



No. S235026
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36**

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

**NOTICE OF APPLICATION
re Stay Extension**

Name of applicants: The Joseph Richard Hospitality Group Ltd. and those other parties listed on Schedule "A" (the "**Petitioners**")

To: the Service List

TAKE NOTICE that an application will be made by the Petitioners to the presiding Judge at the courthouse at 800 Smithe Street, Vancouver on 30/Nov/2023 at 9:00 a.m. via MS Teams for the order set out in Part 1 below.

Part 1:ORDER SOUGHT

1. An Order substantially in the form attached hereto as Schedule "A" (the "**Meetings Order**"), which, among other things, extends the Stay Period (as defined in the amended and restated initial order of the Supreme Court of British Columbia (the "**Court**") made on July 27, 2023, as amended (the "**ARIO**") and extended on September 28, 2023, from November 30, 2023 to December 22, 2023.

Part 2:FACTUAL BASIS

2. Pursuant to an order of the Court made on July 17, 2023 (the "**Initial Order**"), the Petitioners were granted protection under the CCAA and Ernst & Young Inc. ("**EY**") was appointed monitor of the Petitioners (in such capacity, the "**Monitor**").
3. Pursuant to the terms of the Initial Order, the Court, among other things:

- (a) granted a stay of proceedings until July 27, 2023, and set July 27, 2023, as the date for the comeback hearing in these proceedings; and
 - (b) granted the following charges over the property of the Petitioners as security for the obligations of the Petitioners to the beneficiaries of such charges:
 - (i) the Administration Charge, up to a maximum of \$200,000, to secure the fees and disbursements of counsel for the Petitioners, the Monitor, and counsel for the Monitor; and
 - (ii) the D&O Charge, up to a maximum of \$300,000 in favour of the directors and officers of the Petitioners.
4. On July 27, 2023, this Court granted the ARIO, which, among other things:
- (a) granted a stay of proceedings until September 29, 2023;
 - (b) increased the amount of the Administration Charge to a maximum of \$400,000 and elevated the priority of the charge over all secured creditors;
 - (c) increased the amount of the Directors' Charge to a maximum of \$1,000,000 and elevated the priority of the charge over all secured creditors; and
 - (d) granted an Intercompany Charge in priority over all secured creditors, ranking second to the Administration Charge.
5. At the comeback hearing, this Court also granted a claims process order.
6. On August 30, 2023, this Court granted an order approving interim financing and granting an "Interim Financing Charge" to a maximum of \$500,000 (the "**DIP Order**"). The DIP Order also reduced the amount of the Administration Charge to a maximum of \$250,000.
7. As of the DIP Order, the priority and amounts of the various court-ordered charges are as follows:
- (a) First: Administration Charge (to a maximum amount of \$250,000);
 - (b) Second: Interim Financing Charge (to a maximum amount of \$500,000 plus interest and all applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement);
 - (c) Third: Intercompany Charge; and
 - (d) Fourth: Directors' Charge (to a maximum amount of \$1,000,000).
8. On September 28, 2023, this Court granted a stay of proceedings until November 30, 2023.
9. Over the past several months, the Petitioners have been working diligently, with assistance from the Monitor, to further the restructuring of the Joseph Richard Group, including:

- (a) regular meetings with Canadian Western Bank ("CWB") to work through proposed treatment of its debt in a restructuring plan and financial projections in respect of same;
- (b) working with CWB's financial advisor to ensure CWB has the information it needs to evaluate the Petitioners' proposed treatment of their debt;
- (c) assessing our leases and other agreements to determine the viability of each of the Petitioners' active enterprises;
- (d) implementing a number of labour, operational and IT infrastructure changes to bring the Petitioners' operations in line with their current size and complexity; and
- (e) communicating with creditors and other stakeholders regarding, among other things, these proceedings, pre-filing amounts owing, and the Court-approved claims process.

Extension of Stay of Proceedings

- 10. The Petitioners require a further extension of the Stay Period provided for in the ARIO to continue their collaborative and consultative efforts towards restructuring their business.
- 11. In particular, the Petitioners are seeking to extend the Stay Period and other relief provided for in the ARIO to December 22, 2023, to provide the Petitioners with the necessary time to propose a plan of compromise and arrangement to their Creditors that they are confident will be supported by CWB.
- 12. The Petitioners' cash flow forecast shows that, including the Court-approved interim financing facility, the Petitioners are able to meet their post-filing obligations as they come due.
- 13. In the time since granting the ARIO, the Petitioners have been and are acting in good faith with due diligence to maximize the value to their stakeholders and respond to their concerns.
- 14. The Monitor supports the extension of the Stay Period.

Creditor Consultation

- 15. Since the date of the Initial Order, the Petitioners have continued to work with CWB with a view to proceeding with a Plan that will receive CWB's support.
- 16. The Petitioners have been providing the Monitor with weekly updated cash flow forecasts and comparisons of actual results against forecasts with a view to sharing them with their secured creditors.
- 17. The Petitioners have been promptly responding to information requests from CWB's independent financial advisor, MNP Ltd. ("MNP"), and implementing MNP's suggestions,

as detailed in the Fifth Affidavit of Andre Joseph Bourque, dated November 27, 2023 (the “**Fifth Bourque Affidavit**”).

18. While discussions have been productive, the Petitioners require more time to formalize restructuring support agreements with CWB and the Bank of Montreal (“**BMO**”) that will address the treatment of CWB’s and BMO’s claims (the “**Restructuring Support Agreements**”). The Petitioners anticipate that the Restructuring Support Agreements will be largely based on the proposals the Petitioners provided to BMO and CWB in August 2023.
19. The Petitioners’ plan of compromise and arrangement (the “**Plan**”) is largely drafted. It contemplates the treatment of all claims junior in priority to CWB and BMO as unsecured creditors. Consequently, a security review is required to ensure that such treatment is appropriate and that security review is ongoing.
20. The Petitioners and the Monitor have been implementing the claims process approved by this Court on July 27, 2023, including working to settle and resolve disputed claims.
21. The Petitioners similarly intend to negotiate with their other Affected Creditors in respect of support of the Plan leading to the Creditors’ Meeting. The Petitioners have reached out to Canada Revenue Agency to discuss the Plan, and are reaching out to other creditors as well.
22. The Petitioners are seeking a short stay extension to December 22, 2023, to give time for a full security review, to provide the Petitioners time to finalize their Plan, and file materials on reasonable notice to stakeholders, with a view to seeking a meeting order at the next hearing date.

Part 3: LEGAL BASIS

23. The Petitioners rely on:
 - (a) the CCAA and, in particular, ss. 11, 11.02, and 11.03;
 - (b) the *Supreme Court Civil Rules*, BC Reg 168/2009 and in particular Rules 6-2, 8-1, and 22-4;
 - (c) the inherent and equitable jurisdiction of this Honourable Court; and
 - (d) such further and other legal bases and authorities as counsel may advise and this Honourable Court may permit.

The Stay Should Be Extended

24. A stay of proceedings is the “central tool” by which this Court maintains the status quo for a debtor company, allowing it the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organized sales process while continuing its ongoing operations.

1057863 B.C. Ltd. (Re), 2022 BCSC 876, paras. 31, 35 [**1057863**], citing *Timminco Limited (Re)*, 2012 ONSC 2515, para. 15.

25. The baseline considerations and requirements for a stay extension are that a stay is “appropriate” and that the debtor company subject to the CCAA is acting in good faith and with due diligence.
26. The basic purpose of the CCAA must be considered when determining what relief authorized by the CCAA is “appropriate” in the circumstances:

The question is whether the order will usefully further efforts to achieve the remedial purpose of the CCAA — avoiding the social and economic losses resulting from liquidation of an insolvent company. [...] appropriateness extends not only to the purpose of the order, but also to the means it employs. Courts should be mindful that chances for successful reorganizations are enhanced where participants achieve common ground and all stakeholders are treated as advantageously and fairly as the circumstances permit.

1057863, para. 33, citing *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60, para. 70.

27. In the present case, the proposed stay extension is necessary to allow the Petitioners to finalize a plan of compromise and arrangement for presentation to their creditors.
28. The Petitioners have been acting in good faith and with due diligence in these CCAA proceedings, and the Monitor supports the extension of the Stay Period.

Part 4: MATERIAL TO BE RELIED ON

29. Affidavit #5 of André Joseph Bourque, made on November 27, 2023;
30. Fourth Report of the Monitor, to be filed; and
31. Such further and other material as counsel may advise and this Honourable Court may allow.

The applicants estimate that the application will take 45 minutes.

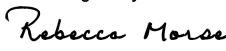
This matter is not within the jurisdiction of a master. Justice Fitzpatrick is seized of these CCAA proceedings but granted leave for applications to be made before another presider in her absence.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the 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).

Dated: 27/November/2023

DocuSigned by:

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Signature

Lawyer for applicants

Rebecca M. Morse/Tevia R.M. Jeffries

THIS NOTICE OF APPLICATION is prepared and delivered by the firm Farris LLP, Barristers & Solicitors, whose place of business and address for service is 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Telephone: (604) 684-9151. Facsimile: (604) 661-9349. **Attention: Rebecca Morse/Tevia Jeffries.**

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:

Dated:

Signature of

Judge **Master**

SCHEDULE "A" - LIST OF PETITIONERS

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelihood Public House Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.
Townhall Holdings (Coquitlam) Ltd.

Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

SCHEDULE "B" – DRAFT ORDER

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**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

ORDER MADE AFTER APPLICATION

(STAY EXTENSION)

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)))
)))
BEFORE)	THE HONOURABLE JUSTICE)	November 30, 2023)
)	FITZPATRICK))
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THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 30th day of November, 2023 by way of MS Teams; AND ON HEARING Tevia Jeffries, counsel for the Petitioners, and those other counsel listed on Schedule "B" hereto; AND UPON READING the material filed, including the 5th Affidavit of André Joseph Bourque made November 27, 2023, and the Fourth Report of Ernst & Young Inc., in its capacity as Monitor of the Petitioners (the "**Monitor**"); AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the *British Columbia Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service and filing of the Notice of Application is hereby abridged and validated such that this Notice of Application is properly returnable today and hereby dispenses with further service thereof.

STAY EXTENSION

2. The Stay Period (as defined in the Amended and Restated Initial Order of this Court dated July 27, 2023) with respect to the Petitioners and the Non-Petitioner Entities listed at Schedule “A” hereto is hereby extended up to and including November 30, 2023.

GENERAL

3. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

4. Endorsement of this Order by counsel appearing on this application 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 Petitioners

Tevia Jeffries

By the Court

Registrar

SCHEDULE “A” - LIST OF PETITIONERS

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Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.
Townhall Holdings (Coquitlam) Ltd.

Townhall Holdings (Maple Ridge) Ltd.
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JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

Schedule “B”

(List of Counsel)

Counsel	Party
Tevia Jeffries	Petitioners
David Gruber	Monitor - Ernst & Young Inc.
Will Roberts & Kimia Jalilvand	Bank of Montreal
Kibben Jackson	Canadian Western Bank

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

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