

No.S2110590
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

LAWRENCE KOO and 1060150 B.C. LTD.

PETITIONERS

AND

MING FEI GUAN and PACIFIC NATIONAL TRAVELS INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE))
) THE HONOURABLE) 04 /APR/2022
) JUSTICE GIASCHI)
))

ON THE APPLICATION of Ming Fei Guan for an Order pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA"), and Section 324 of the *Business Corporations Act*, S.B.C. 2002, c.57 (the "BCA") as amended, appointing McEown and Associates LTD., Licensed Insolvency Trustee, as Liquidator (in such capacity, the "Liquidator") without security, of all of the assets, undertakings and properties of Pacific National Travels Inc. (the "Company") acquired for, or used in relation to a business carried on by the Company coming on for hearing this day at Vancouver, British Columbia. *via MS TEAMS* .

AND ON READING the Notice of Application dated March 22, 2022 and the Affidavits #1 and #2 of Ming Fei Guan sworn and filed herein, and the consent of McEown and Associates LTD. to act as the Liquidator; AND ON HEARING Roland Luo, counsel for Ming Fei Guan and no one appearing for the Company, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

- 1. Pursuant to Section 39 of the *LEA* and Section 324 of the *BCA*, McEown and Associates LTD. is hereby appointed Liquidator, without security, of all of the assets,

undertakings and properties of the Company, including all proceeds thereof (the "Property").

LIQUIDATOR'S POWERS

2. Without limiting the powers of the Liquidator as provided for in Section 334 of the *BCA*, the Liquidator is hereby 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 Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator 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 Company, 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 Company;
 - (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 Liquidator'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 Company or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting these amounts, including, without limitation, enforcement of any security held by the Company;
 - (g) to settle, extend or compromise any indebtedness owing to the Company;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Company;

- (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 Company, the Property or the Liquidator, 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 Liquidator 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 \$75,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court 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 Liquidator considers appropriate on all matters relating to the Property and the liquidation, and to share information, subject to confidentiality terms as the Liquidator 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 Liquidator, in the name of the Company;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Company, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Company;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Company may have; and

- (s) 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 Liquidator 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 Company, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

3. Each of (i) the Company; (ii) all of the Company'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, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "Persons" and each a "Person") shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Liquidator upon the Liquidator's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Liquidator 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 Company, 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 Liquidator of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies of the Records and grant to the Liquidator 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 Liquidator 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may require including, without limitation, providing the Liquidator with instructions on the use of any

computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

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

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

8. No Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Company 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 Company and the Liquidator.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Company, the Liquidator, or affecting the Property, are stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that nothing in this Order shall (i) empower the Liquidator or the Company to carry on any business which the Company 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 LIQUIDATOR

10. 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 Company, without written consent of the Liquidator 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.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Company 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 Company 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 Liquidator, and the Liquidator shall be entitled to the continued use of the Company'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 Liquidator in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator 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 Liquidator (the "Post-Liquidation Accounts") and the monies standing to the credit of such Post-Liquidation Accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Company shall remain the employees of the Company until such time as the Liquidator, on the Company's behalf, may terminate the employment of such employees. The Liquidator shall not be liable for any employee-related liabilities of the Company, including any successor employer liabilities as referred to in Section 14.06 (1.2) of the *BIA*, other than amounts the Liquidator may specifically agree in writing to pay or in respect of obligations imposed specifically on Liquidators 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 Liquidator 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 Liquidator may hire in accordance with the terms and conditions of such employment by the Liquidator.

PERSONAL INFORMATION

14. 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 Liquidator 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 Liquidator, 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 Company and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Liquidator 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 Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation.
16. The Liquidator shall not, as a result of this Order or anything done in pursuance of the Liquidator'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 Liquidator is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Liquidator is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Liquidator's appointment; or,
 - (b) after the Liquidator's appointment, unless it is established that the condition arose, or the damage occurred as a result of the Liquidator's gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Liquidator to remedy any environmental condition or environmental damage affecting the Property, if the Liquidator complies with the *BIA* section 14.06(4), the Liquidator 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 LIQUIDATOR'S LIABILITY

19. The Liquidator 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 Liquidators by applicable legislation.

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

LIQUIDATOR'S ACCOUNTS

20. The Liquidator and its legal counsel, if any, are granted a charge (the "Liquidator'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 Liquidator'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*.
21. The Liquidator and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Liquidator 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 Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE LIQUIDATION

23. The Liquidator 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 \$50,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Liquidator 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 Liquidator 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 "Liquidator'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 Liquidator's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.
24. Neither the Liquidator's Borrowings Charge nor any other security granted by the Liquidator in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. The Liquidator is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Liquidator's Certificates") for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Liquidator pursuant to this Order or any further order of this Court and any and all Liquidator'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 Liquidator's Certificates.

ALLOCATION

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

GENERAL


28. The Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of the Company.
30. 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 Liquidator 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.
31. The Liquidator 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 Liquidator 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.
32. The Company be liquidated and dissolved.
33. ~~The Liquidator shall, prior to the dissolution of the Company, examine the conduct of any past or present director, officer, shareholder of beneficial owner of shares of the Company if it appears to the Liquidator such a person has misapplied, retained, or become liable or accountable for any property, rights or interests of, or has been guilty of any breach of trust in relation to the Company.~~
34. ~~The Liquidator shall prior to the dissolution of the Company, determine the liability of any past or present director, officer, shareholder of beneficial owner of shares of the Company to the Company.~~



35. The Liquidator shall, upon request by any party in this proceeding, provide a copy of all the Records obtained in the course of being the Liquidator.
36. 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 Liquidator and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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:



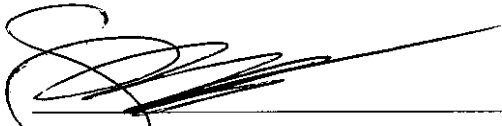
Signature of Roland Luo
Lawyer for the Applicant Ming Fei Guan



BY THE COURT



~~DISTRICT REGISTRAR~~



Signature of Sampson Pun
Lawyer for the Petitioners
Lawrence Koo and 1060150 B.C. Ltd.



SCHEDULE "A"

LIQUIDATOR CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that McEown and Associates LTD., the Liquidator (the "Liquidator") of all of the assets, undertakings and properties of PACIFIC NATIONAL TRAVELS INC. acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the [] day of [], 2022 (the "Order") made in SCBC Action No.S2110590 has received as such Liquidator from the holder of this certificate (the "Lender") the principal sum of \$ [], being part of the total principal sum of \$ [] which the Liquidator 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 [] 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 Liquidator 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 Liquidator 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 Vancouver, British Columbia.
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 Liquidator 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 Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator 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 _____, 2022.

McEown and Associates LTD., solely in their capacity as Liquidator of the Property, and not in a personal capacity

Per:
Name:
Title: