

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF EDMUNDSTON

IN THE MATTER OF THE RECEIVERSHIP OF 655873 N.-B. INC. OPERATING AS RIVIÈRE-VERTE RITE STORE, carrying on business at 6 Industrielle Street, in the Village of Rivière-Verte, in the County of Madawaska and Province of New Brunswick;

PURSUANT TO Section 33 of The *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

BETWEEN:

Royal Bank of Canada, a chartered bank,

**Reçu et Déposé
Received and Filed**

APPLICANT

- and -

FEB 11 2016

655873 N.-B. INC, OPERATING AS RIVIÈRE-VERTE RITE STORE carrying on business in the Village of Rivière-Verte and Province of New Brunswick,

Cour du Banc de la Reine /
Court of Queen's Bench
Edmundston, N.B.

RESPONDENT

RECEIVERSHIP ORDER

THIS APPLICATION, made by the **Royal Bank of Canada**, the Applicant, for an Order pursuant to Section 33 of the *Judicature Act*, R.S. N.B. 1973, Ch. J-2, (the "**Judicature Act**"), Rule 41 of the Rules of Court of New Brunswick (the "**Rules**") and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing **BDO Canada Limited** as receiver (in such capacities, the "**Receiver**") without security, was heard this day at the Edmundston Courthouse, at Carrefour Assomption, 121 de L'Église Street, in the City of Edmundston, County of Madawaska, Province of New Brunswick.

02/11/16 m.

ON READING the affidavit of **Angella White**, sworn January 13, 2016, and the exhibits thereto and on hearing the submissions of counsel for the **Royal Bank of Canada**, and on reading the Report of **BDO Canada Limited** to act as the Receiver and on hearing Daniel Johnson, president of the Respondent on behalf of the Respondent.

IT IS ORDERED THAT:

APPOINTMENT

1. Pursuant to section 33 of the *Judicature Act*, Rule 41 of the Rules and section 243(1) of the BIA, the Receiver is hereby appointed receiver, without security, of the assets, undertakings and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the "Property") for the limited purposes set out herein.

RECEIVER'S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to inspect, appraise and evaluate the Property and may seek the assistance of such professional appraisers or environmental engineers as the Receiver sees fit for the purpose of allowing RBC to evaluate the manner in which RBC will enforce security it holds over the Property. The Receiver shall not be deemed in possession of the Property and shall have no duties with respect to the Property save as provided for expressly in this order.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. The Respondent, all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and all other individuals, firms, corporations, governmental bodies or agencies, or other entities having

notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondent, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to the right to seek variation of this order, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall, subject to the right to seek variation of this Order; forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or

destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO INTERFERENCE WITH THE RECEIVER

7. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondent, without written consent of the Receiver or leave of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

8. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might, or any part thereof, which may be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or

rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *Canadian Environmental Protection Act, 1999* (Canada), the *Clean Water Act* (New Brunswick), the *Clean Environment Act* (New Brunswick), the *Clean Air Act* (New Brunswick), and *Unsightly Premises Act* (New Brunswick) (collectively, the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON LIABILITY

9. **BDO Canada Limited** including, without limitation, any director, officer or employee of the Respondent, shall incur no liability or obligation as a result of its appointment as the Receiver or the carrying out the provisions of this Order, or in the case of any party acting as a director, officer or employee of the Receiver so long as acting in such capacity, save and except for any gross negligence, breach of contract or actionable misconduct on the part of such party, or in respect of the Receiver's obligations under sections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

GENERAL

10. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
11. Nothing in this Order shall prevent the Receiver from acting as a trustee in

bankruptcy of the Respondent.

12. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States is hereby requested 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
13. The Receiver is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
14. The Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondent's estate with such priority and at such time as this Court may determine.
15. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

16. Any Person affected by this Order which did not receive notice in advance of the hearing of the initial application may apply to this Court to vary or amend this Order within three (3) days of such Person being served with a copy of this Order. Any such application for the variance or amendment of this Order shall be made on not less than forty eight (48) hours notice to the Receiver, the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
17. In addition to the reports to be filed by the Receiver under the BIA or *New Brunswick Business Corporations Act*, on the application to the Court of any secured creditor, the Receiver shall file a report of its activities with the Court.

COMPLETION OF RECEIVERSHIP

18. Upon completion of the appraisals, inspections and evaluations authorized herein to the satisfaction of the Receiver, the Receiver shall file a report (the "Report") with the Court, reporting on same.
19. The Report shall be served on the Company.
20. The Receiver shall be at liberty, following the filing of the Report, to seek further advice and direction of this Court, including the Receiver's discharge by this Court.

Dated at Edmonton New Brunswick, this 11 day of February 2016.


Justice of the Court of Queen's Bench
of New Brunswick