



FORCE FILED

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD (WILLOUGHBY) LIMITED PARTNERSHIP, QRD (WILLOUGHBY) GP INC., QUARRY ROCK DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW WEBER, CANADIAN MORTGAGE SERVICING CORPORATION, OVERLAND CAPITAL CANADA INC., WUBS INVESTMENTS LTD., and STEELCREST CONSTRUCTION INC.

RESPONDENTS

NOTICE OF APPLICATION

NAME OF APPLICANT: MNP Ltd. in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property of QRD (Willoughby) Holdings Inc. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc (collectively, the “**Debtors**”)

To: The Service List, attached hereto as **Schedule “A”**

TAKE NOTICE that an application will be made by the applicant to Mr. Justice Walker in Chambers at the courthouse at **800 Smithe Street, Vancouver, B.C.** on **August 30, 2024 at 2:15 p.m.**, for the orders set out in Part 1 below.

The Applicant estimates that the application will take **5 minutes**.

This matter is not within the jurisdiction of an Associate Judge

PART 1: ORDERS SOUGHT

1. An order abridging the time for service of this Notice of Application, the Receiver’s Fourth Report to the Court and the Supplemental Report to the Receiver’s Fourth Report to the time actually given;
2. An order increasing the amount the Receiver is authorized and empowered to borrow under paragraph 24 of the Second Further Amended and Restated Receivership Order

pronounced herein on July 9, 2024 (the “**Second FARRO**”), from \$2,589,000 to \$2,789,000, substantially in the form attached hereto as **Schedule “B”**; and

3. Such further and honourable relief as this Court may deem just.

Part 2: Factual Basis

1. As further described below, the Second FARRO allows the Receiver to borrow monies necessary for funding its powers and duties under the Receivership Order granted in these proceedings on November 8, 2023 (the “**Receivership Order**”), up to a maximum of \$2,589,000.
2. An increase in the amount the Receiver is authorized and empowered to borrow is necessary for the Receiver to fulfill its duties under the Receivership Order. In particular, as further described in the Receiver’s Fourth Report to Court dated August 12, 2024 (the “**Fourth Report**”), the Receiver requests an order allowing it to borrow up to \$2,789,000 to fund the Conversion Application and the Appeal, as those terms are defined in the Fourth Report.
3. Through inadvertence, a Notice of Application seeking an increase in authorized Receiver’s borrowings as recommended in the Fourth Report was not filed in conjunction with the Conversion Application. Notice of that relief sought was, however, provided to the Service List, by service of the Fourth Report.

Part 3: Legal Basis

4. Pursuant to section 31 of the *BIA*, with the permission of the court, a receiver within the meaning of subsection 243(2) may make necessary or advisable advances, incur obligations, borrow money and give security on the debtor’s property in any amount, on any terms and on any property that may be authorized by the court and those advances, obligations and money borrowed must be repaid out of the debtor’s property in priority to the creditors’ claims.
5. Paragraph 21 of the Receivership Order grants a charge on the assets, undertakings and property of the Debtors, including the proceeds thereof (the “**Property**”) in favour of the Receiver and its counsel as security for the payment of their fees and disbursements, which ranks in priority to all claims against the Property, subject to certain exceptions.
6. Paragraph 24 of the Second FARRO authorizes and empowers the Receiver to borrow monies necessary for funding the powers and duties of the Receiver under the Receivership Order, and charges the whole of the Property by way of a fixed and specific charge as security for the payment of the monies borrowed, provided that the principal amount does not exceed \$2,589,000.

7. Paragraph 36 of the Second FARRO authorizes the Receiver to apply to the Court for advice and directions in the discharge of its powers thereunder.
8. The Receiver applies under the *BIA* and further to paragraphs 24 and 36 of the Second FARRO to increase the amount it is authorized under paragraph 24 to borrow from \$2,589,000 to \$2,789,000. Such increased borrowings are necessary to allow the Receiver to perform its duties under the Receivership Order.

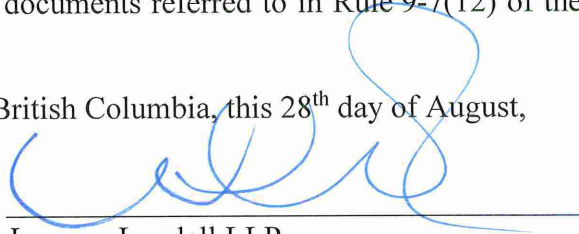
Part 4: MATERIALS TO BE RELIED ON

1. Second Further Amended and Restated Receivership Order, pronounced July 9, 2024;
2. Receiver's First Report to Court, filed December 6, 2023;
3. Receiver's Second Report to the Court, filed April 8, 2024;
4. Receiver's Third Report to the Court, filed June 24, 2024;
5. Receiver's Supplemental Report to the Receiver's Third Report, filed July 8, 2024;
6. Receiver's Fourth Report to the Court filed August 13, 2024,
7. Supplemental Report to the Receiver's Fourth Report to the Court filed August 28, 2024; and
8. Such further and other material as counsel may advise and this Honourable Court may consider.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the application, you must

- (a) file an Application Response in Form 33 within 5 days after the date of service of this Notice of Application or, if the application is brought under Rule 9-7 of the Supreme Court Civil Rules, within 11 days after the date of service of this notice of application, and
- (b) at least 2 days before the date set for the hearing of the application, serve on the applicant 2 copies, and on every other party one copy, of a filed copy of the Application Response and the other documents referred to in Rule 9-7(12) of the Supreme Court Civil Rules.

Dated at the City of Vancouver, in the Province of British Columbia, this 28th day of August, 2024.



Lawson Lundell LLP
Counsel for the Receiver, MNP Ltd.

This Notice of Application is filed by William L. Roberts and Baylee Hunt of the law firm of Lawson Lundell LLP, whose place of business and address for delivery is 1600 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Notice of Application

with the following variations and additional terms:

Date: _____

Signature of Judge Master

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.
THIS APPLICATION INVOLVES THE FOLLOWING:

- Other – Application by Receiver to increase borrowing power**

SCHEDULE "A"

No. S-237489
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD (WILLOUGHBY) LIMITED PARTNERSHIP, QRD (WILLOUGHBY) GP INC., QUARRY ROCK DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW WEBER, CANADIAN MORTGAGE SERVICING CORPORATION, OVERLAND CAPITAL CANADA INC., WUBS INVESTMENTS LTD., and STEELCREST CONSTRUCTION INC.

RESPONDENTS

Service List
(Last updated August 21, 2024)

<p>DLA Piper (Canada) LLP Suite 2700, 1 133 Melville Street Vancouver, BC V6E 4E5 Attention: Colin Brousson Alexandra McCawley Email: colin.brousson@dlapiper.com alexandra.mccawley@dlapiper.com dannis.yang@dlapiper.com Tel: 604.687.9444 <i>Counsel for the Petitioner</i></p>	<p>Lawson Lundell I-LP Cathedral Place, 925 W Georgia St #1600, Vancouver, BC V6C 31.2 Attention: William Roberts Baylee Hunt Email: wroberts@lawsonlundell.com; bhunt@lawsonlundell.com Tel: 604.631.9163 <i>Counsel for the Receiver</i></p>
<p>MNP Ltd. PO Box 72, Bentall One 505 Burrard Street, Suite 403 Vancouver, BC 1M3 Attention: Mario Mainella Gordon Brown Email: mario.mainella@mnp.ca gordon.brown@mnp.ca Tel: 604.689.8939 <i>The Receiver</i></p>	<p>McQuarrie Hunter I-LP suite 1500, 13450 102 Avenue Surrey, BC V3T 5X3 Attention: Dan Moseley Email: dmoseley@mcquarrie.com Tel: 604.580.7022 <i>Counsel for QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, QRD (Willoughby) GP Inc., Quarry Rock Developments Inc., Richard Lawson and Matthew Weber</i></p>

<p>Koffman Kalef LLP 19th Floor, 885 West Georgia Street Vancouver, BC V6C 3H4</p> <p>Attention: Shawn Poisson Holiday Powell</p> <p>Email: sap@kkbl.com; hdp@kkbl.com; cyw@kkbl.com</p> <p>Tel: 604.891.3688</p> <p><i>Counsel for Canadian Mortgage Servicing Corporation</i></p>	<p>1181970 B.C. Ltd., formerly Steelcrest Construction Inc. #301 – 5641 200th Street Langley, BC V3A 1M7</p> <p>Attention: Raj Dhaliwal</p> <p>Email: info@steelcrestconstruction.com; gnsbitt@fasken.com; akumar@fasken.com</p>
<p>Watson Goepel LLP 1200 - 1075 West Georgia Street Vancouver, BC V6E 3C9</p> <p>Attention: Jeremy West</p> <p>Email: jwest@watsongoepel.com thanson@watsongoepel.com ccochrane@watsongoepel.com</p> <p>Tel: 604.642.5684</p> <p><i>Counsel for Overland Capital Canada Inc.</i></p>	<p>Superintendent of Real Estate 600 – 750 West Pender Street Vancouver, BC V6C 2T8</p> <p>Attention: Kyle Ferguson</p> <p>Email: kyle.ferguson@bcfsa.ca</p> <p>Tel: 778-725-0755</p>
<p>Key Consulting Services Inc. 4615 208 Street Langley, BC V3A 2H7</p> <p>Attention: Bobby Atwal</p> <p>Email: bobby@keyconsultingservices.ca</p>	<p>His Majesty the King in Right of Canada Department of Justice 900 - 840 Howe Street Vancouver, B.C. V6Z 2S9</p>
<p>Fraser Valley Refrigeration 26121 Fraser Highway Langley, BC V4W 2W8</p> <p>Attention: Christine Masztalar</p> <p>Email: christinem@fvrl.com</p> <p>Tel: 604.856.8644; ext 235 / 604.309.9810</p>	<p>Alexander Holburn Beaudin & Lang LLP 2700 – 700 West Georgia Street Vancouver, BC V7Y 1B8</p> <p>Attention: David A. Garner</p> <p>Email: dgarner@AHBL.CA; mdeanmarais@AHBL.CA; smanson@AHBL.CA</p> <p>Tel: 604-484-1708</p> <p><i>Counsel for Wubs Investments Ltd.</i></p>

<p>Gowling WLG (Canada) LLP Suite 2300, Bentall 5 550 Burrard Street Vancouver BC V6C 2B5</p> <p>Attention: Jonathan B. Ross Jonathan Van Netten</p> <p>Email: Jonathan.Ross@gowlingwlg.com jonathan.vannetten@gowlingwlg.com</p> <p>Tel: 604-891-2778</p> <p><i>Counsel for Redekop Ferrario Properties (DD) Corp.</i></p>	<p>Courtesy copies to: Bear Creek Law LLP Suite 220 – 10524 King George Blvd. Surrey, BC V3T 2X2</p> <p>Attention: Mikhael Magaril</p> <p>Email: mmagaril@bearcreeklaw.com</p> <p>Tel: 604-259-6200</p> <p><i>Counsel for L2 Exterior Ltd.</i></p>
<p>Courtesy copies to: His Majesty the King in Right of British Columbia c/o Ministry of Attorney General, Legal Services Branch 1001 Douglas Street Victoria, BC V8W 9J7 Email: AGLSBRevTaxInsolvency@gov.bc.ca</p>	<p>Courtesy copies to: P&J Concrete Pumping Ltd. c/o Virk Viyas and Associate Lawyers #208 – 15240 Highway 10 Surrey, BC V3S 5K7</p> <p>14522 74 Avenue Surrey, BC V3S 2G6</p>

SCHEDULE “B”

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD
(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
(WILLOUGHBY) GP INC., QUARRY ROCK
DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW
WEBER, CANADIAN MORTGAGE SERVICING
CORPORATION, OVERLAND CAPITAL CANADA INC.,
WUBS INVESTMENTS LTD., and STEELCREST
CONSTRUCTION INC.

THE RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) FRIDAY, THE 30th DAY
JUSTICE WALKER) OF AUGUST, 2024
)

THE APPLICATION of MNP Ltd., in its capacity as Court-appointed Receiver and Manager (the “**Receiver**”) of the assets, undertakings and properties of QRD (Willoughby) Holdings Inc. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc., coming on for hearing at Vancouver, British Columbia, on the 30th day of August, 2024; AND ON HEARING William L. Roberts and Baylee Hunt, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto, and no one appearing for the other Respondents, although duly served; AND UPON READING the material filed, including the Fourth Report of the Receiver (the “**Report**”) dated August 12, 2024 and the Supplemental Report to the Receiver’s Fourth Report (the “**Supplemental Report**”) dated August 28, 2024;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application of the Receiver filed herein on August 12, 2024, the Report filed herein on August 13, 2024, and the Supplemental Report filed herein on August 28, 2024, is hereby abridged so that the application is properly returnable today, and the need for further service of the Notice of Application, the Report and the Supplemental Report is hereby dispensed with.

today, and the need for further service of the Notice of Application, the Report and the Supplemental Report is hereby dispensed with.

2. The amount that the Receiver is authorized and empowered to borrow under paragraph 24 of the Second Further Amended and Restated Receivership Order pronounced herein on July 9, 2024 is hereby increased from \$2,589,000 to \$2,789,000.
3. The Receiver may apply to this Honourable Court for further advice, direction and assistance, as may be necessary to give effect to the terms of this Order.
4. This Order may be served by electronic mail on the parties on the Service List maintained by the Receiver in the within proceedings.
5. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

By the Court

Clerk of the Court

Approved as the Order made:

William L. Roberts
Lawson Lundell LLP
Solicitors for the Applicant Receiver

Schedule A – List of Parties Appearing

Counsel/Person Appearing	Party Represented
Alexis Teasdale	The Receiver, MNP Ltd.
Joel Robertson-Taylor	The Petitioner, MCAP Financial Corporation
Shawn A. Poisson	Canadian Mortgage Servicing Corporation
Jonathan Van Netten	Redekop Ferrario Properties (DD) Corp.

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MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC.,

QRD (WILLOUGHBY) LIMITED

PARTNERSHIP, QRD (WILLOUGHBY) GP

INC., AND OTHERS

RESPONDENTS

NOTICE OF APPLICATION



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1600 Cathedral Place
925 West Georgia Street
Vancouver, B.C., V6C 3L2
Phone: (604) 631-9145

Email: wroberts@lawsonlundell.com

Attention: William L. Roberts