



Court File No. **VLC-S-S-204082**

FORM 66 (RULES 16-1(2) AND 21-5(14))

No.  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

THE TORONTO-DOMINION BANK

Petitioner

And

RONSONS SHOE STORES LTD.

Respondent

**PETITION TO THE COURT**

**ON NOTICE TO: THE RESPONDENT**

This proceeding is brought for the relief set out in Part 1 below by the person named as petitioner in the style of proceedings above.

If you intend to respond to this petition, you or your lawyer must

- a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- b) serve on the petitioner
  - i) 2 copies of the filed response to petition, and
  - ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

**ORDERS, INCLUDING ORDERS GRANTING THE RELIEF CLAIMED, MAY BE MADE AGAINST YOU, WITHOUT ANY FURTHER NOTICE TO YOU, IF YOU FAIL TO FILE THE RESPONSE TO THE PETITION WITHIN THE TIME FOR RESPONSE.**

**TIME FOR RESPONSE TO THE PETITION**

A response to petition must be filed and served on the petitioner,

- a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

- c) if you were served with the petition anywhere else, within 49 days after that service, or
- d) if the time for response has been set by order of the court, within that time.

(1)	THE ADDRESS OF THE REGISTRY IS: The Supreme Court of British Columbia The Law Courts 800 Smithe Street Vancouver, B.C. V6Z 2E1
(2)	THE ADDRESS FOR SERVICE OF THE PETITIONER IS: The Toronto-Dominion Bank c/o 2900 – 595 Burrard Street Vancouver B.C. V7X 1J5  Fax number address for service (if any) of the petitioner: N/A  E-mail address for service (if any) of the petitioner: N/A
(3)	THE NAME AND OFFICE ADDRESS OF THE PETITIONER’S LAWYER IS: Scott H. Stephens OWEN BIRD LAW CORPORATION 2900 – 595 Burrard Street Vancouver, B.C. V7X 1J5

**PART 1: ORDERS SOUGHT**

- 1. A receivership order substantially in the form attached as Schedule “A” or in such other form as the court may order.

**PART 2: FACTUAL BASIS**

**The Parties**

- 1. The petitioner, The Toronto-Dominion Bank (“**TD Bank**”), is a federal chartered bank, duly incorporated under the laws of Canada, with an address for service in this proceeding c/o Owen Bird Law Corporation at 2900 – 595 Burrard Street, Vancouver, B.C. V7X 1J5.

2. The respondent, Ronsons Shoe Stores Ltd. (“**Ronsons**”), is a B.C. company with a records office at 300-10991 Shellbridge Way, Richmond, B.C.

### **The Loan Facility and Security**

3. Until recently (as discussed further below) Ronsons was in the retail footwear business. It has 17 physical storefront locations and a warehouse – mostly located in and around the lower mainland, with a couple in Victoria and Kelowna. Ronsons also historically carried on ecommerce through its website.
4. TD Bank advanced monies to Ronsons in the form of a demand operating facility. The operating facility is secured by, among other things, the following:
  - a) a general security agreement dated February 7, 1997 charging all of Ronsons’ present and after acquired property and registered in the Personal Property Registry under Base Registration No. 6854962;
  - b) a general security agreement dated May 29, 1997 charging all of Ronsons’ present and after acquired property and registered in the Personal Property Registry under Base Registration No. 7070259; and  
  
(together, the “**GSA**s”)
  - c) Section 427 *Bank Act*, S.C. 1991, c. 46 security dated July 6, 2001 and recorded in the register of notices of intention to give security under the *Bank Act* under no. 01092081 (the “**Bank Act Security**”).
5. The GSAs are registered in first priority position in the Personal Property Registry. The Bank Act Security is the only *Bank Act* security granted by Ronsons.

### **Background, Demand and Indebtedness**

6. In recent weeks Ronsons informed TD Bank that, notwithstanding the duration of the coronavirus pandemic, it no longer intends to carry on business. Revenues had decreased in recent years and Ronsons’ cash flow issues were, suffice to say, compounded by the pandemic-related closure of its physical storefronts and online business. Ronsons’

principal advised TD Bank that he was (to paraphrase) stepping away and invited TD Bank to “take control.” Ronsons similarly so informed its landlords (and other suppliers and stakeholders) and has not remitted April rents nor paid its other debts in the normal course of business.

7. Acting on Ronsons’ invitation, TD Bank issued a demand and notice of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. Ronsons waived the 10 day notice period.
8. As at March 31, 2020 the indebtedness owed to TD Bank by Ronsons totalled \$987,773.18 exclusive of costs and expenses incurred.

#### **Appointment of a Receiver**

9. A court appointed receiver and manager would be just or convenient – or, more accurately in the present case, necessary – for reasons including:
  - a) Ronsons is no longer carrying on business and its controlling mind has stepped away – a court appointment is therefore necessary to secure and preserve assets, administer and process claims and otherwise ensure an orderly sale or windup of the business;
  - b) Ronsons has invited TD Bank to realize on its security and, to that end, waived the 10 day notice period under the *Bankruptcy and Insolvency Act*;
  - c) TD Bank has the contractual right to appoint a receiver under the GSAs;
  - d) Ronsons has not paid April rents and will not be remitting rents to its various landlords going forward and has so advised its landlords and, accordingly, there is a risk that leases will be terminated and assets seized or otherwise lost or impaired and/or landlords will attempt to exercise their rights of distraint despite that TD Bank’s Bank Act Security enjoys priority over any such rights;

- e) Ronsons has a significant number of part-time and fulltime employees who are likely owed monies and will need claims processed under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47;
- f) a court-ordered stay is required to preserve the status quo and permit the resolution of any competing claims; and
- g) there is no prospect of Ronsons obtaining refinancing or effecting a sale in the interim and a court officer is best suited to administer and windup the estate.

### **PART 3: LEGAL BASIS**

1. A secured creditor is entitled to the court appointment of a receiver and manager as a matter of course in circumstances where it may appoint a receiver under the terms of its security. The court should exercise its discretion not to make such an appointment only in those rare occasions where the debtor can show compelling commercial or other reasons why such an order ought not to be made.

*United Savings Credit Union v. F & R Brokers Inc.*, 2003 BCSC 640  
*Canadian Imperial Bank of Commerce v. Can-Pacific Farms Inc.*, 2012 BCSC 437

2. A court appointment may also be made when “just or convenient.”

*Textron Financial Canada Ltd. v. Chetwynd Motels Ltd.*, 2010 BCSC 477

3. Where the security instrument governing the relationship between the debtor and the secured creditor provides for a right to appoint a receiver on default, the burden on the applicant is relaxed. While the appointment of a receiver is generally regarded as an extraordinary equitable remedy, the nature of the remedy is not extraordinary or equitable in circumstances where commercial parties have expressly contemplated the appointment in a contract governing their relationship.

*Textron* at paras 50 and 75  
*Bank of Nova Scotia v. Freure Village on Clair Creek*, [1996] O.J. No. 5088 (G.D.) at para 12  
*Canadian Tire Corp. v. Healy*, [2011] O.J. No. 3498 (S.C.J.) at para 18  
*Bank of Montreal v. Carnival National Leasing Limited*, [2011] O.J. No. 671 (S.C.J.) at para 27  
*Farallon Investments Ltd. v. Bruce Pallett Fruit Farms Ltd.*, [1992] O.J. No. 330 (G.D.) at paras 2 - 6

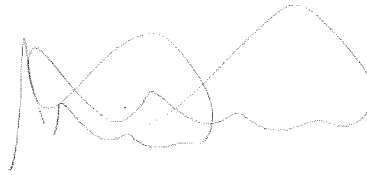
- 4. The appointment would be just or convenient in the present case for the reasons noted above at paragraph 10 under Part 2.
- 5. TD Bank will rely on Rules 1-3, 2-1, 10-2, 13-5, 14-1 and 16-1 and the law of contract, the *Law and Equity Act*, R.S.B.C. 1996, c. 253 including s. 39, the *Bankruptcy and Insolvency Act* including s. 243(1) and the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 including s. 66.

**PART 4: MATERIAL TO BE RELIED ON**

- 1. Affidavit #1 of Rob Jones, made April 16, 2020; and
- 2. Such further and other materials as counsel may advise.

The petitioner estimates that the hearing of the petition will take 10 minutes.

Date: April 16, 2020




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Signature of lawyer for petitioner, The Toronto-Dominion Bank, Scott H. Stephens

<b><i>TO BE COMPLETED BY THE COURT ONLY:</i></b>	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Petition
<input type="checkbox"/>	with the following variations and additional terms:
<hr/> <hr/> <hr/> <hr/> <hr/>	
Date: _____	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

**SCHEDULE "A"**

No.  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

THE TORONTO-DOMINION BANK

Petitioner

And

RONSONS SHOE STORES LTD.

Respondent

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
MR/MADAM JUSTICE ) \_\_\_/APR/2020  
)  
)

ON THE APPLICATION of The Toronto-Dominion Bank for an order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing MNP Ltd. as Receiver and Manger (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of Ronsons Shoe Stores Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the affidavit #1 of R. Jones and the consent of MNP Ltd. to act as the Receiver; AND ON HEARING Scott H. Stephens, counsel for The Toronto-Dominion Bank, William L. Roberts, counsel for MNP Ltd., and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

**APPOINTMENT**

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, MNP Ltd. is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including all proceeds (the "Property").

## RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
  - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
  - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;
  - (g) to settle, extend or compromise any indebtedness owing to the Debtor;
  - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
  - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
  - (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;



- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) 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
  - (ii) 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 limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (q) to apply for any grants, subsidies, loans, programs or other measures as may be offered by any governmental authority in response to the COVID-19 outbreak for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, landlords, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. Any Landlord of the Debtor must provide access to such leased premises so as to allow the Receiver or its agents to inspect and inventory any Property located on those leased premises, and to allow the Receiver or its agents to remove any portion of that Property. If the Receiver or its agents does attend on the leased premises for these purposes, that attendance and removal of Property shall not be considered to be taking possession of the leased premises and Receiver shall have no obligation to pay occupation rent or any other amounts to the landlord.
8. The Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

9. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

10. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

## **NO INTERFERENCE WITH THE RECEIVER**

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.
13. All persons having other agreements or other contracts with the Debtor are restrained and enjoined from accelerating, terminating, determining or cancelling such agreements or acting upon any right of forfeiture (statutory, contractual or otherwise) without the written consent of the Receiver, or leave of this Court, and that all such persons shall continue to perform and observe the terms, conditions and provisions contained in such agreements on their part to be performed or observed and, without limiting the generality of the foregoing, all persons are restrained until further order of this Court from terminating, cancelling or otherwise withdrawing licences, leases or subleases held by the Debtor, and from disturbing or otherwise interfering in any way with the present or future occupation by the Receiver of any premises licenced, leased or subleased by the Debtor and the licensors and landlords of premises licenced, leased or subleased by the Debtor are hereby specifically restrained from taking any step to terminate any licence, lease or sublease to which the Debtor is a party whether by notice of termination or otherwise, unless the written consent of the Receiver or leave of this Court to do so has been first obtained.

## **CONTINUATION OF SERVICES**

14. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

## **RECEIVER TO HOLD FUNDS**

15. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any

accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post-Receivership Accounts**”) and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court. From the Post-Receivership Accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, in reduction of the amount owing under the Petitioner’s security.

## EMPLOYEES

16. Subject to the employees’ right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

## PERSONAL INFORMATION

17. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

18. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a

substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

19. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
20. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
  - (a) before the Receiver's appointment; or,
  - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
21. Notwithstanding anything in federal or provincial law, but subject to paragraph 20 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

22. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
  - (a) any gross negligence or wilful misconduct on its part; or
  - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

23. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
25. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### FUNDING OF THE RECEIVERSHIP

26. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
27. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
28. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.
29. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

### ALLOCATION

30. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver’s Charge and Receiver’s Borrowings Charge amongst the Property.

## SERVICE AND NOTICE OF MATERIALS

31. The Receiver shall establish and maintain a website in respect of these proceedings at: mnp.ca (the “**Website**”) and shall post there as soon as practicable:
  - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
32. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the “**Demand for Notice**”). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
33. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
34. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
35. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
36. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.



**GENERAL**

37. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
38. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
39. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
40. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, 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 such courts, tribunals and regulatory and administrative bodies are 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.
41. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
42. The petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the petitioner's security or, if not so provided by the petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
43. Endorsement of this Order by counsel appearing on this application other than the petitioner is dispensed with.

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

APPROVED BY:

BY THE COURT

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Signature of Scott H. Stephens,  
lawyer for The Toronto-Dominion Bank

DISTRICT REGISTRAR

# SCHEDULE "A"

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT

\$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP Ltd., the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of Ronsons Shoe Stores Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the \_\_\_\_\_ day of April 2020 (the "**Order**") made in SCBC Action No. \_\_\_\_\_ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the \_\_\_\_\_ day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of The Toronto-Dominion Bank from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

MNP Ltd., solely in its capacity as Receiver of  
the Property, and not in its personal capacity

Per:  
Name:  
Title:

**Schedule "B"**

**Demand for Notice**

**TO: The Toronto-Dominion Bank**  
c/o Owen Bird Law Corporation  
Attention: Scott H. Stephens  
Email: sstephens@owenbird.com

**AND TO: MNP Ltd.**  
c/o Lawson Lundell LLP  
Attention: William L. Roberts  
Email: wroberts@lawsonlundell.com

**Re: In the matter of the Receivership of Ronsons Shoe Stores Ltd.**

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

- 1. By email, at the following address (or addresses):

\_\_\_\_\_

OR

- 2. By facsimile, at the following facsimile number (or numbers):

\_\_\_\_\_

OR

- 3. By mail, at the following address:

\_\_\_\_\_

Name of Creditor: \_\_\_\_\_

Name of Counsel (if any): \_\_\_\_\_

Creditor's Contact Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Creditor's Contact Phone Number: \_\_\_\_\_

# SCHEDULE "A"

Action No.

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IN THE SUPREME COURT OF BRITISH  
COLUMBIA

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BETWEEN:

THE TORONTO-DOMINION BANK

Petitioner

- and -

RONSONS SHOE STORES LTD.

Respondent

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**B.C. MODEL RECEIVERSHIP ORDER VERSION**  
**NO. 3, \_\_\_\_\_, 2015**

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