

MLT AIKINS LLP - INSOLVENCY & RESTRUCTURING GROUP

2018 YEAR IN REVIEW



The MLT Aikins insolvency and restructuring practice group carried out assignments in 2018 as counsel to debtor companies, lenders and court officers administering insolvency proceedings. Notable highlights are as follows.

ALBERTA ASSIGNMENTS

1905393 Alberta Ltd. (Receivership)

Dana Nowak acts as counsel to PricewaterhouseCoopers Inc. in respect of the receivership of 1905393 Alberta Ltd. (“1905”), the owner of a hotel in Grande Prairie, Alberta, comprised of an operating extended stay hotel and a partially completed new hotel facility. 1905 was placed into receivership on July 20, 2018.

Alliance Excavating Ltd. (BIA Proposal/Bankruptcy)

Dana Nowak acted as counsel to The Bowra Group Inc. in respect of the BIA Proposal and subsequent bankruptcy of Alliance Excavating Ltd. (“Alliance”), a contractor providing excavation service to commercial projects throughout Alberta. Alliance was deemed bankrupt on June 19, 2018.

Lighthouse Fine Meats Ltd. (Preservation Order)

Dana Nowak acted as counsel to a secured lender in regard to a Preservation Order, Attachment Order and Mareva Injunction issued against Lighthouse Fine Meats Ltd. (“Lighthouse”) in favour of a third-party lender on November 6, 2017. Lighthouse subsequently ceased operations and the secured creditor realized on its security in 2018.

MCG Construction Ltd. (Proposal/Bankruptcy)

Dana Nowak acted as counsel to Grant Thornton Limited in regard to the BIA Proposal of the MCG Group of Companies (“MCG”), a general contractor to residential and commercial projects throughout Alberta. MCG became bankrupt on June 20, 2018.

Web Mechanical Services Inc. (Bankruptcy)

Dana Nowak acted as counsel to BDO Canada Limited in respect of the bankruptcy of Web Mechanical Services Inc. (“Web”), a contractor providing mechanical and HVAC services to commercial projects throughout Alberta. Web became bankrupt on March 9, 2018.

1789376 Alberta Ltd. (Bankruptcy)

Dean Hutchison and *Catrina Webster* acted as counsel to a secured lender in obtaining a bankruptcy order on May 31, 2018, against 1789376 Alberta Ltd., an Edmonton based company that operated a fast-food franchise, as well as against the principal of the company who had personally guaranteed the debts of the company to the lender.

Han and T Holding Corporation (Declaration Order)

Dean Hutchison acted as counsel to a secured lender in obtaining an order declaring that promissory notes and security (a mortgage and assignment of rents) held by the lender against Han and T Holding Corporation, a property holding business in Calgary, were valid and enforceable.

Kuzziii Motorsports Inc. (Receivership)

Dean Hutchison and *Catrina Webster* acted as counsel to a secured lender in obtaining a receivership order against Kuzziii Motorsports Inc. of Calgary (“Kuzziii”) on January 18, 2018. Kuzziii formerly carried on a specialized business involving performance parts, servicing, installation and auto detailing.

Storm Rentals Ltd. (Receivership)

Dean Hutchison acted as counsel to a secured lender in obtaining a receivership order against Storm Rentals Ltd., a Whitecourt, Alberta based oilfield service and rental company on March 21, 2018, as well as over lands owned by the principal of Storm Rentals Ltd. that have been pledged as security in support of a guarantee of the debts of Storm Rentals Ltd.

Nazeema Rajabali Professional Corporation (Receivership)

Dean Hutchison and *Catrina Webster* acted as counsel to a secured lender in obtaining a receivership order against a Calgary dental practice known as Nazeema Rajabali Professional Corporation on August 23, 2018.

Restoration Energy (Bankruptcy)

Bill Skelly, *Thomas Clifford* and *Catrina Webster* acted as counsel to Grant Thornton Limited, receiver of Crystal Wealth Enlightened Factoring Strategy, in obtaining a Bankruptcy Order against Restoration Energy, a home maintenance and repair company based in Airdrie, Alberta, on September 14, 2018.

Sequoia Resources Corporation (Bankruptcy)

Jeff Lee, *Dana Nowak* and *Catrina Webster* acted as counsel to a significant builder's lien claimant in regard to the bankruptcy of Sequoia Resources Corporation (“Sequoia”) (formerly Perpetual Energy Operation Corp.), a privately held Alberta corporation which had acquired 3,200 gas wells. Sequoia filed a Notice of Intention to Make a Proposal to Creditors under Division I of Part III of the *Bankruptcy and Insolvency Act* on March 2, 2018, and filed an assignment in bankruptcy on March 23, 2018.

BRITISH COLUMBIA ASSIGNMENTS

Radiant Global Logistics Inc. (“Radiant”)

Bill Skelly and Thomas Clifford acted as counsel to Radiant in the registration of a foreign judgment against Border Express Services Ltd. and the subsequent enforcement of the judgment.

North America Tungsten Corporation (“NATC”)

Bill Skelly acted as counsel for Callidus Capital Corporation, the senior secured creditor of NATC, in enforcing its security and eventual sale of NATC’s assets.

Insight Film Studios Ltd. (“Insight”)

Bill Skelly acted as counsel for the Royal Bank of Canada (“RBC”), a senior secured creditor of Insight, in realizing on RBC’s security, and also acted for RBC in its lawsuit against the principals of Insight who were significant guarantors.



SASKATCHEWAN ASSIGNMENTS

Rivairo Capital Corporation & Kolsy Homes Ltd. (CCAA)

Jeff Lee and Paul Olfert acted as counsel to the Monitor of Rivairo Capital Corporation and Kolsy Homes Ltd., real estate development companies with properties located in Saskatoon, Saskatchewan, and Airdrie, Alberta.

Blue Oak Holdings Ltd. (Receivership)

Jeff Lee and Paul Olfert acted as counsel to the secured lender to Blue Oak Holdings Ltd., a Saskatchewan real estate corporation with properties in Carlyle, Saskatchewan, in obtaining an order appointing a receiver of the property, assets and undertaking of the debtor company.

King Edward Apartments Inc. (Receivership)

Jeff Lee, James Rose and Paul Olfert acted as counsel to the receiver of King Edward Apartments Inc., a Saskatchewan corporation which had developed and partially completed construction of a five-building apartment complex in Regina, Saskatchewan, in completing construction of the project, obtaining a Sale Approval and Vesting Order for the property and closing the sale.

Humboldt Broncos Memorial Fund Inc. (The Informal Public Appeals Act)

Jeff Lee and Paul Olfert acted as counsel to Humboldt Broncos Memorial Fund Inc. (“HBMFI”), a Canada not-for-profit corporation established in the aftermath of the April 6, 2018, accident involving the Humboldt Broncos team bus in which 16 people lost their lives and 13 people were injured. HBMFI sought, obtained and implemented orders under Saskatchewan’s *Informal Public Appeals Act* to allocate approximately \$15 million donated through the GoFundMe online fundraising platform in response to the accident. MLT Aikins provided all legal services to HBMFI on a *pro bono* basis.

Copper Sands Group (CCAA)

Jeff Lee and Paul Olfert acted as counsel to Copper Sands Group, a group of six Saskatchewan corporations involved in operation of a mobile home park and construction of waste water and water treatment utilities, which sought to restructure its business and financial affairs under the CCAA in 2018.

MANITOBA ASSIGNMENTS

Corner Equipment (“Corner”) (BIA Division I Proposal)

Bruce Taylor and J.J. Burnell acted as counsel to the operating lender to Corner and related companies in matters regarding the disposition of Corner’s assets and its Proposal proceedings.

Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd. (Liquidation)

Jeff Lee and J.J. Burnell acted as counsel to the court-appointed liquidator of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd. (“TBF & EPG”), two Manitoba potato farming companies, in obtaining a Sale Approval and Vesting Order in regard to a sale of the assets of TBF & EPG and in closing the resulting sale transaction.

390 Assiniboine Ave Inc. (“390”) (Receivership)

Bruce Taylor and J.J. Burnell acted as counsel to the court-appointed receiver and manager of 390, a developer of a 24-storey, 92-unit Winnipeg condominium project.

5274398 Manitoba Ltd. (“527”) (BIA Division I Proposal)

Bruce Taylor and J.J. Burnell acted as counsel to 527, a manufacturer, in matters related to the approval of its Proposal and related proceedings, including the appeal of the disallowance of certain contingent claims.

Carillion Canada Holdings Inc. et al (“Carillion”) (CCAA Proceeding)

Bruce Taylor, John Martens, Thor Hansell and J.J. Burnell acted as counsel to Manitoba Hydro in matters related to substantial claims involving a Carillion subsidiary.

Manitoba Professional Corporation (Bankruptcy)

J.J. Burnell acted as counsel to a non-bankrupt professional corporation and shareholders. The shareholders’ agreement provided that the bankrupt’s shares would be purchased at a reduced price. The Trustee in Bankruptcy sought to compel the corporation to purchase the bankrupt’s shares at fair market value.



MULTIPLE PROVINCE ASSIGNMENTS

Nevas Realty Inc. (Saskatchewan and Alberta) (Receivership)

Dean Hutchison, Catrina Webster and Paul Olfert acted as counsel to a secured creditor in obtaining a receivership order from the Court of Queen's Bench of Alberta on November 27, 2018, against Nevas Realty Inc., a property management corporation which carried on business and owned real property in Calgary, Alberta, and Swift Current, Saskatchewan.

1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd. (Saskatchewan and Alberta) (Receivership)

Dean Hutchison and Jeff Lee act as counsel to Hardie & Kelly Inc., court-appointed receiver of 1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd., corporations which own and operate hotels in Drayton Valley, Alberta, and Yorkton, Saskatchewan.

Diversified Metal Engineering (Prince Edward Island and British Columbia) (Receivership)

Bill Skelly and Thomas Clifford acted as counsel to Alvarez & Marsal Canada Inc., court-appointed receiver of Diversified Metal Engineering ("DME"), a fabricator of stainless steel products and brewing systems for the craft beer industry based in Charlottetown, Prince Edward Island, and in obtaining a Sale Approval and Vesting Order on December 21, 2018, from the Supreme Court of British Columbia in regard to certain British Columbia assets of DME.

Carillion Canada (Ontario and Alberta) (CCA)

Bill Skelly acted as counsel to Emcon Services Inc. in its successful July 2018 purchase of highway maintenance contracts and equipment in the provinces of Alberta and Ontario in the CCA proceedings supervised by the Ontario Superior Court of Justice in regard to Carillion Canada, one of Canada's largest integrated construction support services and facilities management enterprises.

Crystal Wealth Group of Companies ("Crystal Wealth") (Alberta and British Columbia)

Bill Skelly, Thomas Clifford and Catrina Webster acted for Grant Thornton Limited as court-appointed receiver of Crystal Wealth. MLT Aikins petitioned a number of debtors of Crystal Wealth into bankruptcy in both B.C. and Alberta, and MLT Aikins acted for the creditors (Crystal Wealth) and the trustee (The Bowra Group Inc.).

SPEAKING ENGAGEMENTS, PAPERS AND OTHER MILESTONES



Jeff Lee
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Jeff Lee published a paper entitled “The Glorious Uncertainty of The Law: Taking and Enforcing Security in Saskatchewan” in the 2017 *Annual Review of Insolvency Law* (“ARIL”) and presented the paper at the ARIL Conference in Vancouver on February 9, 2018. He led a course entitled “Identifying & Managing Risks in Your Business or Professional Practice” for the Institute of Chartered Professional Accountants of Saskatchewan in November 2018. He and Paul Olfert spoke on “The Effects of Insolvency Proceedings on Employment Relationships” to the Canadian Bar Association Saskatchewan Branch Insolvency Section on December 5, 2018.



Dean Hutchison
Calgary
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Dean Hutchison is a partner who oversees our insolvency and restructuring practice area in southern Alberta. Dean acts for clients in matters across Western Canada and has appeared for clients on insolvency and restructuring matters before the Courts in Alberta, Saskatchewan, and Manitoba.



Paul Olfert
Saskatoon
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Paul Olfert presented a course entitled “Identifying & Managing Risks in Your Business or Professional Practice” to the Institute of Chartered Accountants of Saskatchewan in November of 2018. He and Jeff Lee spoke on “The Effects of Insolvency Proceedings on Employment Relationships” to the Canadian Bar Association Saskatchewan Branch Insolvency Section on December 5, 2018.



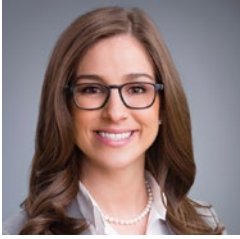
Dana Nowak
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Dana Nowak presented at the Young Insolvency Professionals Conference in Las Vegas, Nevada, in May 2018 on the topic of conflicts and ethics. She was also a panellist at the Canadian Bar Association (“CBA”) National Insolvency Conference held in Vancouver, British Columbia, in September 2018. Dana is a past Chair of the CBA Alberta Creditor and Debtor Subsection and is a current member of the Alberta Bankruptcy Practice Committee.



Bill Skelly
Vancouver
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Bill Skelly participated in a panel at the Insolvency Institute of Canada Conference in P.E.I. on a topic entitled “Trust Me/Lien on Me,” which considered deemed trust and directors’ liability provisions in provincial construction lien legislation.



Catrina Webster
Calgary

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Catrina Webster's practice involves all aspects of corporate and commercial litigation, with a focus on restructuring and insolvency.



James Rose
Regina

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James Rose is a commercial litigator with a focus on restructuring and insolvency law, debtor/creditor law and business litigation.



Thomas Clifford
Vancouver

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Thomas Clifford is a commercial litigator with a focus on restructuring and insolvency law, debtor/creditor law and business litigation.



J.J. Burnell
Winnipeg

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J.J. Burnell presented a course entitled "Introduction to Insolvency Law" as a webinar for the Canadian Bar Association and spoke at the Manitoba Bar Association's "Insolvency Topics" course.



Bruce Taylor
Winnipeg

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Bruce Taylor is a partner practising in the areas of financial services, corporate restructuring, recovery and insolvency and bankruptcy law.

MLT Aikins LLP is a full-service law firm of more than 240 lawyers with a deep commitment to Western Canada and an understanding of this market's unique legal and business landscapes.

Based out of six key centres across the four western provinces, MLT Aikins is the only law firm to have offices in Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Vancouver.