



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 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

FIRST REPORT OF LIQUIDATOR WITH RESPECT TO THE LIQUIDATION OF
LOUIS RACZ CO. LTD.
DATED FOR REFERENCE SEPTEMBER 21, 2022

INTRODUCTION AND BACKGROUND

1. Pursuant to an Order pronounced by Madam Justice Adair of the Supreme Court of British Columbia (the “**Court**”) on July 29, 2019 (the “**Liquidation Order**”), it was ordered that Louis Racz Co. Ltd. (the “**Company**”), be liquidated pursuant to s. 324 of the *Business Corporations Act*, SBC 2002, c. 57 (the “**BCA**”), and MNP Ltd. was appointed as Liquidator (the “**Liquidator**”) of the Company.
2. The Petitioners, 1012109 B.C. Ltd. and Lisa Maddess, applied for the appointment of a Liquidator to assist with the orderly wind up and dissolution of the Company and distribution of its assets. Burns Fitzpatrick LLP (“**Burns**”) was previously legal counsel to the Petitioners. The Petitioners are now represented by Turner & Co. Legal Counsel.
3. Louis Racz founded the Company in 1967 and passed away in 1988. A search of the British Columbia Corporate Registry conducted August 30, 2019, indicates that Rita Racz is the Company’s sole director (in such capacity, the “**Director**”). We understand that Rita Racz has been the sole director and officer of the Company since July 3, 2014.
4. The Company’s shareholders include the Petitioners, Respondent Ethel Mary Racz, also known as Etus Maria Racz (“**Ethel Racz**”), and Respondent Michael Siwik (collectively, the “**Shareholders**”).
5. 1012109 B.C. Ltd. is a British Columbia holding company owned by Rita Racz, the daughter-in-law of Louis Racz. The Petitioner Lisa Maddess is Rita Racz’s daughter and granddaughter of Louis Racz. Ethel Racz is a daughter of Louis Racz, and Michael Siwik is Ethel Racz’s son.
6. It is the Liquidator’s understanding that the Company’s sole asset was a residential apartment building known as Cedar Terrace located in West Vancouver, B.C. Until January 31, 2019, the Company maintained the apartment building which operated profitably, and from time to time, profits were distributed to shareholders by way of dividends.
7. On January 31, 2019, the Company sold the apartment building and realized net proceeds of approximately \$15,000,000.
8. Disputes, litigation, and Court proceedings involving the Shareholders and other members of the Racz family have occurred over a number of years. Certain details of past litigation are set out in the Petition to Court that was filed in these proceedings on April 18, 2019 (the “**Petition**”).
9. Further details concerning the reorganization of the Company’s share structure and certain corporate resolutions in respect of tax planning and distributions to Shareholders can also be found in the Petition.

10. In accordance with paragraphs 6 and 7 of the Liquidation Order, the Liquidator's appointment was effective August 29, 2019, being the date that the transactions contemplated by paragraphs 1-5 of the Liquidation Order were completed. In general terms, transactions in paragraphs 1-5 reference the following:
 - I. The Company may redeem 415 Class D shares of the Company held by Ethel Racz by paying Ethel Racz the sum of \$415,000 (the "**Redemption Amount**").
 - II. Payment of the Redemption Amount may be made by cheque drawn on the account of Burns.
 - III. Upon the Company exercising its right to redeem the Class D shares of Ethel Racz in accordance with paragraph 1 of the Liquidation Order, Ethel Racz shall be deemed to have sold, assigned and transferred the Class D Shares to the Company, effective on the date of the exercise.
 - IV. Rita Racz being the Director is authorized to:
 - a. cause the Company to file its income tax return for the fiscal year ended June 30, 2019, and pay such taxes as may be due and payable on or before August 31, 2019;
 - b. declare a capital dividend of \$57,000 per Class C common share of the Company and cause the Company to pay the same;
 - c. declare a further non-capital, taxable dividend of \$43,000 per Class C common share of the Company and cause the Company to pay the same; and
 - d. cause the Company to pay any costs awarded to the Petitioners pursuant to this Order.
 - V. Payments to the Respondents of their respective shares of the Capital Dividend and the Taxable Dividend may be made by cheque drawn on the account of Burns, payable to the orders of Ethel Racz and Michael Siwik, respectively, and delivered to their residence at 715 Saraguay Street East, Pierrefonds QC.
11. Pursuant to the terms of the Liquidation Order, the Liquidator was empowered, among other things, to:
 - a. take possession of the assets of the 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;
 - 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.
12. The Liquidator has brought an application for an order that, among other things: (a) approves the remaining steps to be taken by the Liquidator to conclude the administration of the liquidation proceedings (the “**Liquidation**”); (b) approves the dissolution of the Company upon the expiry of three (3) months from the date the Liquidator issues its notice under section 341(1)(c) of the BCA; and (c) authorizes the discharge of the Liquidator as liquidator of the Company upon completion of the remaining activities of the Liquidation as detailed herein and on the Company’s dissolution.
13. This is the Liquidator’s first report to the Court (the “**Liquidator’s First Report**”). In preparing the Liquidator’s First Report and making comments herein, the Liquidator has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, certain books and records of the Company, and information from other third-party sources (collectively, the “**Information**”). The Liquidator has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.
14. All amounts included herein are in Canadian dollars unless otherwise stated.
15. The purpose of the Liquidator’s First Report is to advise the Court with respect to the following matters:
- Outline of Liquidator’s administration to date;
 - Outline of Company Property;
 - Outline of Company Claims;
 - Outline of Shareholders’ Dividends;
 - Fees and Disbursements of the Liquidator;
 - Company Records;
 - Dissolution of the Company; and
 - Discharge as Liquidator of the Company.

OUTLINE OF LIQUIDATOR'S ADMINISTRATION TO DATE

16. The Liquidator attended to various statutory duties pursuant to the BCA, including filing notices of appointment of liquidator and filing liquidation reports, and publishing notices of the liquidation proceedings in the Gazette and Vancouver Sun newspaper.
17. The Liquidator maintained and updated a website for the Liquidation. Copies of relevant documents relating to the Liquidation are available on the Liquidator's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/louis-racz-co-ltd>
18. The Liquidator retained Cassels Brock & Blackwell LLP ("**Cassels**") as its independent legal counsel. On August 23, 2021, the lawyer with primary conduct of this matter left Cassels and joined the law firm of McCarthy Tétrault LLP ("**McCarthy**"). The Liquidator chose to have McCarthy represent the Liquidator thereafter.
19. After pronouncement of the Liquidation Order, the Liquidator received the sum of \$63,406.85 representing cash on hand in a bank account maintained by FirstService Residential in trust for the Company. Prior to its sale, the Company's apartment building had been managed by FirstService Residential. The funds received from the sale were deposited to the Liquidator's trust account maintained for the stakeholders in the Liquidation.
20. The Liquidator also received the sum of \$713,694.24 from Burns, which had been holding the funds in trust for the Company. The funds were also deposited to the Liquidator's trust account.
21. In April 2020, the Liquidator received the further sum of \$5,415,000 from Burns, representing funds that were tendered to the Respondents Ethel Racz and Michael Siwik, by Burns, but refused by the Respondents (the "**Refused Payments**"). The Refused Payments were deposited to the Liquidator's trust account.
22. On April 24, 2020, the Petitioners filed a notice of application, seeking directions with respect to the future distribution of the Refused Payments (the "**Refused Payments Application**").
23. The Court heard the Refused Payments Application on June 17, 2020. The Liquidator took no position.
24. On July 28, 2020, the Court pronounced an order (the "**Refused Payments Order**"), directing the Liquidator to pay the Refused Payments to the Petitioners in proportion to their respective Class C shareholdings in the Company, and confirming that the Company was no longer obligated or liable to make further payments to the Respondents as required by the Liquidation Order on account of their shareholdings. However, paragraph 7 (the "**Refused Payments Stay Provision**") provided that the Refused Payments Order was stayed for 30 days from its entry to provide the Respondents with an opportunity to apply to set it aside.

25. After pronouncement of the Refused Payments Order, the Petitioners' counsel and counsel to the Respondents negotiated the terms of a consent order which was pronounced on October 27, 2020 (the "**Consent Order**"). Pursuant to the term of the Consent Order, paragraphs 1 to 5 of the Refused Payments Order, which accounted for all relief therein except for the Petitioners' costs on the Refused Payments Application and the Refused Payments Stay Provision, were set aside. Accordingly, the Liquidator distributed the Refused Payments to the Respondents from funds held by the Liquidator.
26. The Liquidator exchanged various correspondence and participated in discussions with the Shareholders and their respective legal counsel. Further details are set out later in the Liquidator's First Report.
27. In years preceding pronouncement of the Liquidation Order, the Company had engaged KPMG LLP ("**KPMG**") to provide accounting and tax services to the Company. After the pronouncement of the Liquidation Order, the Liquidator participated in discussions with representatives of KPMG. The Liquidator also reviewed historical financial information and corporate income tax returns, as well as various statements of account issued by the Canada Revenue Agency (the "**CRA**") with respect to the Company's tax accounts. The Liquidator provided instructions to KPMG regarding certain tax accounts.
28. The Liquidator arranged for the Company's financial statements and corporate income tax returns for the fiscal years ending June 30, 2020 and June 30, 2021 to be prepared and filed with the CRA. The Liquidator recently arranged for the preparation and filing of the financial statements and corporate income tax return for the June 30, 2022, fiscal year-end.
29. At different times, the Liquidator arranged for funds held in the Liquidation trust account to be deposited into Guaranteed Investment Certificates in order to earn interest income.

OUTLINE OF COMPANY PROPERTY

30. As reported earlier, the Liquidator received the balance of funds maintained in a bank account, as well as funds held in trust for the Company by Burns. The Liquidator also received corporate income tax refunds totalling approximately \$2,863,515 plus interest, which were deposited into the Liquidator's trust account.
31. The Liquidator is not aware of any other assets of the Company other than those funds and income tax refunds already received by the Liquidator.

OUTLINE OF COMPANY CLAIMS

Statutory Claims

32. The Liquidator confirmed that the Company had a payroll tax account registered with the CRA and that there were no amounts owing to the CRA with respect to unremitted payroll source deductions. As the Company had no payroll activity in 2019, the Liquidator arranged for the payroll tax account to be closed in October 2019.
33. The Liquidator also confirmed that the Company was not registered to collect Goods and Service Tax.
34. After pronouncement of the Liquidation Order, the Liquidator reviewed various statements of account issued by the CRA with respect to corporate income tax and confirmed that the Company had no outstanding balances.
35. As previously reported herein, the Company had retained KPMG as its external accountant to prepare financial statements and file various tax returns with the CRA. The Liquidator sought to engage KPMG to prepare the Company's 2020 fiscal year-end financial statements and corporate income tax return, but KPMG declined the engagement due to the Liquidation. As such, the Liquidator retained MNP LLP (a separate but related entity to the Liquidator) to prepare financial statements and corporate income tax returns for the 2020 through 2022 tax years. In each of the 2020 and 2021 tax year, the Company filed for and received an income tax refund which was deposited to the Liquidation trust account.
36. The Liquidator arranged for the preparation and filing of the financial statements and corporate income tax return for the fiscal year ending June 30, 2022. The tax return reports no corporate income tax owing or refundable.

Other Claims

37. After pronouncement of the Liquidation Order, the Liquidator paid an invoice that had been rendered by KPMG to the Company for accounting services.
38. The Company's Balance Sheet at June 30, 2019 reported debt obligations to and from certain related parties totaling \$116,288.77, the particulars of which are set out below:

Due to Rita Racz: \$47,152.85

Due to Ethel Racz: \$69,635.14

Due from Rozalia Racz: (\$499.26)

Net Balance: \$116,288.73

39. As the Liquidator did not have information concerning the transactions that gave rise to the various balances, the Liquidator made inquiries of KPMG. The Liquidator was not provided with any details regarding the loan balances, but the Liquidator was advised by KPMG that they were not aware of any reason why the Liquidator should not proceed with distributing the specified amounts.
40. Accordingly, the Liquidator paid \$47,152.85 to Rita Racz, and paid \$69,635.14 (the “**Shareholder Loan**”) to Ethel Racz.
41. It is the Liquidator’s understanding that Rozalia Racz passed away a number of years ago, and as such, the small balance owed by her to the Company was recorded as uncollectable in the Company’s books and records in the 2020 fiscal year.
42. Ongoing correspondence has been exchanged between the Liquidator and Ethel Racz regarding various matters, including payment of the Shareholder Loan. The cheque issued to Ethel Racz to pay the Shareholder Loan was not cashed and ultimately became stale-dated.
43. The Liquidator’s legal counsel wrote to Ethel Racz requesting that she confirm whether she wanted the Liquidator to re-issue payment of the Shareholder Loan. Copies of the letter from McCarthy dated June 29, 2022 and the response received from Ethel Racz on July 20, 2022 (the “**July 2022 Reply**”) are attached to the Liquidator’s First Report as **Appendix “A”** and **Appendix “B”** respectively.
44. The Liquidator or McCarthy also wrote to Ethel Racz in March 2021, July 2021, and September 2021 in respect of the Shareholder Loan. As the July 2022 Reply does not confirm that Ethel Racz wants the Liquidator to re-issue payment of the Shareholder Loan, the Liquidator is currently seeking an order that it has no further obligation or liability to remit payment to Ethel Racz on account of the Shareholder Loan, and that the Liquidator shall later distribute the amount of the Shareholder Loan from funds held in trust as appropriate to administer and finalize the Liquidation.
45. The Liquidator did not receive any written notices from additional claimants within the two-month period (or at any time) after publication of the notice in the Gazette and the Vancouver Sun newspaper.
46. Searches conducted by the Liquidator of the British Columbia Personal Property Registry on August 30, 2019, and again on July 4, 2022, did not report any registrations filed against the Company.
47. Accordingly, the Liquidator is unaware of any debt obligations of the Company other than the Shareholder Loan reported above.

Correspondence from Ethel Racz

48. The July 2022 Reply from Ethel Racz alleges fraudulent corporate resolutions of the Company as well as fraudulent evidence put before the Court over the course of several years.
49. Ethel Racz has written extensively to the Liquidator and its counsel over the course of the Liquidation. This correspondence often related to past legal proceedings concerning the Shareholders and members of the Racz family and requested that the Liquidator provide information and conduct investigations into these unrelated matters. The Liquidator has provided information within its knowledge to Ethel Racz as appropriate but has declined to conduct investigations outside the scope of its appointment and powers pursuant to the Liquidation Order absent a direction from the Court.

DISTRIBUTIONS TO THE SHAREHOLDERS

2019 Dividends

50. Certain details concerning a prior reorganization of the Company's share structure and distributions to Shareholders prior to the Liquidator's appointment are set out at the Petition.
51. In February 2020, the Liquidator issued T5 slips to the Shareholders in respect of the 2019 calendar year and filed the requisite documentation with the CRA.

2020 Dividends

52. The Liquidator did not declare any dividends to Shareholders during the 2020 calendar year.

2021 Dividends

53. In early 2021, the Liquidator confirmed with the CRA that the Company had a refundable tax balance of \$1,034,096 (the "**Tax Refund**"). Further, the Liquidator had been advised by a tax professional that the Tax Refund would be refunded by the CRA to the Company at rate of \$1 for every \$2.60 of taxable dividends that the Company pays to the Shareholders. Consequently, the Liquidator expected that the Company would receive the full amount of the Tax Refund upon payment of \$2,688,650 of taxable dividends.
54. On March 26, 2021, the Liquidator filed an application seeking an Order directing the Liquidator to:

- a) declare a dividend to the Shareholders in the amount of \$2,076,502 (the “**First Dividend**”);
 - b) pay the First Dividend to the Shareholders from funds held in trust by the Liquidator;
 - c) declare a second dividend to the Shareholders in the amount of \$1,034,096 prior to the 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 (the “**Promissory Note**”).
55. Pursuant to an Order of the Court pronounced April 12, 2021, the Court authorized and directed the Liquidator to declare and pay the First Dividend from funds held by the Liquidator, declare the Second Dividend to Shareholders, and satisfy the Second Dividend with the Promissory Note.
56. The Liquidator declared and paid the First Dividend on April 21, 2021.
57. The Liquidator declared the Second Dividend on June 22, 2021 and issued the Promissory Note.
58. The Liquidator received the Tax Refund on October 29, 2021 and paid the Second Dividend to Shareholders on November 8, 2021 in satisfaction of the Promissory Note.
59. In February 2022, the Liquidator issued T5 slips to the Shareholders in respect of the 2021 calendar year and filed the requisite documentation with the CRA.

2022 Dividends

60. The Liquidator has not declared or paid any dividends to Shareholders to date this calendar year.
61. The Liquidator intends to declare one final dividend and distribute available funds to the Shareholders upon resolution of the Shareholder Loan and prior to finalizing the Liquidation.

LIQUIDATOR’S ACCOUNTS

62. 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.
63. Attached hereto as **Appendix “C”** is a summary of the Liquidator’s invoices for professional fees from March 6, 2019 to August 31, 2022. As set out in that appendix, the fees relating to services provided by the Liquidator during the applicable time

totalled \$107,152.50 before applicable taxes and have been paid from the funds held in the Liquidation trust account. All fees were charged at the Liquidator's standard hourly rates from time to time. The referenced appendix also includes the Liquidator's estimate of charges from September 1, 2022, to present, for services rendered from that date to the conclusion of the Liquidation, which charges the Liquidator's estimate 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 Liquidator's First Report and assumes that there will be no further applications to Court prior to conclusion of the Liquidation and discharge of the Liquidator.

64. Attached hereto as **Appendix "D"** is a summary of the time expended by the officers and employees of the Liquidator in relation to the matters which are the subject of the Liquidator's accounts which are referenced in Appendix "C". As set out in Appendix "D", the hours relating to the services provided by the officers and employees of the Liquidator in relation to the matters dealt with in such accounts totalled 217.70 hours.

ESTIMATED STATEMENT OF FINAL ACCOUNTS

65. The details of the Liquidator's receipts and disbursements to September 19, 2022, as well as an estimate of the accounting of the Company's Property to conclude the Liquidation (the "**Estimated Final Accounts**"), are set out in **Appendix "E"** to the Liquidator's First Report. On September 19, 2022, the Liquidator held a balance of \$279,129.48 in the Liquidator's trust account.

COMPANY RECORDS

66. As previously reported, it is the Liquidator's understanding that Rita Racz has been the sole director and officer of the Company since July 3, 2014.
67. A search of the British Columbia Corporate Registry conducted August 30, 2019 indicated that the Company's registered and records office was the law offices of Helena Plecko Law, now Finestra Law, located in Port Moody, B.C ("**Finestra**").
68. Helena Plecko, a lawyer at Finestra, contacted the Liquidator to advise that there are files in respect to concluded litigation proceedings at their law office (the "**Litigation Files**").
69. The Liquidator is of the view that there is no reason to continue to store the Litigation Files, and proposes to:
 - (a) mail a notice to the Director at the address shown in the corporate search conducted August 8, 2022, requiring that the Director take possession of the Litigation Files within thirty (30) days should the Director wish to maintain the Litigation Files; and

- (b) if the Director does not make satisfactory arrangements with Finestra to pick up such Litigation Files within the referenced thirty (30) day period, the Liquidator shall instruct Finestra to destroy the Litigation Files.

DISSOLUTION OF THE COMPANY

- 70. The Liquidator's administration of the Company has been substantially finalized, with the exception of the following matters:
 - a) arranging for the return or destruction of the Litigation Files;
 - b) distributing the remaining funds as set out in the Estimated Final Accounts and closing the Liquidator's trust account thereafter;
 - c) preparing and filing T5 slips for the 2022 calendar year; and
 - d) preparing and filing the final corporation income tax return to dissolution.
- 71. The Liquidator respectfully requests that the Court grant an Order authorizing the dissolution of the Company upon completion of the matters set out above, and upon the expiry of three (3) months from the date the Liquidator issues its notice under section 341(1)(c) of the BCA.

DISCHARGE OF LIQUIDATOR

- 72. Should this Honourable Court grant an order approving the Company's dissolution, the Liquidator also respectfully requests that the Court grant the Liquidator its discharge upon the Company's dissolution.

COURT APPROVAL SOUGHT

- 73. Based on the foregoing, the Liquidator seeks a Court Order for the following relief:
 - (a) confirming the Liquidator has no further obligation or liability to remit payment to Ethel Racz on account of the Shareholder Loan;
 - (b) authorizing and directing the Liquidator to distribute the amount of the Shareholder Loan from funds held in trust in the normal course of administering and finalizing the Liquidation;
 - (c) approving the activities of the Liquidator, as set out in the Liquidator's First Report;

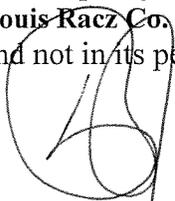
- (d) approving the accounts of the Liquidator, including the estimate to conclude the Liquidation, as set out in Appendix "C" to the Liquidator's First Report;
- (e) approving the Liquidator's Estimated Statement of Final Accounts dated September 19, 2022;
- (f) authorizing the return or destruction of the Litigation Files in accordance with Paragraph 69 of the Liquidator's First Report;
- (g) approving the Company's dissolution, upon the expiry of three (3) months from the date the Liquidator issues its notice under section 341(1)(c) of the BCA; and
- (h) discharging the Liquidator upon the Company's dissolution.

DATED AT Vancouver, British Columbia, this 21st day of September, 2022.

MNP Ltd.

**In its capacity as Liquidator of
Louis Racz Co. Ltd.**

and not in its personal capacity



Per: Patty E. Wood CPA, CGA, CIRP, LIT
Senior Vice President

Appendix A



McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

Forrest Finn
Associate
Direct Line: (604) 643-7134
Email: ffinn@mccarthy.ca

Assistant: Hira, Amrita
Direct Line: (604) 643-5964
Email: ahira@mccarthy.ca

June 29, 2022

Via Courier

Etus Maria Racz (aka Ethel Mary Racz)
715 Saraguay Blvd
Pierrefonds QC H8Y 2G3

Re: Louis Racz Co Ltd. (the "Company")

As you are aware, MNP Ltd. was appointed as the court-appointed liquidator of the Company on August 29, 2019 (in such capacity, the "**Liquidator**") pursuant to an order pronounced by Madam Justice Adair on July 29, 2019. The Liquidator is now working to complete its administration of the Company, including by paying out the Company's remaining obligations.

During its administration, the Liquidator reviewed the records of the Company, including its financial statements (collectively, the "**Records**"). The Records indicated that the Company owed you \$69,635.14 in respect of a loan reported as owing to you by the Company. Accordingly, on March 9, 2021, the Liquidator sent you a letter (the "**March 9 Letter**"), a copy of which is enclosed herein. The March 9 Letter enclosed a cheque for \$69,635.14 (the "**Cheque**") and stated, among other things:

The Liquidator's duties include paying the Company's creditors. In that regard, we enclose payment in the amount of \$69,635.14 in satisfaction of a loan that is reported on the Company's financial statements as being owed to you.

The Cheque was not cashed and the Liquidator sent you two follow-up letters on July 2, 2021 (the "**July 2 Letter**") and September 2, 2021 (the "**September 2 Letter**") respectively, copies of which are enclosed herein. In the July 2 Letter, the Liquidator stated that, if you did not believe the loan was an obligation owing to you, you should return the Cheque and the Liquidator would distribute the funds to the Company's shareholders. In the September 2 Letter, the Liquidator further noted that the Cheque was uncashed and advised you that if it remained uncashed it would become stale-dated. The September 2 Letter further requested that "[i]f you do not believe there is any money owing to you, please confirm and the liquidator will stop payment on the cheque and will not issue a replacement." The Liquidator did not receive a response to this request.

This letter is further to the March 9 Letter, the July 2 Letter, and the September 2 Letter and asks that you please advise whether or not you believe that the amount of \$69,635.14 is owed

to you by the Company. If you believe this amount is owing to you, we will re-issue the Cheque, which is now stale-dated. However, if you do not, we will proceed with finalising the administration of the Company's liquidation and these funds will be distributed later as ordered by the Court. We ask that you please confirm your position no later than 21 days from the date of this letter.

Yours truly,



Forrest Finn
Associate

FF



March 9, 2021

Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds, QC
H8Y 2G3

Dear Ms. Racz:

Re: Lois Racz Co. Ltd. (the "Company")

As you are aware, MNP Ltd. was appointed as liquidator of the Company (the "**Liquidator**") on August 29, 2019 by virtue of an Order pronounced on July 29, 2019 by the Supreme Court of British Columbia (the "**Order**").

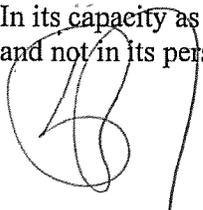
The Liquidator's duties include paying the Company's creditors. In that regard, we enclose payment in the amount of \$69,635.14 in satisfaction of a loan that is reported on the Company's financial statements as being owed to you.

If you have any questions, or concerns, please do not hesitate to contact me via e-mail at patty.wood@mnp.ca or by phone at (604) 637-1535.

Yours truly,

MNP Ltd.

In its capacity as Court Appointed Liquidator
and not in its personal or corporate capacity.


Per: Patty E. Wood CPA, CPA, CIRP, LIT
Senior Vice President

Encl.

MNP LTD.

VB - 10008 - 77 11949

Transaction #: 04146574

20210308

CHEQUE NO. 34

Payee Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds QC H8Y 2G3

Total 69,635.14

782286-LouisRaczCoLtd, Louis Racz Co. Ltd., Inv #: Repayment of loan o/s

Amount 69,635.14

THE FACE OF THIS DOCUMENT HAS A COLOURED BACKGROUND ON WHITE PAPER. THE END BORDERS CONTAIN MICRO PRINTING. THE ANOCHROMIC INK.

MNP LTD.
Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
(604) 639-0001

VersaBank
410 - 121 Research Drive
Saskatoon SK S7N 1K2

34

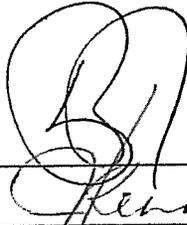
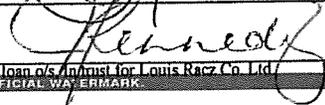
DATE 2 0 2 1 0 3 0 8
Y Y Y Y M M D D

PAY Sixty Nine Thousand Six Hundred Thirty Five Dollars And Fourteen Cents

\$69,635.14

TO THE ORDER OF Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds QC H8Y 2G3

 Security Features Included
MNP Ltd.

Per 
Per 

Misc - Inv #: Repayment of loan o/s/interest for Louis Racz Co. Ltd.

THE BACK OF THIS DOCUMENT HAS A GREY WIRE WAVE, A RECYCLED EGG AND AN ORIGINAL WATERMARK

⑈00034⑈ ⑆10008⑈334⑆ 77⑈11949⑈

Cassels

July 2, 2021

BY REGULAR MAIL

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, QC H8Y 2G3

lwilliams@cassels.com

tel: +1 604 691 6112

file # 049076-00011

Re: Louis Racz Co. Ltd. (the "Company")

We write further to your letter of June 14, 2021. Please note that Mr Finn is an associate with Cassels Brock & Blackwell LLP, counsel to MNP Ltd as liquidator (the "**Liquidator**"). All correspondence to the Liquidator can be directed to my attention. To confirm, our prior letter of May 17, 2021 was in reply to your letter dated April 29, 2021 and addressed to the Liquidator.

As we noted in our prior letter, the Liquidator was appointed after the sale of the property in accordance with the terms of the appointing Order and the provisions of the British Columbia *Business Corporations Act* (the "**BCBCA**"). The Liquidator's duties include matters such as paying creditors and distributing residual funds to shareholders. The Liquidator's mandate as a court-officer does not include investigating prior grievances or revisiting court orders. As to your rights on those matters, and potential remedies, we recommend that you seek independent legal advice.

In relation to the "unclaimed property" discussions with Mr Turner referenced in your letter, those discussions relate to his application regarding the dividends that were refused by you for a period of time, and you will recall that Mr Turner brought an application to have the funds paid out to the remaining shareholders. You may wish to consult legal counsel to determine what, if anything, Mr Turner's client is required to disclose to you. This is outside the Liquidator's mandate and we cannot offer advice in this regard.

Regarding the sale of the property, the Liquidator understands from the materials filed in court that it occurred on January 31, 2019. Absent a court order directing it to do so, it is not within the Liquidator's mandate to review the sale or the judicial proceedings that preceded it.

Finally, in relation to the loan repaid to you, the Liquidator paid you the loan balance showing on the books and records of the Company, which included the Company's externally prepared financial statements for the 2018 and 2019 fiscal years. If you do not believe this loan is an obligation owing to you, please return the funds and the Liquidator will distribute them to the shareholders. Likewise, should you have evidence of any other obligations of the Company, please provide details to the Liquidator as soon as possible. We enclose a recent statement of receipts and disbursements of the Liquidator showing all funds received and paid to date, and are pleased to address any reasonable requests or questions.

t: 604 691 6100
f: 604 691 6120
cassels.com

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building, 885 West Georgia Street
Vancouver, BC V6C 3E8 Canada

Cassels

As the Company is a British Columbia company, and the Liquidator is appointed as a court-officer by the Supreme Court of British Columbia under the *BCBCA*, all matters regarding the liquidation must be dealt with through the British Columbia courts. As such, the Liquidator's mandate and duties will continue to be as required under the *BCBCA* or as directed by the Supreme Court of British Columbia.

Yours truly,

Cassels Brock & Blackwell LLP



Lance Williams
Partner

LW/mr

cc: Moe Liebman, via email - moe@liebmanlegal.com
LEGAL*53476287.3

In the Matter of the Liquidation of Louis Racz Co. Ltd. (the "Company")

Notes to Interim Statement of Receipts and Disbursements dated June 21, 2021

Receipts:

1. **Cash in Bank** – represents balance of funds in the Company's bank account paid to Liquidator and deposited to Liquidation trust account
2. **Corporate Income Tax Refund** – represents refund filed and received by Liquidator for fiscal year ending June 30, 2020 (excluding interest paid by the CRA)
3. **Funds Held in Trust** – represent funds held in trust by Burns Fitzpatrick LLP and paid to Liquidator and deposited in Liquidation trust account
4. **Interest Income** – represents interest earned on funds held by Liquidator and interest paid by the CRA on the corporate income tax refund
5. **Miscellaneous Refund** – represents refund issued by TELUS

Disbursements:

6. **Accounting Fees** – accounting costs (net of GST) incurred by Liquidator
7. **Filing Fees** – various fees paid by Liquidator
8. **GST Paid** – total GST paid on invoices rendered to Liquidator
9. **Legal fees and costs – counsel to Liquidator** – represents paid accounts (net of GST) rendered by Cassels Brock and Blackwell LLP
10. **Legal fees and costs – counsel to Petitioner** – represent accounts presented to Liquidator for payment pursuant to the Order of Mr. Justice Majawa made July 28, 2020 and the Consent Order entered October 29, 2020
11. **Legal Notice** – costs of legal notices (net of GST) published by Liquidator in Vancouver Sun and BC Gazette newspapers
12. **Liquidator's Fees** – represents paid accounts (net of GST) rendered by Liquidator
13. **Courier Costs** – various courier costs (net of GST) incurred by Liquidator
14. **Payments to Unsecured Creditors** – represents the payment of the following liabilities incurred by the Company and paid by the Liquidator:
 - KPMG LLP \$10,111.50
 - Ethel Mary Racz \$69,635.14
 - Rita Racz \$47,152.85
15. **Shareholder Distributions** – represents the following payments to the Company's shareholders pursuant to the Order of Madam Justice Adair made July 29, 2019 (replacement of trust cheques first issued by Burns Fitzpatrick LLP and returned):
 - September 16, 2020: Ethel Mary Racz - \$415,000.00: Redemption of Class D Shares
 - September 16, 2020: Ethel Mary Racz - \$855,000.00: Capital Dividend – Class C Shares
 - September 16, 2020: Ethel Mary Racz - \$645,000.00: Ordinary Dividend – Class C Shares
 - September 16, 2020: Michael Siwik - \$1,995,000: Capital Dividend – Class C Shares
 - September 16, 2020: Michael Siwik - \$1,505,000: Ordinary Dividend – Class C Shares

TOTAL \$5,415,000.00

Shareholder Distributions – represents the following payments to the Company’s shareholders pursuant to the Order of Master Vos made April 12, 2021:

April 21, 2021: 1012109 BC Ltd. - \$674,863.15: Ordinary Dividend – Class C Shares

April 21, 202: Ethel Mary Racz - \$311,475.30: Ordinary Dividend – Class C Shares

April 21, 2021: Michael Siwik - \$726,775.70: Ordinary Dividend – Class C Shares

April 21, 2021: Lisa Maddess - \$363,387.85: Ordinary Dividend – Class C Shares

TOTAL \$2,076,502

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

H. Lance Williams*
Partner
Direct Line: (604) 643-7154
Email: lwilliams@mccarthy.ca
**Law Corporation*

Assistant: Katerina Doumakis
Direct Line: (604) 643-7910
Email: kdoumakis@mccarthy.ca

September 2, 2021

Via Mail

Etus Maria Racz
715 Saraguay Blvd E.
Pierrefonds, QC H8Y 2G3

Dear Ms. Racz:

Re: Louis Racz Co. Ltd.

We write further to your letter of July 30, 2021. Please note that I have ceased practicing with Cassel Brock & Blackwell LLP, and am now with McCarthy Tétrault LLP. Please direct all further correspondence to me at the address listed above.

Regarding the redemption of the Class D shares held by your mother's estate, we note that the Order of Justice Adair on July 29, 2019 directed the company (prior to the appointment of the liquidator) to redeem the 415 shares held by her estate for \$415,000 (\$1 per share). This redemption did not involve the liquidator. In addition, the liquidator is not aware of any further redemptions and has not repaid a loan to VanCity. If this was a matter dealt with in prior litigation, you will need to speak to your counsel regarding what remedies are available if you believe counsel misled the court, or the court otherwise erred. The liquidator does not undertake a forensic review of past corporate transaction or other matters unless it is directed by the court to do so.

As indicated previously, Louis Racz Co. Ltd. is incorporated under the *Business Corporations Act* of British Columbia, and the liquidator's appointment is likewise under the same act. The Supreme Court of British Columbia accordingly has sole jurisdiction and any application or "review" would need to occur before that court. We cannot provide legal advice in that regard, and suggest you speak to a British Columbia lawyer.

Finally, we note that the liquidator sent you a cheque dated March 8, 2021 representing payment of an obligation showing as due to you in the company's books and records. This cheque remains uncashed and will become stale-dated shortly. If you do not believe there is any money owing to you, please confirm and the liquidator will stop payment on the cheque and will not issue a replacement. In the event it becomes stale dated and believe these funds are owing to you, please confirm that you would like the liquidator to issue a replacement cheque.

Yours truly,

McCarthy Tétrault LLP

Per:



H. Lance Williams*

LW/kd

c. Moe Liebman (by email moe@liebmanlegal.com)
Client

Appendix B

** INBOUND NOTIFICATION : FAX RECEIVED SUCCESSFULLY **

TIME RECEIVED	FAX NUMBER	DURATION	PAGES	STATUS
July 20, 2022 at 9:25:35 a.m. PDT		1054	31	Received
07/20/2022 11:03 FAX 5146844292	RACZ		7	001

TO: MCCARTHY TETRAULT

ATTN: FORREST FINN (FAX 604-643-7900)

FROM: ETUS MARIA RACZ

DATE: JULY 20, 2022

RE: LOUIS RAZZ CO. LTD.

NO. OF PAGES INCLUDING COVER: 31

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Que. H8Y 2G3

July 20, 2022

BY FACSIMILE

McCarthy Tetrault
Suite 2400, 745 Thurlow Street
Vancouver, B.C. V6E 0C5

ATTN: Forrest Finn

RE: Louis Racz Co. Ltd. (the "Company")

Your letter of June 29, 2022 is concerned with a cheque to me in the amount of \$69,635.14 which you believe the Company owes me. I would say that the Company owes me a far greater amount. This amount will be determined with a review of the sale of Cedar Terrace and a review of several transactions leading to the sale, which occurred over the past eight years.

I am today, a shareholder and director of the Company and have been since 1967. As director and shareholder, I do not agree to the wind-up of the Company.

A review will show that all resolutions signed by Rita alone are outside of the Articles of the Company and all transactions based on those resolutions are fraudulent.

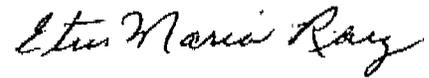
Three Court decisions: Gropper 2015, Adair 2019, and Majawa 2020 are based on false evidence.

1 of 2

As to the date of the sale of Cedar Terrace, KPMG filed the Company returns for 2019 – no T5s were filed in regard to the sale. The 2020 returns were filed by accountants for MNP and the T5s were incorrectly dated 2019 when they should have been dated 2020. There is presently an investigation into this inaccuracy. It is ongoing.

It is difficult to accept that Ms. Wood is not aware of these fraudulent transactions as she has been a member of Mr. Topley's team since 2007.

Yours truly,



Etus Maria Racz

c.c. Kathryn Chapman

Pierre Paul Persico

ENCLOSURES :

- 1- Letter to Barbara Janzen (2 pages)
- 2- Letter to Ken Friesen (1 page)
- 3- Resolutions dated July 3, 2014 (2 pages)
- 4- Resolutions (RE: 1012109 B.C. Ltd.) August 2014 (3 pages)
- 5- Resolutions (RE: 1012109 B.C. Ltd.) October 2014 (6 pages)
- 6- Resolution (November 2014) (1 page)
- ~~7- Resolution (September 2015) (1 page)~~
- 8- Annual Reports (3 pages) **DECEMBER 2014**
- 9- Affidavit of Colin Topley (5 pages)
- 10- Annual Report (2015) (1 page)
- 11- Resolution (September 2015) (1 page)
- 12- RE: Staff members (2 pages)

From: 5146844292 Page: 5/9 Date: 2019-03-18 11:00:35 AM

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Rus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Quebec H8Y 2G3
June 2, 2014

Bull Housser & Tupper LLP
Suite 900-900 Howe Street
Vancouver, B.C. V6Z 2M4

Attention: Barbara E. Janzen

RE: Estate of Rozalia Racz

Dear Ms. Janzen,

As you are aware, I am pursuing a criminal investigation into the cause and circumstances of Rozalia's death. It is ongoing. This investigation will include a review of the 2001 Application for Commitment and the 2008 Trial on the Will. Over the past four years, I have provided all parties with evidence of criminal acts committed in both the Application and the Trial. The evidence from LVCC shows forcible confinement and the failure to provide the necessities of life which caused Rozalia's death. These are criminal acts.

I believe an investigation will conclude that Lisa Maddess cannot inherit from Rozalia's Estate. It would also determine the legitimate costs to be paid by the Estate. I do not believe this would include costs of criminal acts.

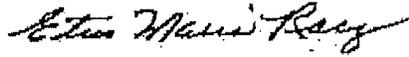
Considering the evidence which I have provided to all parties, it is inconceivable that any person aware of the seriousness of the crimes and the terrible suffering and death caused by these acts would not be in favour of a criminal investigation unless the person is involved in the criminal acts or in the cover-up.

I do not agree to your proposal. It is premature. Michael Siwik is in agreement with my decision.

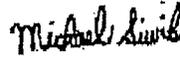
From: 5146844292 Page: 0/0 Date: 2019-03-18 11:00:35 AM

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Yours truly,



Etra Maria Racz
(Trustee for the Racz Family Trust)
(Director of Louis Racz Co. Ltd.)



Michael Siwik
(Trustee for the Racz Family Trust)

c.c. Moe Liebman
Ken Plesan
Elizabeth Gidney
Larry South

From: 5146844282 Page: 7/8 Date: 2019-03-18 11:00:36 AM

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Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Quebec H8Y 2G3
June 18, 2014

BY FACSIMILE AND POST

Friesen & Epp
5660 Yew Street
Vancouver, B.C. V6M 3Y3

Dear Mr. Friesen,

RE : Louis Racz Co. Ltd. Annual General Meeting (AGM) - your letter dated June 9, 2014

I do not agree to an AGM at this time as its only purpose is to consider Bull, Housser & Tupper's proposal which I have already rejected. The listate cannot ask the Company to redeem shares held in trust. When the beneficiaries have received their shares, they can, if they choose, have their shares redeemed. The shares have not been distributed; the proposal is premature.

As I do not accept the decision on the Will, I do not accept Lisa Maddess, your client, as a beneficiary.

Rita Racz, the mother of Lisa Maddess, is asking for an AGM to discuss the proposal, is acting in the interest of her daughter, not in the interest of the Company. I believe there is a conflict.

Liebman Legal Inc. will review the 2008 Trial as well as the 2001 Application in which Rita Racz played a major role. The complaint to the Law Society clearly shows that in 2001, Rita acted in the interest of her daughter and against the Company.

The double-tax, as envisioned by the proposal, can be easily avoided by selling the shares of Louis Racz Co. Ltd. if and when Cedar Terrace is sold.

Yours truly,



Etus Maria Racz

c.c. Moe Liebman

From: 5146844292 Page: 8/8 Date: 2019-03-18 11:00:36 AM

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Minutes of all members entitled to vote at the Annual General Meeting of LOUIS RACZ CO. LTD. (the "Company") held at 101 1575 Esquimalt, West Vancouver, British Columbia on July 3, 2014 at 10:00 a.m.

Present: Rita Racz, Shareholder and Director

Rita Racz in the chair and acting as secretary of the meeting.

QUORUM

The Annual General Meeting having been originally set for June 26, 2014, and a quorum of members not being present at 10:30 a.m. on that day, the Annual General Meeting was adjourned pursuant to section 10.3 of the Articles to one week hence, July 3, 2014 at 10:00 a.m., at which time the meeting resumed.

UPON MOTION, the Shareholders unanimously resolved as follows:

- (a) that the financial statements for the Company for the period ending June 30, 2013 be approved as presented;
- (b) that the option of appointing auditors for the year ending June 30, 2014 be waived;
- (c) that the appointment of Rita Racz as director be approved with the option for the appointment of a further director upon request of the other voting shareholder;
- (d) that the Shareholders approve the principles of the plan as set out in the letter of Barbara Janzen dated May 15, 2014 (the "Pipeline Plan") as attached herewith and state that it is their intent to fully participate in the Pipeline Plan in their capacities as shareholder, including but not limited to authorizing the sale of their shares to the New Company in accordance with the Plan.

UPON MOTION, the Directors unanimously resolved as follows:

- EMR →
- (a) that the Pipeline Plan as attached herewith is hereby approved;
 - (b) that sale of the shares in the Company to the New Company as set out in the Pipeline Plan is hereby approved.

There being no further business, the meeting was adjourned at 10:35 a.m.



 RITA RACZ
 Chair

Racz Estate/0143

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SPECIAL RESOLUTION #1 OF
THE DIRECTORS OF

LOUIS RACZ CO. LTD.

(the "Company")

Whereas an Annual General Meeting was scheduled for June 26, 2014 at 10 a.m. and as quorum of members was not present at 10:30 a.m., the matter was adjourned pursuant to section 10.3 of the Articles to July 3, 2014 to 10 a.m. at which time the meeting resumed and, the undersigned, being a director of the Company entitled to vote on the resolution;

And whereas the Estate of Rosalia Racz (the "Estate") owns 1481 shares (the "Preferred Shares") in the Company with a fair market value of and adjusted costs base of \$1,481,000 and the Estate wishes to sell the Preferred Shares to another company so that it has cash to distribute to its beneficiaries, the majority of which have requested same;

And whereas a reorganization plan has been developed for the purpose of the redemption of the Preferred Shares in a tax efficient manner and in keeping with the plan;

RESOLVED, as a special resolution, that the Company:

1. Rita Racz be appointed chairperson;
2. The financial statements for Louis Racz Co. Ltd. for the period ending June 30, 2013 be approved as presented;
3. The option of appointing auditors for the year ending June 30, 2014 be waived;
4. *Em* → The plan as set out in the letter of Barbara Janzen dated May 15, 2014 (the "Pipeline Plan") as attached herewith is hereby approved;
5. There is approval of the sale of the shares in the Company to the New Company as set out in the Pipeline Plan;
6. There being no further business, the meeting was adjourned at 10:35 a.m.


RITA RACZ, Director

This is Exhibit "T" referred to in the affidavit of USA Madress sworn before me on 21 APR 2019

CONSENT RESOLUTIONS OF THE DIRECTORS OF

**1012109 B.C. LTD.
(the "Company")**

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

WHEREAS the Company has been incorporated under the British Columbia *Business Corporations Act* on August 28, 2014 and has received Incorporation Number BC1012109.

Allotment of Incorporator's Share

WHEREAS the Company has received \$1.00 in respect of 1 Non-Participating Common share without par value in the authorized share structure of the Company subscribed for by Riley R. Burr (the "Incorporator") in the incorporation agreement of the Company (the "Incorporator's Share").

RESOLVED THAT:

1. \$1.00 be set as the issue price for the Incorporator's Share and the Incorporator's Share be allotted and issued to the Incorporator as fully paid for \$1.00 per share; and
2. share certificate no. 1C representing the Incorporator's Share be issued and the Incorporator's name and other necessary particulars be entered in the Central Securities Register of the Company.

Transfer of the Incorporator's Share

RESOLVED THAT:

1. the transfer of the Incorporator's Share to Rita Louise Racz be approved and consented to;
2. share certificate no. 1C representing the Incorporator's Share be cancelled; and
3. share certificate no. 2C representing 1 Non-Participating Common share be executed and delivered to Rita Louise Racz and the name of the shareholder and other necessary particulars of the share transferred be entered in the Central Securities Register of the Company.

Quorum

RESOLVED that the quorum for meetings of directors be fixed at a majority of the Board.

General Signing Authority

RESOLVED that all documents and instruments, other than banking documents, executed on behalf of the Company, may be signed in accordance with the terms of a resolution of the directors or, failing such a resolution, then by:

1. any two directors;

This is Exhibit " S " referred to in the affidavit of LISA Mackless sworn before me on 1 APR 20 19

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2. any officer, together with any director; or
3. if the Company only has one director, that director.

Appointment of Solicitors and Authority to Sign Notices

RESOLVED that the firm of Bull, Housser & Tupper LLP (the "Company's Solicitors") be appointed solicitors for the Company, and that any partner of, or associate employed by, the Company's Solicitors who has the relevant knowledge of the Company be authorized to sign and file (electronically or otherwise) any annual report, notice of directors or change of directors, notice of change of address, and any other document or Notice required to be filed with the Registrar of Companies and similar regulatory authorities in other jurisdictions to record any matter already authorized by resolution of the directors or shareholders of the Company.

Fiscal Year End

RESOLVED that the fiscal year end of the Company be September 30 of each year.

Registered and Records Offices

RESOLVED that the Company appoint Turlex Office Services Limited Partnership ("Turlex") as its agent for the maintenance of the Company's registered and records office under the provisions of the British Columbia *Business Corporations Act*, and that the said offices be located at Suite 900 - 900 Howe Street, Vancouver, British Columbia, V6Z 2M4, or at such other location within the City of Vancouver, Province of British Columbia, as Turlex may from time to time determine.

Registered and Records Offices Agreement

RESOLVED THAT:

1. the Company do enter into that certain agreement submitted by Turlex between the Company and Turlex relating to the registered and records offices of the Company;
2. any one director may, for and on behalf of the Company, execute and deliver such agreement; and
3. if Turlex gives notice to the Company that it will no longer act as agent for the maintenance of the Company's registered and records offices, the director[s] authorize Turlex to file a Notice of Change of Address changing the registered and records offices of the Company to the current British Columbia prescribed address of a director or officer of the Company.

Bankers

RESOLVED that the Company appoint as its bank _____, and adopt such banking resolutions as required by the said bank.

Accounting Records

RESOLVED that the accounting records of the Company be kept at the Company's head office or principal place of business or at such other place as the directors may from time to time determine.

Appointment of Accountants

RESOLVED that _____ be appointed accountants of the Company to hold office until the next annual reference date of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at August 28, 2014.



RITA LOUISE RACZ


COLIN FOPLEY

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CONSENT RESOLUTIONS OF THE DIRECTORS OF**1012109 B.C. LTD.**
(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

Approval of Agreement

WHEREAS the Company proposes to enter into an agreement (the "Purchase and Sale Agreement") with Rita Louise Racz (the "Vendor"), in connection with the purchase and sale of 50 Class "B" Voting Common, 15 Class "C" Common and 431 Class "D" Preferred shares (the "Subject Shares") held by the Vendor in the authorized share structure of Louise Racz Co. Ltd. in consideration for the allotment and issuance to the Vendor of 49 Common, 15 Non-Voting Common and 431 Preference shares without par value in the authorized share structure of the Company in payment therefor.

RESOLVED THAT the Purchase and Sale Agreement be and the same is hereby approved, and that any one director of the Company be and is hereby authorized to negotiate and finalize the terms of and to execute the Purchase and Sale Agreement on behalf of the Company, and to do all things as he or she may consider necessary or desirable to carry out the purchase of shares of Louis Racz Co. Ltd. thereunder.

Allotment of Shares

WHEREAS, pursuant to the Purchase and Sale Agreement, the Company has agreed to allot and issue 49 Non-Participating Common, 15 Non-Voting Common and 431 Preference shares without par value to the Vendor who has transferred to the Company the Subject Shares with a fair market value of \$1,267,885 in payment for such shares.

RESOLVED THAT:

1. the directors of the Company determine the fair market value of the Subject Shares as of the date of the purchase of the Subject Shares which are to be purchased by the allotment and issue of 49 Common, 15 Non-Voting Common and 431 Preference shares without par value in the authorized share structure of the Company to the Vendor, to be in all circumstances of this transaction the sum of \$1,267,885;
2. 49 Non-Participating Common shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$1 each to the Vendor;
3. 15 Non-Voting Common shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$55,789 each to the Vendor;

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- 4. 431 Preference shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$1,000.00 each to the Vendor
- 5. the following amounts be added to the capital of the Company:
 - (a) \$49.00 with respect to the Non-Participating Common shares;
 - (b) \$15.00 with respect to the Non-Voting Common shares; and
 - (c) \$4.31 with respect to the Preference shares;
- 6. the following share certificates be executed by any one director of the Company:

Certificate No.	Registered Holder	Number and Class of Shares
3C	Rita Louise Racz	49 Non-Participating Common
1NVC	Rita Louise Racz	15 Non-Voting Common
1P	Rita Louise Racz	431 Preference

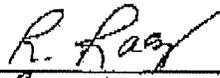
- 7. the necessary particulars in respect of such shares and such allotment be entered in the Central Securities Register of the Company.

Approval of Election Form T2057

RESOLVED THAT the election form contemplated by paragraph 6 of the Purchase and Sale Agreement be and the same is hereby approved, and that it be executed by any one director of the Company signing the same on behalf of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at October 22, 2014.



 RITA LOUISE RACZ


 COLIN TOPLEY

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CONSENT RESOLUTIONS OF THE DIRECTORS OF

**1012109 B.C. LTD.
(the "Company")**

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

Approval of Agreement

WHEREAS the Company proposes to enter into an agreement (the "Purchase and Sale Agreement") with Colin Topley, as executor of the Estate of Rosilla Racz (the "Vendor"), in connection with the purchase and sale of 1,481 Class "D" Preferred shares with a par value of \$0.01 each (the "Subject Shares") held by the Vendor in the authorized share structure of Louis Racz Co. Ltd. in consideration for the issuance of a promissory note in payment therefor.

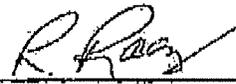
RESOLVED THAT the Purchase and Sale Agreement be and the same is hereby approved, and that any one director of the Company be and is hereby authorized to negotiate and finalize the terms of and to execute the Purchase and Sale Agreement on behalf of the Company, and to do all things as he or she may consider necessary or desirable to carry out the purchase of shares of Louis Racz Co. Ltd. thereunder.

Approval of Promissory Note

RESOLVED THAT the promissory note contemplated by paragraph 4 of the Purchase and Sale Agreement, in the principal amount of \$1,481,000, be and the same is hereby approved, and that the said promissory note be executed by any one director of the Company signing the same on behalf of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at October 22, 2014.



 RITA LOUISE RACZ



 COLIN TOPLEY

CONSENT RESOLUTIONS OF THE DIRECTOR OF

LOUIS RACZ CO. LTD.
(the "Company")

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Transfer of Shares

WHEREAS, pursuant to an agreement of Purchase and Sale dated the date hereof between Rita Louise Racz and 1012109 B.C. Ltd., Rita Louise Racz agreed to sell and 1012109 B.C. Ltd. agreed to buy 50 Class "B" Voting Common shares with a par value of \$1.00 each, 15 Class "C" Common shares with a par value of \$1.00 each and 431 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company.

RESOLVED THAT:

- the transfer of 50 Class "B" Voting Common shares with a par value of \$1.00 each, 15 Class "C" Common shares with a par value of \$1.00 each and 431 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company from Rita to 1012109 B.C. Ltd. be approved and consented to;
- the following share certificates be cancelled:

Certificate No.	Registered Holder	Number and Class of Shares
39	Rita Louise Racz	50 Class "B" Voting Common
40	Rita Louise Racz	15 Class "C" Common
41	Rita Louise Racz	431 Class "D" Preferred

- the following share certificates be executed by any one director of the Company:

Certificate No.	Registered Holder	Number and Class of Shares
43	1012109 B.C. Ltd.	50 Class "B" Voting Common
44	1012109 B.C. Ltd.	15 Class "C" Common
45	1012109 B.C. Ltd.	431 Class "D" Preferred

- the necessary particulars in respect of such shares and the aforementioned transfers be entered in the Central Securities Register of the Company.

DATED as at October 22, 2014.

R. Racz

This is Exhibit "U" referred to in RITA LOUISE RACZ affidavit of USA Mordess sworn before me on 17 APR 2014

**CONSENT RESOLUTIONS OF THE DIRECTOR OF
LOUIS RACZ CO. LTD.
(the "Company")**

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Transfer of Shares

WHEREAS, pursuant to an agreement of Purchase and Sale dated the date hereof between Colin Topley, as executor of the Estate of Rosilla Racz (the "Estate") and 1012109 B.C. Ltd., the Estate agreed to sell and 1012109 B.C. Ltd. agreed to buy 1,481 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company.

RESOLVED THAT:

1. the transfer of 1,481 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company from the Estate to 1012109 B.C. Ltd. be approved and consented to;
2. share certificate no. 38, representing 1,481 Class "D" Preferred shares in the name of Rosilla Racz, be cancelled;
3. share certificate no. 42, representing 1,481 Class "D" Preferred shares in the name of 1012109 B.C. Ltd. be executed by any one director of the Company; and
4. the necessary particulars in respect of such shares and the aforementioned transfer be entered in the Central Securities Register of the Company.

DATED as at October 27, 2014.



RITA LOUISE RACZ

CONSENT RESOLUTIONS OF THE DIRECTOR OF

LOUIS RACZ CO. LTD.
(the "Company")

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Redemption of Class "D" Preferred Shares

WHEREAS, pursuant to the Articles of the Company, the Company intends to redeem 431 Class "D" Preferred shares at a price of \$1,000.00 per share from 1012109 B.C. Ltd. and the holder of the said shares has waived the notice provisions on the redemption.

RESOLVED THAT:

1. 431 Class "D" Preferred shares with a par value of \$0.01 each be redeemed, from the sole shareholder, by the payment (in accordance with the terms set out in the Articles of the Company) of \$1,000.00 (together with all dividends declared thereon but unpaid) for each such share to be redeemed and that such redeemed shares be restored to the status of authorized but unissued shares;
2. share certificate no. 45 representing 431 Class "D" Preferred shares registered to 1012109 B.C. Ltd. be cancelled; and
3. the necessary particulars in respect of such redemption be entered in the Central Securities Register of the Company.

These resolutions and the redemption authorized hereby are approved upon the director of the Company having been satisfied that the Company is not insolvent and that the redemption of the Class "D" Preferred shares will not render the Company insolvent.

DATED as at October 22, 2014.

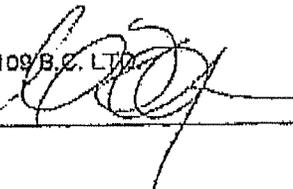


RITA LOUISE RACZ

WAIVER AND CONSENT

The undersigned hereby waives notice of the Company's intention to redeem shares as set out in the within resolutions, and hereby consents to said redemption and the procedures followed herein.

DATED as at October 22, 2014.

1012109 B.C. LTD.
Per: 

This is Exhibit "V" referred to in the affidavit of Lisa Maxwell sworn before me on 17 APR 20 19

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**CONSENT RESOLUTIONS OF THE DIRECTOR OF
LOUIS RACZ CO. LTD.
(the "Company")**

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Redemption of Class "D" Preferred Shares

WHEREAS, pursuant to the Articles of the Company, the Company intends to redeem 1,481 Class "D" Preferred shares at a price of \$1,000.00 per share from 1012109 B.C. Ltd. and the holder of the said shares has waived the notice provisions on the redemption.

RESOLVED THAT:

1. 1,481 Class "D" Preferred shares with a par value of \$0.01 each be redeemed, from the sole shareholder, by the payment (in accordance with the terms set out in the Articles of the Company) of \$1,000.00 (together with all dividends declared thereon but unpaid) for each such share to be redeemed and that such redeemed shares be restored to the status of authorized but unissued shares;
2. share certificate no. 42 representing 1,481 Class "D" Preferred shares registered to 1012109 B.C. Ltd. be cancelled; and
3. the necessary particulars in respect of such redemption be entered in the Central Securities Register of the Company.

These resolutions and the redemption authorized hereby are approved upon the director of the Company having been satisfied that the Company is not insolvent and that the redemption of the Class "D" Preferred shares will not render the Company insolvent.

DATED as at 11/28/14, 2014.

R. Louise Racz
RITA LOUISE RACZ

WAIVER AND CONSENT

The undersigned hereby waives notice of the Company's intention to redeem shares as set out in the within resolutions, and hereby consents to said redemption and the procedures followed herein.

DATED as at 11/28/14, 2014.

1012109 B.C. LTD.

Per: R. Racz



BC Registry Services

Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3 www.corporateonline.gov.bc.ca

Location: 2nd Floor - 940 Blanshard Street Victoria BC 1 877 526-1528

BC Company Summary For LOUIS RACZ CO. LTD.

EMR Date and Time of Search: December 01, 2014 12:07 PM Pacific Time Currency Date: November 10, 2014

ACTIVE

Incorporation Number: BC0072725 Name of Company: LOUIS RACZ CO. LTD. Recognition Date: Incorporated on January 31, 1967 In Liquidation: No Last Annual Report Filed: January 31, 2013 Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 101 1575 ESQUIMALT WEST VANCOUVER BC V7V 1R4 CANADA Delivery Address: 101 1575 ESQUIMALT WEST VANCOUVER BC V7V 1R4 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 101 1575 ESQUIMALT WEST VANCOUVER BC V7V 1R4 CANADA Delivery Address: 101 1575 ESQUIMALT WEST VANCOUVER BC V7V 1R4 CANADA

EMR DIRECTOR INFORMATION

Last Name, First Name, Middle Name: RACZ, RITA LOUISE

Mailing Address: 2363 MARINE DRIVE WEST VANCOUVER BC BC V7V 1K9 CANADA Delivery Address: 2363 MARINE DRIVE WEST VANCOUVER BC BC V7V 1K9 CANADA

Last Name, First Name, Middle Name: RACZ, ETHEL MARY

Mailing Address: 715 SARAGUAY BLVD. PIERREFONDS, QUEBEC H8Y2G3 Delivery Address: 715 SARAGUAY BLVD. PIERREFONDS, QUEBEC H8Y2G3

Date and Time: December 5, 2014 10:39 AM Pacific Time



BC Registry Services

Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3 www.corporateonline.gov.bc.ca

Location: 2nd Floor - 940 Blanshard Street Victoria BC 1 877 526-1526

Notice of Change of Directors

FORM 10 BUSINESS CORPORATIONS ACT Section 127

Filed Date and Time: December 5, 2014 10:39 AM Pacific Time

Incorporation Number: BC0072725

Name of Company: LOUIS RACZ CO. LTD.

Date of Change of Directors

July 3, 2014

Director(s) who have ceased to be Directors

Last Name, First Name, Middle Name: RACZ, ETHEL MARY

Mailing Address: 715 SARAGUAY BLVD. PIERREFONDS, QUEBEC H8Y2G3

Delivery Address: 715 SARAGUAY BLVD. PIERREFONDS, QUEBEC H8Y2G3

Director(s) as at July 3, 2014

Last Name, First Name, Middle Name: RACZ, RITA LOUISE

Mailing Address: 2363 MARINE DRIVE WEST VANCOUVER BC BC V7V 1K9 CANADA

Delivery Address: 2363 MARINE DRIVE WEST VANCOUVER BC BC V7V 1K9 CANADA

Dec. 9. 2014 9:18AM Dye & Durham Victoria

No. 5155 P. 2
BC0072725



BC Registry Services

APPLICATION TO CORRECT THE CORPORATE REGISTER FORM 47

Telephone: 1 877 526-1526
www.bcregistryservices.gov.bc.ca

Mailing Address: PO Box 6431 Stn Prov Govt
Victoria BC V6W 6V3

Location: 800 - 840 Blanshard Street
Victoria BC V6W 2E6

INSTRUCTIONS:

Please type or print clearly in block letters and ensure that the form is signed and dated in ink.

The Application to Correct the Corporate Register form is to be used to correct some types of information in a record that was filed with the registrar.

Future Effective Dates: If a record has a future effective date and an error is found before the specified date and time of the filing, the record must be withdrawn, corrected and re-filed. Please visit our website at www.bcregistryservices.gov.bc.ca or phone 1 877 526-1526 for information on how to file these notices.

Item B Enter the name exactly as shown on the Certificate of Incorporation, Registration, Amalgamation, Continuation, or Change of Name.

Item C Indicate the record to be amended and the date and time that record was filed. Enter the reason for the amendment including what the record stated at the time of filing. For example: Notice of Change of Directors, filed November 23, 2004, Director's name spelled incorrectly -- John Smith should have read John Smythe.

Item D If the applicant is a corporation or firm, enter the full name of the corporation or firm.

Item E The applicant must be an authorized signing authority for the company. If the applicant is a corporation or firm, this form must be signed by an authorized signing authority for that corporation or firm.

Filing Fee: \$20.00 Submit this form with a cheque or money order made payable to the Minister of Finance, or provide the registry with authorization to debit the fee from your BC Online Deposit Account. Please pay in Canadian dollars or in the equivalent amount of US funds.

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 6431 Stn Prov Govt, Victoria BC V6W 6V3.

OFFICE USE ONLY - DO NOT WRITE IN THIS AREA

FILED
DEC 08 2014
04:03am
REGISTRAR OF COMPANIES

A INCORPORATION/REGISTRATION NUMBER OF CORPORATION

BC0072725

B NAME OF CORPORATION

LOUIS RACZ CO. LTD.

C RECORD TO BE AMENDED

Name of Record to be Amended: Annual Report

Filed Date: 2014/12/05 and Time 10:41 a.m. or p.m. Pacific Time

Reason for Amendment:
Deleted the Wrong person

Should be Rita Louise Racz, 2383 Marine Drive, West Vancouver, BC V7V 1K9

D FULL NAME OF APPLICANT

LAST NAME

FIRST NAME

MIDDLE NAME

Epp

Harold

CORPORATION OR FIRM NAME

Friesen & Epp

E CERTIFIED CORRECT - I have read this form and found it to be correct.

NAME OF APPLICANT

SIGNATURE OF APPLICANT

DATE SIGNED

Harold Epp

x Harold Epp

YYYY/MM/DD

2014/12/05



This is the 4th affidavit
of Colin W. Topley in this case
and was made on 11/Feb/2015

No. P050204
Vancouver Registry

In the Supreme Court of British Columbia

In Probate
Concerning the Estate of
ROSILIA RACZ
otherwise known as
ROSALIA RACZ and ROZALIA RACZ

AFFIDAVIT

I, COLIN W. TOPLEY, of Vancouver, British Columbia, Certified General Accountant (Retired),
SWEAR (OR AFFIRM) THAT:

1. I am the Administrator of the estate of Rosilia Racz, also known as Rosalia Racz and Rozalia Racz (the "Deceased"), and as such have knowledge of the matters herein deposed to and where so stated I verily believe them to be true.
2. I was the Administrator *Pendente Lite* of this estate from 28/July/2006 until I was granted letters of Administration with will annexed on July 8, 2010.
3. A copy of the Grant of Administration with Will annexed, and Order of Master Donaldson appointing me to serve as Administrator, are attached as Exhibits 2 and 3 to the Affidavit #3 I swore in respect of these proceedings.
4. Master Donaldson's Order established terms on which I was to serve as Administrator, including the provision that I not sell, transfer, assign, pledge or otherwise encumber any of the shares the Estate owns in Louis Racz Co. Ltd. (incorporation No. 72725) (the "Company") without further order of this Court.

EMR →

5. In this application I seek approval to proceed with a plan to complete an income tax strategy to minimize the potential income tax liability from the redemption of the shares of the Company for the benefit of the beneficiaries. This plan, which I refer to as the "Pipeline Plan", will require me to reorganize the Company and the shares, and in particular redeem the 1481 Class D preferred shares held by the Estate.

6. I am also seeking approval to proceed with necessary repairs and remediation to a residential high-rise apartment building located at 1919 Bellevue Avenue, West Vancouver ("Port Royal") 50% of which property is owned by the Estate. The repairs and remediation are summarized as follows:

- (c) A money market account at Dundee Securities Corporation;
- (d) A Canada Trust bank account;
- (e) Two capital accounts for the Port Royal Apartments at 1590 Bellevue Avenue; and
- (f) Miscellaneous household good and personal effects.

The Company and the Estate Freeze

14. This Application regards Orders sought with respect to the Deceased's interest in the Company, specifically 1481 Class "D" preferred Shares in the Company.
- EMR → 15. The Company was incorporated in 1967. The current director is Rita.
16. At the date of the Company's incorporation in 1967, the Deceased owned 100 Class A (voting) shares, and 100 Class B (common) shares of the Company. In October 1991, the Deceased's husband Louis died and left his shares in the Company to the Deceased under the terms of his will. The Deceased acquired 292 Class A and 292 Class B common shares of the Company, so that as of March 1998, she owned 396 Class A Common Shares and 396 Class B Shares. Both classes of shares were participating shares at the time.
17. In March of 1998, an estate freeze ("Freeze") and the RacZ Family Trust (the "Trust") were instituted with respect to the Deceased's shares the Company.
18. The Freeze resulted in a two-step reorganization of the Company:
- (a) On March 17, 1998, new classes of "C" common and "D" preferred shares were added. All class "B" common shares were redeemed, and 600 new voting, non-participating shares were issued in exchange. The new class "B" shares were valued at \$1.00 per share, which reduced the paid up capital of each new share.
 - (b) On April 1, 1998, all of the shareholders including the Deceased exchanged their class "A" common and class "B" common shares for class "D" preferred shares with a redemption value of \$1,000 per share. The class "D" preferred shares also had a par value of \$0.01 per share, which reduced the paid up capital of the shares received. The transaction occurred on a tax-deferred basis under s. 86 of the Income Tax Act.
19. Ernest, Etus and the Trust, which was settled on March 31, 1998, then purchased common shares of the Company. The initial trustees of the Trust were Ernest and Etus and are now Etus and Michael. Rita, Lisa and Michael Siwik are the beneficiaries of the Trust.
20. The end result for the Deceased was that after the Freeze and the settlement of the Trust, her interest in the Company was confined to ownership of 1641 Class "D"

Johanne Gidney Estate and the Counterclaim action was dismissed on December 16, 2013. Now attached as **Exhibit "C"** to this affidavit is a copy of the dismissal order.

39. As part of the settlement, Elizabeth assigned her interest in the Estate to Lisa, making Lisa a beneficiary of 2/3 of the residue of the Estate. In exchange, Elizabeth will receive \$1.9 million dollars, which payment will be made to Elizabeth from the first \$1.9 million payable to Lisa from the residue of the estate. Lisa must personally pay to Elizabeth any shortfall, over time, if the Estate has insufficient funds to make this payment.

The Pipeline Plan

40. Once the Counterclaim was dismissed, all litigation embroiling the Estate was at an end and I could proceed with the administration of the Estate.
41. In earlier reports to the beneficiaries, including my July 28, 2010 report to the beneficiaries which was attached to my Affidavit #3 (pages 59-69), I first proposed that income tax planning for the future redemption of shares owned by the Estate may result in considerable tax savings. I recommended that, after the litigation involving the Freeze was resolved, a meeting should be convened with the Company's accountants to discuss the tax implications and develop a strategy of action related to this significant asset.
42. In consultation with the Estate's accountants, I determined that there was a potential for the Estate to be double taxed with respect to any gain on the Class D Shares of the Company, and I alerted the beneficiaries and their counsel to this problem.
43. Now attached as **Exhibit "D"** to this affidavit is a copy of a letter forwarded by my counsel to all parties with an interest in the Estate, setting out the double taxation problem and my proposed solution to avoid the double taxation (the "Pipeline Plan").
44. As noted in Exhibit D, the Pipeline Plan could lead to as much as \$562,483.80 potential tax savings for the Estate. Any amount saved would flow through to the beneficiaries of the Estate.
45. Since my counsel sent the Pipeline Plan to the beneficiaries, Rita as Director of the Company, and Lisa have confirmed their consent to the Plan.
46. Elizabeth has apparently expressed concern to my counsel that the Pipeline Plan will delay the distribution of the estate to the beneficiaries, however, in response I say that this concern is not valid. If anything, the Pipeline Plan will expedite the liquidation of approximately \$1.5 million dollars and will enable the Estate to make an interim distribution to the beneficiaries more quickly than if the Class D Preferred shares were held and subject to double taxation. Moreover, as Elizabeth's interest in this Estate has been limited as a result of the settlement as explained in paragraph 39 above, I do not believe that her concerns should carry any weight.
47. To date, I am not aware of any objections raised by either Etus or Michael with respect to the Pipeline Plan.

7

EMR

48. Since the Pipeline Plan was presented to the interested parties in May 2014, certain steps have been taken by me and the Company in furtherance of the Plan.
49. On July 3, 2014, Rita was appointed the sole director of the Company. Also on July 3, 2014, a Special Resolution of the Directors approved the Pipeline Plan. Now shown to me and marked as Exhibit "E" is a copy of the Special Resolution approving the Pipeline Plan.
50. On August 28, 2014, a new company was formed (1012109 B.C. Ltd.) of which I as Administrator and Rita are the directors.
51. On the 22nd of October, 2014, I transferred all of the Estate's 1,481 Class "D" Preferred shares of the Company to 1012109 B.C. Ltd. in exchange for a promissory note in the principal amount of \$1,481,000.
52. Also on the 22nd of October, 2014, Rita transferred her 50 Class "B" Voting Common, 15 Class "C" Common, and 431 Class "D" Preferred shares of the Company to 1012109 B.C. Ltd. in exchange for equivalent shares of 1012109 B.C. Ltd. (these being 50 Non-Participating Common, 15 Non-Voting Common and 431 Preference shares of 1012109 B.C. Ltd.).
53. Pursuant to the Articles of Incorporation of the Company; when the shareholders request the retraction of the Class "D" preferred shares, the Director of the Company is required to take the necessary steps to redeem the shares as mandated in the Articles. Accordingly, I as Administrator and shareholder, and Rita, requested the retraction of the Class "D" preferred shares of the Company.
54. Consequently, On November 28, 2014 following the transfer of the Estate's Class "D" Preferred shares of the Company to 1012109 B.C. Ltd., Rita, as director of the Company authorized the redemption of the 1,481 Class "D" Preferred shares held by 1012109 B.C. Ltd. at their redemption price of \$1,000 each.
55. The result of the steps taken since July 2014 has not changed the Estate's interest in the proceeds of the Class "D" Preferred Shares; rather, the interest is now held by 1012109 BC Ltd. awaiting final implementation of the Pipeline Plan.

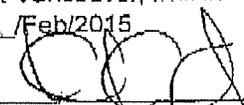
The Management of Port Royal

56. As with the Pipeline Plan, the history of discord in the family has made it difficult for me to obtain the approval of all beneficiaries with respect to other matters necessary to complete the administration of the estate. Another such example is my dealings with Port Royal. Although Port Royal is managed by Colliers Macaulay Nicholls Inc. (Colliers), I have found it difficult to make decisions to protect the Estate's interest in this valuable asset due to the failure of Etus to make decisions, or agree to decisions, regarding the maintenance and upkeep of the property. As noted above, Etus is also an owner, in her own right, of 20% of Port Royal.

this application is to mitigate and redress the imminent harm to the Estate as soon as possible.

- 78. I swear this Affidavit in support of an Order approving the actions I have undertaken on behalf of the Estate in furtherance of the Pipeline Plan and approval to proceed with the remaining steps in order to fully implement the Pipeline Plan with respect to the Estate's interest in the Company and 1012109 BC Ltd.
- 79. I also swear this Affidavit in support of Orders authorizing the Remediation of Port Royal to proceed.

SWORN (OR AFFIRMED) BEFORE ME)
 at Vancouver, British Columbia, on)
 11 / Feb / 2015)


 _____)
 A Commissioner for taking)
 Affidavits for British Columbia)

KIMBERLY KUNTZ
 BARRISTER & SOLICITOR
 BULL, HOUSSER & TUPPER LLP
 #900 - 900 HOWE STREET
 VANCOUVER, B.C. V6Z 2M4
 (604) 641-4887



 Colin W. Topley



Ministry of Finance
Corporate and Personal
Property Registries
www.fin.gov.bc.ca/registries

ANNUAL REPORT
FORM 6 – BC COMPANY
Section 51 *Business Corporations Act*

Telephone: 250 358 – 8628

DO NOT MAIL THIS FORM to the Corporate and Personal Property Registries unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FIPPA)
The personal information requested on this form is made available to the public under the authority of the *Business Corporations Act*. Questions about how the FIPPA applies to this personal information can be directed to the Administrative Assistant of the Corporate and Personal Property Registries at 250 358-1188, PO Box 8431 Stn Prov Govt, Victoria BC V8W 8V3.

A. INCORPORATION NUMBER OF COMPANY

BC0072725

B. NAME OF COMPANY

LOUIS RACZ CO. LTD.

C. DATE OF RECOGNITION

1967/01/31

D. DATE OF ANNUAL REPORT

2015/09/04

E. OFFICER NAME(S) AND ADDRESS(ES) – Enter the full name, delivery address, mailing address (if different) and office held of each of the company's officers, if any. The officer may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	OFFICE(S) HELD (e.g. president, secretary, vice-president)	DELIVERY ADDRESS (INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE)	MAILING ADDRESS (INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE)
Racz,	Rita	Louise	Secretary	2363 Marine Drive West Vancouver, BC V7V 1K9	2363 Marine Drive West Vancouver, BC V7V 1K9

F. COMPANY CHANGES

A company must file with the registrar a notice of any change to the information shown in the Corporate Register. Please visit our Web site at www.fin.gov.bc.ca/registries or phone 250 358-8628 for information on how to file these notices.

G. CERTIFIED CORRECT – I have read this form and found it to be correct.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY	DATE SIGNED YYYY / MM / DD
Ronald J. Argue Access Code: n/a	X RITA RACZ	2015 09 04

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This is Exhibit "W" referred to in the affidavit of LISA MADDES sworn before me on SEP 20 19

LOUIS RACZ CO. LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE 4th DAY OF SEPTEMBER, 2015, BY THE SOLE DIRECTOR OF THE COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT A MEETING OF THE DIRECTOR DULY CALLED AND CONSTITUTED

EMR →

The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Director is of the reasonable and honest opinion that it is in the best interests of the Company that it borrow \$2,000,000.00 (the "Principal Amount") from Vancouver City Savings Credit Union (the "Lender").

Under and pursuant to a commitment letter dated August 19th, 2015, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Company and accepted by the Company, the Lender has agreed to make available to the Company the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Company borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The demand promissory note, all indebtedness mortgage and assignment of rents, environmental indemnity agreement and general security agreement (collectively the "Security") presented to the Director be granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by the Secretary or any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.
4. The security for repayment of the Principal Amount is, among other things, a first all indebtedness mortgage of the Company's interest in Parcel Identifier: 008-837-368, Lot B Block 3 South 1/2 of District Lot 1055 Plan 12609 and Parcel Identifier: D10-798-763, Lot 2 of Lot B Block 3 South 1/2 of District Lot 1055 Plan 6802.
5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.

R. Racz
Rita Louise Racz

Schedule V
Staff Responsibilities

The Estate of Rosilla Racz, Deceased
Collin W. Topley, Administrator Pendente Lite (APL)
Appointed August 24, 2006

APL's Staff Members' Responsibilities

Name	Rate	Responsibilities
<u>Collin W. Topley, CGA, CIRP</u>	\$ 295.00	The Administrator appointed by the Court in August 2006 Has responsibility for all actions, all activities, all documentation, all reporting and supervision and direction of all staff assisting in the administration of the estate Engages legal counsel and outside consultants as and when required Reports to Court & stakeholders and ensures all duties of Administrator are complied with in a competent timely manner.
<u>Paty E. Wood, CGA, CIRP</u>	\$ 250.00	Partner of Meyers Norris Penny Ltd. 2nd authorized signatory on cheques Reviews documentation presented for signature Deals as required with legal counsel for Administrator
Marilyn E. Phelps, CFE	\$ 250.00	Attended meetings with Legal Counsel, Committee, Beneficiaries, Property Managers, Tax Accountants, former investment advisors and others Assist with reporting requirements to stakeholders Receive and review financial statements from property managers Prepare analysis of various financial statement accounts ie Capital Account Deal with correspondence to and from stakeholders, creditors etc. Prepare documentation required by tax accountants for completion of annual returns
<u>Kelvin W. K. Tan, CA, CIRP</u>	\$ 250.00	Review all tax returns including Date of Death returns and confirm accordingly Prepare analysis showing potential tax savings possible in certain circumstances Respond to queries from Dale Matheson Carr Hillier and correspond accordingly Deal with miscellaneous queries from beneficiaries and legal counsel to Administrator After retirement of Ms Phelps in May 2009 assist with various matters formerly dealt with by Ms Phelps
Alfred Lee, CGA, FCIS, FAdm, FCPA	\$ 170.00	Ensure funds recovered by Estate are properly invested in term deposits etc Review interest rates and confer with banking management to ensure best rates available Reconcile trust bank account statement received each month with transactions to ensure all accurately recorded

Staff responsible for APL
Staff Responsible for APL

Schedule V
Staff Responsibilities

The Estate of Rosilija Racz, Deceased
Colin W. Topley, Administrator Pendente Lite (APL)
Appointed August 24, 2006

APL's Staff Members' Responsibilities

Name	Rate	Responsibilities
Melissa Howey	\$ 170.00	General assistance to other staff members dealing with recording transactions, preparing expense vouchers etc
Elizabeth Chen	\$ 125.00	After retirement of Alfred Lee, Ms Chen assumed duties and responsibilities formerly dealt with by Mr. Leo as described above
Alvin DeSouza, B.Com(m)	\$ 120.00	Prepare analysis of issues and overview of family Prepare expense and or deposit vouchers and cheques for approval by Administrator Prepare spreadsheets of all financial statements re Port Royal Apartments as well as Cedar Terrace Apartments. Prepare bank deposits. General assistance to Administrator in clerical matters
Michael Wong, BA	\$ 120.00	After retirement of Alvin DeSouza Alvin's duties were assumed by Michael Wong
Shaila Russell	\$ 60.00	Handle incoming and outgoing mail Arrange delivery and or receipt by courier or by hand Scan documents as necessary Prepare all photocopies and assemble copies needed for correspondence reports etc and scan documents into system when required Book meeting rooms, answer incoming calls arrange meetings when required
Brendan Topley	\$ 60.00	General assistance to Administrator in clerical matters as and when directed

Appendix C

Summary of Professional Fees - Liquidator

Period Covered	Fees (\$)	Taxes (\$)	Total (\$)
March 6, 2019 to September 15, 2019	9,461.60	473.08	9,934.68
September 16, 2019 to March 15, 2020	9,820.40	491.02	10,311.42
March 16, 2020 to April 30, 2020	5,275.30	263.77	5,539.07
May 1, 2020 to October 31, 2020	10,148.70	507.44	10,656.14
November 1, 2020 to December 31, 2020	4,416.80	220.84	4,637.64
January 1, 2021 to March 31, 2021	12,718.80	635.94	13,354.74
April 1, 2021 to May 15, 2021	5,386.80	269.34	5,656.14
May 16, 2021 to June 30, 2021	4,728.40	236.42	4,964.82
July 1, 2021 to August 15, 2021	4,677.80	233.89	4,911.69
August 16, 2021 to September 30, 2021	3,529.00	176.45	3,705.45
October 1, 2021 to November 30, 2021	3,903.00	195.15	4,098.15
December 1, 2021 to February 28, 2022	6,686.70	334.34	7,021.04
March 1, 2022 to April 30, 2022	4,792.40	239.62	5,032.02
May 1, 2022 to May 31, 2022	3,584.60	179.23	3,763.83
June 1, 2022 to June 30, 2022	7,545.70	377.29	7,922.99
July 1, 2022 to July 31, 2022	5,556.60	277.83	5,834.43
August 1, 2022 to August 31, 2022	4,919.90	246.00	5,165.90
TOTAL	\$ 107,152.50	\$ 5,357.65	\$ 112,510.15
September 1, 2022 to present including estimate for Liquidator's time to complete duties			\$ 13,000.00
GRAND TOTAL	\$ 107,152.50	\$ 5,357.65	\$ 125,510.15

Appendix D

Summary of Time - Liquidator
(in relation to Liquidator's accounts referenced in Appendix "C")

CONSOLIDATED TIME BY PROFESSIONAL

Professional	Position	Average Rate / Hour (\$)	No. of Hours	Time Value (\$)
Patty Wood	Trustee	552	174.00	96,112.50
Kevin Wong	Partner - Tax	525	0.50	262.50
Greg Ibbott	Trustee	395	1.40	553.00
Elizabeth Chen	Accountant	289	27.90	8,076.50
Heather Ursaki	Admin. Assistant	158	11.00	1,737.30
Various	Support Staff	142	2.90	410.70
Total			217.70	\$ 107,152.50

Appendix E

LOUIS RACZ CO. LTD. - IN LIQUIDATION
ESTIMATED STATEMENT OF FINAL ACCOUNTS DATED SEPTEMBER 19, 2022

RECEIPTS

Cash on Hand	\$ 63,406.85
Corporate Income Tax Refunds	2,863,514.66
Funds Held In Trust	6,128,694.24
Interest Income	16,854.72
Miscellaneous Refund	47.28
TOTAL	\$ 9,072,517.75

DISBURSEMENTS

Accounting Fees	\$ 14,385.00
Dividends declared by Liquidator and paid to Shareholders	3,110,598.00
Filing fee paid to Registrar	80.00
GST paid on disbursements	9,770.92
Legal fees and disbursements - Counsel to the Liquidator	35,125.08
Legal fees and disbursements - Other	4,095.01
Legal fees and disbursements - Petitioner legal costs per Court Order	38,199.42
Legal Notices	1,171.42
Liquidator's Fees	107,152.50
Miscellaneous Disbursements	546.57
Payments re-issued to Shareholders	5,415,000.00
Payments to Creditors	57,264.35
TOTAL	\$ 8,793,388.27

BALANCE ON HAND - SEPTEMBER 19, 2022 **\$ 279,129.48**

ESTIMATED FINAL DISBURSEMENTS

Accounting Fees including taxes	\$ 4,410.00
Courier and miscellaneous	200.00
Filing Fees to Registrar	20.00
Final (est) Liquidator's Fees including GST	13,000.00
Final (est) fees of legal counsel to Liquidator including taxes	9,521.69
Final balance distributed to Shareholders	251,977.79
TOTAL	\$ 279,129.48

FINAL BALANCE **\$ -**
