

COURT FILE NUMBER **KBG-RG-00909-2023**

CLERK'S STAMP

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

JUDICIAL CENTRE **REGINA**

APPLICANT **AFFINITY CREDIT UNION 2013**

RESPONDENT **F & L CONCRETE SERVICES LTD.**


IN THE MATTER OF THE RECEIVERSHIP OF F & L CONCRETE SERVICES LTD.

AFFIDAVIT OF JUDY DU CHALARD

I, **JUDY DU CHALARD**, of the City of Saskatoon, in the Province of Saskatchewan, Director, Loan Rehabilitation and Recovery, MAKE OATH AND SAY THAT:

1. I am currently the Director, Loan Rehabilitation and Recovery for Affinity Credit Union 2013 ("ACU"), the Applicant in this matter. My professional designations are Certified Public Accountant, Certified Management Accountant and Certified Credit Professional. I have personal knowledge of the facts and matters herein deposed to save where stated to be on information and belief, and where so stated, I believe the same to be true.
2. I have reviewed a copy of a letter from counsel for ACU to Nicolas Brown at Nychuk and Company, counsel for F & L Concrete Services Ltd. ("F & L") dated September 11, 2023. A copy of this letter is attached hereto and marked as Exhibit "A" to this my affidavit.
3. That I make this Affidavit in reply to the Notice of Application of F & L dated August 25, 2023.

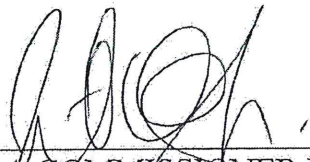
SWORN BEFORE ME at Saskatoon,)
 in the Province of Saskatchewan,)
 this 12 day of September, 2023.)
 _____)
 _____)



JUDY DU CHALARD

A COMMISSIONER FOR OATHS
 for the Province of Saskatchewan
 My Commission Expires: April 30/23

This page and the annexed 3 pages form **Exhibit "A"**
to the Affidavit of **Judy du Chalard**
sworn before me this 12th day of September, 2023.



A COMMISSIONER FOR OATHS
for the Province of Saskatchewan

My Commission expires: April 30, 2023



Leland
Kimpinski LLP

Email: nbrown@nychuklaw.com

September 11, 2023

Nychuk & Company
2255 Albert Street
Regina, SK S4P 2V5

Attention: Nicolas L. Brown

**RE: Affinity Credit Union 2013 v F & L Concrete Services Ltd.
KBG-RG-00909-2023
Our File: WP93000.45
Your File: 21335001**

Reply to: **RYAN A. PEDERSON**
Direct Dial: (306) 653-6474
E-mail: rpederson@lelandlaw.ca

Assistant: **PATTI MALACH**
Direct Dial: (306) 653-6473
E-mail: pmalach@lelandlaw.ca

As you are aware, our office represents Affinity Credit Union 2013 (“Affinity”) in this matter. We are writing further to the Notice of Application of your client, F & L Concrete Services Ltd. (“F & L”) and the adjourned hearing of that application. This letter is specifically concerned with F & L’s application for an Order (“Discharge Order”) discharging MNP Ltd. (the “Receiver”) as the receiver of F & L.

We understand that F & L is seeking to retire its indebtedness to Affinity and obtain a Discharge Order primarily on the basis of the following:

1. An account in the amount of \$300,000.00 held at your office (the “Nychuk Account”);
2. A loan secured by a mortgage against land owned by Chris Fichter (the “Chris Fichter Mortgage Loan”);
3. A loan secured by a mortgage against land owned by Wayne Fichter (the “Wayne Fichter Mortgage Loan”); and
4. A sale of equipment owned by F & L to Ritchie Bros. Financial Services or a related entity (“Ritchie Bros.”) that will result in net sale proceeds of approximately \$1,500,000.00 (the “Ritchie Bros. Sale”).

Affinity is of the view that, at minimum, the following will be required in order for F & L to obtain a Discharge Order:

1. Chris Fichter shall obtain the Chris Fichter Mortgage Loan and Wayne Fichter shall obtain the Wayne Fichter Mortgage Loan.

2. The Receiver shall be satisfied that the Ritchie Bros. Sale is commercially reasonable, shall enter into an agreement with Ritchie Bros. to effect the Ritchie Bros. Sale (the "Sale Agreement"), shall obtain Court approval of the Ritchie Bros. Sale, and close the said sale in accordance with the Sale Agreement.
3. Canada Revenue Agency ("CRA") shall deliver to the Receiver a statement for all arrears owing by F & L to CRA, whether for corporate tax, employee source deductions, GST and/or penalties and interest (the "CRA Arrears").
4. The total amount of the Nychuk Account, the Chris Fichter Mortgage Loan, the Wayne Fichter Mortgage Loan, the net sale proceeds from the Ritchie Bros. Sale and any other amounts the Receiver may obtain by collection of accounts receivable, shall be sufficient to pay, at minimum, all of the following:
 - a) all the costs of the receivership up to the date of the Receiver's discharge, including the fees, disbursements and taxes charged by the Receiver, the fees, disbursements and taxes charged by the Receiver's counsel, as approved by the Court, along with all amounts secured by the Receiver's Borrowing Charge;
 - b) the CRA Arrears;
 - c) any and all arrears owing to the Saskatchewan Minister of Finance and/or the Saskatchewan Workers' Compensation Board; and
 - d) all amounts owing to Affinity as at the date of the payment to Affinity, including all legal fees, disbursements and taxes incurred by Affinity in this matter.
6. F & L shall file and serve a draft Discharge Order based on the template Order (Distribution and Discharge of Receiver) approved by the Court of Queen's Bench on June 5, 2019, along with a completed Receiver's Discharge Certificate.

The amounts owing to Affinity are as follows as at September 6, 2023:

Commercial Mortgage 12	\$1,036,854.26
Commercial Loan 13	\$43,517.85
Commercial Loan 14 (the Line of Credit)	\$293,202.07

If and when F & L is in a position to obtain a Discharge Order, we are prepared to discuss the details of the method by which payment to Affinity and the Receiver is to be effected in conjunction with the discharge of the Receiver, particularly to the extent that any new lenders might require the Discharge Order as a condition for the advance of funds.

Finally, we expect to address F & L's proposed Statement of Claim against Affinity in a separate letter.

Should you have any questions or concerns, please do not hesitate to contact the writer.

Yours truly,

LELAND KIMPINSKI LLP


Ryan Pederson

/lpw

Enclosures

cc: Robertson Stromberg LLP
Attention: M. Kim Anderson, K.C. and Travis K. Kusch

CONTACT INFORMATION AND ADDRESS FOR SERVICE

This document was prepared and delivered by:

Leland Kimpinski LLP
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The Plaintiff's address for service is as above.

Our File No: WP93000.45