

COURT FILE NUMBER
COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE

2503 - 13640
EDMONTON

IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, as amended 2503 13640

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
COAST AUTOMOTIVE GROUP INC., COAST
NORTH VANCOUVER AUTO SALES INC.,
COAST AUTO DRAYTON INC. and 2461765
ALBERTA LTD.



APPLICANT
RESPONDENTS

BANK OF MONTREAL
COAST AUTOMOTIVE GROUP INC., COAST
NORTH VANCOUVER AUTO SALES INC.,
COAST AUTO DRAYTON INC., 2461765
ALBERTA LTD., SUNDEEP CHEEMA, and
DEEPAK PARMAR.

DOCUMENT
ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

APPLICATION FOR SECURITY FOR COSTS

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File no: 0148746.0131

NOTICE TO RESPONDENTS: This application is made against you. You are a respondent. You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: February 6, 2026
Time: 10:00 AM
Where: VIA WEBEX (<https://albertacourts.webex.com/meet/virtual.courtroom07>)
Before Whom: The Honourable Justice L.K. Harris

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

Remedy claimed or sought:

1. The Bank of Montreal (“**BMO**”) seeks an Order substantially in the form attached to this Application as **Schedule “A”** granting the following relief:
 - (a) directing Sundeep Cheema, Deepak Parmar, Harjot Randhawa, and Deerfoot Atria Partners Ltd. (collectively, the “**Non-CCAA Cross-Applicants**”), jointly and severally, to post security for costs pursuant to Rule 4.22 of the Rules of Court, Alta Reg 124/2010 by way of payment of money into Court in the amount of \$200,000 (the “**Security for Costs**”) on behalf of themselves and Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd. (collectively, the “**Coast Auto Group**”);
 - (b) directing the Non-CCAA Cross-Applicants to post the Security for Costs into Court by no later than Friday, February 13, 2026 (the “**Payment Period**”), such money to only be paid out upon application by either BMO or the Non-CCAA Cross-Applicants, on notice to each party;
 - (c) directing that if the Non-CCAA Cross-Applicants fail to pay the Security for Costs into Court within the Payment Period,
 - (i) the Cross-Application filed by the Non-CCAA Cross-Applicants for themselves and on behalf of the Coast Auto Group (the “**Cross-Application**”) in these creditor-initiated *Companies’ Creditor Arrangement Act*, RSC 1985, c C-36 proceedings (the “**CCAA Proceedings**”) shall be dismissed as if adjudicated on its merits without further order;
 - (ii) the Non-CCAA Cross-Applicants shall not be entitled to file any additional materials or pleadings in these CCAA Proceedings on behalf of themselves or the Coast Auto Group;
 - (iii) the Non-CCAA Cross-Applicants shall pay the costs of the Monitor and BMO associated with the Cross-Application on a solicitor-client full indemnity basis, jointly and severally; and
 - (d) such further and other relief as this Honourable Court deems just.

Grounds for making this application:

2. Coast Auto Drayton Inc., Coast North Vancouver Auto Sales Inc., and 2461765 Alberta Ltd. (collectively, the “**Borrower Entities**”) defaulted on their respective loan agreements with BMO.
3. These CCAA Proceedings were commenced on July 9, 2025, and BDO Canada Limited was appointed by the Court as monitor (in this capacity, the “**Monitor**”).
4. On July 25, 2025, this Court granted an order authorizing the Monitor and its sales agent to conduct a sale and investment solicitation process (“**SISP**”) for the marketing and sale of the Coast Auto Group’s business and assets, including the two full-service Stellantis automotive dealerships operated by the Coast Auto Group (the “**Dealerships**”).
5. The Dealerships were sold pursuant to the SISP and the transactions have closed in accordance with Orders granted by the Court on October 16, 2025.
6. The Non-CCAA Cross-Applicants and the Coast Auto Group were at all times represented by counsel both prior to the commencement of these CCAA Proceedings and during these CCAA Proceedings. At no time did they appeal any of the orders granted in these CCAA Proceedings.
7. There are no ongoing operations of the Coast Auto Group and there are no further assets of the Coast Auto Group to realize upon.
8. The Monitor applied for termination of these CCAA proceedings following residual wind-down items. Prior to the hearing of the Monitor’s application, the Non-CCAA Cross-Applicants on behalf of themselves and the Coast Auto Group brought the Cross-Application.
9. The Cross-Application led to an adjournment of both the Monitor’s application and the Cross-Application. A litigation timetable was agreed to by the parties and approved by the Court pursuant to a litigation scheduling order.
10. The Coast Auto Group, the Monitor, and BMO have all adhered to the time periods as outlined in the litigation timetable.
11. Notwithstanding the estate’s impecuniosity, certain of the Non-CCAA Cross-Applicants on behalf of themselves and purportedly on behalf of the Coast Auto Group bring an

emergency application to compel further cross-examination of the Monitor's representative, and a revision of the litigation scheduling order, which, if granted, will adjourn the hearing of the merits of the Cross-Application *sine die*.

Security for Costs

12. The Coast Auto Group has no ability to pay BMO's and the Monitor's costs in respect of the Cross-Application in the event that the Cross-Application is unsuccessful as all the Coast Auto Group's property has been realized upon in these proceedings.
13. The remaining funds to be distributed from the Coast Auto Group's estate in the CCAA Proceedings are encumbered by various charges and reserves, including an Administration Charge, GST/PST reserves for outstanding taxes in the amount of \$365,082, a Bankruptcy Reserve, and a Litigation Reserve.
14. As of January 28, 2026, the Coast Auto Group collectively owes BMO approximately \$28,549,755. The Monitor projects BMO's shortfall in the CCAA Proceedings at approximately \$16.2 million after all proceeds from the realization of the Coast Auto Group's property is distributed. The Coast Auto Group is impecunious and cannot satisfy a costs award.
15. The Non-CCAA Cross-Applicants are founder equity holders and other related parties that have no economic interest in the Coast Auto Group's estate given the substantial shortfall to BMO. They continue to have the estate expend significant resources to the prejudice of BMO.
16. There is no undue prejudice to the Coast Auto Group if the Security for Costs is ordered in these proceedings. The Coast Auto Group has no ongoing operations or assets. The Cross-Application has been brought exclusively for the personal interests of the Non-CCAA Cross-Applicant's, and for no benefit to the Coast Auto Group's estate.
17. Conversely, every additional litigation dollar spent by the Monitor and BMO is a dollar less for BMO.
18. It is just and reasonable for the Court to require the Non-CCAA Cross-Applicants to post the Security for Costs in this case as the Coast Auto Group will be unable to pay the costs associated with the Cross-Application, and BMO will be unduly and significantly prejudiced.

19. Such further and other grounds as counsel may advise at the hearing of this Application.

Material or evidence to be relied on:

20. Monitor's First Report, dated July 21, 2025.

21. Monitor's Third Report, dated December 3, 2025.

22. Supplement to the Third Report of the Monitor, dated January 28, 2026.

23. Brief of the Bank of Montreal dated February 4, 2026 and filed concurrently with this Application.

24. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

25. *Alberta Rules of Court*, Alta. Reg. 124/2010, including *Rules* 4.22 and 4.23; and

26. Such further and other *Rules* as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

27. None.

Any irregularity complained of or objection relied on:

28. None.

How the application is proposed to be heard or considered:

29. Virtually via Webex on the Commercial List.

WARNING

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A" – Proposed Form of Order

(See Attached)

COURT FILE NUMBER 2503 - 13640

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, as amended

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
COAST AUTOMOTIVE GROUP INC., COAST
NORTH VANCOUVER AUTO SALES INC.,
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ALBERTA LTD.

APPLICANT BANK OF MONTREAL

RESPONDENTS COAST AUTOMOTIVE GROUP INC., COAST
NORTH VANCOUVER AUTO SALES INC.,
COAST AUTO DRAYTON INC., 2461765
ALBERTA LTD., SUNDEEP CHEEMA, and
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ORDER

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File no: 0148746.0131

DATE ON WHICH ORDER WAS PRONOUNCED: February 6, 2026

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Justice L.K. Harris

UPON THE APPLICATION FOR SECURITY FOR COSTS of the Bank of Montreal;

AND UPON HAVING READ the Application and the Brief of Law of the Bank of Montreal dated February 4, 2026;

AND UPON HEARING representations of counsel for the Bank of Montreal, the Non-CCAA Cross-Applicants (defined below), BDO Canada Limited (the "**Monitor**"), and any other interested party;

IT IS HEREBY ORDERED AND ADJUDGED THAT:

1. Sundeep Cheema, Deepak Parmar, Harjot Randhawa, and Deerfoot Atria Partners Ltd. (collectively, the "**Non-CCAA Cross-Applicants**"), jointly and severally, shall post security for costs pursuant to Rule 4.22 of the Rules of Court, Alta Reg 124/2010 by way of payment of money into Court in the amount of \$200,000 (the "**Security for Costs**") on behalf of themselves and Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd. (collectively, the "**Coast Auto Group**") in respect of the Cross-Application (defined below).
2. The Security for Costs is to be paid into Court by no later than February 13, 2026 (the "**Payment Period**").
3. If the Non-CCAA Cross-Applicants fail to pay the Security for Costs within the Payment Period:
 - (a) the Cross-Application filed by the Coast Auto Group and the Non-CCAA Cross-Applicants (the "**Cross-Application**") in these *Companies' Creditor Arrangement Act*, RSC 1985, c C-36 proceedings (the "**CCAA Proceedings**") shall be dismissed as if adjudicated on its merits without further order of this Court;
 - (b) the Non-CCAA Cross-Applicants on behalf of themselves and the Coast Auto Group shall not be entitled to file any additional materials or pleadings in these CCAA Proceedings; and
 - (c) the Non-CCAA Cross-Applicants shall pay the costs of the Monitor and the Bank of Montreal associated with the Cross-Application on a solicitor-client full indemnity basis, jointly and severally.

4. The Clerk of the Court shall only release the Security for Costs out of Court upon Application by the Bank of Montreal or the Non-CCAA Cross-Applicants, with any Application to be brought on 10-days notice to each party.

JUSTICE OF THE COURT OF KING'S BENCH OF ALBERTA