



NO. S-194717  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57  
and THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

-AND-

IN THE MATTER OF THE LOUIS RACZ CO. LTD.

-AND-

Between

1012109 B.C. LTD. and LISA MADDESS

Petitioners

and

ETHEL MARY RACZ a/k/a ETUS MARIA RACZ  
and MICHAEL SIWIK

Respondents

### NOTICE OF APPLICATION

**NAME OF APPLICANT:** MNP Ltd., in its capacity as liquidator (in such capacity, the "Liquidator") of Louis Racz Co. Ltd. (the "Company")

**TO:** The Respondents  
715 Saraguay Blvd  
Pierrefonds, QC H8Y 2G3  
c/o Liebman Légal Inc.  
1 Westmount Square, Suite #350  
Montreal, QC H3Z 2P9  
Attention: Moe Liebman

**AND TO:** The Petitioners  
c/o Turner & Co.  
The United Kingdom Building  
409 Granville Street, Suite 1600  
Vancouver, BC V6C 1T2  
Attention: Scott Turner

TAKE NOTICE that an application will be made by the Liquidator to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on Wednesday, the 26<sup>th</sup> day of October, 2022, at 9:45 a.m. for the order(s) set out in Part 1 below.

**Part 1: ORDER(S) SOUGHT**

1. An order substantially in the form attached hereto as **Schedule “A”**, *inter alia*, approving the dissolution of the Company and discharging the Liquidator.
2. Such further and other relief as counsel may advise and this Court may allow

**Part 2: FACTUAL BASIS**

**A. Background**

1. Louis Racz founded the Company in 1967 and passed away in 1988. The Company’s current shareholders are 1012109 B.C. Ltd. and Lisa Maddess (the **“Petitioners”**), Respondent Ethel Racz, and Respondent Michael Siwik (collectively, the **“Shareholders”**). In addition, Rita Racz has been the Company’s sole director and officer (in such capacity, the **“Director”**) since July 3, 2014.

First Report of Liquidation, September 19, 2022 at paras 3, 4 (**“First Report”**)

2. The Company’s sole asset was a residential apartment building located in West Vancouver, British Columbia (the **“Property”**). On January 31, 2019, the Company sold the Property, realising net proceeds of approximately \$15 million.

First Report at paras 6, 7

**B. These Liquidation Proceedings**

**Liquidation Order**

3. On July 29, 2019, this Court pronounced an order (the **“Liquidation Order”**) which provided, *inter alia*, that the Company be liquidated pursuant to section 324 of the *Business Corporations Act*, SBC 2002, c 57 (the **“BCA”**) and that MNP Ltd. be appointed as the Liquidator of the Company after certain transactions were completed (the **“Precedent Transactions”**):

6. As of the date the transactions contemplated by paragraphs 1 – 5 of this Order are completed (the **“Liquidation Date”**), the “Company be liquidated pursuant to s. 324 of the *Business Corporations Act*, [SBC 2002], c. 57 (the **“Act”**).

7. Effective as of the Liquidation Date, MNP Ltd. (**“MNP”**) be appointed as liquidator of the Company pursuant to the Act (the **“Liquidator”**), with all of the powers of a liquidator as set out in the Act.

Liquidation Order at paras 6, 7

4. The Precedent Transactions set out in paragraphs 1–5 of the Liquidation Order were completed on August 29, 2019 (the **“Liquidation Date”**).

First Report at para 10

5. The Liquidation Order empowered and directed the Liquidator to:
  - (a) take possession of the assets of a company;
  - (b) pay the creditors of the Company;
  - (c) engage outside accountants to prepare financial statements for the Company, as necessary;
  - (d) file tax returns for the company;
  - (e) take possession of any tax refunds payable to the Company; and, thereafter,
  - (f) distribute any remaining assets to the Class C shareholders of the Company, *pro rata* in accordance with their shareholdings; and, thereafter,
  - (g) apply for an order dissolving the Company.

Liquidation Order at para 8

#### **Refused Payments Application**

6. On August 26, 2019, the Respondent, Ethel Racz sent a letter dated August 23, 2019 (the "**August 23 Letter**") to counsel for the Petitioners. The August 23 Letter stated, *inter alia*, that "[a]ny cheque sent to me will be returned".

*1012109 BC Ltd v Racz*, 2020 BCSC 1099 at para 16 ("*July Reasons*")

7. On August 26, 2019, and notwithstanding the August 23 Letter, counsel for the Petitioners delivered a letter enclosing three cheques to Ethel Racz (the "**Racz Cheques**") in the following amounts:
  - (a) \$415,000 on account of the redemption of certain shares she held in the Company;
  - (b) \$855,000 on account of a capital dividend declared by the Company; and
  - (c) \$645,000 on account of an ordinary dividend declared by the Company.

*July Reasons* at para 17

8. Also on August 26, 2019, counsel for the Petitioners delivered a letter enclosing two cheques to Michael Siwik (the "**Siwik Cheques**" and, together with the Racz Cheques, the "**Cheques**") in the following amounts:
  - (a) \$1,995,000 on account of a capital dividend declared by the Company; and
  - (b) \$1,505,000 on account of an ordinary dividend declared by the Company.

*July Reasons* at para 17

9. The Respondents returned the Cheques to the Petitioners' counsel.

*July Reasons* at para 18

Affidavit #1 of Anna Lee, sworn April 14, 2020 at para 10

10. The Petitioners subsequently sought the help of the Liquidator in delivering the Cheques to the Respondents and, on February 21, 2020, the Liquidator sent the Respondents letters enclosing reissued cheques (the "**Reissued Cheques**") for payments to the Respondents in respect of the redemption of certain shares and capital and ordinary dividends, which payments had previously been refused by the Respondents (the "**Refused Payments**").

*July Reasons* at para 19

11. On or around February 24, 2020, the Respondents jointly wrote to the Liquidator and advised that the Reissued Cheques would be returned.

12. On July 28, 2020, on application by the Petitioners (the "**Refused Payments Application**"), this Court pronounced an order (the "**July 28 Order**"), ordering and declaring, *inter alia*, that:

3. The obligation and liability of the Louis Racz Co. Ltd. (the "**Company**") to make further payments to the Respondents on account of their shareholdings, as required by the Liquidation Order, is also extinguished.

4. [The Liquidator], in its capacity as liquidator of the Company, shall pay the Refused Payments to the Petitioners in proportion to their respective Class C shareholdings in the Company.

July 28 Order at paras 3, 4

13. The July 28 Order also contained the following comeback provision:

7. The implementation of this Order is stayed for a period of thirty (30) days from its date of entry in the registry. The Petitioners shall provide the Respondents with a copy of this Order and the court's reasons for judgment, forthwith after entry of the Order, and the Respondents shall have thirty (30) days from the date of entry of the Order to apply to this court to set it aside. If the Respondents do not apply to set the Order aside within the time provided, the Order shall come into full force and effect.

July 28 Order at para 7

14. Ultimately, the Respondents accepted the Refused Payments and those funds were paid to them by the Liquidator. On October 27, 2020, this Court pronounced a consent order (the "**October 27 Order**") that paragraphs 1 – 5 of the July 28 Order be set aside.

### **Dividend Application**

15. On April 12, 2021, on application by the Liquidator (the "**Dividend Application**"), this Court pronounced an Order (the "**April 12 Order**"), ordering and declaring, *inter alia*, that:

1. The Liquidator is authorised and directed to:

(a) declare a dividend to the Petitioners and the Respondents (together, the "**Shareholders**") in the amount of \$2,076,502 (the "**First Dividend**");

(b) pay the First Dividend to the Shareholders from the funds held by the Liquidator;

(c) declare a second dividend to the Shareholders in the amount of \$1,034,096 prior to the current fiscal year end of June 30, 2021 (the "**Second Dividend**"); and

(d) satisfy the Second Dividend with a promissory note in favour of the Shareholders issued on behalf of the Company (the "**Promissory Note**").

April 12 Order at para 1

### **C. Liquidator's Activities**

#### **Administration**

16. Since its appointment on the Liquidation Date, the Liquidator has:

(a) attended to various statutory duties pursuant to the *BCA*, including preparing and filing notices of appointment of liquidator, and the First Report, and publishing notices of these liquidation proceedings in the *Gazette* and *Vancouver Sun* newspaper;

(b) maintained and updated a website in respect of these liquidation proceedings;

(c) retained independent legal counsel;

(d) received the following sums (collectively, the "**Funds**"), which were deposited in the Liquidator's trust account maintained for the Company's stakeholders (the "**Liquidation Account**"):

(i) \$63,406.85 representing cash on hand held in trust for the Company in a bank account maintained by FirstService Residential ("**First Service**"), which had managed the Property prior to its sale;

(ii) \$713,694.24 held in trust for the Company by Burns Fitzpatrick LLP ("**Burns**"), which at the time was counsel to the Petitioners; and

(iii) \$5,415,000 from Burns in April, 2020, representing the Refused Payments that were tendered to the Respondents by Burns, but were refused by the Respondents;

(e) attended and took no position on Refused Payment Application of the Petitioners on June 17, 2020, which sought directions with respect to the future distribution of the Refused Payments;

- (f) distributed the Refused Payments to the Respondents from funds held by the Liquidator in accordance with the October 27 Order;
- (g) prepared materials for and brought the Dividends Application;
- (h) exchanged various correspondence and participated in discussions with the Shareholders and their respective legal counsel;
- (i) participated in discussions with representatives of KPMG LLP (“**KPMG**”), which had provided accounting and tax services to the Company prior to the Liquidation Order and provided KPMG with instructions regarding certain tax documents;
- (j) reviewed historical information and corporate income tax returns, as well as various statements of account issued by the Canada Revenue Agency (the “**CRA**”) with respect to the Company’s tax accounts;
- (k) arranged for the Company’s financial statements and corporate income tax returns for the fiscal years ending June 30, 2020 and June 30, 2021 to be prepared and filed with the CRA. The Liquidator also arranged for the preparation and filing of the financial statements and corporate income tax return for the June 30, 2022 fiscal year-end; and
- (l) at different times, arranged for funds held in the Liquidation Account to be deposited into Guaranteed Investment Certificates in order to earn interest income.

First Report at paras 16–29

### **Assets**

17. As noted above, the Liquidator received the Funds held in trust for the Company from First Service and Burns, which were deposited in the Liquidation Account. The Liquidator also received corporate income tax refunds for the Company totaling \$2,863,515 plus interest (the “**Tax Refunds**”), which were also deposited into the Liquidation Account.

First Report at para 30

18. The Liquidator is not aware of any other assets of the Company other than the Funds and the Tax Refunds already received by the Liquidator.

First Report at para 31

### **Statutory Claims**

19. The Liquidator confirmed the Company had a payroll account registered with the CRA and that there were no amounts owing to the CRA with respect to unremitted payroll source deductions. As the Company had no payroll activity in 2019, the Liquidator arranged for the payroll tax account to be closed in October 2019.

First Report at para 32

20. The Liquidator confirmed the Company was not registered to collect Goods and Service Tax.

First Report at para 33

21. After the pronouncement of the Liquidation Order, the Liquidator reviewed various statements of account issued by the CRA with respect to corporate income tax and confirmed that the Company had no outstanding balances.

First Report at para 34

22. The Liquidator retained KPMG as an external accountant to prepare financial statements and file various tax returns with the CRA for the Company. The Liquidator retained MNP LLP (a separate but related entity to the Liquidator) to prepare financial statements and income tax returns for the 2020 through 2022 tax years. For each tax year, the Company filed for and received an income tax refund which was deposited to the Liquidation Account.

First Report at para 35

23. The Liquidator arranged for the preparation and filing of the financial statements and corporate income tax return for the fiscal year ending June 30, 2022. The tax return reports no corporate income tax owing or refundable.

First Report at para 36

***Other Claims***

24. The Liquidator paid an invoice rendered by KPMG to the Company for accounting services provided.

First Report at para 37

25. The Company's Balance Sheet at June 30, 2019 reported debt obligations to and from certain parties totally \$116,288.77, as follows:

- (a) due to Rita Racz: \$47,152.85;
- (b) due to Ethel Racz: \$69,635.14; and,
- (c) due from Rozalia Racz: (\$499.26).

First Report at para 38

26. The Liquidator did not have information on the transactions that gave rise to the various balances. Accordingly, the Liquidator inquired with KPMG and was advised that KPMG was not aware of any reason why the Liquidator should not proceed with distributing the specific amounts.

First Report at para 39

27. The Liquidator sent cheques in the amount of \$47,152.85 to Rita Racz and \$69,635.14 (the “**Shareholder Loan**”) to Ethel Racz. Due to the death of Rozalia Racz, the small balance owed by Rozalia Racz was recorded as uncollectable in the Company’s books and records in the 2020 fiscal year due.

First Report at paras 40, 41

28. Ongoing correspondence has been exchanged between the Liquidator and Ethel Racz regarding various matters, including the payment of the Shareholder Loan. The cheque issued to Ethel Racz to pay the Shareholder Loan was not cashed and became stale-dated. This correspondence is appended to the First Report.

First Report at para 42 and Appendices “A”, “B”

29. The Liquidator’s legal counsel wrote to Ethel Racz requesting that she confirm whether she wanted the Liquidator to re-issue the payment. The response received from Ethel Racz on July 20, 2022 (the “**July 2022 Reply**”) does not confirm that she wants the Liquidator to re-issue payment of the Shareholder Loan.

First Report at paras 43–44

30. The Liquidator did not receive any written notices from any additional claimants within the two-month period (or at any time) after publication of the notice in the Gazette and the Vancouver Sun Newspaper.

First Report at para 45

31. The Liquidator conducted searches of the British Columbia Personal Property Registry on August 30, 2019 and again on July 4, 2022. These searches did not report any registrations filed against the Company.

First Report at para 46

32. The Liquidator is not aware of any debt obligations of the Company other than the Shareholder Loan.

First Report at para 48

### ***Allegations from Ethel Racz***

33. The July 2022 Reply from Ethel Racz alleges fraudulent corporate resolutions of the Company and fraudulent evidence put before the Court over the course of several years.

First Report at para 48

34. Ethel Racz has written extensively to the Liquidator and its counsel over the course of the liquidation. In this correspondence, Ethel Racz requested that the Liquidator conduct investigations into unrelated matters. The Liquidator provided information within its knowledge to Ethel Racz as appropriate, but declined to conduct investigations outside the scope of its appointment and powers under the Liquidation Order.

First Report at para 49



***Distributions to Shareholders***

35. In February 2020, the Liquidator issued T5 slips to the Shareholders in respect of the 2019 calendar year and filed requisite documentation with the CRA.
- First Report at para 51
36. The Liquidator did not declare any dividends to Shareholders during the 2020 calendar year.
- First Report at para 52
37. Early in 2021, the Liquidator confirmed with the CRA that the Company had a refundable tax balance of \$1,034,096 (the “**Tax Refund**”). The Liquidator had been advised by a tax professional that the Tax Refund would be refunded to the Company at a rate of \$1 for every \$2.60 of taxable dividends the Company pays to Shareholders. Consequently, the Liquidator expected the Company would receive the full amount of the Tax Refund upon payment of \$2,688,650 of taxable dividends.
- First Report at para 53
38. On March 26, 2021, the Liquidator filed an application seeking an order directing the liquidator to:
- (a) Declare the First Dividend in the amount of \$2,076,502;
  - (b) pay the First Dividend to the Shareholders from funds held in trust by the Liquidator;
  - (c) declare the Second Dividend to the Shareholders in the amount of \$1,034,096 prior to the fiscal year end of June 30, 2021; and
  - (d) satisfy the Second Dividend with the Promissory Note.
- First Report at para 54
39. The Court pronounced the April 12 Order authorizing and directing the Liquidator to declare and pay the First Dividends from funds held by the Liquidator, declare the Second Dividend to Shareholders, and satisfy the Second Dividend with the Promissory Note.
- First Report at para 55
40. The Liquidator declared and paid the First Dividend on April 21, 2021. The Liquidator declared the Second Dividend and issued the Promissory Note on June 22, 2021.
- First Report at paras 56–57
41. The Liquidator received the Tax Refund on October 29, 2021 and paid the Second Dividend to Shareholders on November 8, 2021 in satisfaction of the Promissory Note.
- First Report at para 58

42. In February 2022, the Liquidator issued T5 slips to the Shareholders in respect of the 2021 calendar year and filed the requisite documentation with the CRA.

First Report at para 59

43. The Liquidator has not declared or paid any dividends to Shareholders to date this calendar year, but intends to declare one final dividend and distribute available funds to the Shareholders upon the resolution of the Shareholder Loan and prior to finalizing the Liquidation.

First Report at paras 60–61

### ***Liquidator's Accounts and Counsel's Accounts***

44. Pursuant to the Liquidation Order, the Liquidator shall be paid its fees and disbursements pursuant to its standard hourly rates and as set out in the engagement agreement between the Liquidator and the Company (the "**Engagement Agreement**"). A summary of the Liquidator's invoices for professional fees are set out in Appendices "C" and "D" of the First Report.

First Report at paras 62–64

45. A summary of the invoices for the legal fees and disbursements of the Liquidators legal counsel, Cassels Brock & Blackwell LLP from June 26, 2019 to August 20, 2021, and McCarthy Tétrault LLP from August 23, 2021 to the present, are set out in Appendix "A" of the First Report. The Liquidator has reviewed these accounts and is satisfied that the work detailed therein was completed at the request of the Liquidator and was necessary. In the Liquidator's experience, the fees and rates charged in those invoices are consistent with those charged by other law firms for work of a similar nature and complexity in British Columbia.

First Report, Appendix A

46. The details of the Liquidator's receipts and disbursements to September 19, 2022, as well as an estimate of the accounting of the Company's property to conclude the Liquidation (the "**Estimated Final Accounts**") are set out in Appendix "E" of the First Report.

First Report at para 65

### ***Company Records***

47. The Company's registered and records office was the law office of Helena Plecko Law, now Finestra Law ("**Finestra**"), in Port Moody, B.C. Helena Plecko, a lawyer at Finestra, contacted the Liquidator to advise that there were boxes of litigation files (the "**Litigation Files**") in respect to concluded litigation proceedings at their law office.

First Report at paras 67–68

48. Liquidator is of the view that there is no benefit to justify the cost to continue to store the Litigation Files. The Liquidator proposes to:

- (a) mail a notice to Rita Racz (the “**Director**”) requiring that the Director take possession of the Litigation Files within 30 days; and
- (b) if the Director does not make satisfactory arrangements to pick up the Litigation Files within the 30-day period, the Liquidator shall instruct Finestra to destroy the Litigation Files.

First Report at para 69

### ***Dissolution of the Company***

49. The Liquidator’s administration of the Company has been substantially finalized, with the exception of the following matters:
- (a) arranging for the return or destruction of the Litigation Files;
  - (b) distributing the remaining funds as set out in the Estimated Final Accounts and closing the Liquidator’s trust account thereafter;
  - (c) preparing and filing T5 slips for the 2022 calendar year; and
  - (d) preparing and filing the final corporation income tax return for dissolution.

First Report at para 70

## **Part 3: LEGAL BASIS**

### **A. Approval of Liquidator’s Activities**

1. The First Report outlines the specific activities taken by the Liquidator since the Liquidation Order.
2. Approval of the Liquidator’s activities is appropriate in these circumstances because such approval will:
  - (a) allow the Liquidator, the Petitioner, and the other stakeholders to move forward confidently with finalizing these proceedings and discharging the Liquidator;
  - (b) bring the Liquidator’s activities in issue before this Court, providing an opportunity for the concerns of this Court, the Petitioners, and/or the other stakeholders to be addressed, and any problems to be rectified in a timely way;
  - (c) provide certainty and finality in these proceedings in the activities undertaken by the Liquidator, while providing an opportunity for the Petitioners and the stakeholders to raise specific objections and concerns;
  - (d) enable this Court, tasked with supervising these proceedings, to satisfy itself that the Liquidator’s court-mandated activities have been conducted in a prudent and diligent manner; and
  - (e) provide protection for the Liquidator not otherwise provided by statute.

3. In addition, the approval sought by the Liquidator is not a general approval of all its activities, but is the approval of the specific activities taken by the Liquidator as outlined in the First Report.

**B. Approval of Fees and Accounts**

4. The Liquidation Order provides that the Liquidator shall be paid its fees and disbursements:

12. The Liquidator shall be paid its fees and disbursements pursuant to its standard hourly rates and as set out in the engagement agreement between the Liquidator and the Company (the "**Engagement Agreement**").

Liquidation Order at para 12

5. A Liquidator's fees must be fair and reasonable.

*Common Wealth Trust Company (In Liquidation) (Re)*, 2009 BCSC 1493 at para 240  
*Confederation Life Insurance Company (Re) (2007)*, 32 CBR (5th) 108, 2007 CanLII 18139 at para 5

6. The Liquidator's professional fees from March 6, 2019 to August 31, 2022 totaled \$107,152.50 before applicable taxes. These fees have been paid from the Liquidation Account. All fees were charged at the Liquidator's standard hourly rates from time to time in accordance with the Engagement Agreement. These fees represent 217.70 hours for an average hourly rate of \$492.2 per hour.
7. The Liquidator estimates that services rendered from September 1, 2022 to the conclusion of the liquidation of the Company at not more than \$13,000 inclusive of fees and taxes.
8. The Liquidator's professional fees and disbursements have been properly incurred, are consistent with the fees charged by similar firms in British Columbia with the capacity to handle a file of comparable size and complexity, and relate to services that were provided in a prudent and economical manner. In addition, the work performed by the Liquidator was delegated to the appropriate professionals with the appropriate seniority and hourly rates. Accordingly, the Liquidator's fees and disbursements are fair and reasonable in the circumstances.

**C. Records**

9. The Liquidation Order provides that:

15. The parties and the Liquidator shall be at liberty to apply to the Court for further Orders or directions regarding this Order or the liquidation of the Company.

Liquidation Order at para 15

10. In addition, subsection 342 (3) provides that this Court may pronounce an order, *inter alia*, approving the disposal of a liquidated company's records:

### **Court approval of dissolution in court ordered liquidations**

**342 (1)** In addition to complying with the obligations imposed under section 341, a liquidator appointed by the court must, before applying for dissolution of the company, obtain an order of the court approving that dissolution.

[...]

**(3)** On an application for an order under subsection (1) of this section, the court may make any order it considers appropriate and may, without limiting this, make an order

**(a)** approving the dissolution,

**(b)** respecting the custody or disposal of records referred to in section 351 (1) (a), and

**(c)** that the liquidator be discharged effective on the dissolution of the company, or at any other time ordered by the court, and, if the liquidator is discharged under this paragraph, section 350 (3) and (4) applies.

*BCA, s 342*

11. The Litigation Files relate to concluded litigation proceedings and the Liquidator does not believe there is any benefit to continuing to pay to store them. Accordingly, the Liquidator is seeking an order directing it to:
  - (a) mail a notice to the Director at the address shown in the corporate search conducted on August 8, 2022, requiring the Director to take possession of the Litigation Files within 30 days should the Director wish to maintain the Litigation Files; and
  - (b) if the Director does not make satisfactory arrangements with Finestra to pick up such Litigation Files within the referenced thirty (30) day period, the Liquidator shall instruct Finestra to destroy the Litigation Files.
12. Such an order would provide the Company with an opportunity to take possession of the Litigation Files in a timely way, should it wish to, while also providing certainty and finality with respect to Finestra's obligation to the Company.

### **D. Dissolution of the Company**

13. The Liquidator's administration of the Company has been substantially completed with the exception of:
  - (a) arranging for the return or destruction of the Litigation Files;
  - (b) distributing the remaining funds as set out in the Estimated Final Accounts and closing the Liquidation Account thereafter;
  - (c) preparing and filing T5 slips for the 2022 calendar year; and,

- (d) preparing and filing of the Company's final corporation income tax return to dissolution.

14. As noted above, section 15 of the Liquidation Order provides that the Liquidator is at liberty to apply to this Court for further orders and directions in respect of the liquidation of the Company.

Liquidation Order at para 15

15. In addition, section 341 of the *BCA* provides that:

**Completion of liquidation**

**341 (1)** Within 3 months after making the distribution to shareholders required by section 330(m), a liquidator must

- (a) prepare the final accounts of the liquidation showing how it has been conducted and how the assets of the company have been disposed of,

- (b) deposit those final accounts in the liquidation records office, and

- (c) send to each shareholder of the company a notice

- (i) setting out the mailing address and the delivery address of the liquidation records office,

- (ii) stating that the final accounts have been prepared and deposited in the liquidation records office,

- (iii) stating that the final accounts will be open for inspection at the liquidation records office during statutory business hours for a period of at least 3 months after the date of the notice, and

- (iv) stating that a shareholder of the company is entitled, on making a request within the 3 month period and without charge, to receive a copy of the final accounts from the liquidator.

**(2)** A liquidator must ensure that the final accounts referred to in subsection (1) (a) of this section are retained at the liquidation records office for at least 3 months after the date of the notice and must, without charge,

- (a) permit each shareholder to inspect the final accounts during statutory business hours within the 3 month period, and

- (b) send, to each shareholder who requests it within the 3 month period, promptly after the liquidator's receipt of the request, a copy of the final accounts.

**(3)** The liquidator must not apply for dissolution of the company under section 343 until the expiry of the 3 month period referred to in subsection (2) of this section.

[...]

16. In addition to complying with the obligations set out in section 341 of the *BCA*, the Liquidator must apply for an order of this Court approving the dissolution and, on such an application, this Court “may make any order it considers appropriate”, including an order:
- (a) approving the dissolution,
  - (b) respecting the custody or disposal of records referred to in section 351 (1) (a), and
  - (c) that the liquidator be discharged effective on the dissolution of the company, or at any other time ordered by the court, and, if the liquidator is discharged under this paragraph, section 350 (3) and (4) applies.

BCA, ss 341, 342

17. Accordingly, the Liquidator is seeking an order of this Court approving the dissolution of the Company, authorizing the Liquidator, after the expiry of the 3 month period set out in subsection 341 (2) of the *BCA*, to file an application with the registrar for dissolution of the Company and that the Liquidator be discharged upon dissolution.

**Part 4: MATERIAL TO BE RELIED ON**

1. First Report of the Liquidator to the Court dated September 21, 2022.
2. Affidavit #1 of Anna Lee, sworn April 14, 2020.
3. Such further and other materials as counsel may advise and this Court may permit.

The applicant estimates that the Application will take 20 minutes.

- This matter is within the jurisdiction of a Master.
- This matter is not within the jurisdiction of a Master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this Application is brought under Rule 9-7, within 8 business days after service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every Affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this Application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed Application Response;

- (ii) a copy of each of the filed Affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: October 5, 2022



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Signature of Lawyer for the Applicant  
McCarthy Tétrault LLP  
(Forrest Finn)



To be completed by the Court only:

Order made

- in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this Notice of Application
- with the following variations and additional terms:

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Signature of  Judge  Master

### APPENDIX

#### THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- other

**SCHEDULE "A"**

NO. S-194717  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57 and the  
*BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

AND

IN THE MATTER OF THE LOUIS RACZ CO. LTD.

AND

Between

1012109 B.C. LTD. and LISA MADDESS

PETITIONERS

and

ETHEL MARY RACZ a/k/a ETUS MARIA RACZ and MICHAEL SIWIK

RESPONDENTS

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE

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WEDNESDAY, THE 26<sup>TH</sup> DAY OF

OCTOBER, 2022

THE APPLICATION of the Applicant, MNP Ltd., in its capacity as liquidator (in such capacity, the "**Liquidator**") of Louis Racz Co. Ltd. (the "**Company**"), coming on for hearing at Vancouver, British Columbia, on the 26<sup>th</sup> day of October, 2022; and on hearing Forrest Finn and Michelle de Haas, articulated student, counsel for the Petitioner and those other counsel listed on **Schedule "A"** hereto; and upon reading the material filed, including the First Report of the Liquidator to the Court dated September 21, 2022 (the "**First Report**") and the First Affidavit of Anna Lee sworn April 14, 2020;

THIS COURT ORDERS AND DECLARES THAT:

1. The Liquidator has no obligation or liability to remit payment to Ethel Mary Racz in respect of the debt obligation of \$69,635.14 shown as owing to her on the Company's Balance Sheet at June 30, 2019 (the "**Shareholder Loan**").

2. The Liquidator is authorized and directed to distribute the amount of the Shareholder Loan from the funds held in trust in the normal course of administering and finalizing the Liquidation as distributable funds of the Company.
3. The activities of the Liquidator, as set out in the First Report are approved.
4. The fees and disbursements of the Liquidator, including the estimates of same, as set out in Appendices "C" and "D" of the First Report, are approved.
5. The Liquidator's Estimated Statement of Final Accounts, as set out in Appendix "E" of the First Report, is approved.
6. The Liquidator is directed to mail a notice (the "**Notice**") to Rita Racz (the "**Director**") at the address shown in the corporate search conducted on August 8, 2022, requiring the Director to take possession of certain books and records of the Company relating to prior litigation of the business of the Company (the "**Litigation Files**") currently being held at Finestra Law ("**Finestra**") within thirty (30) days of the date of the Notice.
7. If the Director does not make arrangements to take possession of the Litigation Files in the manner set out in the Notice, the Liquidator is authorised to direct Finestra to destroy the Litigation Files.
8. The dissolution of the Company by the Liquidator following the 3-month period referred to in section 341 (2) of the *Business Corporations Act*, RSBC 2002, c 57 is hereby approved without further order.
9. Upon dissolution, the Liquidator is discharged as liquidator of the Company.
10. Endorsement of this Order by counsel appearing, other than counsel for the Liquidator, is hereby dispensed with.

BY THE COURT

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REGISTRAR

*[Endorsements attached]*

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of Lawyer for MNP Ltd., in its  
capacity as the court-appointed liquidator of  
Louis RaczCo. Ltd.  
McCarthy Tétrault LLP  
(Forrest Finn)

**SCHEDULE "A"**  
**(LIST OF COUNSEL)**

<b>Counsel Name</b>	<b>Party Represented</b>