



No. S214960  
Vancouver Registry

*In the Supreme Court of British Columbia*

Between

**ADC PROJECTS LTD.**

Plaintiff

and

**JEANA VENTURES LTD. and 1103 GILSTON ROAD HOLDINGS INC.**

Defendants

**APPLICATION RESPONSE**

Application response of:     ADC Holdings Ltd. ("ADC Holdings" or the "application respondent")

THIS IS A RESPONSE TO the notice of application of D. Manning & Associates Inc., the Court appointed Receiver Manager (the "Receiver") of the assets, undertakings and property 1103 Gilston Road Holdings Inc. (the "Company"), filed May 11, 2022.

***Part 1: ORDERS CONSENTED TO***

The application respondent consents to the granting of the orders set out in the following paragraphs of Part 1 of the notice of application on the following terms: N/A

***Part 2: ORDERS OPPOSED***

The application respondent opposes the granting of the orders set out in paragraphs NIL of Part 1 of the notice of application. N/A

**Part 3: ORDERS ON WHICH NO POSITION IS TAKEN**

The application respondent takes no position on the granting of the orders set out in paragraph 1 of Part 1 of the notice of application, subject to Part 4, paragraph 11 herein.

**Part 4: FACTUAL BASIS**

1. The Receiver was appointed by court order on August 4, 2021 (the "Receivership Order").
2. The Company is the developer of a new single family house, with civic address 1103 Gilston Road, West Vancouver, BC, V7S 2E7 (the "Lands").
3. The Lands is the only asset of the Company.
4. ADC Holdings is a secured creditor of the Company.
5. Pursuant to the terms of a loan agreement (the "Loan Agreement") between the Company, as borrower, and ADC Holdings, as lender, dated November 4, 2020, ADC Holdings loaned the Company a principal amount of \$2,000,000 (two million dollars) with interest at 5% per annum, calculated monthly and not in advance, payable on demand (the "Loan"). The Loan Agreement notes "the Loan is secured by a general security agreement, the Personal Property Security Act and Mortgage."
6. Pursuant to the terms of the general security agreement between the Company, as the debtor, and ADC Holdings, as the secured party, dated November 4, 2020 (the "GSA"), the Company granted ADC Holdings a secured interest in all of the Company's present and after acquired personal property and specifically all items listed in Schedule A to the GSA, under the British Columbia Personal Property Security Act, to secure liabilities and indebtedness of the Company to ADC Holdings under the Loan. Schedule A of the GSA notes the security interest covers all furniture, pianos, built custom furniture, electronic and recording equipment located on the Lands.

7. In connection with the Loan, the Company granted in favor of ADC Holdings a mortgage over the Lands. The mortgage was registered in the British Columbia Land Title Office against the Lands, under registration number: CA8548024.
8. In further connection with the Loan and GSA, ADC Holdings registered its security against the Company in the British Columbia Personal Property Registry ("PPR"), under base registration 155969N, for all present and after acquired personal property of the Company.
9. ADC Holdings understands that its personal property security claim is opposed by Jeana Ventures Ltd., who holds a mortgage over the Lands but did not register any security against the Company's in the PPR.
10. The Receiver brings their application to sell the Lands, which include chattels covered by ADC Holding's personal property security.
11. ADC Holdings takes no position on the sale of the Lands, on the basis that:
  - (a) the Receiver retains a holdback from the sale proceeds of the Lands (in the amount of ADC Holding's personal property security claim and costs for same, being \$400,000); and
  - (b) the Receiver agrees to only pay out the holdback in accordance with the terms of a court order that addresses the priority, ranking and scope of ADC Holdings personal property claim and security for same, or by consent between the parties.

**Part 5: LEGAL BASIS**

1. In accordance with the terms of the GSA and PPR registration, ADC Holdings holds valid perfected security over the personal property of the Company, which includes chattels being sold by the Receiver with the Lands.

2. Pursuant to the terms of the Receivership Order, the Receiver may, from time to time, apply to the Court for advice and directions in the discharge of its powers. As such, the Receiver may seek a court order to address and determine the priority, ranking and scope of ADC Holdings personal property security claim.

**Part 6: MATERIAL TO BE RELIED ON**

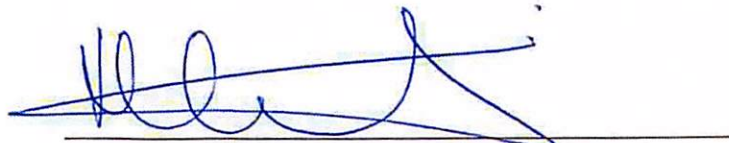
1. The Receivership Order, pronounced dated August 2021;
2. The Receiver's First Report to the Court, dated August 31, 2021;
3. The Receiver's Second Report to the Court, dated May 10, 2022;
4. Affidavit #1 of H. Virani, made May 10, 2022; and
5. Affidavit #1 of Rachel Rivera, made June 9, 2022.

The application respondents estimates that the application will take 15 minutes.

- The application respondent has filed in this proceeding a document that contains the application respondent's address for service.
- The application respondent has not filed in this proceeding a document that contains an address for service. The application respondent's ADDRESS FOR SERVICE is:

Whitelaw Twinning Law Corporation  
Attention: Helen Sevenoaks  
2400 – 200 Granville Street  
Vancouver, BC V6C 1S4  
Email: [hsevenoaks@wt.ca](mailto:hsevenoaks@wt.ca)

Dated: 9/Jun /2022



Signature of lawyer for the application respondent  
Helen Sevenoaks