



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 and Sale Approval**

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

To: the Service List, Super Save Fence Rentals Inc., PMC Prestige Mechanical Contracting Limited, and CW Persona Developments Inc.

TAKE NOTICE that an application will be made by the Petitioners to the presiding Judge at the courthouse at 800 Smithe Street, Vancouver on 08/MAR/2023 at 10:00 a.m. for the order set out in Part 1 below.

The applicants estimate that the application will take 1 hour.

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

**Part 1: ORDER SOUGHT**

1. An Order substantially in the form attached hereto as Schedule "B" (the "Stay Extension 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 March 8, 2024 to May 8, 2024.

2. An Order substantially in the form attached hereto as Schedule “C” (the “**Sale Approval Order**”), which, among other things, approves the sale of the Roosters Building (as defined below).

**Part 2: FACTUAL BASIS**

3. 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**”).
4. 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.
5. 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.
6. At the comeback hearing, this Court also granted a claims process order.
7. 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.
8. 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).
9. On September 28, 2023, this Court granted a stay of proceedings until November 30, 2023, which was extended on that date to December 22, 2023.
10. On December 14, 2023, this Court granted an order (the “**Meeting Order**”), that, *inter alia*:
- (a) extended the Stay Period up to and including March 8, 2024;
  - (b) accepted the Plan for filing and authorized the Petitioners to present the Plan to their creditors;
  - (c) defined two classes for voting on the plan, the Secured Creditors Class and the Unsecured Creditors Class;
  - (d) authorized the Petitioners to hold and conduct the Meeting on February 29, 2024; and
  - (e) approved the Meeting Materials and set various timelines and guidelines in respect of the Meeting.
11. Since the Meeting Order was granted, the Petitioners have been working diligently to finalize the restructuring support agreement contemplated by the Plan and to ensure that their creditors, and in particular their secured creditors, will support the Plan.
12. 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**”) and some with Bank of Montreal (“**BMO**”) to work through proposed treatment of their debt in a restructuring plan;
  - (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) communicating with Canada Revenue Agency (“**CRA**”) and the Province of British Columbia (the “**Province**”) to work through proposed treatment of their debt in a restructuring plan;
  - (d) marketing the Petitioners' real property;

- (e) winding up operations at the Livelyhood Public House in Port Moody by the end of January 2024, operated by Livelyhood Public House Ltd.;
- (f) assessing our leases and other agreements to determine the viability of each of the Petitioners' active enterprises; and
- (g) communicating with creditors and other stakeholders regarding, among other things, these proceedings, pre-filing amounts owing, and the Court-approved claims process.

### **Sale of Roosters**

13. As a part of their restructuring efforts, the Petitioners have undertaken marketing efforts for their two pieces of real property. One of these properties is owned by the Petitioner, 1164312 B.C. Ltd., and is a strata property in Pitt Meadows, British Columbia with a civic address of 19040 Lougheed Highway, Pitt Meadows, BC (the “**Roosters Building**”).
14. The Roosters Building is legally known as:
  - (a) Parcel Identifier: 023-107-464 Legal Description: STRATA LOT 7 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (b) Parcel Identifier: 023-107-472 Legal Description: STRATA LOT 8 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (c) Parcel Identifier: 023-107-481 Legal Description: STRATA LOT 9 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (d) Parcel Identifier: 023-107-499 Legal Description: STRATA LOT 10 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V; and
  - (e) Common Property Strata Plan LMS148, SRW PLAN NWP88064 SRW PLAN LMP1890.
15. CWB requested that the Petitioners retain Colliers to market the real property. The Petitioners, accordingly, retained Colliers in or about December 2023.

16. The Roosters Building was marketed by Colliers beginning in December 2023. It was listed at an asking price of \$3.3 million. The marketing efforts included:
  - (a) signs on the Roosters Building;
  - (b) a listing on the Colliers website;
  - (c) a property Eblast sent to 289 commercial agents; and
  - (d) commercial broadcasts and investor eblasts sent to over 5,000 and 4,000 people, respectively.
17. Colliers ultimately received two offers:
  - (a) a verbal offer of \$2.8 million; and
  - (b) an offer of \$2.7 million, negotiated up to \$3.2 million (the “**Offer**”) from 1358224 B.C. Ltd. (the “**Purchaser**”).
18. The Offer included a deposit of \$150,000. It is firm and binding and subject only to Court approval. The closing date is set for the later of: (i) 15 days after Court approval; or (ii) April 15, 2024.
19. Colliers recommends the Offer be accepted by the Court, given its strong structure, including significant deposits within a short closing timeline that will provide stakeholders with as much certainty as possible.
20. The Offer has been approved by CWB.

### **Extension of Stay of Proceedings**

21. 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.
22. 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.
23. 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 CWB and BMO.
24. The Petitioners have been promptly responding to information requests from CWB’s independent financial advisor, MNP Ltd. (“**MNP**”), and implementing MNP’s suggestions.
25. In December, the Petitioners advised the Court that the Monitor was undertaking a security review to ensure that a substantively consolidated plan could be supported in the circumstances.

26. Crucially, the Petitioners have not yet come to final terms with their secured creditors or with CRA. The Petitioners have made progress. However, the Petitioners require further time to negotiate to determine if there is a path forward towards creditor support of the Plan such that the Plan is capable of being implemented.
27. In particular, the Petitioners are seeking to extend the Stay Period and other relief provided for in the ARIO to May 8, 2024.
28. The Chair of the Petitioners' creditors meetings, the Monitor, has adjourned the creditors' meetings until March 29, 2024, in accordance with paragraphs 26 and 27 of the Meeting Order. This adjournment is intended to provide the Petitioners with additional time to finalize restructuring support agreements and in particular negotiate with CWB and CRA.
29. The extension to the Stay Period to early May provides time for a sanction hearing and Plan implementation.
30. 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.
31. The Monitor supports the extension of the Stay Period.

### **Part 3: LEGAL BASIS**

32. The Petitioners rely on:
  - (a) the CCAA and, in particular, ss. 11, 11.02, 11.03, and 36;
  - (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.

### **Sale Approval**

33. Section 36 of the CCAA provides the statutory basis for approval of a sale outside the ordinary course of business in CCAA proceedings.
34. Section 36(5) of the CCAA sets out the non-exhaustive list of factors to be considered in respect of a sale of an insolvent debtor's assets:
  - (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
  - (b) whether the monitor approved the process leading to the proposed sale or disposition;

- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

35. In addition to the factors set out above, the court should consider all of the circumstances to determine whether the proposed sale is fair and reasonable, an analysis that focuses on the process utilized to attempt to obtain the best price for the assets in question for the benefits of creditors. To that end, courts have also considered the so-called "Soundair" factors, which are:

- (a) whether sufficient effort has been to obtain the best price and that the debtor has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers have been obtained; and
- (d) whether there has been unfairness in the working out of the process.

*Royal Bank of Canada v Soundair Corp.*, [1991] O.J. No. 1137, 4 OR (3d) 1 [*Soundair*];  
*Veris Gold Corp. (Re)*, 2015 BCSC 1204 at paras. 22-25 [*Veris Gold*];  
*North American Tungsten Corporation Ltd. (Re)*, 2016 BCSC 12 at paras. 29-30  
[*North American Tungsten*], citing *Nortel Networks Corp. (Re)*  
(2009), 56 C.B.R. (5th) 224 (Ont. S.C.J.).

36. Courts will generally approve a sale where the monitor is of the view that the sale price and terms are commercially reasonable and satisfactory.

*North American Tungsten* at para. 30.

37. The Petitioners submit that approval of the Sale Agreement is appropriate for the following reasons:

- (a) the Roosters Building was marketed extensively by realtors with experience in commercial real estate for approximately three months, including eblasts, brochures, and listings;
- (b) the Monitor approves of this proposed sale and will file with the Court a Report stating that this sale is more beneficial to the creditors than a sale or disposition under a bankruptcy;

- (c) CWB is the creditor “on the bubble” in terms of the value of the Roosters Building. CWB requested marketing and sale of the Roosters Building. CWB has been consulted throughout, and has consented to the sale;
- (d) the proposed sale will make funds available to CWB now rather than waiting until plan approval and implementation, and as such the sale benefits CWB; and
- (e) the Petitioners submit that the consideration to be received for the assets is reasonable and fair, taking into account their market value, and consequently, the Petitioners submit that they are not acting improvidently and have obtained the best price for the Roosters Building.

### **The Stay Should Be Extended**

38. 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.

39. 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.
40. 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.

41. In the present case, the proposed stay extension is necessary to allow the Petitioners to finalize negotiations with their major creditors, come to an agreement on the form of restructuring support agreements, and ensure that Affected Creditors, including the CRA, will support the Plan.
42. 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.



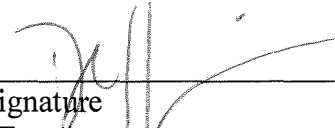
**Part 4: MATERIAL TO BE RELIED ON**

- 43. Affidavit #2 of Ryan Richard Moreno, made on March 5, 2024;
- 44. Sixth Report of the Monitor, to be filed; and
- 45. Such further and other material as counsel may advise and this Honourable Court may allow.

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: March 5, 2024

  
 \_\_\_\_\_  
 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<b>Dated:</b>	<b>Signature of</b> <input type="checkbox"/> <b>Judge</b> <input type="checkbox"/> <b>Master</b>

**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.
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.
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**

**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**

**ORDER MADE AFTER APPLICATION**

**(STAY EXTENSION)**

)	)		)
)	)		)
)	)		)
BEFORE )	THE HONOURABLE JUSTICE )		March 8, 2024
)	FITZPATRICK )		
)	)		
)	)		

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 8<sup>th</sup> day of March, 2024; 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 2nd Affidavit of Ryan Richard Moreno, made March 5, 2024, and the Sixth 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:

**STAY EXTENSION**

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.

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 May 8, 2024.

**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:

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Signature of

Lawyer for Petitioners

**Tevia Jeffries**

By the Court

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Registrar



**SCHEDULE "A" - LIST OF PETITIONERS**

1138279 B.C. Ltd.
1164312 B.C. Ltd.
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Clover 67 Private Dining Room Ltd.
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Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
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JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
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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.
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JRG Queens LRS Ventures Ltd.  
JRG Chilliwack Holdings Ltd.  
JRG Growth Ventures Ltd.  
JRG Published Holdings Ltd.  
JRG Whip Holdings Ltd.

**Schedule “B”**

(List of Counsel)

<b>Counsel</b>	<b>Party</b>
Tevia Jeffries	Petitioners
David Gruber	Monitor - Ernst & Young Inc.
	Bank of Montreal
Kibben Jackson	Canadian Western Bank

**SCHEDULE "C" – DRAFT ORDER**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
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**AND**

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

**PETITIONERS**

**ORDER MADE AFTER APPLICATION**

**(APPROVAL AND VESTING ORDER)**

	)	)	
	)	)	
	)	)	
BEFORE	)	THE HONOURABLE JUSTICE	)
	)	FITZPATRICK	)
	)	)	)
	)	)	)

March 8, 2024

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 8<sup>th</sup> day of March, 2024; 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 2nd Affidavit of Ryan Richard Moreno, made March 5, 2024, and the Sixth 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.
2. The sale transaction (the “**Transaction**”) contemplated by the Contract of Purchase and Sale dated 01/Feb/2024 (the “**Sale Agreement**”) between 1164312 B.C. Ltd. and 1358224 B.C. Ltd. (the “**Purchaser**”), a copy of which is attached as Exhibit “E” to the 2nd Affidavit of Ryan Richard Moreno, made March 5, 2024, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Monitor is hereby authorized and approved, and the Petitioners are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
3. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as Schedule “C” hereto (the “**Monitor’s Certificate**”), all of the Petitioners’ right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated 17/Jul/2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule “D” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “E” hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. Upon presentation for registration in the Land Title Office for the Land Title District of New Westminster of a certified copy of this Order, together with a letter from Farris LLP, solicitors for the Petitioners, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
  - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule “F” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the

satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule “E”.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
  6. The Monitor is to file with the Court a copy of the Monitor’s Certificate forthwith after delivery thereof.
  7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Petitioners to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule “E”.
  8. The Petitioners, with the consent of the Monitor and the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
  9. Notwithstanding:
    - (a) these proceedings;
    - (b) any applications for a bankruptcy order in respect of the Petitioners now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
    - (c) any assignment in bankruptcy made by or in respect of the Petitioners,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable by creditors of the Petitioners, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Petitioners and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Petitioners and its agents in carrying out the terms of this Order.
11. The Petitioners or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
12. 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:

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*Signature of*

Party

Lawyer for the Petitioners

**Tevia R.M. Jeffries**

By the Court

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*Registrar*



**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”**

(List of Counsel)

<b>Counsel</b>	<b>Party</b>
Tevia Jeffries	Petitioners
David Gruber	Monitor - Ernst & Young Inc.
	Bank of Montreal
Kibben Jackson	Canadian Western Bank

**Schedule “C” – Monitor’s Certificate**

No. S233788  
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, THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF DONNELLY HOLDINGS LTD. AND  
THOSE PARTIES LISTED ON SCHEDULE “A”**

**PETITIONERS**

**MONITOR’S CERTIFICATE**

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Sale Agreement (as defined in the Approval and Vesting Order made March 8, 2024 (the “**Vesting Order**”)) between 1164312 B.C. Ltd. (the “**Vendor**”), as vendor, and 1358224 B.C. Ltd. (the “**Purchaser**”), as purchaser, a copy of which is attached as Exhibit “E” to the 2nd Affidavit of Ryan Richard Moreno, made March 5, 2024.

PURSUANT TO AN ORDER of this Honourable Court made July 27, 2023, Ernst & Young Inc. was appointed the monitor (the “**Monitor**”) of the Petitioners.

PURSUANT TO PARAGRAPHS 4–6 OF THE VESTING ORDER and pursuant to the Purchase Agreement, the Monitor hereby certifies as follows:

13. The Monitor confirms that the Purchaser has delivered the Purchase Price with respect to the Purchased Assets to the Petitioners; and
14. The Monitor confirms that all conditions precedent to the Sale Agreement with respect to the Purchased Assets have been satisfied or waived.
15. This Certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_, 2024.

ERNST & YOUNG INC., in its capacity as  
court-appointed monitor of the Petitioners, and  
not in its personal capacity

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Name:

**Schedule “D” – Claims to be Deleted/Expunged from Title to Real Property**

<b>Registration Number</b>	<b>Date of Registration</b>	<b>Nature of Charge</b>
<u>PID 023-107-464</u>		
CA8161880	2020-04-29 10:33	Mortgage, Canadian Western Bank
CA8161881	2020-04-29 10:33	Assignment Of Rents, Canadian Western Bank
CB168564	2022-08-19 15:28	Modification
CB226584	2022-09-16 10:48	Claim of Builders Lien, Super Save Fence Rentals Inc.
CB1173768	2024-02-21 18:22	Claim of Builders Lien, PMC Prestige Mechanical Contracting Limited
CB1188933	2024-02-29 16:26	Claim of Builders Lien, CW Persona Developments Inc.
<u>PID 023-107-472</u>		
CA8161880	2020-04-29 10:33	Mortgage, Canadian Western Bank
CA8161881	2020-04-29 10:33	Assignment of Rents, Canadian Western Bank
CB168564	2022-08-19 15:28	Modification
CB1188933	2024-02-29 16:26	Claim of Builders Lien, CW Persona Developments Inc.
<u>PID 023-107-481</u>		
CA8161880	2020-04-29 10:33	Mortgage, Canadian Western Bank
CA8161881	2020-04-29 10:33	Assignment of Rents, Canadian Western Bank
CB168564	2022-08-19 15:28	Modification
CB1188933	2024-02-29 16:26	Claim of Builders Lien, CW Persona Developments Inc.

<u>PID 023-107-499</u>		
CA8161880	2020-04-29 10:33	Mortgage, Canadian Western Bank
CA8161881	2020-04-29 10:33	Assignment of Rents, Canadian Western Bank
CB168564	2022-08-19 15:28	Modification
CB1188933	2024-02-29 16:26	Claim of Builders Lien, CW Persona Developments Inc.

**Schedule “E” – Permitted Encumbrances, Easements and Restrictive Covenants  
related to Real Property**

<b>Registration Number</b>	<b>Date of Registration</b>	<b>Nature of Charge</b>
<u>Common Property Strata Plan LMS 148:</u>		
158787C	1953-05-30 12:00	Easement
N86369	1977-08-22 10:00	Charge
AC138638	1989-04-19 14:13	Easement
AC138639	1989-04-19 14:13	Easement
AC138640	1989-04-19 14:13	Easement
AC138642	1989-04-19 14:13	Easement
BE143219	1991-07-12 09:17	Statutory Right of Way, British Columbia Hydro And Power Authority
BE264215	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264216	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264220	1991-10-09 12:29	Statutory Right of Way, District of Pitt Meadows
BE264221	1991-10-09 12:29	Covenant, The Ministry of Transportation And Highways
<u>PID 023-107-464</u>		
AC138639	1989-04-19 14:13	Easement
AC138640	1989-04-19 14:13	Easement
BE143219	1991-07-12 09:17	Statutory Right of Way, British Columbia Hydro And Power Authority
BE264215	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows



BE264216	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264220	1991-10-09 12:29	Statutory Right of Way, District of Pitt Meadows
BE264221	1991-10-09 12:29	Covenant, The Ministry of Transportation And Highways
<u>PID 023-107-472</u>		
AC138639	1989-04-19 14:13	Easement
AC138640	1989-04-19 14:13	Easement
BE143219	1991-07-12 09:17	Statutory Right of Way, British Columbia Hydro And Power Authority
BE264215	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264216	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264220	1991-10-09 12:29	Statutory Right of Way, District of Pitt Meadows
BE264221	1991-10-09 12:29	Covenant, The Ministry of Transportation And Highways
<u>PID 023-107-481</u>		
AC138639	1989-04-19 14:13	Easement
AC138640	1989-04-19 14:13	Easement
BE143219	1991-07-12 09:17	Statutory Right of Way, British Columbia Hydro And Power Authority
BE264215	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264216	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264220	1991-10-09 12:29	Statutory Right of Way, District of Pitt Meadows

BE264221	1991-10-09 12:29	Covenant, The Ministry of Transportation And Highways
<u>PID 023-107-499</u>		
AC138639	1989-04-19 14:13	Easement
AC138640	1989-04-19 14:13	Easement
BE143219	1991-07-12 09:17	Statutory Right of Way, British Columbia Hydro And Power Authority
BE264215	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264216	1991-10-09 12:28	Statutory Right of Way, District of Pitt Meadows
BE264220	1991-10-09 12:29	Statutory Right of Way, District of Pitt Meadows
BE264221	1991-10-09 12:29	Covenant, The Ministry of Transportation And Highways

**Schedule “F” – The Lands**

1. The Lands consist of the property with a civic address of 19040 Lougheed Highway, Pitt Meadows, BC and legally known as:
  - (a) Parcel Identifier: 023-107-464 Legal Description: STRATA LOT 7 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (b) Parcel Identifier: 023-107-472 Legal Description: STRATA LOT 8 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (c) Parcel Identifier: 023-107-481 Legal Description: STRATA LOT 9 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V;
  - (d) Parcel Identifier: 023-107-499 Legal Description: STRATA LOT 10 SECTION 25 BLOCK 6 NORTH RANGE 1 EAST NEW WESTMINSTER DISTRICT STRATA PLAN LMS148 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V; and
  - (e) Common Property Strata Plan LMS148, SRW PLAN NWP88064 SRW PLAN LMP1890.

## 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