

COURT FILE NUMBER QBG-SA-00480-2019

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 Discharge of Receiver)

NOTICE TO: Those Parties Identified on The Attached Service List.

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, Canada

Date: Thursday, July 20, 2022

Time: 2:00 p.m. Saskatchewan Time

Remedy claimed or sought:

1. BDO Canada Limited (the "**Receiver**"), Court-appointed Receiver of the assets, undertakings and properties of P.S. Electric Ltd. (the "**Debtor**"), applies for the following relief, namely:

- (a) an Order in substantially the form of the proposed draft Sale Approval and Vesting Order (the "**SAVO**"), approving the sale by auction of the Debtor's real property in Estevan, Saskatchewan and the distribution of the proceeds therefrom;
- (b) an Order in substantially the form of the proposed draft Discharge Order, discharging the Receiver as receiver of the Debtor; and
- (c) such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

2. Since this matter was last before the Court in May of 2021, the Receiver's primary focus has been on the sale of the Debtor's real property at 1314 Third Street, Estevan, Saskatchewan (the "**Real Property**").

3. Following the last Court hearing, the Receiver obtained updated formal appraisals in respect of the Real Property, as follows:

(a) On July 12, 2021, Ema-Lyn Appraisals & Consulting appraised the Real Property at \$400,000.00; and

(b) On July 13, 2021, Brunsdon Lawrek & Associates appraised the Real Property at \$450,000.00.

4. Based on these appraisals, the Receiver engaged ICR Commercial Real Estate to list the property for sale with a view to obtaining the highest value possible. The Receiver incrementally reduced the list price over time when no offers were received, as follows:

(a) the original list price was \$450,000.00, effective July 20, 2021;

(b) the list price was reduced to \$399,000.00, effective January 4, 2022;

(c) the list price was reduced to \$349,000.00, effective April 12, 2022;

(d) the list price was reduced to \$299,000.00, effective June 9, 2022;

(e) the list price was reduced to \$249,000.00, effective August 31, 2022; and

(f) the list price was reduced to \$199,000.00 effective November 14, 2022.

5. The most recent listing agreement expired on February 3, 2023. No offers were received during any of these listing periods.

6. In the meantime, the City of Estevan (the "**City**") has commenced property tax enforcement proceedings and demanded payment of \$46,275.88 to redeem the Real Property (as at November 29, 2022).

7. The Order (Interim Distribution) which was sought by the Receiver and granted in May of 2021 approved the distribution of over \$950,000.00 to a number of creditors. It was not thought necessary to create a significant reserve for the professional fees of the Receiver and its legal counsel, as the

appraisal information for the Real Property in the Receiver's possession at that time indicated that the Real Property was worth between \$400,000.00 and \$450,000.00.

8. The Receiver and its legal counsel have continued to accrue professional fees in respect of this matter. Since the last time the Court approved the professional fees of the Receiver and its legal counsel, the Receiver has issued a further invoice in the total amount of \$74,874.89, the Receiver's legal counsel has issued further invoices totalling \$22,300.20. The Receiver and its legal counsel will be required to expend further time and effort beyond what has been billed to date in order to complete this matter. In particular, legal counsel for the Receiver has not delivered an invoice since September of 2021.

9. As a result of the foregoing, there is insufficient cash in the receivership estate to make any material contribution toward the outstanding property taxes or to the professional fees of the Receiver and its legal counsel. The only potential source of cash is the sale of the Real Property. Since listing in the ordinary course seems to have generated minimal or no interest in the Real Property over the listing period of approximately 1.5 years, the Receiver respectfully submits that it is in the best interests of all parties for the Real Property to be sold at auction.

10. Once the Real Property is sold and the proceeds distributed, there will be no further material actions for the Receiver to take. Rather than expend the extremely limited resources of the receivership estate on a further Court application, the Receiver is seeking the approval of its discharge (to take effect upon the filing of a Receiver's Certificate confirming the sale of the Real Property and the distribution of the proceeds) concurrently with the approval of the sale by auction of the Real Property.

11. Such further and other grounds as counsel may request and this Honourable Court may permit.

Material or evidence to be relied on:

12. The Receiver relies upon:

- (a) this Notice of Application;
- (b) the Third Report of the Receiver dated June 13, 2023;
- (c) the Confidential Supplement to the Third Report of the Receiver dated June 20, 2023;
- (d) Draft Sale Approval and Vesting Order (clean);
- (e) Draft Sale Approval and Vesting Order (redline against the Saskatchewan Template Sale Approval and Vesting Order);

- (f) Draft Discharge Order (clean);
- (g) Draft Discharge Order (redline against the Saskatchewan template Distribution & Discharge Order);
- (h) Proof of compliance with General Application Practice Directive #3; and
- (i) such further and other material as this Honourable Court may allow.

Applicable Acts and Regulations:

13. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, Part XI.

DATED at Saskatoon, Saskatchewan, this 7th day of July, 2023.

MLT AIKINS LLP

Per: 

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

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