

Clerk's Stamp

COURT FILE NO. Q.B.G. No. 480 of 2019

COURT 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.

DOCUMENT **FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS  
COURT-APPOINTED RECEIVER OF P.S. ELECTRIC LTD.**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION  
OF PARTY  
FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
#1201, 409 - 3<sup>rd</sup> Avenue S  
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Attention: Jeff Lee, Q.C.  
jmlee@mltaikins.com

Paul Olfert  
polfert@mltaikins.com

File No. 0063921-00008

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**EXHIBITS**

- A** Redacted Equipment Sale Proposal dated December 8, 2020
- B** E-mail Exchange With Mr. Harvey King (With Attachments)
- C** Letter from MLT Aikins LLP to Mr. Harvey King dated November 10, 2020

## INTRODUCTION AND PURPOSE OF THIS REPORT

1. P.S. Electric Ltd. (“**PSEL**” or the “**Debtor**”) is a corporation incorporated on March 16, 1995 pursuant to the laws of the Province of Saskatchewan. PSEL is a privately owned corporation which operated as an electrical contractor providing electrical repairs, service, rentals, and the supply of electrical components.

2. The Debtor operated, primarily, from a rural acreage in the Rural Municipality of Estevan No. 5, Saskatchewan, legally described as Surface Parcel #111241178, Blk/Par A Plan No 97R13367 Extension 0 (the “**Rural Estevan Premises**”).

3. PSEL is indebted to the Royal Bank of Canada (“**RBC**”) with respect to certain credit facilities made available by RBC pursuant to and under the terms of a Loan Agreement dated May 1, 2017 and accepted on May 10, 2017, as amended by a Loan Agreement dated January 10, 2018.

4. On February 15, 2019, RBC made written demand on the Debtor for payment of the indebtedness (the “**Debtor Demand Letter**”). The Debtor Demand Letter was accompanied by a Notice of Intention to Enforce Security addressed to the Debtor and prepared pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, (the “**BIA**”). At the time of the demand, the Debtor was indebted to RBC in the amount of \$904,802.44.

5. On application by RBC, the Debtor’s senior secured lender, BDO Canada Limited (“**BDO**”) was appointed as the Receiver (the “**Receiver**”), without security, of all of

the assets, undertakings and properties of the Debtor, pursuant to an Order of the Court of Queen's Bench for Saskatchewan (the "**Court**"), granted by the Honourable Mr. Justice R.W. Elson on October 13, 2020 (the "**Receivership Order**"), issued by the Court on October 16, 2020.

6. The Receiver has retained MLT Aikins LLP ("**MLT**") as its legal counsel. MLT is also counsel for RBC. Accordingly, the Receiver has sought, and will continue to seek, the advice of independent legal counsel with respect to any matters where a perceived or actual conflict of interest exists or could arise between RBC, on one hand, and the Receiver in its capacity as officer of the Court, on the other.

7. The purposes of this Report are to:

- (a) inform the Court of the activities of the Receiver taken to date, in particular with respect to taking possession of the Debtor's equipment, inventory, and vehicles (the "**Assets**") and to request the Court's approval of the actions of the Receiver taken to date;
- (b) advise the Court of the proposed liquidation of the Assets via public auction, request the approval of the Equipment Sale Proposal entered into between the Receiver and McDougall Auctioneers Ltd. ("**McDougall**") on December 8, 2020 (the "**Auction Contract**"), a redacted copy of which is annexed as **Exhibit "A"**, and request an Order vesting title in the purchases of the respective Assets at auction; and
- (c) request an Order sealing the confidential supplement to this First Report (the "**Confidential Supplement**") on the Court file, in order to preserve the integrity of the sales and marketing process, until the sale

of the Assets pursuant to the Auction Contract is completed, or until further Order of this Honourable Court.

## **BACKGROUND**

8. The Debtor is a privately owned corporation which operated as an electrical contractor servicing the industrial, oilfield, and commercial markets throughout South Eastern Saskatchewan.

9. The Debtor's head office is located at the Rural Estevan Premises. The Assets were kept, primarily, at the Rural Estevan Premises.

10. RBC was the Debtor's primary operating lender. As security for its obligations to RBC, the Debtor granted a security interest to RBC in substantially all of its assets including, without limitation, a General Security Agreement ("GSA") granted on June 14, 1996. The GSA grants in favour of RBC a security interest in all of the Debtor's present and after-acquired property in order to secure the payment and performance of all present and future obligations owed by the Debtor to RBC.

## **RECEIVERSHIP ACTIVITIES**

11. Immediately following issue of the Receivership Order on October 16, 2020, the Receiver notified Mr. Harvey King (the sole director and officer, and the controlling mind, of PSEL), of its appointment by way of an e-mail which included a copy of the Receivership Order.

12. Pursuant to Paragraph 3(d) of the Receivership Order, the Receiver was authorized to engage the services of Cavers Investigations & Bailiff Services Inc. (“Cavers”), to provide civil enforcement and bailiff services, to assist, as the Receiver’s agent, with the exercise of the Receiver’s powers and duties.

13. Following notification to Mr. King of issuance of the Receivership Order, and pending Asset recovery, the Receiver coordinated with Cavers and McDougall to attend the Rural Estevan Premises on October 16, 2020 in order to commence recovery of the Assets. The recovery of the Assets by Cavers and McDougall concluded on October 19, 2020.

14. The Assets were transported to a secure storage yard in or near Regina maintained by McDougall, who had familiarity with the Assets, having been previously engaged by BDO in its capacity as agent to RBC to conduct an appraisal of the Assets prior to the receivership.

15. On October 16, 2020, the Receiver contacted the branch of The Toronto-Dominion Bank in Estevan, Saskatchewan where PSEL maintained a corporate bank account, and effected seizure of the Debtor’s bank account.

16. On October 19, 2020, the Receiver communicated with Business Development Bank of Canada (“BDC”) regarding PSEL’s property in the City of Estevan civically described as 1314 3rd Street, over which BDC holds a first-charge mortgage. In subsequent communications, BDC and its legal counsel requested that the Receiver take no action with respect to this property. On October 30, 2020, the Receiver consented to a formal request received from BDC’s legal counsel for BDC to demand

payment from PSEL and to commence a foreclosure action outside of the receivership. The Receiver has not taken, and will not be taking, possession of the BDC-mortgaged property in the City of Estevan.

17. On October 19, 2020, the Receiver further communicated with Mr. King and with PSEL's bookkeeper, Ms. Donna Fleck, relative to various employee and accounting-related matters. The Receiver confirmed to both Mr. King and Ms. Fleck that it would not be continuing the operations of PSEL and that all employees had been terminated as a result of the receivership.

18. The Receiver attempted to engage the services of Ms. Fleck to assist with matters relevant to the receivership administration. On October 21, 2020, the Receiver was notified by Mr. King that Ms. Fleck was unable to provide the requested administrative assistance. Mr. King provided contact information for a former PSEL employee, Ms. Brandy Cullen, who was reportedly familiar with PSEL's employees and accounting system, having been a former long-term employee of PSEL herself.

19. On October 22, 2020, the Receiver engaged the services of Ms. Cullen on an independent contractor basis to assist with matters relevant to the receivership administration. The assistance provided by Ms. Cullen to date includes, among other items, updating PSEL's books and records to the date of the receivership, identification of employees, calculation of unpaid employee liabilities, identification and quantification of amounts owing to unsecured creditors, customer invoicing, quantification of accounts receivable including generation of supporting invoices, and preparation of final tax filings.

20. On October 26, 2020, the Receiver prepared and issued the prescribed notices and statements of the Receiver pursuant to sections 245(1) and 246(1) of the BIA, which were sent to known creditors of the Debtor.

21. On November 4, 2020, following identification of PSEL's nine employees, and quantification of unpaid employee obligations, the Receiver wrote to the employees confirming termination of their employment while also providing details of *The Wage Earner Protection Program Act* ("**WEPPA**"), a federal government program established for the making of certain payments to eligible terminated employees when there is a receivership or bankruptcy. The Receiver also corresponded with a local union, the International Brotherhood of Electrical Workers ("**IBEW**") Local 2038, to which three of PSEL's nine employees were reportedly members.

22. On November 11, 2020, following completion of customer invoicing, the Receiver wrote to the customers of PSEL and requested that payment of accounts receivable be directed to the Receiver. During the intervening period, Ms. Cullen forwarded to the Receiver payments received from the customers of PSEL. The Receiver's efforts to collect accounts receivable are continuing.

#### **RECOMMENDED EQUIPMENT DISPOSITION STRATEGY**

23. Pursuant to the Receivership Order, the Receiver is authorized to market for sale any or all of the Debtor's property and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

24. Following recovery of the Assets, and subsequent evaluation, McDougall supplied a liquidation proposal which is annexed to the Confidential Supplement.



25. The Receiver obtained a second appraisal of the Assets which was completed by Canam-Appraiz Inc. (“**Canam**”). The appraisal is annexed to the Confidential Supplement.

26. The Receiver reviewed and assessed the Canam appraisal to evaluate the liquidation proposal received from McDougall.

27. The Receiver considers the net minimum guarantee collective option (“**NMG**”) submitted by McDougall as the most attractive option set out in their liquidation proposal. The quantum of the NMG is supported by the Canam appraisal. Accordingly, the Receiver, with the consent of RBC, accepted the NMG option subject to Court approval.

28. McDougall’s liquidation proposal contemplates conducting an auction from their secured storage yard in or near Regina where the Assets are presently located. Advertising of the public auction is contemplated to occur over a three-week period and to comprise notification to McDougall’s existing pre-qualified buyers, internet advertising, direct mailings, and newspaper advertisements. The auction is to be completed via both live bidding and online bidding to maximize exposure of the Assets to the marketplace. The proposed timing of the auction is during the week of January 4, 2021.

**COBRA RENTALS LTD.**

29. On October 20, 2020, Mr. King contacted McDougall advising that certain equipment recovered from the Rural Estevan Premises was property of a separate company, Cobra Rentals Ltd. (“Cobra”). On October 21, 2020, MLT corresponded with Mr. King requesting particulars of the equipment in question, with such particulars received from Mr. King on October 22, 2020 and November 9, 2020 (e-mail exchange and attachments annexed as **Exhibit “B”**). Subsequent searches completed by MLT confirmed that (a) Mr. King had been a director and shareholder of Cobra, but that Cobra had been struck from the Saskatchewan Corporate Registry on January 30, 2020; and (b) Cobra had not perfected any security interest in the equipment in question by registration in the Saskatchewan Personal Property Registry.

30. The Receiver has been advised by MLT that, based upon the information currently available, it appears that RBC, as the senior secured creditor of PSEL, holds a security interest in the equipment in question which has priority over any interest of Cobra.

31. MLT wrote to Mr. King on November 10, 2020 advising of the Receiver’s position relative to the equipment purportedly owned by Cobra. A copy that correspondence is annexed as **Exhibit “C”**.

32. Out of an abundance of caution, in the event that the Court were to determine on a future distribution application that RBC does not have priority over the equipment purportedly owned by Cobra, the Receiver has requested that McDougall segregate, and provide a separate net minimum guarantee in relation to, that equipment.

## POTENTIAL PRIORITY CLAIMS

33. Following its appointment, the Receiver engaged with Canada Revenue Agency (“CRA”) to coordinate scheduling of final trust examinations to quantify amounts which may be owing in respect of unremitted employee withholdings and/or GST. In addition, the Receiver (via counsel) made a similar request from the Department of Justice Canada as counsel to CRA.

34. As of the date of this report, CRA have not responded to the Receiver’s requests for scheduling of final trust examinations. As a result, the Receiver is unable to quantify potential CRA priority claims at this time.

35. Following its appointment, the Receiver engaged with the Saskatchewan Ministry of Finance regarding provincial sales tax (“PST”). The Ministry of Finance has advanced a preliminary PST claim in the amount of \$23,457.08.

36. The Receiver is in the process of administering employee *WEPPA* claims which may result in a future priority claim from Service Canada to a maximum of \$2,000.00 per employee pursuant to sections 81.3 and 81.4 of the BIA.

37. The Receiver has added the union IBEW Local 2038 to the Service List in the event there are unremitted pension contributions in relation to PSEL’s three former unionized employees, which may form the basis of a priority claim pursuant to sections 81.5 and 81.6 of the BIA.

## SUMMARY AND RECOMMENDATIONS

38. The Receiver is satisfied that its recommended disposition strategy will sufficiently expose the Assets to the marketplace. Furthermore, the Receiver is of the view that the NMG submitted by McDougall will generate the highest and best recovery available in relation to the Assets. The Auction Contract and NMG are supported by RBC.

39. Accordingly, the Receiver respectfully requests an Order:

- (i) Approving the Receiver's activities as set out herein;
- (ii) Authorizing and approving the Auction Contract and NMG;
- (iii) Providing for the vesting of the Assets in the purchasers as provided for in the Sale Approval and Vesting Order; and
- (iv) Sealing the Confidential Supplement.

All of which is respectfully submitted this 8<sup>th</sup> day of December, 2020.

**BDO CANADA LIMITED, Court Appointed Receiver of  
P.S. Electric Ltd.**

Per: 

Name: Christopher Mazur, CIRP, LIT

Title: Senior Vice President

BDO Canada Limited  
Suite 805 – 25 Main Street West  
Hamilton, ON  
L8P 1H1

December 8, 2020

Attn: Darren Griffiths

**Re: Equipment Sale Proposal for P.S. Electric Ltd.**

Dear Darren,

Thank you for the opportunity to provide a proposal to sell for the scheduled list of mutually agreed equipment, those listed with serial numbers, and items pictured and identified enbloc even if they have no serial number attached to them but are the assets of P.S Electric Ltd. I will outline, in point form, some of the main points you will want to consider, and the responsibilities associated with all of them.

***Steam Washing and Detailing of Equipment:***

It is understood that McDougall Auctioneers Ltd. will need to complete the steam washing and detailing of the equipment in order to have it presentable for sale. Cost to have this done would be the responsibility of McDougall Auctioneers Ltd. **Cost: \$3,500.00 Included in Sales Commission**

***Sale Set Up, Sale Line Up, & Cataloging:***

As well, understand that McDougall Auctioneers Ltd. would perform this part of the agreement to have the equipment and assets presentable and ready for sale day. McDougall Auctioneers Ltd. would look after the strategic line up plan for the sale, in order to maximize the best financial results.

**Cost: \$7,500.00 Included in Sales Commission**

***Website:***

Our website is one of our most powerful tools in the advertising field. We have serviced Canada and the World for the past 38 years and have built up an incredible following for auction sales. We would at the time of listing, take many photographs for marketing purposes that would be posted on our website at [www.mcdougallauction.com](http://www.mcdougallauction.com). This site gets millions of hits per month and generates many proxy bids and interest. Of course, with the real time internet bidding, the scope of market area turns absolutely huge. Our

track record of strong results backs up the marketing strategies and our knowledge of how to conduct a good auction. This website service is included in your sales agreement on Internet Bidding on McDougall Bay.

***Advertising:***

We propose an extensive advertising program to include the following but not limited to:

- Hang up and Distribution Color Posters
- Color Gloss Brochure for mail-out to all similar industries
- Western Producer
- Rigger Talk
- Global Auction Guide
- Equipment Trader
- Machinery Trader
- Truck Paper
- Star Phoenix
- Leader-Post
- Social Media (Facebook, Instagram, LinkedIn, Google)

These will also be accompanied by radio ads on CKRM 620 just before the online auction sale as a reminder (approx. \$500 Value)

Also, our "Clientele" mail list from the previous 38 years will be notified of your sale bill either by mail, e-mail or telephone marketing. These are just some of the advertising options utilized in our advertising campaign. Cost: \$10,000.00 Included in quoted commission

***Monies:***

The funds less deductions will be paid out to your firm upon 14 days post sale, and delivery of the said equipment in good working order to McDougall Auctioneers Ltd. Yard C at our main location on Highway 1 near Emerald Park, SK at the sole cost of the vendor. This proposal will be subject to the terms outlined in "Terms and Conditions" within this report.

***Computerization of Sale:***

We have a sophisticated computerized cashier program which handles all applicable taxes etc. to back up an efficiently run online auction sale.

***Leasing and Financing:***

Our firm facilitates both leasing and financing options on equipment and would offer this to the potential customers to be pre-approved heading into the online auction sale.

I present the following option for your consideration:

**Internet Bidding (McDougall Bay):**

- Option # 1 All P.S. Electric Ltd. and Cobra Assets In McDougall Auctioneers Possession**
  - 10% Commission – On all lots sold \$1000.01 upwards.
  - 20% Commission – On all lots sold \$1,000.00 downwards
  - Freight – Not to exceed \$93,639.02 deducted from gross sale proceeds
  - Advertising - Included in above quoted commission
  - Setup/Catalogue/Release – Included in above quoted commission

(\_\_\_\_\_)Initial

\*\*\* Event to be conducted as an entirely unreserved auction sale. \*\*\*

**Option # 2 All P.S. Electric Ltd. In McDougall Auctioneers Possession Excluding Cobra Assets**

- [REDACTED] Net Minimum Sale Guarantee – McDougall Auctioneers Ltd. guarantees a minimum payment to the Receiver of [REDACTED] excluding buyer's premium, and less costs of [REDACTED] associated with recovery and transport of the P.S. Electric Ltd. assets (effective net minimum guarantee of [REDACTED]). McDougall Auctioneers Ltd. would then retain [REDACTED]% from [REDACTED] (to include costs of steam washing, sale set up, advertising, and insurance). Any overage above [REDACTED] would be split [REDACTED]% to BDO and [REDACTED]% retained by McDougall Auctioneers Ltd.

()Initial

\*\*\* Event to be conducted as an entirely unreserved auction sale. \*\*\*

**Option # 3 Cobra Assets Schedule B**

- [REDACTED] Net Minimum Sale Guarantee – McDougall Auctioneers Ltd. guarantees a minimum payment to the Receiver of [REDACTED], excluding buyer's premium. McDougall Auctioneers Ltd. would then retain [REDACTED]% from [REDACTED]. Any overage above [REDACTED] would be split [REDACTED]% to BDO and [REDACTED]% retained by McDougall Auctioneers Ltd.

()Initial

\*\*\* Event to be conducted as an entirely unreserved auction sale. \*\*\*

Terms & Conditions

1. This contract, and the auction sale discussed herein, are subject to the condition precedent that BDO Canada Limited, in its capacity as Court-appointed Receiver of P.S. Electric Ltd. (the “**Receiver**”), seek from the Court of Queen’s Bench for Saskatchewan, and obtain, a Sale Approval and Vesting Order which, among other things, (a) approves this contract and the auction sale discussed herein and (b) establishes a mechanism to vest title to the purchased assets in and to the respective purchasers at auction, free and clear of all encumbrances (the “**SAVO**”).
2. If pieces of equipment are withdrawn or have changed in condition since the inspection period at time of proposal presentation, McDougall holds the right to nullify the above offer and renegotiate new offers, if applicable.
3. If an extended period of time occurs between submitted offer and the acceptance of the offer, McDougall Auctioneers Ltd. holds the right to re-inspect the assets prior to executing an agreement.
4. McDougall will be entitled to use the company name and following description, Unreserved Equipment Auction of P.S. Electric Ltd. for advertising purposes.
5. Any other equipment added after the date on this proposal dated December 8, 2020 will be sold unreserved at a straight commission rate as laid out above.
6. Any toxic or hazardous waste, or environmental pollutants of any kind, including paints and other chemicals found on or about the assets or the premises, remain the property and Responsibility of the vendor. We reserve the right to abandon unsalable items and dispose of at the cost of Vendor.
7. McDougall Auctioneers Ltd. shall be responsible to insure the assets of P.S. Electric Ltd. in its possession in relation to this matter. Such insurance shall be the sole responsibility of McDougall Auctioneers Ltd., until such time as title to each asset vests in its respective purchaser pursuant to the SAVO.
8. McDougall Auctioneers Ltd. will retain 100% of the buyer’s premium.
9. All equipment must start at the turn of a key and McDougall Auctioneers Ltd. reserves the right to replace and repair equipment as we see fit to ensure the asset is in good running order and deduct cost from vendor (i.e. fuel, batteries, drive train, hydraulics, glass replacement etc.).
10. All freight costs will be deducted from sale proceeds.



11. McDougall Auctioneers Ltd. acknowledges that it has made such inspections of the assets as it deems appropriate and it is understood that the assets are to be sold on an "as is, where is" basis, and that the Receiver has not and will not make any representation, warranty or condition, whether statutory, express or implied, oral or written, legal, equitable, collateral or otherwise, as to title, encumbrances, fitness for purpose, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever. Any descriptions provided to purchasers or prospective purchasers by the auctioneer's sales staff shall be given solely on behalf of the auctioneer in its own capacity and not as agent for the Receiver, and the Receiver shall have no obligations with respect thereto. McDougall Auctioneers Ltd. agrees that the auction terms will provide that all sales are final, and all purchasers will be advised of same.
12. McDougall Auctioneers Ltd. shall ensure that all applicable taxes and duties including, without limitation, Goods and Services Tax, are collected and remitted to the proper authorities when due.
13. BDO Canada Limited is acting solely in its capacity as Court-appointed Receiver of P.S. Electric Ltd. and shall have no corporate or personal liability under this agreement or for any other matter whatsoever relating to the auction sale contemplated herein.

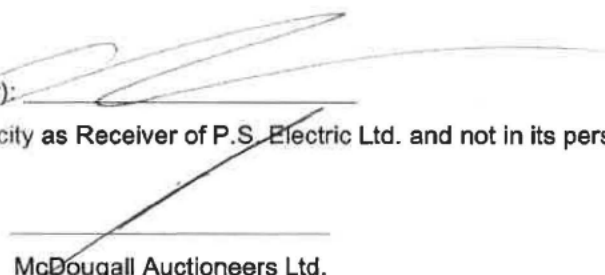
**Analysis:**

We believe we can achieve the best sales results in the marketplace in its current status and look forward to working with your team on a wonderful auction experience. Our firm, have conducted auction sales for the past 38 years and we offer you an exceptional background of auction experience. Our firm's Mission Statement is "To provide our customers, both buyers and sellers, with the highest level of professionalism, service, honesty and integrity in a family atmosphere." I believe we back this up and look forward to working with you on this transaction. If you have further questions, please contact Riley McChesney directly at (306) 757 – 1755 or Cell (306) 541 - 9238.

Sincerely,

Riley McChesney, CPPA  
VP of Sales and Marketing/ Owner  
www.mcdougallbay.com

Signed and Accepted by (Vendor):

  
BDO Canada Limited, in its capacity as Receiver of P.S. Electric Ltd. and not in its personal capacity

Terms agreed and witnessed by: \_\_\_\_\_  
McDougall Auctioneers Ltd.

Date: December 8 / 20

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**Description**

Caterpillar C9-230AG Portable Genset

S/N X3R00139

210 KW

2010 Sullivan D185 Air Compressor

S/N 4YABG1210AM100342

780 Hrs, 125 PSI

Terex Almida AL5200D-4MH Light Tower

S/N GKF-22148 Showing 7400 Hrs, Isuzu Diesel Eng

2008 Terex Almida AL4000 Light Tower

S/N 4ZJSL141981001858, Unknown Hrs, 4 Lights

2008 Terex Almida AL5000 Light Tower

S/N 4ZJSL151681000269, Showing 11273 Hrs, No Lights

2008 Terex Almida AL4000 Light Tower (NO ENGINE)

S/N 4ZJSL141781001657, No Engine, 4 Lights, LT4

2008 Terex Almida AL4000 Light Tower

S/N 4ZJSL141581001656, Unknown Hrs, Missing LH Wheel, 4 Lights

2008 Terex AL5000 Portable Light Tower

S/N 4ZJSL151281000303

20 Kw

3/4" Air Impact

Auger Bits

2002 Genie TMZ-50/30 P/T Boom Lift

S/N 5D8AA23152B000059, Elec, Ball Hitch

2012 John Deere 320D Skid Steer

S/N 1T0320DMTCG217219, Hyd Q/A, Cab w/ Heat/AC, 72" Bucket


Showing 1072 Hrs, 4 Aux Hyd, ISO/H Controls, Poor Tire Condition

12-16 Tires, Foot Throttle

## Paul Olfert

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**From:** Harvey King <kingpin848@live.com>  
**Sent:** Monday, November 9, 2020 6:16 AM  
**To:** Paul Olfert  
**Cc:** loren@mcdougallauction.com; Griffiths, Darren; Riley McChesney  
**Subject:** FW: [EXT] Cobra equipment  
**Attachments:** Inappropriately Seized Cobra Assets.pdf; Cobra Sand blast trailer.pdf

 External Sender

Have not received a reply on the release of Cobra assets. Have included an Invoice and cancelled cheque for another piece stolen.

Sincerely,

*Harvey King*

Office: 306-634-9888

Cel: 306-421-3535

---

**From:** Harvey King  
**Sent:** Thursday, October 22, 2020 6:27 AM  
**To:** 'Paul Olfert' <polfert@mltaikins.com>  
**Cc:** Loren McDougall <loren@mcdougallauction.com>; Riley McChesney <riley@mcdougallauction.com>; Griffiths, Darren <DGriffiths@bdo.ca>; Fennema, Zack <zfennema@bdo.ca>  
**Subject:** RE: [EXT] Cobra equipment

Paul,

As requested – all Cobra assets original purchases attached.

Sincerely,

*Harvey King*

Office: 306-634-9888

Cel: 306-421-3535

---

**From:** Paul Olfert [<mailto:polfert@mltaikins.com>]  
**Sent:** Wednesday, October 21, 2020 8:01 AM  
**To:** [kingpin848@live.com](mailto:kingpin848@live.com)  
**Cc:** Loren McDougall <[loren@mcdougallauction.com](mailto:loren@mcdougallauction.com)>; Riley McChesney <[riley@mcdougallauction.com](mailto:riley@mcdougallauction.com)>; Griffiths, Darren <[DGriffiths@bdo.ca](mailto:DGriffiths@bdo.ca)>; Fennema, Zack <[zfennema@bdo.ca](mailto:zfennema@bdo.ca)>  
**Subject:** FW: [EXT] Cobra equipment

Hello, Mr. King.

We are legal counsel to BDO Canada Ltd., Court-appointed Receiver of P.S. Electric Ltd.

We understand that you are claiming that Cobra Rentals Ltd., a company controlled by yourself, family members, and/or others associated with P.S. Electric Ltd., is the owner of the equipment set out in the attached list.

If you wish to have any of these items released, please provide proof of ownership (purchase receipts or other evidence satisfactory to the Receiver) to me so that the Receiver can evaluate same.

Regards,

**Paul Olfert**

**Lawyer**

**P:** +1 (306) 956-6970 | **E:** polfert@mltaikins.com

**F:** +1 (306) 975-7145

**We have moved. Please note our new address.**

MLT Aikins LLP  
Suite 1201 - 409 3rd Avenue S  
Saskatoon, Saskatchewan S7K 5R5  
[mltaikins.com](http://mltaikins.com)

**BIO** **VCARD**



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---

**From:** Harvey King <[kingpin848@live.com](mailto:kingpin848@live.com)>

**Sent:** October 20, 2020 6:19 AM

**To:** [loren@mcdougallauction.com](mailto:loren@mcdougallauction.com)

**Cc:** [riley@mcdougallauction.com](mailto:riley@mcdougallauction.com)

**Subject:** Cobra equipment

Fellows,

A decidedly unjustifiable instruction for you to seize everything from the property. I totally understand it was BDO.

Here is a list of Cobra Rentals equipment that was loaded and hauled into Regina.

I would like to prepare a pick up of the TMZ50/30 by Bud (my father). If this goes well I would have a transport dispatched to retrieve another load.

Will there be 'reloading charges' for all this customer and non PS owned equipment?

Kingsley C&D will be coming for the 2 large pumps, 2 large vertical hollow shaft motors (s/n's S08-20111312-0001 and S08-201131-0001) and a 100HP Oilwell motor controller (they have a picture from their site). I do not have a serial number for this as it was recovered from their site and belongs to AC Power.

Loren, I hope it works out that you would have a few moments to visit with Bud. Yesterday when he was visiting upon bringing me some wheels he reminisced of good times in his affairs with your parents and family. It was a uplifting time in an otherwise somber visit.

Sincerely,

*Harvey King*

Office: 306-634-9888

Cel: 306-421-3535

**Cobra Rentals Ltd**  
Asset Continuity Report  
As at September 30, 2018

*MNF Generated*

*10/21*  
*INVOICES PROVIDED*

Date Acquired	Description	Accounts		Cost		Accumulated Amortization			End of Period			
		A/D	Cost	Beginning of Period	Additions	Disposals	End of Period	Residual Value		Beginning of Period	Adjustment	Current
<b>Equipment: Declining Balance - Yearly - 20.00%</b>												
15-Jun-2010	Generator (Caterpillar)		39,870.00					33,180.93			1,337.81	34,518.74
31-Aug-2011	Sullivan Air Compressor	100342	11,971.00					9,460.50			502.10	9,962.60
30-Sep-2012	LT1 - A15000 20KW Light tower		9,268.50					6,838.82			485.94	7,324.76
30-Sep-2012	LT2 - AL5000 20 KW Light Tower		9,828.00					7,251.65			515.27	7,766.92
30-Sep-2012	LT3 - AL5000 20KW Light Tower		9,828.00					7,251.65			515.27	7,766.92
30-Sep-2012	LT4 - AL4000 8KW Light Tower		5,449.50					4,020.95			285.71	4,306.66
30-Sep-2012	LT5 - AL4000 8KW Light Tower		5,449.50					4,020.95			285.71	4,306.66
30-Sep-2012	LT6 - AL4000 8KW Light Tower		5,449.50					4,020.95			285.71	4,306.66
30-Sep-2012	LT7 - X06D15039157988 20 KW Light Tower		7,988.00					5,893.99			418.80	6,312.79
30-Sep-2012	LT8 - MLT5200 20 KW Light Tower		9,739.00					7,185.98			510.60	7,696.58
30-Sep-2012	3/4" Air Impact Wrench		600.00					442.71			31.46	474.17
31-Dec-2012	Auger 326D		925.00					621.90			60.62	682.52
05-May-2015	Genie TMZ50/30 Pull behind extend Lift		8,457.45					4,127.23			866.04	4,993.27
<b>Total For Equipment</b>			124,823.45					94,318.21			6,101.04	100,419.25
<b>Automobile: Declining Balance - Yearly - 30.00%</b>												
30-Sep-2012	Used JD 320 skid steer - purchased from PS		30,000.00					26,470.53			1,058.84	27,529.37
30-Sep-2012	2012 John Deere 320D Skid Steer		49,036.00					43,266.96			1,730.71	44,997.67
<b>Total For Automobile</b>			79,036.00					69,737.49			2,789.55	72,527.04
<b>Grand Total</b>			203,859.45					164,055.70			8,890.59	172,946.29

*IA98521236P45033*  
*X08A030549*  
*X08A030531*  
*LOST ENGINE*  
*AL4081656*  
*SOLD*  
*T5002-59*

*100342*  
*X08A30541*  
*AL 4081658*  
*3/1*  
*INGERSOLL RAND*  
*9" FROST TOOTH*  
*100320DMTCG217219*



P.O. BOX 707 REGINA, SASK S4P 3A8  
 PHONE (306) 545-3311  
 FAX (306) 949-6277

# EQUIPMENT INVOICE

SOLD TO

COBRA RENTALS LTD  
 BOX 848  
 ESTEVAN SK

SHIP TO

S4A 2A7

AGREEMENT NO.	DATE	SLM	CP	CL	T	BR	SEQ. NO.	M-HRS	INVOICE NO.	INVOICE DATE	PAGE
R35201	10-20-09	NDS		1L		00	992047	1806.2	R3520109	06-15-10	
CUSTOMER NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NUMBER				SHIP VIA			
P011190		AA	230KW	X3R00139							

QTY	DESCRIPTION	TOTAL
	EQUIPMENT SALE CATERPILLAR XQ230 GENSET ID NO: 387142 SERIAL NO: X3R00139 REF: C09DE16 XQ230 TRXQ230 TRAILER LANENGO LANGUAGE MARKINGS-ENGLISH 60H0480 VOLTAGE INDICATOR 480V MSCEC80 RENTAL MWCDEF STANDBY POWER MSPMDXQ POWER MODULE AND RENTAL EPG	<i>original price #66,613 -</i> 39870.00 2005
	GST AT 5%	1993.50
	PST AT 5%	1993.50
	<i>PST exempt #2405751</i>	

TERMS: MACHINE SALES: NET 10 DAYS  
 MACHINE RENTALS: NET 30 DAYS

INVOICE TOTAL	➔	43857.00
AMOUNT CREDITED	➔	41863.50

GST REGISTRATION NO. R102882057

INTEREST: WILL BE CHARGED ON OVERDUE ACCOUNTS.





PH: (306) 775-2214
BOX 1800,625 WINNIPEG ST.N
REGINA, SK S4P 3C6

EOP SALE RESERVATION
Invoice date: 8/31/11
INVOICE# 4402963-0000

Matthews Equipment Limited, as agent for
Hertz Canada Equipment Rental Partnership.
HERTZ EQUIPMENT RENTAL is used under
license from Hertz System, Inc.

G.S.T.# 140269325

BILL TO: COBRA RETNALS, PO BOX 848, ESTEVAN, SK S4A 2A7
SHIP TO: COBRA RETNALS, PO BOX 848, ESTEVAN, SK S4A 2A7
DATE OUT (MM / DD / YY) 8/31/11 12:09 PM
DATE IN (MM / DD / YY)
RENTAL PERIOD: DAYS WEEKS 4 WEEKS

JOB SITE: 185CFM COMPRESSOR
PAYMENT: CHEQ. CASH TERMS CREDIT CARD

PROV. SALES TAX #
PURCHASE ORDER # HARVEY
SALES REPRESENTATIVE 147
ESTIMATED RETURN DATE 8/31/11 1:11 PM

PHONE: 306-421-6966
CUSTOMER PHONE: 306-421-6966
ORDERED BY AGENT HARVEY 634-9888
DRIVERS LICENSE # COBRA RENTALS

Table with columns: Qty, Equipment #, Price, AMOUNT. Row 1: 1, 76136580, CC: 003-3400, 11971.00, 11971.00. Make: SULLIVAN, Model: D185P2JD, Serial #: 100342

\*\*\*\*\*
Give us your feedback! Go to www.hercsurvey.ca or call 1-800-497-5154
and take our short survey! Use location code 'REG'
\*\*\*\*\*

Handwritten signature 'Eg'

Sub-total: 11971.00
GST: 598.55
Total: 12569.55

\*\* ATTENTION \*\* Amount uncollected: 12,569.55
PLEASE REMIT PAYMENT TO:
8660 - 61 AVENUE
EDMONTON, AB T6E 5P6

THE REVERSE SIDE WHICH PROVIDES OTHER IMPORTANT PROVISIONS - PLEASE READ IT! Page 1

BY SIGNATURE I ACKNOWLEDGE I HAVE READ AND I UNDERSTAND AND AGREE TO THE PARTICULARS SET FORTH ON THIS PAGE, AND EACH AND ALL OF THE CONDITIONS REFERRED TO ON THE REVERSE SIDE OR BACK OF THIS RENTAL AGREEMENT AS IF THEY WERE PRINTED ABOVE MY SIGNATURE, AND I ACKNOWLEDGE THE FRONT AND BACK COMPRISE THE ENTIRE AGREEMENT AFFECTING THIS RENTAL AND NO OTHER AGREEMENT OR UNDERSTANDING OF ANY NATURE CONCERNING THIS RENTAL AGREEMENT HAS BEEN MADE OR ENTERED INTO, PURSUANT TO THE REQUIREMENTS OF THE INSURANCE UNDERWRITERS OF MATTHEWS EQUIPMENT LIMITED, BY MY SIGNATURE, I ACKNOWLEDGE I HAVE OFFICIALLY READ AND I UNDERSTAND AND AGREE TO CONDITIONS 15, 16 AND 20 ON THE REVERSE SIDE OR BACK OF THIS RENTAL AGREEMENT WITH RESPECT TO INSURANCE AND INDEMNITY.

LOSS AND DAMAGE WAIVER (LDW) IS NOT INSURANCE. Customer accepts or declines LDW. If Customer accepts LDW, Lessor agrees to waive certain claims against customer for loss of or damage to Equipment, in accordance with the terms and conditions set forth in Paragraph 8, on the reverse side of this page.

- TERMS AND CONDITIONS
1. RETURN CLAIMS ARE TO BE MADE FOR SHORTAGES WITHIN 48 HOURS FROM TIME OF DELIVERY.
2. TERMS ARE NET 30 DAYS FROM DATE OF INVOICE.
3. 2% PER MONTH (24% PER ANNUM) CHARGEABLE ON OVERDUE ACCOUNTS.
4. ALL SHIPMENTS ARE F.O.B. SHIPPING BRANCH.
5. ON ALL GOODS SOLD, PASSAGE OF THE TITLE TO THE PURCHASER IS CONDITIONAL UPON MATTHEWS EQUIPMENT LIMITED, HAVING BEEN PAID IN FULL FOR SUCH GOODS. SUCH GOODS ARE SUBJECT TO REPOSSESSION OR JUDICIAL DISTRESS IF NOT PAID ACCORDING TO TERMS.
HC-10044

THANK YOU FOR YOUR VALUED BUSINESS
SIGNATURE: LESSEE
HER5610
SIGNATURE MATTHEWS EQUIPMENT LIMITED



ROYAL BANK OF CANADA  
P.O. BAG SERVICE 2650  
CALGARY AB T2P 2M7

# Business Account Statement

March 30, 2012 to April 30, 2012  
Account number: 02318 101-066-9

Serial #: 80

Amount: \$66,150.00

COBRA RENTALS LTD. BOX 848  
ESTEVAN, SASKATCHEWAN S4A 2A7  
Tel: (306) 421-8888

DATE 20120406  
Y Y Y Y M M D D

PAY to the order of P.D. Electric Ltd \$66150.00  
sixty six thousand one fifty DOLLARS

ROYAL BANK OF CANADA ESTEVAN BRANCH  
1202-4TH ST ESTEVAN SK S4A 0W9

RE Light towers PER [Signature]

⑆000080⑆ ⑆02318⑆003⑆ 101⑆066⑆9⑆ ⑆0006615000⑆

For deposit only  
PS ELECTRIC LTD.  
Acct# 1000314  
Trans# 02318

BACK VERSO

Serial #: 81

Amount: \$3,509.08

COBRA RENTALS LTD. BOX 848  
ESTEVAN, SASKATCHEWAN S4A 2A7  
Tel: (306) 421-8888

DATE 20120331  
Y Y Y Y M M D D

PAY to the order of Saskatchewan Finance \$3509.08  
three thousand five hundred nine DOLLARS

ROYAL BANK OF CANADA ESTEVAN BRANCH  
1202-4TH ST ESTEVAN SK S4A 0W9

RE Pst Jan 1-Nov 30/12 PER [Signature]

⑆000081⑆ ⑆02318⑆003⑆ 101⑆066⑆9⑆ ⑆0000350908⑆

02318-003  
ROYAL BANK OF CANADA  
APR 1 9 2012  
ESTEVAN, SASKATCHEWAN  
02318

BACK VERSO

Serial #: 82

Amount: \$936.87

COBRA RENTALS LTD. BOX 848  
ESTEVAN, SASKATCHEWAN S4A 2A7  
Tel: (306) 421-8888

DATE 20120331  
Y Y Y Y M M D D

PAY to the order of Received Journal \$936.87  
nine hundred thirty six DOLLARS

ROYAL BANK OF CANADA ESTEVAN BRANCH  
1202-4TH ST ESTEVAN SK S4A 0W9

RE GST Jan-Mar 2012 PER [Signature]

⑆000082⑆ ⑆02318⑆003⑆ 101⑆066⑆9⑆ ⑆0000093687⑆

02318-008  
ROYAL BANK OF CANADA  
APR 2 5 2012  
ESTEVAN, SASKATCHEWAN  
02318

BACK VERSO

Serial #: 83

Amount: \$900.00

COBRA RENTALS LTD. BOX 848  
ESTEVAN, SASKATCHEWAN S4A 2A7  
Tel: (306) 421-8888

DATE 20120423  
Y Y Y Y M M D D

PAY to the order of Canada Revenue Agency \$900.00  
nine hundred DOLLARS

ROYAL BANK OF CANADA ESTEVAN BRANCH  
1202-4TH ST ESTEVAN SK S4A 0W9

RE PER [Signature]

⑆000083⑆ ⑆02318⑆003⑆ 101⑆066⑆9⑆ ⑆0000090000⑆

02318-008  
ROYAL BANK OF CANADA  
APR 25 2012  
ESTEVAN, SASKATCHEWAN  
02318

BACK VERSO

RBDDA 15270\_4127985 001115 HRI - - 2 - 2 - 9 - - 004115

DATE	REF	TYPE	ACCOUNT	PAYEE	MEMO	DECREASE	INCREASE
06/15/2010	R3520109	Kramer					
	BILL	Accounts Payable [split]		Caterpillar XQ230 Genset SN X3R00139 - 2/ trailer, Voltage Indicator			39,870.00
08/31/2011	4402970-(	King, Harvey V					
	BILL	Accounts Payable [split]		Sullivan Air Compressor Model D185P2JD Pay Harvey Visa 8501			11,971.00
01/24/2012	Kid Steel	Brandt Tractor Ltd.					
	BILL	Accounts Payable [split]		2012 John Deere 320D Skid Steer (SN 1T0320DMTCG217219)- Hig			49,036.00
03/01/2012	26						600.00
	GENJRNL	Rental Revenue [split]		Purchased 3/4" Air Impact from PS Electric			
04/03/2012	31396	P S Electric Ltd.					9,268.50
	BILL	Accounts Payable [split]		AL5000 20 KW S/N X08A030549 (10761 hours)			
04/03/2012	31396	P S Electric Ltd.					9,828.00
	BILL	Accounts Payable [split]		AL5000 20KW S/N X08A30541 (7034 Hours)			
04/03/2012	31396	P S Electric Ltd.					9,828.00
	BILL	Accounts Payable [split]		AL5000 20KW S/N X08A030531 (4315 hours)			
04/03/2012	31396	P S Electric Ltd.					5,449.50
	BILL	Accounts Payable [split]		AL4000 8KW S/N A14081657 (3494 HOURS)			
04/03/2012	31396	P S Electric Ltd.					5,449.50
	BILL	Accounts Payable [split]		AL4000 8KW S/N A14081658 (3021 HOURS)			
04/03/2012	31396	P S Electric Ltd.					5,449.50
	BILL	Accounts Payable [split]		AL4000 8KW S/N 0830552 (5557 HOURS)			
04/03/2012	31396	P S Electric Ltd.					7,988.00
	BILL	Accounts Payable [split]		X06D150391 20KW S/N 4ZJSL151061 (5729 HOUR)			





**IPT Canada / Viking Trucking & Construction Ltd.**

34 Howard St  
 PO Box 1643  
 Estevan, Saskatchewan S4A 2L7  
 Tel: 306-637-1207 Fax: 306-634-6106  
 Web Site: <http://www.iptcanada.ca>

**Invoice**

Invoice #	24021
Date	5/06/2015

<b>Invoice To</b>
Cobra Rentals Ltd

<b>Location / Ship To</b>
ESTEVAN

*Please remit payments to Viking Trucking & Construction Ltd.*

PO/AFE No.	Rep	Terms	Customer Contact
			HARVEY KING

Description	Qty	Rate	U/M	Amount
GENIE LIFT	1	15,000.00		15,000.00
Cervus Equipment Invoice	1	-8,841.29		-8,841.29
1 - Genie TMZ50 Man Lift/Trailer Type with outriggers/manbasket - Blue In Color, Used.				
Serial # T5002-59 No PST - Resale				
Repaired by Cervus Equipment Regina. Cervus Invoice RW65691 - Repaired Price \$8441.29 + \$400.00 Sherriff Fee PS Electric paid Cervus for the above amount as deposit for total invoice and picked up at Regina location.				
As per agreement, between Cory, Dave and Harvey. Viking Trucking will pay for certification inspection by Kova Engineering.				
GST on sales		5.00%		750.00
<b>Total</b>				\$6,908.71
Net 30 Days - 2% Interest Charged on Overdue Accounts (24% per year) In the event Sales Tax Exemption is not allowed by Sales Tax Auditor, the Customer will be liable to IPT Canada / Viking Trucking for the Amount of Tax			<b>Payments/Credits</b>	\$0.00
			<b>Balance Due</b>	\$6,908.71



GST/HST No. 872502372

We accept Visa & MasterCard payments for invoices up to \$5000



Viking Surplus Oilfield Equipment Ltd.

PO Box 1460  
 Estevan, SK S4A 2L7

# Invoice

Date	Invoice #
9/30/2017	16306

Invoice To
Cobra Rentals Box 848 Estevan, Sask. S4A 2A7

Location	P.O. No.	Project	Authorized By
			Harvey King

Qty	Item	Description	N/U/R	Rate	Amount
1	Trailer	22' Tandem Axle sandblasting trailer c/w 375 cfm diesel, air compressor (not working), Mod -U-Blast MSM-6 blast pot and two storage bins. Trailer is US #45. Trailer sold as in condition and payment due upon receipt		8,000.00	8,000.00
		634-8888 PS Electric@sasktel.net GST on sales		5.00%	400.00

GST No. #105535793

<b>Subtotal</b>	\$8,000.00
<b>Sales Tax</b>	\$400.00
<b>Total</b>	\$8,400.00
<b>Payments/Credits</b>	\$0.00
<b>Balance Due</b>	\$8,400.00

Phone #	Fax #	E-mail
(306) 421-3857	(306) 634-8742	kwanner@signaldirect.ca



7128-5207972

CHEQUE # 00273

Box 848, Saskatchewan  
S4A 2A1  
Tel: (306) 421-6966

**Sobra Rentals Ltd.**

TD Canada Trust  
Branch # 24  
Branch # 24

DATE 10 18 2017  
M D O Y Y Y

\$ 8,400.00  
DOLLARS

PER *[Signature]*  
Cobra Rentals Ltd.

MEMO  
Viking Surplus Oilfield  
39 Hwy 38 East

\*\*\*\*\*Eight Thousand Four Hundred and 00/100

#000273# 4782880045 075905207972#

CHEQUE # 00273

Box 848, Saskatchewan  
S4A 2A1  
Tel: (306) 421-6966

**Sobra Rentals Ltd.**

TD Canada Trust  
Branch # 24  
Branch # 24

DATE 10 18 2017  
M D O Y Y Y

\$ 8,400.00  
DOLLARS

PER *[Signature]*  
Cobra Rentals Ltd.

MEMO  
Viking Surplus Oilfield  
39 Hwy 38 East

\*\*\*\*\*Eight Thousand Four Hundred and 00/100

#000273# 4782880045 075905207972#

CAPTURING BRANCH  
10/20/17 3:52 PM Pacific TZ  
00778-889  
Estevan Branch

BACK/VERSO

PRINTER ID# 1010  
NL D'IMPRIEUR 1010  
NUMERO DE LA PRESSE  
NUMERO DE LA PRESSE

Endorsement - Signature or Stamp  
Endossement - Signature ou Estampe

Notes on back of cheque  
Remarques sur verso de la chègue



November 10, 2020

**Cobra Rentals Ltd.**

*Via E-mail to kingpin848@live.com, pselectric@sasktel.net,  
and h.king@pselectric.ca*

**Attention: Harvey King**

Dear Mr. King:

**Re: In the Matter of the Receivership of P.S. Electric Ltd.  
Q.B.G. No. 480 of 2019, Judicial Centre of Saskatoon**  
**File No.: 63921-8**

We are legal counsel to BDO Canada Limited (the “**Receiver**”), Receiver of P.S. Electric Ltd. (the “**Debtor**” or “**P.S. Electric**”) in relation to the above-noted matter.

We write further to your e-mail messages of October 22 and November 9, 2020, in which you alleged that certain items in the Debtor’s possession were owned by Cobra Rentals Ltd. (“**Cobra**”), and requested that they be released to you.

Cobra is a corporation which was struck from the Saskatchewan corporate registry on January 30, 2020, of which you appear to have been a director and shareholder. (A Profile Report in respect of Cobra obtained from the Saskatchewan Corporate Registry is attached for reference.)

As the documentation tending to show Cobra’s ownership of the equipment in question is several years old, and as Cobra has not had the legal capacity to do business in Saskatchewan for several months, the Receiver is not satisfied that Cobra remains the owner of the equipment and P.S. Electric remains the lessee. It appears that Cobra was and is content to have ownership of the equipment pass from Cobra to P.S. Electric.

Even if Cobra were still the owner of the equipment, and P.S. Electric the lessee, it appears to the Receiver that Royal Bank of Canada (“**RBC**”), the senior secured creditor of P.S. Electric, holds a security interest in that equipment which takes priority over any interest of Cobra as lessor of the equipment. The circumstances which bring the Receiver to this conclusion are as follows:

- In light of the dates of the various invoices provided, if Cobra did lease the equipment in question to P.S. Electric, the leases in question must have been for a term of more than one year.

- The definition of “**security interest**” in *The Personal Property Security Act, 1993*, SS 1993, c P-6.2 (the “**PPSA**”), includes “the interest of ... a lessor pursuant to a lease for a term of more than one year”.
- RBC has registered a security interest in the Saskatchewan Personal Property Registry (the “**PPR**”) against all of P.S. Electric’s present and after-acquired personal property, and the Receiver (appointed upon application to Court by RBC) is in possession of most or all of the equipment in question. Accordingly, in the legal language of the PPSA, RBC’s security interest is “perfected” by both possession and registration. (A copy of a PPR search result in respect of P.S. Electric is attached for reference.)
- Cobra is not in possession of any of the equipment in question, and it has not made any registrations in the PPR in respect of P.S. Electric. (In addition to the PPR search result respecting P.S. Electric noted above, attached are three (3) further Personal Property Registry search results in respect of items of equipment which are or may be “**serial numbered goods**” within the meaning of the PPSA.)
- Even if Cobra were to register its alleged interest as lessor in the PPR now, RBC would still take priority over Cobra as RBC’s security interest was “perfected” first.

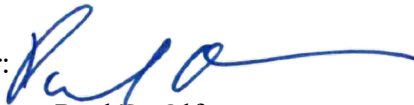
Accordingly, based upon the information currently available, the Receiver does not intend to release any of the equipment referred to in your e-mail messages of October 22 or November 9, 2020.

We trust that this sets forth the position of the Receiver with clarity.

Sincerely,

MLT AIKINS LLP

Per:



Paul D. Olfert

Encl. (5)