

COURT FILE NUMBER QBG-SA-00399-2020

COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF CANADIAN MORTGAGE SERVICING CORPORATION

DEFENDANT 101118672 SASKATCHEWAN LTD. (formerly Korf Properties
Ltd.)

**IN THE MATTER OF THE RECEIVERSHIP OF 101118672 SASKATCHEWAN LTD. (formerly
Korf Properties Ltd.)**

NOTICE OF APPLICATION
(Discharge and Distribution)

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 of King's Bench of Saskatchewan 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	July 18, 2023
Time	10:00 am

(Read the Notice at the end of this document to see what else you can do and when you must do it.)

Remedy claimed or sought:

1. An Order:
 - (a) Abridging, if necessary, the time for service of this application and deeming service good, valid and sufficient;

- (b) Approving the actions of MNP Ltd. in its capacity as Court-appointed receiver (the “**Receiver**”) of the assets, undertakings and property of 101118672 Saskatchewan Ltd. (formerly Korf Properties Ltd.) (the “**Debtor**”);
- (c) Approving the fees and disbursements of the Receiver and its legal counsel, as set out in the Sixth Report of the Receiver dated July 10, 2023 (the “**Sixth Report**”);
- (d) Authorizing the Receiver to distribute the Debtor’s estate the following sums to the following entities:
 - i. To Canada Revenue Agency (“**CRA**”), \$9,102.18 on account of unremitted GST and \$23,303.21 on account of unremitted source deductions, owed by the Debtor, and which CRA has a priority lien;
 - ii. To the Receiver, \$12,202.79 for payment of the Receiver’s fees and the estimated costs to completion of the Receivership;
 - iii. To the Receiver’s counsel, Kanuka Thuringer LLP (“**Kanuka**”), \$45,343.59 for payment of legal fees and estimated legal fees to completion of the Receivership; and
 - iv. To Canadian Mortgage Servicing Corporation (“**CMSC**”), \$47,860.61 as the primary secured creditor.
- (e) Authorizing the Receiver to maintain a holdback of \$5,000.00 to address any additional professional fees or expenses of the estate and pay any such fees or expenses, after which the Receiver is authorized to pay any balance remaining and any further collected proceeds to Canadian Mortgage Servicing Corporation as the primary secured creditor.
- (f) Discharging the Receiver; and
- (g) Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

1. The Receiver was appointed as receiver of the Debtor’s assets, undertakings and properties pursuant to a Receivership Order granted by the Honourable Mr. Justice B.J. Scherman on March 17, 2020.
2. After its appointment, the Receiver *inter alia* took control of the assets of the Debtor, ran sales processes for such assets, and prepared them for sale. A summary of the Receiver’s activities to date is set out in the Sixth Report.

3. By February 2023, the Receiver had successfully closed sales of the assets of the Debtor in multiple Court-approved transactions owned by the Debtor.

4. The only remaining asset in the Debtor's estate is an orphan mineral title located in the City of Estevan, described in further detail in the Sixth Report. The Receiver contacted multiple parties including the purchaser of the surface parcel, the Ministry of Justice, and the City of Estevan in an effort to address the orphan mineral title. Due to the size, location (inside the city limits of Estevan), and potential liabilities, no parties were interested in ownership of the orphan mineral title. The Receiver requests that it be discharged without disposing of the orphan mineral title and leaving it in the name of the Debtor.

5. In addition, following the sales, the Receiver contacted CRA with information it requested to complete its deemed trust examinations in respect of the Debtor's GST and unremitted source deductions. The Receiver was advised by CRA that \$9,102.18 on account of unremitted GST and \$23,303.21 on account of unremitted source deductions is a deemed trust and owed by the Debtor to CRA.

6. To the Receiver's knowledge all statutory filings and assessed amounts payable by the receivership estate have been finalized.

7. Attached as Appendix 1 to the Sixth Report of the Receiver is a copy of the Receiver's Statement of Receipts and Disbursements ending July 10, 2023 (the "Final SRD"). There is a balance of \$85,266.00 remaining in the receivership estate after the Receiver's fees and Receiver's counsel fees are applied but before the CRA GST and source deductions are paid.

8. The Receiver proposes to pay the balance of \$47,860.61 to CMSC as the primary secured creditor (the current balance in the estate less a \$5,000 accrual to address any additional expenses of the estate).

9. The Receiver proposes to pay any further funds collected to CMSC upon receipt and upon completion of the administration of the estate including the filing of the Section 246(3) Report with the Office of the Superintendent of Bankruptcy. From the \$5,000.00 held back, the Receiver

proposes to pay any final professional fees or expenses of the estate, and then pay any balance remaining to CMSC.

10. As of the date of the Sixth Report, the Receiver has essentially completed its administration of the Debtor's estate. The Receiver submits that the only remaining tasks are of a routine, administrative nature and that seeking discharge at this time is appropriate in the circumstances.

Material or evidence to be relied on:

1. This Notice of Application with proof of service;
2. The Sixth Report of the Receiver dated July 10, 2023;
3. A Draft Distribution and Discharge Order;
4. A redline of the Draft Distribution and Discharge Order from the Saskatchewan Template Distribution and Discharge Order; and
5. Such further and other material as this Honourable Court may allow.

Applicable Acts, Regulations, and Jurisprudence:

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

DATED at Regina, Saskatchewan, this 11th day of July, 2023.

KANUKA THURINGER LLP

Per: 
Solicitors for MNP Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Lawyer in Charge of File:
Ryan D. Moneo

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SERVICE LIST

As of July 11, 2023

NAME, ADDRESS EMAIL ADDRESS AND FAX NUMBER	COUNSEL FOR (OR ON BEHALF OF)
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(updated July 11, 2023)

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