

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

THE TORONTO-DOMINION BANK

Petitioner

And

RONSONS SHOE STORES LTD.

Respondent

NOTICE OF APPLICATION

NAME OF APPLICANT: MNP Ltd. in its capacity as Receiver (the "**Receiver**") of all of the assets, undertaking and properties of Ronsons Shoe Stores Ltd. ("**Ronsons**")

To: The Respondent, Ronsons Shoe Stores Ltd.

AND TO: The Petitioner, The Toronto-Dominion Bank

AND TO: the service list

TAKE NOTICE that an application will be made by the applicant VIA TELCONFERENCE to the presiding master at the courthouse at 800 Smithe Street, Vancouver, B.C. on July 2, 2020 at 9:00 a.m. for the order(s) set out in Part 1 below.

PART 1: ORDER(S) SOUGHT

1. Order substantially in the form attached hereto as **Schedule "A"** hereto:
 - (a) declaring that the time for service of this Notice of Application and supporting materials is hereby abridged so that the application is properly returnable today and the need for further service of the Notice of Application and supporting materials is hereby dispensed with; and
 - (b) approving the sale of the assets (the "**Purchased Assets**") of Ronsons more particularly described in the Asset Purchase Agreement dated June 25, 2020, made by Miller's Fine Furniture Ltd. ("**Miller's**") as buyer, and the Receiver as vendor, and vesting the Purchased Assets in the buyer;

- (c) authorizing and directing the Receiver to take such steps and execute all such deeds, documents and instruments as may be reasonably necessary, and to discharge relevant PPR registrations in relation to the Purchased Assets;
 - (d) authorizing the Receiver to make interim distributions to the Toronto-Dominion Bank (the “**Bank**”) in such amounts and at such times as the Receiver may determine; and
 - (e) the activities of the Receiver as set out in the First Report to the Court dated June 25, (the “**First Report**”), be approved.
2. Such further and other orders, declarations, and directions as counsel may request and this Honourable Court deems to be just and convenient in the circumstances.

PART 2: FACTUAL BASIS

Background

3. Upon application by the Bank, by Order (the “**Receivership Order**”) pronounced April 20, 2020 by the Honourable Madam Justice Fitzpatrick, MNP Ltd. was appointed as Receiver of all of the assets, undertaking and properties of Ronsons.
4. Prior to the receivership, Ronsons was in the business of online and in-store retail of shoe apparel and related accessories. As part of this business Ronsons owns, among other things, various inventory and intangible assets, including without limitation, various website address, brand name, and trademarks.

Approval of Sale

5. Pursuant to the terms of the Receivership Order, and in particular subparagraphs 2 (l) (i) and (ii) thereof, the Receiver is entitled to to sell, convey, transfer, lease or assign Ronsons’s Property, or any part or parts thereof, out of the ordinary course of business without the approval of this Court in respect of a single transaction for consideration up to \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000; and with the approval of this Court, or the consent of all parties to this proceeding, in respect of any transaction in which the individual or aggregate purchase price exceeds the amounts referenced in this paragraph.”
6. The Purchased Assets are comprised of the following assets and are described in detail in the Asset Purchase Agreement attached to First Report:
- a) **Lot 1:** Consisting of approximately 108,000 pairs of new shoes and 3,000 accessory items; point of sale computers and equipment; and some retail store furniture; and

- b) **Lot 2:** Consisting of Website address, brand name, and the trademarks.
7. The Receiver has fully exposed the Purchased Assets to market by providing an Invitation for Offers and Invitation for Auction Proposals including net minimum guarantees be provided. The Offers to purchase were due on June 12, 2020. The facts in support of the Receiver's Application are detailed in the First Report, but summarized as follows:
 - (a) the bid materials were widely advertised and were sent out to 29 parties, including both auction houses and retailers;
 - (b) 10 bids were received, with the subject bid being the highest and best offer received;
 - (c) if the subject bid is approved, the senior secured creditor of Ronsons, The Toronto-Dominion Bank, will suffer a shortfall on its debt.
 8. The subject offer was received by the Receiver through the tender process described in the First Report, and represents the highest offer.
 9. The sales process and manner in which offers have been received has been fair, with the interests of all parties being considered, and the Receiver has made significant efforts to obtain the best price for the Assets being sold in the circumstances.
 10. The sale of the Assets described in the First Report, are just, appropriate and in the best interest of the administration of Ronsons's receivership estate.
 11. The senior secured creditor of Ronsons, The Toronto-Dominion Bank, supports the proposed sale to the proposed purchaser.

PART 3: LEGAL BASIS

12. Based upon the facts set out in Part 2 above, the Receiver submits that the subject offer reflects the fair market value of the subject assets, and that its sale is commercially reasonable, and that it will enable this Receivership to come to a conclusion.
13. The applicant will rely on Rules 6-2, 13-5 and 21-7 of the Supreme Court Civil Rules and s. 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

PART 4: MATERIAL TO BE RELIED ON

14. The Receivership Order
15. First Report of the Receiver dated June 25, 2020.

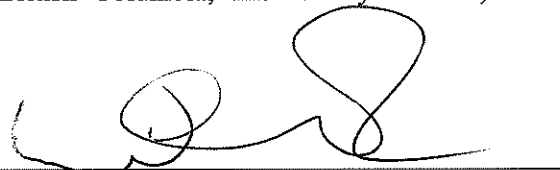
The applicant(s) estimate(s) that the application will take **30 minutes**.

- This matter is within the jurisdiction of a Master.
- This matter is not within the jurisdiction of a Master as it involves inherent jurisdiction

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application:

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (d) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated at the City of Vancouver, in the Province of British Columbia, this 25 day of June, 2020.



William L. Roberts
Lawson Lundell LLP
Solicitors for the Applicant

This Notice of Application is filed by 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.

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

THE TORONTO-DOMINION BANK

Petitioner

And

RONSONS SHOE STORES LTD.

Respondent

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE
MADAM JUSTICE FITZPATRICK

)
) THURSDAY, THE 2nd DAY
) OF JULY, 2020
)

THE APPLICATION of MNP Ltd. in its capacity as court-appointed Receiver (the “**Receiver**”) of all of the assets, undertaking and properties of Ronsons Shoe Stores Ltd. (“**Ronsons**”) coming on for hearing this day at Vancouver, British Columbia, by way of teleconference; AND ON HEARING William Roberts, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed herein, including the Report of the Receiver, dated June 25, 2020 (the “**Report**”)

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient, and this application is properly returnable today.
2. The sale transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement dated June 25, 2020, (the “**Sale Agreement**”) between the Receiver, as vendor, and Miller’s Fine Furniture Ltd. (the “**Purchaser**”), as purchaser, a copy of which is attached as Appendix “A” to the Report is hereby approved, and the Sale Agreement is

commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).

3. Without limiting the generality of the foregoing, the Receiver will provide to the Purchaser reasonable assistance in transferring the Purchased Assets, including, where appropriate, providing account credentials for on-line services, such as log-in user names and passwords, to the extent reasonably necessary to effect the intended transfer, or taking such steps and providing such cooperation and assistance using retained account credentials to effect the transfers through any facilities through such on-line services.
4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule “B”** hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
5. Upon presentation by the Purchaser for registration in the Office of the Registrar of Trademarks in the Canadian Intellectual Property Office of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver, authorizing registration of this Order, the Registrar of Trademarks in the Canadian Intellectual Property Office is to register the transfer of Ronsons Canadian trademark registration set out in the Sale Agreement to the Purchaser.
6. Upon presentation by the Purchaser of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver, authorizing registration of this Order, each registrar of a domain name forming part of the Purchased Assets is to transfer registration and administration of the domain name to the Purchaser.

7. Upon presentation by the Purchaser of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver, authorizing registration of this Order, each service provider maintaining a social media account forming part of the Purchased Assets is to transfer registration and administration of the social media account to the Purchaser.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
9. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
10. The Purchaser shall be responsible to take possession of the Purchased Assets 'as is, where is' at third party warehouses located at 3250 262 St., Aldergrove, BC and 31236 Peardonville Rd., Abbotsford (the "Warehouses") and remove the Purchased Assets at its sole risk and cost. The Purchaser shall, in any and all circumstances, remove the Purchased Assets from the Warehouses and fulfil its obligations under this Sale Agreement before 5 p.m. on the date that is three weeks (21 days) from when the Seller provides the Purchaser with a copy of the entered Order.
11. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
12. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other

reviewable transaction under the Bankruptcy and Insolvency Act or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. The Receiver is hereby authorized and directed to make interim distributions to the Toronto-Dominion Bank in such amounts and at such times as the Receiver may determine.
14. The actions, conduct and activities of the Receiver to date, as outlined in the First Report are hereby authorized and approved.
15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
16. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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

Signature of William Roberts
Lawyer for the Receiver

BY THE COURT

Registrar

Schedule "A" List of Appearing Parties

William L. Roberts Lawson Lundell LLP	Counsel for the Receiver

SCHEDULE "B"
FORM OF RECEIVER'S CERTIFICATE

No.VCL-S-204082
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

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Petitioner

And

RONSONS SHOE STORES LTD.

Respondent

Receiver's Certificate

RECITALS

A. Pursuant to the Order of the Court dated April 20, 2020, MNP Ltd. was appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of Ronsons Shoe Stores Ltd.

B. Pursuant to an Order of the Court dated July 2, 2020 (the "**Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement dated as of June 25, 2020 (the "**Sale Agreement**") between the Receiver and Miller's Fine Furniture Ltd. ("**Miller's**") (the "**Purchaser**") and provided for the vesting in the Purchaser of all of the right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing set out in the Assets Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at Vancouver, BC this ____ day of July, 2020.

MNP Ltd.
in its capacity as Receiver of Ronsons Shoe Stores Ltd.,
and not in its personal capacity

Per: _____
Receiver

No. VCL-S-204082
Vancouver Registry

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Respondent

APPROVAL AND VESTING ORDER



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Attention: William Roberts