



FORCE FILED

No. S235348  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

MCEOWN AND ASSOCIATES LTD. in its capacity as  
RECEIVER OF 8655 GRANVILLE LIMITED PARTNERSHIP

Petitioner

AND:

RED BUFFALO 8655 HOLDINGS LTD.

Respondent

**NOTICE OF APPLICATION**

**Name of applicant:** McEown and Associates Ltd. (the “**Receiver**”) in its capacity as the receiver, appointed by Extraordinary Resolution dated April 18, 2023, of 8655 Granville Limited Partnership (the “**Limited Partnership**”), and in its capacity as Court appointed receiver of Red Buffalo 8655 Holdings Ltd. (“**8655 Holdings**”)

To: The Service List attached as **Schedule “A”**

TAKE NOTICE that an application will be made by the Receiver to the presiding judge or master at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 18th day of December, 2023, at 9:45 a.m, or as soon thereafter as counsel may be heard for the orders set out in Part 1 below.

**Part 1: ORDERS SOUGHT**

1. Orders incidental to the Order sort by the Receiver in the Approval Application including relief and directions as follows:
  - a. in the event the Transaction is approved, authorizing and directing the Receiver to distribute funds in accordance with the procedure described in the Receiver’s Second Report dated December 7, 2023 (the “**Second Report**”);
  - b. providing directions with respect to the distribution of 1146503 BC Ltd.’s Limited Partnership distribution entitlement; and
  - c. reserving leave for the Receiver to apply to this court for assistance and directions as may be necessary.

2. Such further and other orders as the court deems just.

**Part 2: FACTUAL BASIS**

3. 8655 Holdings is the registered owner of a vacant development property, being the lands and premises located at 8655 Granville Street, Vancouver, BC, (the “**Lands**”) more particularly described as:

Parcel Identifier: 009-430-105  
Lot D Block F District Lot 318 Plan 21521

4. 8655 Holdings held legal title to the Lands, for the sole benefit of Red Buffalo 8655 Management Corp. (“**8655 Management**”) in its capacity as general partner of the Limited Partnership, pursuant to the terms of a Bare Trust and Agency Agreement dated February 28, 2018.
5. The Limited Partnership is a limited partnership governed by a Limited Partnership Agreement dated February 21, 2018 (the “**LPA**”).
6. By Extraordinary Resolution dated April 18, 2023 (the “**Winding Up Resolution**”), certain limited partners holding in aggregate more than 75% of the aggregate number of outstanding units in the Limited Partnership resolved to wind up and dissolve the Limited Partnership, pursuant to Sections 10.14(b) and 12.1 of the LPA.
7. Pursuant to clause 12.5(c) of the LPA, as a result of the Winding Up Resolution, the Receiver has all the powers and authority of the general partner.
8. The LPA creates two classes of limited partners (based on the nature of the units which they hold) being:
- a. Class A Partners; and
  - b. Class B Partners.
9. The Class A Limited Partnership units are held as follows:

Unit interest	Limited Partner
62.25%	Sunshine Treasure Hunt Development Ltd. (“Sunshine”)
37.75%	1146503 BC Ltd.

10. The Class B Limited Partnership units are held as follows:

<b>Unit interest</b>	<b>Limited Partner</b>
34.9%	Sunshine
25%	1146812 BC Ltd.
15.1%	1146503 BC Ltd.
15%	1138555 BC Ltd.
10%	1145804 BC Ltd.

(Class A and Class B partners together referred to as the “**Limited Partners**”)

11. By Order pronounced August 3, 2023 (the “**Receivership Order**”), the Receiver was appointed as receiver of 8655 Holdings.

**Application for approval of sale**

12. Since July 2023 the Receiver (firstly in its capacity as receiver of the Limited Partnership and subsequently in its capacity as court appointed receiver of 8655 Holdings) has listed the Lands for sale.
13. On October 31, 2023 the Receiver entered into a contract of purchase and sale of the Lands (with an option to acquire all of the issued share capital of 8655 Holdings) (the “**Transaction**”). The Transaction contains a condition requiring the Receiver to secure court approval and by Notice of Application filed November 10, 2023 the Receiver has applied for approval of the Transaction (the “**Approval Application**”).
14. The Approval Application and this application are scheduled for hearing at the same time on December 18, 2023.

**Completion of the Transaction**

15. In the Receiver’s First Report to Court November 10, 2023 (the “**First Report**”) the Receiver described how the Transaction contemplates a portion of the purchase price being satisfied by delivery of promissory notes (the “**Credit Bid**”).
16. One of the Limited Partners (Sunshine, through its principle Ms. Xu) has disclosed their interest in the Transaction.

17. In this application, the Receiver seeks directions from the court with respect to distribution of funds which will be realized from the Transaction. The directions sought are necessary as the Transaction contemplates promissory notes (which will be accepted by related party lenders and two of the Limited Partners (the “**Participating Partners**”)) being used to satisfy a portion of the purchase price.
18. In order to determine whether or not the debt and equity interests of the related party lenders and the Participating Partners is sufficient to cover the promissory notes the Receiver has reviewed and provided its report and recommendations to the court on the LPA distribution methodology.

#### **Debts of 8655 Holdings and the Limited Partnership**

19. In the course of its administration, the Receiver has undertaken investigations in respect to the indebtedness of both 8655 Holdings and the Limited Partnership.
20. The Receiver was provided access to various records of the Limited Partnership including excel workbook of schedules prepared by MNP LLP (the “**MNP Schedules**”). The MNP Schedules included balance sheets, capital contributions, loan and interest calculations, related party loans and interest, accounts payable, property purchase details and development costs. They also included a preliminary distribution schedule to Limited Partners based on an anticipated sale price for the Lands of \$20,820,000.
21. The MNP Schedules were provided to 1146503 BC Ltd. for review and comment. To date, other than comments with respect to the final distribution methodology to the Limited Partners (as addressed in the Second Report), no comments or concerns have been provided to the Receiver regarding the calculations contained in the MNP Schedules.
22. The Receiver has updated the MNP Schedules based on the e updated records which it has received and reviewed. The primary changes reflect interest adjustments and the change to the purchase price for the Lands of \$18,800,000 to reflect the Transaction.
23. In event that the Transaction is approved (and subject to timing variances based on the closing date) the following represents a summary of the indebtedness of 8655 Holdings and the Limited Partnership that will have to be accounted for on closing:

Realtor’s fee on Transaction	52,500
Canadian Western Bank – principal	9,992,247
Canadian Western Bank – interest to Dec 15, 2023	844,816
Canadian Western Bank – Legal Fees (estimate)	40,000

Professional Fees of Receiver and its Counsel (estimate)	200,000
Government Loan (CEBA) if paid by Dec 31, 2023	40,000
General Creditors (consultants, property taxes etc)	345,441
Loans from 1138555 BC Ltd.	11,720
Loans from related parties	2,951,428
	\$14,478,153

24. The related party loans represent an indebtedness of the Limited Partnership to various individuals and entities associated with the Limited Partners. The related party lenders have advised the Receiver that they approve of the Credit Bid and are prepared to accept payment of those debts by promissory notes

#### **Distribution to Limited Partners**

25. The Credit Bid portion of the purchase price in the transaction is \$5,340,000. A portion of that, presently calculated to be \$2,951,428, will be contributed to by the related party lenders.
26. The LPA provides, at clause 12.6, a scheme for distribution of the net proceeds from liquidation of the Limited Partnership as follows:
- a. payment of the expenses of dissolution and liquidation together with the debts and liabilities of the Limited Partnership;
  - b. allocation of such reserves as the Receiver considers reasonably necessary for any contingent or unforeseen liabilities; and
  - c. distribution of the balance to the limited partners.
27. The Receiver has provided calculations in the Second Report on the estimated distribution amounts to Limited Partners after payment of 8655 Holdings and the Limited Partnership's indebtedness.
28. Based on those calculations there are sufficient funds available for distribution to the Participating Partners to allow their payments to be made by way of the promissory note which are intended to be used (in part) to complete the Transaction.
29. The Receiver has been advised that the Participating Partners are prepared to accept a portion of their partnership distributions by way of promissory notes.

#### **Claim against 1146503 BC Ltd.'s Limited Partnership interest**

30. During the course of the administration the Receiver became aware of certain claims being advanced against 1146503 BC Ltd.'s Limited Partnership entitlement by Sunshine. The Receiver understands that Sunshine claims that the alleged debt is secured by 1146503 BC Ltd.'s Limited Partnership units.
31. Petition proceedings have been commenced by Sunshine the particulars of which are described in the Second Report.
32. The Receiver has not made enquiries on the merits of Sunshine's claim but is aware of correspondence between counsel for 1146503 BC Ltd. and Sunshine regarding a potential resolution.
33. The Receiver seeks directions with respect to any distribution to 1146503 BC Ltd. of its Limited Partnership entitlement.

### **Finalization of the Receivership**

34. In the event that the Transaction is approved (and completes) the Receiver seeks distribution directions. In the event that the Receiver's recommendations are approved it will attend to those distributions.
35. After completion of the Transaction and the distribution of proceeds the Receiver expects to proceed with a final application seeking:
  - a. approval of its activities;
  - b. approval of its fees and those of its counsel; and
  - c. final discharge.

### **Part 3: LEGAL BASIS**

36. The Receiver relies on the:
  - a. *Supreme Court Civil Rules*;
  - b. *Bankruptcy and Insolvency Act*; and
  - c. Order of Justice Warren made August 3, 2023.
37. The Receivership order specifically authorizes the Receiver to:
  - a. collect and hold monies realized in the receivership (paragraph 3(g));
  - b. sell or convey the property of 8655 Holdings with the approval of the court in the event that the transaction exceeds \$200,000(paragraph 3(m)); and

c. to apply to the court for advice and directions (paragraph 36).

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

1. Receivership Order made August 3, 2023.;
2. Affidavit #1 of John McEown sworn July 27, 2023.;
3. Receiver's First Report to Court dated November 10 2023; and
4. Receiver's Second Report to Court dated December 7, 2023.

The Receiver estimates that the Application will take 30 minutes.

This matter is within the jurisdiction of a master.

This matter is not within the jurisdiction of a master.

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

Date: December 7, 2023

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Signature of Jeremy D. West  
Counsel for the 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

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- discovery: comply with demand for documents
- discovery: production of additional documents
- 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
- none of the above



**Schedule “A”**

No. S235348  
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MCEOWN AND ASSOCIATES LTD. in its capacity as  
RECEIVER OF 8655 GRANVILLE LIMITED PARTNERSHIP

PETITIONER

AND:

RED BUFFALO 8655 HOLDINGS LTD.

RESPONDENT

**SERVICE LIST**  
**(as at December 7, 2023)**

<p><b>Counsel for Canadian Western Bank</b></p> <p>Richards Buell Sutton LLP 700 – 401 West Georgia Street Vancouver, BC V6B 5A1</p> <p>Dan Nugent <a href="mailto:dnugent@rbs.ca">dnugent@rbs.ca</a></p>	<p><b>Counsel for the Receiver, McEown and Associates Ltd. in its capacity as the receiver, appointed by Extraordinary Resolution dated April 18, 2023, of 8655 Granville Limited Partnership, and in its capacity as Court appointed receiver of Red Buffalo 8655 Holdings Ltd.</b></p> <p>Watson Goepel LLP 1200-1075 West Georgia Street Vancouver, BC V6E 3C9</p> <p>Jeremy West <a href="mailto:jwest@watsongoepel.com">jwest@watsongoepel.com</a> Chelsey Cochrane <a href="mailto:ccochrane@watsongoepel.com">ccochrane@watsongoepel.com</a> John McEown <a href="mailto:jm@mcewonassociates.ca">jm@mcewonassociates.ca</a></p>
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<p><b>Counsel for Sunshine Treasurehunt Development Ltd., Hong Xu, 1146812 BC Ltd.</b></p> <p>Kornfeld LLP 1100 One Bentall Centre, Box 11 505 Burrard Street Vancouver, BC V7X 1M5</p> <p>Dan Parlow <a href="mailto:dparlow@kornfeldllp.com">dparlow@kornfeldllp.com</a> Jordan E. Langlois <a href="mailto:jlanglois@kornfeldllp.com">jlanglois@kornfeldllp.com</a></p>	<p><b>Counsel for Canadian Red Bull Group Investment Management Ltd., 1146506 BC Ltd., WJY 2015 Trust, Chang Xia Ly, Hu Wang</b></p> <p>Bridgehouse Law LLP 9th Floor, 900 West Hastings Street Vancouver, British Columbia Canada V6C 1E5</p> <p>Ritchie Clark <a href="mailto:RClark@bridgehouselaw.ca">RClark@bridgehouselaw.ca</a> Michael Noguera <a href="mailto:mnoquera@bridgehouselaw.ca">mnoquera@bridgehouselaw.ca</a> Rianne Heinecke <a href="mailto:rheinecke@bridgehouselaw.ca">rheinecke@bridgehouselaw.ca</a></p>
<p><b>Counsel for The Purchaser</b></p> <p>Boughton Law Corporation 700 – 595 Burrard Street Vancouver, BC V7X 1S8</p> <p>Larry Yen <a href="mailto:lyen@boughtonlaw.com">lyen@boughtonlaw.com</a></p>	<p><b>1146503 B.C. Ltd.</b></p> <p>#1510 – 800 West Pender Street Vancouver, BC V6C 2V6</p>
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<p><b>Core Concept Consulting Ltd.</b></p> <p>4362 Pine Crescent Vancouver, BC V6J 4L1</p>	<p><b>Red Buffalo 8655 Management Corp.</b></p> <p>7985 Granville Street Vancouver, BC V6P 4Z3</p>
<p><b>Canada Revenue Agency</b> Pacific Insolvency Intake Centre Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey BC V3T 5E1 <a href="mailto:AGC-PGC.Vancouver-Tax-Fiscal@justice.gc.ca">AGC-PGC.Vancouver-Tax-Fiscal@justice.gc.ca</a> Phone (toll free): 1-866-891-7403 Fax (toll free): 1-833-697-2389</p>	

**SERVICE LIST EMAILS**  
**(as at December 7, 2023)**

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