VANCOUVER
AUG 18 2026
REGISTRY

No. S-264776
Vancouver Registry

***In the Supreme Court of British Columbia***

Between

Royal Bank of Canada,

Petitioner

and

West Horizon Contracting Inc.,

Respondent

**Response to Petition**

**Filed by:** The Insurance Corporation of Prince Edward Island ("**ICPEI**")

THIS IS A RESPONSE TO the petition filed 24 June 2026.

ICPEI estimates that the application will take 1 day.

**Part 1: ORDERS CONSENTED TO**

ICPEI consents to the granting of **NONE** of the orders set out in the following paragraphs of Part 1 of the petition.

**Part 2: ORDERS OPPOSED**

ICPEI opposes the granting of the orders set out in **ALL** paragraphs of Part 1 of the petition.

**Part 3: ORDERS ON WHICH NO POSITION IS TAKEN**

ICPEI take no position on the granting of the orders set out in **NONE** of the paragraphs of Part 1 of the petition.

**Part 4: FACTUAL BASIS**

1. ICPEI is an insurance company authorized to conduct the business of suretyship in British

Columbia.

2. The receivership order sought by the petitioner Royal Bank of Canada would cause immediate claims on ICPEI's bonds for little or no demonstrable benefit to RBC.

3. ICPEI has bonded 4 of West Horizon's projects with the British Columbia Ministry of Transportation and Transit (MOTT). ICPEI is therefore necessarily exposed to the certainty of bond defaults by West Horizon if the receivership order sought in this proceeding were granted.

Affidavit no. 1 of J McCreery made on 23 July 2026, paras 66 -67

4. RBC makes its argument for the benefits directly accruing from a receivership order, in these particular circumstances, in paragraph 7(b) of Part 3 of the petition:

> appointing a receiver over the assets [of] WHC, and no other remedy, will maximize the likelihood of receiving full payment for the Indebtedness.

5. This assertion is based on the following evidence filed by RBC:

> 65. I believe that appointing a receiver over the assets of WHC, and no other remedy, will maximize the likelihood of RBC receiving full payment of the Indebtedness.

Affidavit no. 1 of M Daerendinger made on 24 June 2026

6. Aside from that, the essential factual basis for RBC's application is that West Horizon owes a business debt, RBC has demanded repayment in full, which West Horizon has failed to do, and also West Horizon has failed to make certain payments to other creditors.

7. In materials in response to West Horizon's reply, RBC's affiant provides details of West Horizon's alleged failure to meet its financial covenants, which were not stated specifically before. West Horizon has not responded to this new evidence, however.

Affidavit no. 2 of M Daerendinger, made on 17 August 2026, paras 8 to 10, 12 to 14

**Part 5: LEGAL BASIS**

8. RBC makes an argument for a receivership based on the considerations enumerated in the *Seymour Health* case, and related decisions. RBC's key arguments are essentially these:

    a. RBC is owed a debt that has not been repaid despite demand,

    b. RBC has a contractual entitlement to appoint a receiver,

    c. RBC has a high priority,

    d. a receivership will maximize the likelihood of RBC receiving full repayment (based on RBC's belief as to that point), and

    e. Receivership has the advantages that are usually advanced such cases, principally relating to efficiency.

Petition, paras 6 and 7

9. What is not addressed is why a receivership should be granted now, when, as West Horizon says, there are several ongoing construction projects on which West Horizon will default if the receivership order is granted.

10. ICPEI agrees with West Horizon that, based on the evidence filed, several considerations under the *Seymour Health* analysis fail to support the granting of a receivership order, and that, on balance, the application should be dismissed. Most notably, from ICPEI's perspective, is that the receivership order would cause West Horizon's immediate default of its contracts on bonded projects, including contracts bonded by ICPEI. Conversely, there is no apparent corresponding impact on RBC if the receivership were delayed as requested by West Horizon.

West Horizon's petition response, paras 33,40, 41

**Part 6: MATERIAL TO BE RELIED ON**

11. Affidavit no. 1 of M Daerendinger

12. Affidavit no. 1 of J McCreery

13. Affidavit no. 2 of M Daerendinger

Dirk Laudan

Date: 17 August 2026

Signature of Dirk Laudan
Lawyer for the Insurance Corporation of Prince Edward Island

ICPEI's address for service:

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Name of the Petition Respondent's(s') lawyer, if any: Dirk Laudan and Alicia Aparicio