



FORM 32 (RULE 8-1(4))

No. S-1913345
Vancouver Registry

~~IN THE~~ SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

And

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMED THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANAYAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.
GROUPEX SYSTEMS CANADA INC.

Respondents

NOTICE OF APPLICATION

Name of applicant: **D. MANNING & ASSOCIATES INC.**, Court Appointed Receiver and Manager ("**Receiver**") 356746 HOLDINGS INC. doing business as THE GEORGE DAWSON INN ("**Debtor**").

To: THE SERVICE LIST

TAKE NOTICE that an application will be made by the Receiver to the presiding JUDGE at the courthouse at 800 Smithe Street, Vancouver, BC, THURSDAY APRIL 13, 2023, at 9:45 a.m. for the order(s) set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

1. An Order in the form of draft Order attached to this Notice of Application as Schedule "A", or as the Court may otherwise direct, approving the Receiver's activities, summarily passing the Receiver's accounts and discharging the Receiver of the Company (as defined below), but remaining as Receiver of the Insurance Policy (as defined below), until the time that the Company is no longer a beneficiary of the Insurance Policy.

Part 2: FACTUAL BASIS

Receivership History

1. The Receiver was appointed the Receiver and Manager in respect of the assets, undertakings and property of 356746 Holdings Inc. doing business as the George Dawson Inn (the "Company") located at 11705 – 8th Street, Dawson Creek, B.C., V1G 4N9, (the "Property") pursuant to the Order of Madam Justice Fitzpatrick pronounced April 20, 2020 (the "Receivership Order").
2. The Company's Property was an 80 room Hotel located at 11705 – 8th Street, Dawson Creek, British Columbia V1G 4N9 (the "Hotel").
3. The Receivership Order authorized the Receiver to, *inter alia*, market and sell the Company's Property and to apply for any orders necessary to convey the Company's Property of any part or parts thereof to a purchaser, free and clear of any liens or encumbrances.
4. By way of the Order granted on August 11, 2020 by Madam Justice Baker, the Receiver was authorized to enter into a listing agreement with CBRE Limited ("CBRE") to sell the Hotel. Pursuant Madam Justice Baker's Order the Receiver entered into a listing agreement with CBRE to list the Hotel for sale on August 11, 2022.
5. On April 29, 2021, Master Bilawich granted an order approving the sale of the Hotel for the purchase price of \$2,800,000, which sale closed on May 13, 2021 (the "Vesting Order").
6. At the time the Vesting Order was granted, there were three (3) secured creditors with interests secured against title to the Hotel as follows:

RESPONDENTS	NATURE OF INTERESTS	REGISTRATION NUMBERS
VANCOUVER CITY SAVINGS CREDIT UNION	Mortgage Assignment of Rents	BB680604 BB680605
MANOHAR ALEXANDER SAVUNDRANAYAGAM	Mortgage	CA5967608
MANOHAR ALEXANDER SAVUNDRANAYAGAM	Mortgage	CA7062860
CONEXUS CREDIT UNION 2006	Judgment Judgment	CA8023458 CA8023461

7. Following the closing of the sale of the Hotel, the Receiver made payment in full to Vancouver City Savings Credit Union in the amount of \$1,459,228.23 on account of its first ranking mortgage.
8. No payments have been made to Manohar Alexander Savundranayagam (“**Manohar**”) on account of either of his mortgages registered second and third in priority, or to Conexus Credit Union 2006 (“**Conexus**”) for its two (2) judgments, registered in fourth and fifth priority.
9. The Receiver is currently holding \$144,702.55, from the proceeds of the sale of the Hotel.

Payout Amounts to Secured Creditors

10. Assuming the Receiver’s fees and activities are approved as presented at this Application and a holdback is granted for legal fees to completion in the amount of \$17,000, the Receiver’s Fees in the amount of \$10,500, external accounting fees in the amount of \$7,350 and there will be \$109,852.55 remaining and available to secured creditors, as follows:

Party	Current Priority of Security	Amount Payable
-------	------------------------------	----------------

Manohar	First	\$ 145,220.43 as at February 9, 2021
Manohar	Second	\$ 46,600 as at February 9, 2021
Conexus	Third and Fourth	\$1,386,920.63

11. Any further funds that may become available to the Company through the life insurance Policy (as defined and described below) on the life of Mr. Umedalli Thobani are payable to Manohar and Conexus in the same priority as listed above.

Life Insurance Policy

12. The Company is a beneficiary of a Company's Canada Life ("**Canada Life**") life insurance policy on the life of Mr. Umedalli Thobani, who is the president of the Company, in the amount of one million dollars (\$1,000,000) (the "**Insurance Policy**").
13. The Insurance Policy has no cash value and when the Receiver was appointed the premiums of the Insurance Policy were in arrears.
14. On June 22, 2020 the Receiver entered into an assignment agreement with Baring Finance Ltd. ("**Baring**") whereby Baring agreed to bring the premiums up to date and continue to pay them going forward, in exchange for certain fees and interest and ultimately repayment of the premiums. The Company continues to remain the beneficiary of the Insurance Policy, but upon Mr. Thobani's death, will receive the amount payable under the Insurance Policy, less all amounts owed to Baring.
15. The payout amount to both Baring and the Company under the Insurance Policy is contingent on the timing of the death of Mr. Thobani. Mr. Thobani was born on April 29, 1940 and is currently 82 years old.
16. As discussed above, any monies paid out under the Insurance Policy to the Company would be paid to Manohar and Conexus, to the extent available.

17. The calculation for the amount owing to Baring and the Company is contingent on time passed, interest and premiums paid by Baring. The Receiver has confirmed with Baring that in the hypothetical event of a life insurance payout on October 1, 2022 (which did not occur) the proceeds would be paid out as follows:
 - a) The Company - \$615,000; and
 - b) Baring - \$385,000.
18. Pursuant to the Insurance Policy payout schedule attached to the Receiver's Report, if payout does not occur on or about May 2027 Baring will be entitled to the full proceeds of the Insurance Policy.
19. The only remaining issue in these receivership proceedings are dealing with the Insurance Policy.
20. The Receiver is seeking its a term in its Order for discharge of the Company that it remain as Receiver only of the Insurance Policy. The Receiver wishes to remain as Receiver of the Insurance Policy such that should the Company become entitled to payout funds, the Receiver will be in a position to make payouts to Manohar and Conexus, as applicable.
21. The Receiver requests a holdback of \$10,500 for its duties to completion, including handling the payout of the Insurance Policy for an undetermined amount of time, continuing to file corporate tax returns and financial statements for each year, drafting a report for its final discharge and other incidental tasks. The Receiver also requests a holdback in the amount of \$15,000 for its legal counsel Owen Bird Law Corporation for unbilled and further legal costs including costs to completion and the cost of bringing an eventual discharge application, \$2,000 for its legal counsel Peterson Stark Scott to continue to file annual reports for the Company, and \$7,350 for the Receiver's disbursements to completion, including the cost of an external accounting firm to handle ongoing tax returns.

Part 3: LEGAL BASIS

1. Section 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253;
2. The Receivership Order;
3. Rules 10-2 of the Supreme Court Civil Rules.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavits #3 of Alex En Hwa Ng, made March 27, 2023;
2. Affidavit #1 of Alan Frydenlund, made February 28, 2023;
3. The Receiver's First Report, dated July 16, 2020;
4. The Receiver's Second Report, dated April 7, 2021;
5. The Receiver's Third Report, dated April 28, 2021;
6. The Receiver's Fourth Report, dated March 27, 2023.
7. The Receivership Order;
8. The Vesting Order;

The Receiver estimates that the application will take 10 minutes.

This matter is within the jurisdiction of a Master.

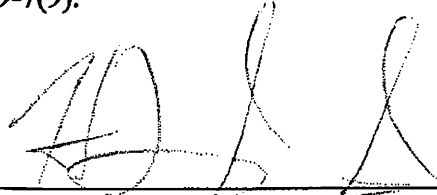
This matter is not within the jurisdiction of a Master.

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 of 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 proceedings, 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;

- iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: March 27 2023



HEATHER A. FRYDENLUND.
Signature of lawyer for Receiver

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

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

SCHEDULE "A"

No. S-1913345
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

And

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMED THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANA YAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.
GROUPEX SYSTEMS CANADA INC Respondents

ORDER MADE AFTER APPLICATION

(ORDER DISCHARGING RECEIVER)

BEFORE THE HONOURABLE)
)
_____JUSTICE_____)

THURSDAY APRIL 13, 2023

THE APPLICATION of D. MANNING & ASSOCIATES INC., in its capacity as court-appointed Receiver and Manager (the "Receiver") of 356746 HOLDINGS INC. doing business as THE GEORGE DAWSON INN (the "Debtor"), coming on for hearing at Vancouver British Columbia on the 13th day of April, 2023; AND ON HEARING Heather A. Frydenlund, counsel for the Receiver, and no one else appearing, though duly served; AND UPON READING the

material filed, including the Fourth Report and Final Report of the Receiver dated March 27, 2023 (the “Receiver’s Fourth Report”);

THIS COURT ORDERS AND DECLARES THAT:

1. The Receiver’s interim statement of cash receipts and disbursements as set out in the Receiver’s Fourth Report is hereby approved.
2. The activities of the Receiver, as set out in the Receiver’s Fourth Report, are hereby approved.
3. The fees and disbursements of the Receiver, as set out in the Receiver’s Fourth Report are hereby approved.
4. The fees and disbursements of the Receiver’s legal counsel, as set out in the Receiver’s Fourth Report, are hereby approved.
5. A holdback in the total amount of \$17,000 as set out in the Receiver’s Fourth Report are hereby approved. The Receiver is entitled to use these funds to pay the Receiver’s legal counsels’ fees without further order of this Court.
6. A holdback in the total amount of \$10,500 as set out in the Receiver’s Fourth Report are hereby approved. The Receiver is entitled to use these funds to pay the Receiver’s fees without further order of this Court.
7. A holdback in the total amount of \$7,350 as set out in the Receiver’s Fourth Report are hereby approved. The Receiver is entitled to use these funds to pay the Receiver’s disbursements without further order of this Court.
8. All surplus funds after making the payments and holdbacks as referenced above, are to be paid to the respondent, Manohar Alexander Savundranayagam, on account of the mortgage in his favour previously registered against title to the Hotel.

9. After payment of the fees and disbursements, maintaining the holdbacks and providing the surplus funds to Manohar Alexander Savundranayagam as herein approved, the Receiver shall be discharged as Receiver of the assets, undertaking and property of the Debtor, provided that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver of the Insurance Policy (as defined below); (b) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (c) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of D. Manning & Associates Inc. in its capacity as Receiver.

10. The Receiver remains the Receiver of the life insurance policy on the life of Mr. Umedalli Thobani, issued by Company's Canada Life, policy number 13606157 in the amount of one million dollars (\$1,000,000) (the "Insurance Policy").

11. When payout is triggered on the Insurance Policy, the Receiver is entitled to make payouts of the proceeds of the Insurance Policy owed to the Debtor, to Manohar Alexander Savundranayagam ("Manohar") on account of his mortgages previously registered second and third in priority, and to Conexus Credit Union 2006 ("Conexus") on account of its two (2) judgments, previously registered in fourth and fifth priority on title to property previously owned by the Debtor, being a hotel located at 11705 – 8th Street, Dawson Creek, British Columbia V1G 4N9, as applicable, without further Order of this Court.

12. Notwithstanding any provision herein, this Order shall not affect any person to whom notice of these proceedings was not delivered as required by the *Bankruptcy and Insolvency Act* and regulations thereto, any other applicable enactment or any other Order of this Court.

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 lawyer for the Receiver,
Heather A. Frydenlund

By the Court.

Registrar

No. H-160700
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

And

**356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMED THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANAYAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.
GROUPEX SYSTEMS CANADA INC.**

Respondents

**ORDER MADE AFTER APPLICATION
(ORDER DISCHARGING RECEIVER)**

**OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Heather A. Frydenlund
File No. 23024-0091**

No. H-160700
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

And

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMED THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANAYAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.
GROUPEX SYSTEMS CANADA INC.

Respondents

NOTICE OF APPLICATION

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Heather A. Frydenlund
File No. 23024-0091