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October 7, 2021

Halifax Regional
Municipality

99 Wyse Road, Suite 600
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Hon. Justice John Bodurtha
Supreme Court of Nova Scotia (Halifax)
The Law Courts
1815 Upper Water Street
Halifax, NS B3J 1S7

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My Lord:

Re: Hfx. No. 507069: Atlantic Crane & Material Handling Limited, Labrador Cranes 2005 Limited, and LCB Rentals Limited (the "Insolvents")

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We advise the court of a material adverse change in the circumstances of the Insolvents arising after the Court's order of September 29th. MNP Limited (the "Trustee") will be preparing a report to be filed very shortly. However, as the Insolvents are requesting an expedited hearing before your Lordship, this correspondence (which is being shared with the service list) sets out the present situation and the pressing need for a further order.



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The sale to Hercules SLR Inc. ("Hercules") was to close on Tuesday October 5th. The Trustee and the Insolvents were advised that day that Hercules would be seeking a credit from the purchase price of \$376,000. This would drastically reduce the anticipated recovery reflected in the submissions to the Court and the Court's September 29th order.

Russell Industries Corp., the original stalking horse bidder, which had already advised that it remained interested in purchasing the Insolvents' assets, immediately made an offer through its subsidiary Canadian Maritime Engineering Limited ("CME") of \$1,150,000 plus payment of the outstanding BDC mortgage on the New Brunswick property (the "Property"). CME completed due diligence on October 6th, and the Trustee has been advised by CME's counsel that the purchase funds are being transferred to the Trustee's trust account this morning.

For clarity, the Hercules winning bid was \$1,357,000 plus payout of the BDC mortgage on the Property. The \$376,000 credit reduction would bring that amount down to \$981,000 plus payout of the BDC mortgage. This compares to the CME confirmed proceeds of \$1,150,000 plus payment of the BDC mortgage. Thus, CME's offer represents a premium of \$169,000 over the Hercules offer.

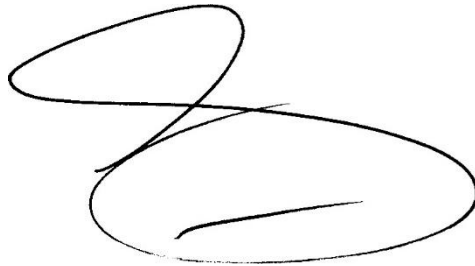
It is the Insolvent and Trustee's view that in either event, because of the significant decrease in anticipated recovery, the Court's direction is required. There is urgency. Remarkably, TD Bank has indicated that the Trustee should close the Hercules offer. TD Bank has also apparently advised Jack Miner, principal of the Insolvents, that TD will only process "important cheques" after October 11th. Mr. Miner will file an affidavit deposing to same. Why TD is taking this odd position is unclear.

In all the circumstances the Insolvents respectfully request that a hearing be scheduled on an expedited basis so this sale can be concluded. Given the undisputed facts, it is anticipated that the hearing should be relatively brief.

We await your Lordship's pleasure.

Yours respectfully.

BOYNECLARKE LLP



Tim Hill, Q.C.

cc. The Service List