



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

Ethel Mary Racz also known as Etus Maria Racz  
and Michael Siwik  
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

1012109 B.C. Ltd. and Lisa Maddess  
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 Tuesday, the 21<sup>st</sup> day of May, 2024, at 9:45 a.m. for the order(s) set out in Part 1 below.

The applicant estimates that the application will take 20 minutes.

- This matter is within the jurisdiction of an associate judge.
- This matter is not within the jurisdiction of an associate judge.

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

1. An order substantially in the form attached hereto as **Schedule "A"**.
2. Such further and other relief as counsel may advise and this Court may allow.

**PART 2: FACTUAL BASIS**

**A. Overview**

1. The Liquidator seeks to conclude these proceedings. The Liquidator has taken all necessary steps to enable it to apply for the dissolution of the Company, which is the last step in the Liquidator's administration prior to its discharge. However, the Respondents' refusal to cash a dividend cheque is the final obstacle to concluding these proceedings.
2. To further that objective, the Liquidator asks this Court to grant an order finding the Liquidator has no further obligation or liability to remit the final dividend to the Respondents and instead, the Liquidator can redistribute the funds to the Company's other shareholders.
3. This is not the first time the Respondents have refused to cash a cheque. On two previous occasions, the Respondent Ethel Racz has refused to cash dividend or loan repayment cheques from the Company or the Liquidator. The Respondents Michael Siwik and Ethel Racz refused to cash dividend repayment cheques on prior occasions. In each case, the Respondents' refusal required the Company or the Liquidator to apply to this Court for an order similar to the order being sought today. The Respondents have later accepted the funds, but only after their actions imposed a significant cost on the Company.
4. The Respondents are, again, setting obstacles to this latest distribution, at the expense of the Company. On this occasion, the Respondents were each provided a dividend cheque on January 5, 2023, which they never cashed. The Liquidator reached out requesting the Respondents accept the funds, to no avail. The Liquidator seeks this order to redistribute the funds to allow the Liquidator to proceed with its discharge and conclude these proceedings to avoid incurring continuing fees.

## B. Background

5. Louis Racz founded the Company in 1967 and passed away in 1988. Louis Racz and his wife Rozalia Racz had three children: Ernst, Johanna, and Ethel. Ernst is married to Rita Racz, with their child Lisa Maddess. Rita Racz has been the Company's sole director and officer (in such capacity, the "**Director**") since July 3, 2014. Johanna is not a party to these proceedings. Ethel has a child named Michael Siwik.

*1012109 BC Ltd v Racz*, 2020 BCSC 1099 [**July Reasons**] at para 4

6. The Company's current shareholders are 1012109 B.C. Ltd., Lisa Maddess, Ethel Racz, and Michael Siwik (collectively, the "**Shareholders**").

Second Report of the Liquidator to the Court, dated April 22, 2024 at para 4  
(**"Second Report"**)

7. 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, realizing net proceeds of approximately \$15 million.

Second Report at para 6

## C. These Liquidation Proceedings

### i. Liquidation Order

8. 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. Those transactions were completed on August 29, 2019.

Liquidation Order at paras 6-7 and 9

9. 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

**ii. First Refused Payments Application**

10. 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".

July Reasons at para 16

11. 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

12. Also on August 26, 2019, counsel for the Petitioners delivered a letter enclosing two cheques to Michael Siwik (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

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

July Reasons at para 18

14. 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

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

July Reasons at para 20

16. On March 6, 2020, Ethel Racz returned the Reissued Cheques, citing various grievances she had with prior decisions of this Court dating back to 2001 and actions taken by the Petitioners over the course of 20 years, including in regards to the sale of the Property and Rita Racz's position as the Director.

July Reasons at para 21

17. Despite their objections, the Respondents did not take any steps to appeal the Liquidation Order, apply to the Court pursuant to the Liquidation Order, or exercise their dissenting rights as shareholders under the BCA.

July Reasons at para 22

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

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.

[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 2020 Order at paras 3, 4

19. The July 2020 Order also contained the following comeback provision:

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 2020 Order at para 7

20. 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 that paragraphs 1 to 5 of the July 2020 Order be set aside.

First Report of the Liquidator to the Court, dated September 21, 2022, at para 25  
(the "**First Report**")

**iii. Dividend Application**

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

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 2021 Order at para 1

22. The Liquidator declared and paid the First Dividend on April 21, 2021. On June 22, 2021, the Liquidator declared the Second Dividend and issued the Promissory Note. On November 8, 2021, after the anticipated tax refund was received, the Liquidator paid the Second Dividend to the Shareholders on November 8, 2021 in satisfaction of the Promissory Note. The Second Dividend cheques were cashed.

First Report at paras 56-58

**iv. Second Refused Payment Application**

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

(a) due to Rita Racz: \$47,152.85;

(b) due to Ethel Racz: \$69,635.14 (the "**Shareholder Loan**"); and,

(c) due from Rozalia Racz: (\$499.26).

First Report at para 38

24. 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

25. The Liquidator sent cheques in the appropriate amounts to Rita Racz and 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

26. Rita Racz cashed her cheque, however, Ethel Racz did not. In March, July, and September of 2021, the Liquidator or counsel for the Liquidator corresponded with Ethel Racz regarding the payment of the Shareholder Loan and reminded Ethel Racz to cash the cheque. However, it was not cashed and became stale-dated.

First Report at para 42 and Appendices "A", "B"

27. On October 26, 2022, on application by the Liquidator, this Court pronounced an order (the "**October 2022 Order**"), ordering and declaring, *inter alia*, that the Liquidator had no obligation or liability to remit payment to Ethel Racz for the amount of the Shareholder Loan, and was authorized and directed to distribute such amount as distributable funds of the Company in the Liquidation (as defined below).

October 2022 Order at paras 1-2

28. Further, this Court approved the dissolution of the Company by the Liquidator following the three-month period under section 341(2) of the BCA and discharge of the Liquidator upon dissolution of the Company.

October 2022 Order at paras 8-9

**v. Refused Final Dividends**

29. On January 5, 2023, the Liquidator declared a dividend to the Shareholders in the amount of \$241,121.38 (the "**Final Dividends**") and paid the Final Dividends by delivering trust cheques to the Shareholders from funds held in trust by the Liquidator. As the Liquidator had concluded its administration and was authorized by the October 2022 Order to proceed to the dissolution of the Company, the Liquidator also issued the Notice to Shareholder of Final Accounts in this correspondence.

Second Report at para 29 and Appendices "A"- "D"

October 2022 Order at paras 8-9

30. By April 2023, the Respondents had not cashed the trust cheques issued to them, in the amount of \$36,168.21 for Ethel Racz and \$84,392.48 for Michael Siwik (collectively, the "**Final Cheques**"). On April 11, 2023, the Liquidator wrote to the Respondents, advising that the Final Cheques would be stale-dated in three months and asking them to cash the Final Cheques as soon as possible. The Liquidator advised the Respondents that should the Final Cheques become stale-dated, it would proceed to Court seeking an order authorizing redistribution of the funds.

Second Report at para 31 and Appendix "E"

31. The Liquidator did not receive any response from Ethel Racz or Michael Siwik to the Liquidator's correspondence from January 2023 or April 2023. In March 2024, Ethel Racz wrote the Liquidator, again citing various historical grievances, but did not reference the Final Dividend.

Second Report at paras 32, 34 and Appendix "F"

32. In July 2023, the Final Cheques became stale-dated. The Liquidator arranged for a stop-payment of the Final Cheques and funds totalling \$120,560.69 (the "**Refused Final Dividends**") were redeposited to the Liquidator's trust account.

Second Report at para 33

33. As a result of the Refused Final Dividends and the Respondents' failure to cash the Final Cheques, the Liquidator has been unable to apply for the dissolution of the Company, which is the last step in the Liquidator's administration prior to its discharge.

Second Report at para 35

**D. Liquidator's Activities**

**i. Administration**

34. Since September 21, 2022, the date of the First Report, the Liquidator has:
- (a) attended to various statutory duties pursuant to the BCA, including preparing and filing an annual liquidation report and the Second Report, and preparing a Final Statement of Accounts and Notice to Shareholders of Final Accounts;
  - (b) maintained and updated a website in respect of these Liquidation proceedings;
  - (c) pursuant to the terms of the October 2022 Order, the Liquidator mailed a notice to the Director requiring the Director to take possession of certain books and records of the Company (the "**Litigation Files**") being held at Finestra Law within thirty (30) days of the date of the notice. Because the Director did not make arrangements to take possession of the Litigation Files, the Liquidator authorized Finestra Law to destroy them pursuant to the October 2022 Order;
  - (d) issued various correspondence to the Shareholders;
  - (e) provided information and supporting documentation to the Canada Revenue Agency regarding a post assessment review of the corporation income tax return for the fiscal year ending June 30, 2022;
  - (f) issued T5 slips to certain of the Shareholders in respect of the 2023 calendar year and filed the requisite documentation with the Canada Revenue Agency;
  - (g) arranged for the preparation and filing of the financial statements and corporate income tax return for the fiscal year ending June 30, 2023. The tax return reports no corporate income tax owing or refundable; and
  - (h) at different times, arranged for funds held in the liquidation trust account (the "**Liquidation Account**") to be deposited into Guaranteed Investment Certificates in order to earn interest income.

Second Report at paras 16-24

**ii. Liquidator's Accounts and Revised Estimated Statement of Final Accounts**

35. 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 "G" and "H" of the Second Report.

Second Report at paras 37, 40-41

36. Pursuant to the October 2022 Order, the Liquidator's fees and expenses to August 31, 2022, including an estimate from September 1, 2022 to conclusion of the administration, was set out in the First Report and approved by the Court. The estimate was based on the Liquidator attending to the outstanding matters set out in the First Report and assumed



that there would be no further applications to Court prior to conclusion of the liquidation of the Company (the "**Liquidation**") and discharge of the Liquidator.

Second Report at para 38

37. As a result of the Refused Final Dividends, the Liquidator has been required to attend to additional matters, including among other things: (a) correspondence with the Shareholders; (b) incremental trust accounting; (c) attending to the preparation of the financial statements and corporate tax return for a further fiscal year; (d) filing of an additional liquidation report with the BC Registry; and (e) reporting and applying to the Court.

Second Report at para 39

38. As set out in the Liquidator's Second Report, the Liquidator prepared its Statement of Final Accounts on January 5, 2023, after paying the Final Dividend to Shareholders.

Second Report at paras 29, 42

39. The details of the Liquidator's receipts and disbursements to April 15, 2024, as well as an estimate of the accounting of the Company's Property to conclude the Liquidation (the "**Revised Estimated Final Accounts**"), are set out in Appendix "I" to the Second Report.

Second Report at para 43 and Appendix "I"

### iii. **Dissolution of the Company**

40. The Liquidator's administration of the Company has been substantially finalized, with the exception of the following matters:
- (a) distributing the remaining funds as set out in the Revised Estimated Final Accounts and closing the Liquidator's trust account thereafter;
  - (b) preparing and filing T5 slips for the 2024 calendar year;
  - (c) preparing and filing corporation income tax returns to dissolution; and
  - (d) preparing and issuing the Notice to Shareholders of Revised Final Accounts.

Second Report at para 44

### iv. **Discharge of the Liquidator**

41. Should this Court grant an order approving the relief sought, the Liquidator will proceed with the final administrative steps as set out in the Second Report and the dissolution of the Company pursuant to the terms of the October 2022 Order.

Second Report at para 45

### **PART 3: LEGAL BASIS**

#### **A. Distribution of the Refused Final Dividends**

42. Approval of the proposed distribution of the Refused Final Dividends is appropriate in these circumstances. The same relief was previously been granted on two occasions: (i) the July 2020 Order made by Justice Majawa in respect of the Refused Payments; and (ii) the October 2022 Order made by Master Bilawich in respect of the Shareholder Loan. The logic is equally applicable in the present circumstances.

43. In the July Reasons, Justice Majawa set out the legal basis for granting the relief in July 2020 Order. Namely:

(a) Pursuant to section 20.7 of the Articles, the Company complied with the method of payment of dividends and discharged its obligations to mail the Cheques. The Cheques were mailed to and received by the Respondents through their counsel. This was sufficient to conclude that the Company's liability to pay the dividends on account of the Respondents' shareholdings had been discharged and the Respondents' rights to the same have been extinguished.

(b) The Respondents' refusal to accept payment of the Cheques was "preventing the Liquidator from facilitating an orderly dissolution of the Company". Given that the Company discharged its liability to the Respondents regarding the Refused Payments, it would be fair to treat the Refused Payments as remaining assets of the Company.

(c) Pursuant to paragraph 8(f) of the Liquidation Order and the Company's resolutions, distribution of any remaining assets would be paid out to its Class C shareholders, including the Respondents, *pro rata* in accordance with their shareholding. However, a *pro rata* distribution would result in another distribution to the Respondents for their portion of the Refused Payments. Thus, given the Respondents' clearly expressed intention to refuse payment and what appeared to be "a never-ending process" of sending and returning cheques, it would be just and equitable for the Liquidator to pay the remaining assets to the Petitioners in accordance with their shareholdings to permit the orderly dissolution and winding up of the Company.

July Reasons at paras 47-48, 55-60

44. The Court's analysis in the July Reasons are equally applicable to the present circumstances.

(a) The Company has complied with its obligations under section 20.7 of the Articles. It has paid the Final Dividend to the Respondents by way of the Final Cheques on January 5, 2023. The Company's liability in regards to such payments have been extinguished along with the Respondents' rights to the same.

(b) The Respondents have refused to cash the Final Cheques, despite the Liquidator's notification dated April 11, 2023 for them to do so and of its plans to seek an order of this Court for redistribution of the Refused Final Dividends. The Respondents'

refusals is again preventing the dissolution of the Company and discharge of the Liquidator.

- (c) Further, the Respondents' refusal has caused the Liquidator to attend to additional matters and incur further expenses, including the costs of this Application, as outlined in para 39 above. Consequently, the Respondents' conduct has reduced the value of the remaining assets available for distribution.
  - (d) A *pro rata* distribution of the remaining assets pursuant to paragraph 8(f) of the Liquidation Order and the Company's resolutions would result in another distribution to the Respondents for their portion of the Refused Final Dividends.
45. Given that the Company has discharged its obligations for the payment of the Final Dividend to the Respondents, it would be fair for this Court to treat the Refused Final Dividends as the remaining assets of the Company, as this Court did in the July Reasons.
46. Similarly, it would be just and equitable for the Liquidator to pay the remaining assets after paying administration costs to the Petitioners in accordance with their shareholdings to permit the orderly dissolution and winding up of the Company.
47. The Respondents have repeatedly refused to accept payment of monies since 2019, leading to multiple applications before this Court. The Respondents continue to refuse payment of the Final Dividend, causing delay to the administration of the Liquidation and reducing the value of the remaining assets of the Company. To prevent yet another iteration of delivering and refusing cheques and application regarding the same to this Court, this Court should grant the award sought.
48. While the Respondents ultimately accepted the original Refused Payments, that does not diminish the July Reasons to this application. The present circumstances are the same as before the Respondents accepted the original Refused Payments.

**B. Approval of Liquidator's Activities**

49. The Second Report outlines the specific activities taken by the Liquidator since the October 2022 Order.
50. 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.

51. 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 Second Report.

**C. Approval of Fees and Accounts**

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

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

53. 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

54. The Liquidator's professional fees from September 1, 2022 to March 31, 2024 totaled \$31,894.00 before applicable taxes. The fees until December 31, 2022 have been paid from the Liquidation Account. The fees from January 1, 2023 until March 31, 2024 remain unpaid. All fees were charged at the Liquidator's standard hourly rates from time to time in accordance with the Engagement Agreement. These fees represent 57.10 hours.

55. The Liquidator estimates that services rendered from April 1, 2024 to the conclusion of Liquidation at not more than \$13,000 inclusive of fees and taxes. This estimate is based on the Liquidator attending to the outstanding matters set out later in the Second Report and assumes that there will be no further applications to the Court prior to conclusion of the Liquidation and discharge of the Liquidator.

56. 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.

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

1. First Report of the Liquidator to the Court dated September 21, 2022;

2. Second Report of the Liquidator to the Court dated April 22, 2024; and
3. Such further and other materials as counsel may advise and this Court may permit.

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: April 22, 2024



**ASHLEY BOWRON**  
Counsel for the Applicant

McCarthy Tétrault LLP  
2400 – 745 Thurlow Street  
Vancouver, BC V6E 0C5  
Tel: 604-643-7973  
Email: [abowron@mccarthy.ca](mailto:abowron@mccarthy.ca)

**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  
 Associate Judge

**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
- none of the above

**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

)  
)  
)

TUESDAY, THE 21<sup>st</sup> DAY OF  
MAY, 2024

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 21<sup>st</sup> day of May, 2024; and on hearing Ashley Bowron, counsel for the Liquidator and those other counsel listed on **Schedule "A"** hereto; and upon reading the material filed, including the Second Report of the Liquidator to the Court dated April 22, 2024 (the "**Liquidator's Second Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. The Liquidator has no obligation or liability to remit payment to Ethel Mary Racz and Michael Siwik in respect of the final dividend paid by the Company on January 5, 2023 totalling \$120,560.69 (the "**Refused Final Dividend**"), which the Respondents refused to accept.



2. The Liquidator is authorized and directed to distribute the amount of Refused Final Dividend from funds held in trust; firstly, on account of various costs incurred by the Liquidator in administering and finalizing the liquidation; and secondly, to the Petitioners *pro rata*, based on their Class C shareholdings in the Company as set out below:

- (a) 1012109 B.C. Ltd.: 65%
- (b) Lisa Maddess: 35%

3. The activities of the Liquidator, as set out in the Liquidator's Second Report are approved.

4. The fees and disbursements of the Liquidator, including the estimates of same, as set out in Appendices "G" and "H" of the Liquidator's Second Report, are approved.

5. The Liquidator's Revised Estimated Statement of Final Accounts, as set out in Appendix "I" of the Liquidator's Second Report, is approved.

6. Endorsement of this Order by counsel appearing, other than counsel for the Liquidator, is hereby dispensed with.

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:

\_\_\_\_\_  
Signature of Lawyer for MNP Ltd., in its  
capacity as the court-appointed liquidator of  
Louis Racz Co. Ltd.  
McCarthy Tétrault LLP  
(Ashley Bowron)

BY THE COURT

\_\_\_\_\_  
REGISTRAR

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

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