

No. S-235026
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

**ORDER MADE AFTER APPLICATION
(ASSET PURCHASE APPROVAL AND VESTING ORDER)**

BEFORE THE HONOURABLE

JUSTICE FITZPATRICK

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MONDAY, THE 28TH DAY

OF OCTOBER, 2024

ON THE APPLICATION of MNP Ltd. ("**MNP**"), in its capacity as the court-appointed monitor (the "**Monitor**") of the Petitioners, coming on for hearing at Vancouver, British Columbia, on the 28th day of October, 2024; AND ON HEARING H. Lance Williams and Ashley Bowron, counsel for the Petitioners, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Fourth Monitor's Report, dated October 24, 2024 (the "**Fourth Monitor Report**"); 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:

SERVICE

1. The time for service of this Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today.

TRANSACTIONS

2. The sale transaction (the "**Asset Transaction**") contemplated by the asset purchase agreement dated October 23, 2024 (the "**Asset Purchase Agreement**") between MNP, solely in its capacity as court-appointed monitor of the Petitioners, and not in its personal capacity and those persons listed as Purchasers in Schedule A of the Asset Purchase Agreement (each individually a "**Asset Purchaser**" and collectively, the "**Asset Purchasers**") and 1174869 B.C. Ltd. ("**117 BC**"), as the Asset Purchasers' Representative, a copy of which is attached as Appendix D to the Fourth Monitor Report, is hereby approved, and the Asset Purchase Agreement is commercially reasonable. The execution of the Asset Purchase Agreement by the Monitor is hereby authorized and approved, and the Monitor is 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 Asset Transaction and for the conveyance to the Asset Purchasers and 117 BC of the assets described in the Asset Purchase Agreement (the "**Purchased Assets**").
3. Upon delivery by the Monitor to the Asset Purchasers and 117 BC of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Monitor's Certificate (Asset Purchase)**"), all of the Petitioners' right, title and interest in and to the Purchased Assets described in the Asset Purchase Agreement, shall vest absolutely in the Asset Purchasers and 117 BC 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 July 27, 2023, August 30, 2023, and May 9, 2024; and (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 (all of which are collectively referred to as the “**Encumbrances**”), 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. 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 (Asset Purchase) 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.
5. The Monitor is to file with the Court a copy of the Monitor’s Certificate (Asset Purchase) forthwith after delivery thereof.
6. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Monitor is hereby authorized and permitted to disclose and transfer to the Asset Purchasers and 117 BC all human resources and payroll information in Petitioners’ records pertaining to the Petitioners’ past and current employees, including personal information of those employees. The Asset Purchasers and 117 BC shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Petitioners.
7. Subject to the terms of the Asset Purchase Agreement, vacant possession of the Purchased Assets, shall be delivered by the Monitor and the Petitioners to the Asset Purchasers, 117 BC at 12:00 noon on the Closing Date, as defined in the Asset Purchase Agreement.
8. The Monitor, with the consent of the Asset Purchasers and 117 BC shall be at liberty to make amendments or modifications to the Asset Purchase Agreement that would not be

materially prejudicial to the interest of the Petitioners' stakeholders and 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 Asset Purchasers and 117 BC 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.

ASSIGNMENT OF CONTRACTS AND LEASES

- 10. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of Townhall Holdings (Chilliwack) Ltd. ("**Townhall**"), under that certain lease (the "**Townhall Chilliwack Lease**"), for the premises of Building L at Vedder Pointe, 6640 Vedder Road, Chilliwack, British Columbia, between Townhall, as tenant, Joseph Richard Investments Ltd., as indemnifier, and Vedder Road Holdings Ltd., as landlord, are automatically and irrevocably assigned to 117 BC without any further consents or approvals of this Court.
- 11. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of S & L Kitchen & Bar Holdings Abbotsford Ltd. ("**S & L**"), under that certain lease (the "**S & L Abbotsford Lease**"), for the premises of unit 200, 2070 Sumas Way, Abbotsford,

British Columbia, between S & L, as tenant, and Abbotsford Village Shopping Centre Ltd. and Robert Lee Ltd., as landlord, are automatically and irrevocably assigned to 117 BC without any further consents or approvals of this Court.

12. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of JRG Queens LRS Ventures Ltd. ("**JRG Queens**" and, together with Townhall, and S & L, the "**Tenants**"), under that certain lease (the "**Queens Liquor Lease**" and, together with the Townhall Chilliwack Lease, and the S & L Abbotsford Lease, the "**Assumed Leases**"), for the premises of unit 110, 1110 Ewen Avenue, New Westminster, British Columbia, between JRG Queens, as tenant, and Queens Plaza Ltd., as landlord (collectively with Vedder Road Holdings Ltd., Abbotsford Village Shopping Centre Ltd., and Robert Lee Ltd. the "**Landlords**"), are automatically and irrevocably assigned to 117 BC without any further consents or approvals of this Court.
13. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of Townhall Holdings (Langley) Ltd., JRG Cloverdale Ventures Ltd., Townhall Holdings (South Surrey) Ltd., and Public House Ltd., under that certain contact for credit and debit card acquiring and processing services with Moneris Solutions Corporation ("**Moneris**") on its own behalf and on behalf of Royal Bank of Canada and Bank of Montreal (the "**Moneris Contract**"), are automatically and irrevocably assigned to the Asset Purchasers and 117 BC without any further consents or approvals of this Court.
14. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of The Italian Osteria and Cheese Bar Ltd., Oak & Thorne Public house Ltd., S & L Kitchen & Bar Holdings Langley Ltd., S & L Kitchen & Bar Holdings Abbotsford Ltd. and Townhall Holdings (Chilliwack) Ltd., under certain contracts for equipment and software as described therein (the "**Squirrel Contracts**") with Squirrel Systems Canada Ltd. ("**Squirrel**"), is automatically and irrevocably assigned to the Asset Purchasers and 117 BC without any further consents or approvals of this Court.
15. Upon issuance of the Monitor's Certificate (Asset Purchase), the rights and obligations of JRG Queens, under the certain contract for third party use of a liquor license (the "**Third Party Use Contract**" and, together with the Moneris Contract, Squirrel Contracts, and the Assumed Leases, the "**Assumed Contracts**") with Queens Plaza Ltd. ("**Queens**

Plaza”) is automatically and irrevocably assigned to the Asset Purchasers and 117 BC without any further consents or approvals of this Court.

16. Any anti-assignment, consent-to-assignment, or any other provisions restricting or affecting the assignment by the parties in the Assumed Contracts shall not restrict, limit, impair, prohibit or otherwise affect the assignment of the Assumed Contracts provided by this Order.
17. The Assumed Contracts shall be valid and binding and in full force and effect and enforceable by Asset Purchasers in accordance with their terms for the benefit of the Asset Purchasers.
18. The Landlords, Moneris, Squirrel, and Queens Plaza are prohibited from exercising any right or remedy under the Assumed Contracts by reason of any defaults thereunder arising from these proceedings or the insolvency of the Petitioners or any failure of the Petitioners to perform any obligation under the Assumed Contracts.
19. Upon assignment of the Assumed Contracts, the Monitor and Petitioners shall be discharged from all further obligations under the Assumed Contracts, and the Asset Purchasers and 117 BC shall be entitled and subject to all rights and obligations as parties pursuant to the terms of the Assumed Contracts and may enter into and upon and hold and enjoy each premises and/or benefits contemplated by the Assumed Contracts and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the Assumed Contracts.
20. The Petitioners' interest in the Assumed Contracts shall be Purchased Assets, and shall vest absolutely in the Asset Purchasers and 117 BC free and clear of all Encumbrances in accordance with this Order.

PAYMENT OF CURE COSTS

21. All monetary defaults in relation to the lease agreement dated January 1, 2024, between Mikael Feischl, Caroline Feischl and Uniwest Projects Ltd. (landlord), dba Townhall Public House (tenant), and Ryan Moreno and Andrew Bourque (covenantor) for 19640 –

64th Ave., Langley, British Columbia, which total \$35,000 shall be paid in full from the sale proceeds upon the closing of the Asset Transaction.

22. All monetary defaults in relation to the lease agreement dated May 1, 2017 between Rieding Projects Ltd. (landlord), Oak & Thorne Public House Ltd. (tenant), Joseph Richard Investments Ltd., Andre Bourque, Ryan Moreno (indemnifier), and Bing Wong (special indemnifier) for 20169, 88th Avenue, Langley, British Columbia, which total \$46,000 shall be paid upon the closing of the Asset Transaction.
23. All monetary defaults in relation to the lease agreement dated October 5, 2015 between Berezan Management (B.C.) Ltd. as agent for Willoughby Business Centre Ltd. (landlord) and S & L Kitchen & Bar Holdings Langley Ltd. (tenant) for Building "B" 8399, 200th Street, Langley, British Columbia, which total \$2,000 shall be paid in full from the sales proceeds upon the closing of the Asset Transaction.
24. All monetary defaults in relation to the S & L Abbotsford Lease, which total \$35,000, shall be paid in full from the sale proceeds upon the closing of the Asset Transaction.
25. All monetary defaults in relation to the Queens Liquor Lease, which total \$11,000, shall be paid in full from the sale proceeds upon the closing of the Asset Transaction.
26. All monetary defaults in relation to the lease agreement dated September 22, 2014 between Mandalay Property Corporation (landlord) and Madison Hospitality Corporation (tenant) for 200-20690, Lougheed Highway, Maple Ridge, British Columbia (including all amendments, modifications, and/or assignments) which total \$25,000 shall be paid in full from the sales proceeds upon the closing of the Asset Transaction.
27. All monetary defaults in relation to the lease agreement dated April 7, 2015 between Titan International Business Inc. (landlord), 525 W. Georgia Street Ltd. (owner), Steveston Hospitality Services Ltd. (tenant) for units 105, 110, 115, and 120, 12111 3rd Avenue, Richmond, British Columbia (including all amendments, modifications, and/or assignments) which total \$55,000 shall be paid in full from the sale proceeds upon the closing of the Asset Transaction.
28. All monetary defaults in relation to the lease agreement dated January 1, 2015 between the City of Abbotsford (landlord) and Ledgeview Golf & Country Club (tenant) with

respect to 35997 McKee Road, Abbotsford, British Columbia (including all amendments, modifications, and/or assignments) which total \$10,000 shall be paid in full from the sales proceeds upon the closing of the Asset Transaction.

PAYMENT OF POST FILING OBLIGATIONS

29. Upon the closing of the Asset Transaction, the Monitor is authorized to distribute from the sale proceeds from the Asset Transaction such amounts as are necessary to pay the Post Filing Obligations as defined in the Fourth Monitor Report.

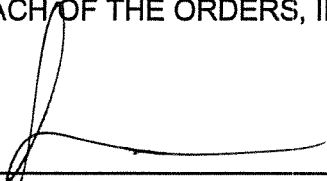
GENERAL

30. The Monitor shall provide a copy of this Order to the Landlords, Moneris, Squirrel, and Queens Plaza.
31. The Monitor, Petitioners, Asset Purchasers, and 117 BC are hereby authorized to perform all acts, sign all documents, and take any other action that could be required or useful to give full effect to the assignment of the Assumed Contracts to 117 BC, in accordance with this Order.
32. The Monitor is hereby authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the Asset Purchase Agreement, or any ancillary agreements or documents related thereto, and shall incur no liability in connection therewith, save and except for liability arising from the gross negligence or wilful misconduct of the Monitor.
33. The Monitor 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.
34. Endorsement of this Order by counsel appearing on this application, other than counsel for the Monitor, is hereby dispensed with.

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 Monitor 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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



Lawyer for MNP Ltd.
McCarthy Tétrault LLP
(H. Lance Williams and Ashley Bowron)

BY THE COURT



REGISTRAR



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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"

LIST OF COUNSEL

Name of Counsel	Party Represented

SCHEDULE "C"

NO. S-235026
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

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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

MONITOR'S CERTIFICATE (ASSET PURCHASE)

1. Capitalized terms used but not otherwise defined in this Monitor's Certificate shall have the meaning given to them in the Order of the Supreme Court of British Columbia (the "**Court**") pronounced on October 28, 2024 (the "**Asset Purchase Approval and Vesting Order**").
2. Pursuant to an Order of Justice Fitzpatrick, dated May 9, 2024, MNP Ltd. was appointed as the court-appointed monitor (the "**Monitor**") of the Petitioners.
3. Pursuant to the Asset Purchase Approval and Vesting and Order, the Court, among other things, approved the Asset Purchase Agreement, and the transactions contemplated thereby, and providing for the occurrence of certain events in the specified sequence upon delivery by the Monitor to the Asset Purchasers and 117 BC of a certificate confirming (i) payment by the Asset Purchasers and 117 BC of the Purchase Price as defined in the Asset Purchase Agreement; (ii) that the conditions to completion as set-out in the Asset Purchase Agreement have been satisfied or waived by the Monitor; (iii) the required guarantees and/or indemnities have been executed by RDM Enterprises Ltd.; and (iii) the Asset Transaction has been completed to the satisfaction of the Monitor.

THE MONITOR HEREBY CONFIRMS AND CERTIFIES THE FOLLOWING:

4. The Asset Purchasers and 117 BC have paid and the Monitor has received the Purchase Price payable on the Completion Date pursuant to the Asset Purchase Agreement;
5. The conditions to closing set out in the Asset Purchase Agreement have been satisfied or waived by the Monitor and the Asset Purchasers and 117 BC;
6. The required guarantees and indemnities have been executed by RDM Enterprises Ltd.;
and
7. The Asset Transaction has been completed, to the satisfaction of the Monitor.

DATE THIS _____ DAY OF _____, 2024

MNP Ltd., in its capacity as the court-appointed monitor of the assets, properties, and undertakings of the Petitioners, and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "A"

LIST OF PETITIONERS

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S & L Kitchen & Bar Holdings South Surrey Ltd.
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The Italian Osteria and Cheese Bar Ltd.
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The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.
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JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.