

COURT FILE NUMBER QBG 1076 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANADIAN DEVELOPMENT STRATEGIES INC.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CROSSROADS ONE INC.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OAK AND ASH FARM LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1143402 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2061778 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1216699 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
DEAN RUNZER

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
LORI RUNZER

NOTICE OF APPLICATION
(Advice and Directions, Approval of Professional Fees and Increase to Administration Charge)

NOTICE TO RECIPIENTS LISTED ON THE SERVICE LIST

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where	Court House, 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Friday, March 3, 2023
Time	1:30 p.m.

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought

1. An Order pursuant to section 34(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) that the appeal filed by Arbor Vista Landscaping Ltd., Darcy Garbutt, Timothy Garbutt, Jayne Shipka, 1620780 Alberta Ltd., Marlene Krokosh and Orest Krokosh (collectively, the “**Appellants**”) in regard to 1143402 Saskatchewan Ltd. (“**114**”) in these proceedings (the “**Appeal**”) shall, no later than March 10, 2023, be scheduled by counsel for the Appellants for the earliest possible hearing date available.
2. An Order pursuant to section 34(1) of the BIA that, in the event that a hearing of the Appeal is not scheduled in accordance with paragraph 1 hereof, the Appeal shall be deemed to be forever barred, extinguished and of no further force or effect.
3. An Order pursuant to sections 58 and 60(5) of the BIA approving the joint Amended Proposal to Creditors of Lori Runzer and Dean Runzer (collectively, the “**Runzers**”) pursuant to Division I of the BIA (the “**Amended Proposal**”).
4. An Order that the fees and disbursements (the “**Professional Fees**”) of MNP Ltd. (the “**Proposal Trustee**”) and the Proposal Trustee’s Counsel, W Law LLP, described in and attached to the Seventh Report of the Proposal Trustee shall be approved.
5. An Order pursuant to section 64.1 of the BIA, paragraph 2 of the December 13, 2021, Order, increasing the Administration Charge (as that term is defined in the December 13, 2021, Order and as amended by the July 14, 2022, Order) from \$275,000.00 to \$400,000.00, both before and after the making of such Order.

6. An Order pursuant to Rule 10-4(2) of the *Queen's Bench Rules* and the inherent jurisdiction of this Honourable Court waiving the requirements of Rule 10-4(2).

Grounds for making this Application:

The Appeal

7. The Proposal Trustee received several proofs of claim from Lori Runzer prior to the reconvened meeting of creditors in regard to the proposal of 114, ostensibly acting as agent for the Appellants. The Proposal Trustee reviewed the claims and determined that there was insufficient information provided in support of the claims to allow them for voting purposes at the meeting to consider the proposal of 114. The Proposal Trustee marked the claims as "objected to" in accordance with section 108(3) of the BIA (the "**Objected-to Claims**").
8. Upon assiduous review of the Objected-to Claims (in addition to additional documents supplied in support of such Objected-to Claims), the Proposal Trustee maintained its objection and communicated that decision to the Appellants on November 14, 2022.
9. On December 6, 2022, counsel for the Appellants confirmed to the Proposal Trustee that it had been retained to appeal the decision of the chair regarding the Objected-to Claims. The Proposal Trustee agreed to extend the time to appeal to allow counsel for the Appellants to properly obtain records and advise its clients on the prospects of the Appeal.
10. On December 29, 2022, the Proposal Trustee was served by counsel for the Appellants with copies of the materials filed in support of the Appeal. An application to hear the Appeal was scheduled in the Court of King's Bench for Saskatchewan to occur on February 7, 2023 (the "**February 7 Application**").
11. On February 1, 2023, MLT Aikins LLP communicated that it had withdrawn as counsel for 114 (along with the FireSong Group and the Runzers), such that the FireSong Group is now unrepresented in these proposal proceedings.
12. Counsel for the Appellants subsequently adjourned the February 7 Application, indefinitely. The Proposal Trustee has not been provided a reason for the adjournment (though it may have been a result of the withdrawal of MLT Aikins LLP), nor has counsel for the Appellants confirmed when (or if) it intends to proceed with the Appeal.
13. With the February 7 Application being adjourned indefinitely, the proposal proceedings in regard to 114 remain in an indeterminate state. The Proposal Trustee has an obligation to ensure that the

proceedings proceed without delay. Accordingly, the Proposal Trustee is seeking an order of this Honourable Court in the form of the draft Order filed herewith.

Approval of the Runzers' Proposal

14. The Amended Proposal of the Runzers has been approved by the requisite majority of creditors, and the Proposal Trustee is of the opinion that:
- a. the terms of the Amended Proposal are reasonable;
 - b. the terms of the Amended Proposal are calculated to benefit the general body of creditors of the Runzers;
 - c. the Amended Proposal is made in good faith; and
 - d. the formalities of the BIA have been complied with and the terms required by the BIA to be included in the Proposal are contained in the Amended Proposal.
15. It is therefore necessary and appropriate for the Proposal Trustee to apply for the approval of the Runzers' proposal.

Professional Fees

16. The expertise and professional services of the Proposal Trustee and the Proposal Trustee's Counsel have been and continue to be essential to these proceedings, and it is appropriate for this Honourable Court to review and approve them at this juncture, particularly in light of the uncertainty of these proceedings and the relief sought herein.

Administration Charge

17. Significant professional fees have been incurred in relation to issues arising from the conduct of 114 and the Runzers (as principals of 114) since the making of the July 14, 2022, Order, such that it is necessary and appropriate to increase the Administration Charge to secure such professional fees.

Material or evidence relied on:

18. This Notice of Application, with proof of service.
19. The Seventh Report of the Proposal Trustee.

20. The Report of the Proposal Trustee Regarding the Joint Proposal of Lori Runzer and Dean Runzer.

21. Draft Orders.

22. Such further and other materials as counsel may advise and this Honourable Court may allow.

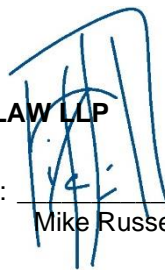
Applicable rules:

23. The Rules.

Applicable Acts and regulations:

24. The BIA.

DATED at Saskatoon, Saskatchewan, this 27th day of February, 2023.

W LAW LLP
Per: 
Mike Russell

NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant. If you intend to rely on an affidavit or other evidence when the originating application is heard or considered, you must serve a copy of the affidavit and other evidence on the originating applicant at least 10 days before the originating application is to be heard or considered.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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