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COURT FILE NUMBER

1703 12327

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE
COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985 c
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN
OF ARRANGEMENT OF 667402
ALBERTA LTD., 18512398
ALBERTA LTD., 1371047
ALBERTA LTD., 1919209
ALBERTA LTD. AND CANADA
NORTH GROUP LP HOLDINGS
LTD.

DOCUMENT

APPLICATION BY 726 MODULAR
FINANCE LTD.

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: October 23rd, 2018
Time: 10:00 in the forenoon, or so soon after as is practicable
Where: Law Courts, Edmonton, AB
Before Whom: Nielsen J.

Form 27
[Rules 6.2 and 6.3]



Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. A declaration of this Honourable Court confirming that the order of Nielsen J. of October 25, 2017 which extended the stay of proceedings against 18512398 Alberta Ltd. ("185") to 726 Modular Finance Ltd. ("726") continues to be in full force and effect;
2. An order that the summary judgment application of Kingdom Properties Ltd. and Kingdom Cats Ltd. (collectively "Kingdom") scheduled for November 7th, 2018 in Court of Queen's Bench Action No. 1603 21142 ("the Kingdom Action") be adjourned sine die;
3. An order that the application for determination of ownership in Court of Queen's Bench Action No. 1703 23860 be adjourned to December 4th-5th, 2018 before Hillier J., or such other time as the ownership disputes between 726, 726 Remote Accommodations Ltd., the Monitor and the subjects of the within action are to be determined in the within action;
4. An order staying the Kingdom Action pending Kingdom's appeal of the Monitor's disallowances of claim in the within action;
5. In the alternative, advice and direction on the appropriate venue for the hearing of the summary judgment application of Kingdom and the appeal of Kingdom's disallowed claims in the within action;
6. Costs against Kingdom Properties Ltd. and Kingdom Cats Ltd.; and
7. Such further and other relief as this Honourable Court deems fit.

Grounds for making this application:

8. On November 16th, 2016, Kingdom commenced the Kingdom Action against Kilometer 147 GP Ltd., Kilometer 147 LP, Canada North Camps, Inc. (now 185) and 726. The claim against 185 and 726 was as indemnitors of Kilometer 147 LP and Kilometer 147 GP Ltd. for liabilities of Kilometer 147 GP Ltd. and Kilometer 147 LP;
9. 185 and 726 are both sued in the same capacity in the Kingdom Action;
10. In the Kingdom Action, Kingdom filed an application for Summary Judgment;
11. On July 5th, 2017, Nielsen J. ordered a stay of proceedings against a number of parties, including 185, Kilometer 147 LP and Kilometer 147 GP Ltd.;
12. On October 25th, 2017, Nielsen J. ordered that the stay of proceedings of any actions against 185 be extended to 726 with the express exception of the ability for Kingdom to schedule a special chambers application in the Kingdom Action (the "726 Stay"). As per the order of Nielsen J., ability of Kingdom to proceed with the special chambers application was subject to any extensions of the duration of the 726 Stay;
13. The order for the 726 Stay was never reduced to writing or filed;

14. On October 25th, 2017, the stay duration was extended to January 31st, 2018;
15. The special chambers application in the Kingdom Action was scheduled for November 7th, 2018;
16. On December 5th, 2017, 726 brought an application for replevin against Kingdom Properties Ltd. for possession of dorms held on the Kilometer 147 camp lands;
17. On January 18th, 2018, Master Schulz granted the order for replevin to 726 and also inter alia that an application to determine the legal ownership of the equipment for which the replevin order was granted also be heard at the November 7th, 2018 special chambers application;
18. Kingdom filed four proofs of claim in the within action;
19. On February 16th, 2018, all four of Kingdom's claims were disallowed by the Monitor;
20. It is the information of 726 that Kingdom has filed appeals of the disallowances, though those appeals have not been heard;
21. The duration of the stay has been extended beyond January 31st, 2018 a number of times; on June 21st, 2018, the last time the duration of the stay was extended, the stay is was extended until December 31st, 2018;
22. The Monitor has indicated that it intends on bringing an application for this court to make a declaration with respect to ownership of various assets, including those which are the subject of the Replevin Action, on December 4th-5th, 2018;
23. Kingdom has taken the position that there is no stay in place which precludes Kingdom from proceeding with its application for summary judgment and that it intends on proceeding with its summary judgment application on November 4th, 2018;
24. That in order to avoid inconsistent rulings or findings, the issues of Kingdom's claim against 726 and the ownership issues in the Kingdom Action and the within action should be heard at the same time;
25. Such further and other grounds as this Honourable Court will consider.

Material or evidence to be relied on:

26. Affidavit of Georgina McMinn; and
27. Such further and other evidence as this Honourable Court will allow.

Applicable rules:

28. Rules 1.2, 1.3, 1.4, 1.7, 3.72, 6.2, 6.3, 6.11, 9.3 and 13.18 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

29. *Judicature Act*, RSA c J-2;

30. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36; and

31. Such further and other acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

32. Nil.

How the application is proposed to be heard or considered:

33. Before Nielsen J. sitting on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.