and have applied them in receivership proceedings.

*Kruger v Wild Goose Vintners Inc, 2021 BCSC 1406 at para 26.*

35. Ultimately, as the Honourable Justice Fitzpatrick observed, a more general test has been discerned for sales. The Court shall consider the transaction as a whole and whether the proposed sale is appropriate, fair and reasonable.

*Kruger* at para 30.

*Re Veris Gold Corp*, 2015 BCSC 1204, at paragraph 23;

*Re Quest University Canada*, 2020 BCSC 1883, at paragraphs 176 and 177.

36. It has been further acknowledged that the Court must place a great deal of confidence in the actions taken and in the opinions formed by a receiver, and should assume that a receiver is acting properly unless the contrary is clearly shown.

*Soundair* at para 14.

37. The Receiver submits the above factors favour the approval of the Transaction and the Assignment Agreement. Specifically:

- (a) the Receiver does not have the ability to collect on the Accounts Receivable and has exhausted all efforts in collection.
- (b) the Receiver acted reasonably when it negotiated a sale with VVI 2020 as it is highly unlikely that a commercially viable sale could be made to anyone else;
- (c) the Assignment Agreement represents the best option for the Debtors' estate to realize against the Accounts Receivable;
- (d) the Assignment Agreement is the best offer for the Accounts Receivable; and
- (e) the Receiver properly considered the interests of stakeholders.

38. For a sale of assets to a related party, the Court has reviewed the factors set out in section 65.13(4) of the *BIA* and adapted the same for a receivership context.

*Frank Bennet, Bennet on Receiverships*, 4th ed (Toronto: Thomson Reuters, 2021) at 401-404.

39. The court considers the following factors in determining whether to grant the order for sale to a person or corporation related to the debtor: (a) whether the process was reasonable in the circumstances; (b) whether the receiver approved the sale; (c) whether the receiver supports the sale and the sale is beneficial to the creditors; (d) the extent which the

creditors were consulted; (e) the effects of the proposed sale on creditors and others; (f) whether the consideration is reasonable and fair.

**Bennet at 403-404.**

40. The Court will also look at the good faith efforts to sell the assets to arm's length buyer's and the amount of consideration compared to what is offered.

**Bennet at 404.**

41. Although there is enhanced scrutiny on a sale to a related party, the Court may approve the sale when it is reasonable, and the assets are likely to perish or deteriorate rapidly.

**Ibid.**

42. The Receiver has exhausted efforts to collect on the Accounts Receivable. The Receiver is of the view the Transaction is appropriate in the circumstances.

## **Distributions**

### To Mitsubishi

43. Mitsubishi is the first ranking secured creditor of the Debtors.
44. Following a distribution of the sale proceeds from the Hampton property to Mitsubishi, Mitsubishi will have its claim fully and finally satisfied upon a distribution of \$25,000.00 from the estate of the Debtors.
45. Mitsubishi, as first secured creditor, is entitled to realization of any proceeds of sale of the Property.

### To Hampton

46. If a guarantor pays in full the indebtedness of the principal debtor, the guarantor is entitled to an assignment of any security held by the principal creditor and becomes a secured creditor. There is no necessity for any formal transfer of the security to the guarantor; the guarantor stands in the place of the creditor.

*Re Windham Sales Ltd, (1979) 102 DLR (3d) 459, 1979 CanLII 1961 (ON SC) at p 3.  
Law and Equity Act, RSBC 1996, c 253, s 34.*

47. If a guarantor makes partial payment of the indebtedness of the principal debtor, the guarantor is entitled to an equitable interest in the principal creditor's security up to the amount of the contribution by the guarantor.

*Matticks v B & M Construction (Trustee of)*, [1992] OJ No 2461 (QL), 1992 CanLII 7605 (ON SC) at p 4 and 6.

48. It is difficult to see why, if the principal creditor realizes a surplus from the realization of its security, the guarantor is not entitled to reimbursement for the payments made by it.

*Ex parte Brett*, (1871), 6 Ch. App. 838, 40 L.J. Bank. 54.

49. In its capacity as a court of equity, a court may grant subrogation rights in circumstances other than those covered by section 34 of the *Law and Equity Act*, RSBC 1996, c 253, s 34.

*Royal Bank v United Used Auto & Truck Parts Ltd.*, 2002 BCSC 487 at para 49.

50. Subrogation is an equitable remedy that allows one party to stand in the shoes of another and advance any claims that the original party may have had against another party. It is simply asking something in the right of another, which in justice and equity should be accorded to the person asking.

*Gerrow v. Dorais*, 2010 ABQB 560 at para 6. ("*Dorais*").

51. Equity will not permit a party to be barred recourse to the doctrine of subrogation on the basis that there may exist some technical prohibition against subrogation.

*Dorais*, at para 15.

52. The Receiver respectfully submits a distribution to Hampton is appropriate to reimburse this guarantor for the payment he made to Mitsubishi in satisfaction of the obligations of the Debtors.

### **Approval of Receiver's Activities**

53. The Court has the inherent jurisdiction to review the activities of a Court-appointed receiver and, if satisfied that the receiver has acted reasonably, prudently and not arbitrarily, to approve the activities set out in its report to the Court. The assessment of

whether the receiver has acted “reasonably, prudently and not arbitrarily” is made on an objective basis.

*Leslie & Irene Dube Foundation Inc v P218 Enterprises Ltd*, 2014 BCSC 1855 at para 54.

54. There are good policy and practical reasons for the Court to approve receiver’s activities. Among other things, it allows the receiver to move forward in the next steps of the receivership proceedings, allows an opportunity for the concerns of stakeholders to be addressed, and allows the Court observe that receiver’s activities have been conducted in a prudent and diligent manner.

*Re Hanfeng Evergreen Inc*, 2017 ONSC 7161 at para 17.

55. The Receiver carried out its obligations in the receivership in a prudent and commercially reasonable manner, and made commercially reasonable efforts to maximize the value received for the Debtors’ assets throughout these proceedings.
56. The Receiver’s activities since its appointment have been carried out in a reasonable, prudent and not arbitrary manner. Accordingly, an order approving the Receiver’s activities, as set out in the Receiver’s Reports, are appropriate.

#### **Approval of Receiver’s Fees and Disbursements and Fees of its Counsel**

57. Pursuant to section 243(6) of the BIA, the Court may make any order respecting the payment of fees and disbursements of the Receiver that it considers appropriate, provided it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

*BIA*, s 243(6).

58. In assessing whether the fees of a receiver and its counsel ought to be approved, the applicable standard of review is whether those fees and charges are “fair and reasonable”.

*Re Confectionately Yours Inc*, 2002 CarswellOnt3002 (ONCA) at para 25. [“*Confectionately Yours*”].

59. There is no prescribed process to pass fees, however there are some requirements for the substance or content of the accounts. The accounts must disclose in detail the name of each person who rendered services, the dates on which the services were rendered,

the time expended each date, the rate charged and the total charges for each of the categories for services rendered. The receiver's accounts and a solicitor's account should be verified by affidavit.

*Confectionately Yours* at paras 37 -38.

60. The Court considers a number of non-exhaustive factors in assessing whether the fees of a receiver are reasonable, including: (i) the nature, extent and value of the assets handled; (ii) the complications and difficulties encountered; (iii) the degree of assistance provided by the debtor; (iv) the time spent; (v) the receiver's knowledge, experience and skill; (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results of the receiver's efforts; and (ix) the cost of comparable services when performed in a prudent and economical manner.

*Confectionately Yours* at paras 42-45.

61. Similar factors are considered on the assessment of the fees and disbursements of legal counsel in insolvency proceedings, including: (i) the time expended; (ii) the complexity of the receivership; (iii) the degree of responsibility assumed by the lawyers; (iv) the amount of money involved; (v) the degree of skill of the lawyers involved; (vi) the results achieved; and (vii) the client's expectations as to the fee.

*Re Redcorp Ventures Ltd*, 2016 BCSC 188 at para. 33.

62. Further, sufficient information should be provided to enable the Court to make an independent and objective assessment of the fees claimed by the lawyer's taking into account, among other matters, the nature of the services provided and the results achieved.

*Ward Western Holdings Corp v Brosseuk*, 2023 BCSC 1193 at para 15.

63. The fees of the Receiver and its counsel are fair and reasonable in the circumstances and consistent with the market for these services in British Columbia.
64. The work completed was delegated to the appropriate professionals within the Receiver's and its counsel's respective offices, with the appropriate seniority and hourly rates.
65. The services were performed by the Receiver and its legal counsel in a prudent and economical manner.

## **Discharge of Receiver**

66. A receiver may wish to be discharged once it has completed the substance of its mandate, unless there is gross negligence or willful misconduct.

*Government of Yukon v Yukon Zinc Corporation, 2022 YKSC 58 at para 27.*

67. Further, once the receiver has completed its duties, principally the sale of the debtor's business or property and the distribution of the sale proceeds, the Court should terminate the receivership.

*Bennet at 769.*

68. Upon filing a certificate certifying that it has completed the remaining outstanding activities described in the Third Report, the Receiver will have fulfilled its mandate as set out in the Receivership Order. Accordingly, the Receiver is seeking a discharge order from this Honourable Court.
69. Notwithstanding any such discharge, the Receiver shall remain Receiver for the performance of such incidental duties as may be required for the administration of the receivership proceedings.

## **PART 4 – MATERIAL TO BE RELIED ON**

70. First Report of the Receiver, dated May 24, 2023.
71. Second Report of the Receiver, dated August 15, 2023.
72. Third Report of the Receiver, dated January 18, 2024.
73. Affidavit #1 of Chris Bowra dated January 18, 2024.
74. Affidavit #1 of James W. Reid dated January 22, 2024.
75. The Receivership Order.
76. The Interim Distribution Order.
77. Any other materials filed herein.

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 after 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: January 22, 2024



Signature of Lawyer for the Applicant

 James Reid  
Lawyer for the Applicant, BDO Canada  
Limited

MILLER THOMSON LLP  
Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW 43<sup>rd</sup> Floor  
Eight Avenue Place East  
Calgary, Alberta T2P 1G1

James W. Reid  
Phone: (403) 298-2418  
File No.: 0267850.0001

To be completed by the court only:

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of application

with the following variations and additional terms:

---

---

---

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of  Judge  Master

**Schedule "A"**  
**Service List**

Court No. S-229607

Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN

**MITSUBISHI HC CAPITAL CANADA INC.**

Petitioner

- and -

**VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND LORTAP  
ENTERPRISES LTD.**

Respondents

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

**IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.**

**SERVICE LIST**

PARTY	CONTACT INFORMATION	ROLE
BDO Canada Limited Unit 1100 Royal Centre 1055 West Georgia Street, P.O.Box 11101 Vancouver, BC V6E 3P3	Jervis Rodrigues <u><a href="mailto:JRodrigues@bdo.ca">JRodrigues@bdo.ca</a></u> Chris Bowra <u><a href="mailto:cbowra@bdo.ca">cbowra@bdo.ca</a></u>	Receiver
Miller Thomson LLP 700 W Georgia St Suite 2200, Vancouver, BC V7Y 1K8	Bryan Hicks <u><a href="mailto:bjhicks@millerthomson.com">bjhicks@millerthomson.com</a></u> James W. Reid <u><a href="mailto:jwreid@millerthomson.com">jwreid@millerthomson.com</a></u> Asim Iqbal <u><a href="mailto:aiqbal@millerthomson.com">aiqbal@millerthomson.com</a></u>	Counsel to Mitsubishi HC Capital Canada Inc.
MITSUBISHI HC CAPITAL CANADA INC. 40 KING STREET SCOTIA PLAZA 2100 TORONTO ON M5H 3C2 Canada	Philippe Frenette <u><a href="mailto:pfrenette@mhccna.com">pfrenette@mhccna.com</a></u>	Secured Creditor
Dentons LLP 250 Howe St 20 <sup>th</sup> Floor, Vancouver, BC V6C 3R8	Jordan Schultz <u><a href="mailto:jordan.schultz@dentons.com">jordan.schultz@dentons.com</a></u> Lisa Low <u><a href="mailto:Lisa.low@dentons.com">Lisa.low@dentons.com</a></u>	Council to 2427324 Alberta Ltd.
VIC VAN ISLE CONSTRUCTION LTD PO BOX 2490 119 Campbell Avenue Revelstoke BC V0E 2S0 CANADA	Jamie Hampton <u><a href="mailto:jamie@vvi-ltd.com">jamie@vvi-ltd.com</a></u>	Debtor/Respondent

<p>VVI CONSTRUCTION LTD</p> <p>119 Campbell Avenue P.O. Box 2490 Revelstoke BC V0E 2S0 CANADA</p>	<p>Jamie Hampton</p> <p><a href="mailto:jamie@vvi-ltd.com">jamie@vvi-ltd.com</a></p>	<p>Debtor/Respondent</p>
<p>LORTAP ENTERPRISES LTD</p> <p>119 Campbell Avenue P.O. Box 2490 Revelstoke BC V0E 2S0 CANADA</p>	<p>Jamie Hampton</p> <p><a href="mailto:jamie@vvi-ltd.com">jamie@vvi-ltd.com</a></p>	<p>Debtor/Respondent</p>
<p>OCEAN PARK FORD SALES LTD</p> <p>3050 King George Hwy, Surrey BC V4P 1A2 Canada</p>		<p>PPR Creditor</p>
<p>BANK OF MONTREAL/BANQUE DE MONTREAL</p> <p>250 YONGE STREET, 9TH FLOOR TORONTO ON M5B 2L7 Canada</p>		<p>PPR Creditor</p>
<p>BORDEN LADNER GERVAIS LLP</p> <p>Waterfront Centre, 200 Burrard St #1200, Vancouver, BC V7X 1T2</p>	<p>Dirk Laudan</p> <p><a href="mailto:dlaudan@blg.com">dlaudan@blg.com</a></p>	<p>Counsel to PPR Creditor Western Surety Company</p>
<p>HENDRICKSON, KENNETH LEWIS</p> <p>1593 Nichol Rd Revelstoke BC V0E 2S1 Canada</p>		<p>PPR Creditor</p>

RECEIVABLES MANAGEMENT  OFFICE –  1) ALANA LOWERY  2) LAURA CRUZ  1802 DOUGLAS STREET, 6TH FLOOR VICTORIA BC V8T 4K6 Canada		PPR Creditor
MERIDIAN ONECAP CREDIT CORP.  SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2 Canada		PPR Creditor
COUNTRY LUMBER LTD.  22538 Fraser Highway Langley BC V2Z 2T8 Canada		PPR Creditor
CANADIAN WESTERN BANK  3rd Floor, 750 Cambie Street Vancouver BC V6B OA2 Canada		PPR Creditor
CANADA REVENUE AGENCY SURREY NATIONAL VERIFICATION AND COLLECTION CENTRE  Insolvency Intake Centre Collections Directorate  9755 King George Blvd  Surrey, BC V3T 5E1	Fax (toll-free): 1-833-697-2390	Creditor

<p>ACCURATE BAILIFF GROUP</p> <p>6139 Trapp Ave, Burnaby, BC V3N 2V3</p>	<p>Peter Powers</p> <p><a href="mailto:peter.powers@aebailiffs.com">peter.powers@aebailiffs.com</a></p>	<p>Bailiff</p>
<p>BRANDT TRACTOR - CONSTRUCTION AND FORESTRY DIVISION</p> <p>TANNEA HEINEMANN</p> <p>29 Tower Road Regina SK S4P 3R8</p> <p>PO Box 32063 Victoria Square Regina SK S4N 7L2 (306) 347-4559 tel (306) 791-5945 fax</p>	<p>Tannea Heinemann</p> <p><a href="mailto:THeinemann@brandt.ca">THeinemann@brandt.ca</a></p>	<p>PPR Creditor</p>
<p>DAWSON INTERNATIONAL TRUCK CENTRES LTD.</p> <p>1495 Iron Mask Rd Kamloops BC V1S1C8</p>	<p><a href="mailto:hkwiatkowski@dawsontruckcentres.com">hkwiatkowski@dawsontruckcentres.com</a></p> <p>And/or</p> <p><a href="mailto:credit@dawsontruckcentres.com">credit@dawsontruckcentres.com</a></p>	<p>PPR Creditor</p>
<p>THE BRITISH COLUMBIA MINISTRY OF ATTORNEY GENERAL</p>	<p>Amber Davidson</p> <p><a href="mailto:AGLSBRevTaxInsolvency@gov.bc.ca">AGLSBRevTaxInsolvency@gov.bc.ca</a></p>	<p>Creditor</p>
<p>NAPA REVELSTOKE 3725</p> <p>Box 3048 -288 Big Bend Hwy Revelstoke, BC V0E 2S0</p>	<p>Cheryl Peever</p> <p>Fax : 250-837-2100</p>	<p>Creditor</p>

<p>FULTON &amp; COMPANY LLP</p> <p>Kamloops: 300-350 Landsdowne St</p> <p>Vancouver: 960-1055 W. Georgia St</p>	<p>Graham Mack</p>	<p>Creditor</p>
<p>MCCONNAN BION O'CONNOR &amp; PETERSON LAW CORP</p> <p>420-880 Douglas St</p> <p>Victoria BC V8W 2B7</p>	<p>Matthew M. Booth</p> <p><a href="mailto:MBooth@mcbop.com">MBooth@mcbop.com</a></p>	<p>Creditor</p>
<p>1042949 B.C. Ltd. c/o Rockies Law Corporation 201-907 Baker Street Cranbrook, B.C.</p>	<p>Andrew Bird</p> <p><a href="mailto:andrew@rockieslaw.com">andrew@rockieslaw.com</a></p>	<p>Creditor</p>
<p>BAKER NEWBY LLP 200 – 2955 Gladwin Rd Abbotsford, BC V2T 5T4</p>	<p>Erin M. Stewart</p> <p><a href="mailto:estewart@bakernewby.com">estewart@bakernewby.com</a></p>	<p>Counsel to Country Lumber Ltd.</p>
<p>BORDON LADNER GERVAIS Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON,</p>	<p>Mark A. Borgo</p> <p><a href="mailto:MBorgo@blg.com">MBorgo@blg.com</a></p> <p>Andrew Punzo</p> <p><a href="mailto:apunzo@blg.com">apunzo@blg.com</a></p>	<p>Counsel for Northbridge General Insurance Corporation</p>
<p>PEMBERTON CONCRETE PO Box 187 Pemberton, BC V0N 2L0</p>	<p>Frederick R. Young</p> <p><a href="mailto:fred@pembertonconcrete.com">fred@pembertonconcrete.com</a></p> <p><a href="mailto:accounting@pembertonconcrete.com">accounting@pembertonconcrete.com</a></p>	<p>Creditor</p>
<p>557969 B.C. Ltd.</p>	<p>Alexander Spraggs</p> <p><a href="mailto:Alexander.spraggs@pihl.ca">Alexander.spraggs@pihl.ca</a></p>	<p>Creditor</p>

	Emma.knutson@pihl.ca	
Separate Realty	Scott@absolutecontacting.ca	

**Schedule "B"**

**Form of Approval and Vesting Order for Assignment Agreement**

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MITSUBISHI HC CAPITAL CANADA INC.

PETITIONER

AND:

VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.

RESPONDENTS

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

\_\_\_\_\_  
)  
)  
)  
)  
)  
)

February 2, 2024

**UPON THE APPLICATION** of BDO Canada Limited, in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (collectively, the "Debtors") coming on for hearing at Vancouver, British Columbia, on the 2<sup>nd</sup> day of February, 2024

**AND ON HEARING** James W. Reid, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto;

**AND UPON READING** the material filed, including the Third Report of the Receiver dated January 18, 2024 (the "Third Report");

**THIS COURT ORDERS AND DECLARES THAT:**

1. The sale transaction (the "**Transaction**") contemplated by the Assignment Agreement dated January 9, 2024 (the "**Sale Agreement**") between the Receiver and VI Construction (2020) Ltd. (the "**Purchaser**"), a copy of which is attached as Appendix "A" to the Third Report is 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 (the "**Purchased Assets**").
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, 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 April 11, 2023; 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 (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances.
6. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
7. 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 the Debtors,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors 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*, RSC 1985, c B-3, 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.

8. 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.
9. 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.

---

Signature of James W. Reid  
Lawyer for the Receiver

**BY THE COURT**

---

Registrar

**Schedule A – Purchased Assets**

All accounts receivable held in the name of the Debtors

No. S-229607  
Vancouver Registry

---

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

---

IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI  
CONSTRUCTION LTD., AND LORTAP  
ENTERPRISES LTD.

---

**ORDER MADE AFTER APPLICATION  
APPROVAL AND VESTING ORDER**

---

MILLER THOMSON LLP  
Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Eighth Avenue Place East  
Calgary, Alberta T2P 1G1

James W. Reid  
Phone: (403) 298-2418  
File No.: 0267850.0001

**Schedule "C"**  
**Form of Distribution and Discharge Order**

VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**MITSUBISHI HC CAPITAL CANADA INC.**

PETITIONER

AND:

**VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND LORTAP ENTERPRISES LTD.**

RESPONDENTS

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

**IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.**

**ORDER MADE AFTER APPLICATION**

**APPROVAL OF FINAL DISTRIBUTION AND DISCHARGE**

BEFORE THE HONOURABLE

\_\_\_\_\_  
)  
)  
)  
)  
)  
)

February 2, 2024

**THE APPLICATION** of BDO Canada Limited, in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (collectively, the "Debtors") coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 1<sup>st</sup> day of February, 2024;

**AND ON HEARING** James W. Reid, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto;

**AND UPON READING** the material filed, including the Third Report of the Receiver dated January 18, 2024 (the "Third Report");

**THIS COURT ORDERS AND DECLARES THAT:**

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

2. The Receiver is hereby permitted to make a distribution, from the receipts held by the Receiver, to Mitsubishi HC Capital Canada, Inc. in an amount not to exceed \$25,000.00.
3. The Receiver is hereby permitted to make a distribution, from the receipts held by the Receiver, to Mr. James Gordon Hampton of all remaining funds held by the Receiver at the conclusion of these proceedings.
4. The activities and conduct of the Receiver, as set out in the Third Report and the previous reports filed in this proceeding, are hereby ratified and approved.
5. The fees and disbursements of the Receiver and its legal counsel, Miller Thomson LLP ("**Miller Thomson**"), as set out in the Affidavit of Chris Bowra, sworn January 18, 2024, and the Affidavit of James W. Reid, sworn January 22, 2024, are hereby approved.
6. Upon payment of the amounts set out in paragraphs 2-5 hereof and upon the Receiver filing a certificate certifying that it has completed the remaining outstanding activities described in the Third Report, the Receiver shall be discharged as Receiver of the assets, undertaking and property of the Debtors, provided that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO Canada Limited in its capacity as Receiver.
7. 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.
8. 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.

**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 James W. Reid  
Lawyer for the Receiver

**BY THE COURT**

---

Registrar

**SCHEDULE A  
TO APPROVAL OF FINAL DISTRIBUTION AND DISCHARGE**

**COUNSEL LIST**

<b>Counsel Name</b>	<b>Party Represented</b>

**SCHEDULE B  
TO APPROVAL OF FINAL DISTRIBUTION AND DISCHARGE**

No. S-229607

VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**MITSUBISHI HC CAPITAL CANADA INC.**

PETITIONER

AND:

**VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND LORTAP  
ENTERPRISES LTD.**

RESPONDENTS

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

**IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.**

**ORDER MADE AFTER APPLICATION**

**RECEIVER'S DISCHARGE CERTIFICATE**

**WHEREAS** pursuant to the Order of the Honourable \_\_\_\_\_ made February 2, 2024 (the "Distribution and Discharge Order"), BDO Canada Limited, in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (collectively, the "Debtors") was discharged as Receiver with such discharge to be effective upon the Receiver filing with this Court certifying that the Receiver has completed the administration of the estate.

**THE UNDERSIGNED HEREBY CERTIFIES as follows:**

1. The Receiver has complied with the Distribution and Discharge Order.
2. The Receiver has completed all other matters that are incidental to the termination of these proceedings and the discharge of the Receiver.

**NOW THEREFORE AS A RESULT OF THE FORGOING**, the Receiver is entitled to be fully and completely discharged in accordance with the terms of the Distribution and Discharge Order and relieved of any further powers or duties as Receiver in these proceedings.

**THIS RECEIVER'S DISCHARGE CERTIFICATE** is made and filed by the Receiver in accordance with paragraph 6 of the Distribution and Discharge Order.

**BDO Canada Limited** in its capacity as the Receiver of Vic Van Isle Construction Ltd., VVI Construction Ltd, and Lortap Enterprises Ltd. and not in its personal or corporate capacity

Per: \_\_\_\_\_

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

No. S-229607  
Vancouver Registry

---

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

---

IN THE MATTER OF THE RECEIVERSHIP OF  
VIC VAN ISLE CONSTRUCTION LTD., VVI  
CONSTRUCTION LTD., AND LORTAP  
ENTERPRISES LTD.

---

**ORDER MADE AFTER APPLICATION**

---

MILLER THOMSON LLP  
Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Eighth Avenue Place East  
Calgary, Alberta T2P 1G1

James W. Reid  
Phone: (403) 298-2418  
File No.: 0267850.0001