

No. S-208894

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
AS AMENDED

-AND-

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGMENT OF URTHECAST
CORP., URTHECAST INTERNATIONAL CORP., URTHECAST USA INC, 1185729 B.C.
LTD.

PETITIONERS

APPLICATION RESPONSE

Application Response of: Royal Bank of Canada (“RBC”)

THIS IS A RESPONSE TO the Notice of Application of the Petitioners dated December 29,
2020.

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: NIL.

Part 2: ORDERS OPPOSED

The application respondent opposes the granting of the orders set out in paragraph 1 of Part 1 of the Notice of Application, in so far as the orders sought affect RBC term deposits /GICs in the name of Urthecast Corp. (the “GICs”) which are held as cash collateral by RBC, and in so far as the orders sought affect RBC’s security over the GICs registered in the British Columbia Personal Property Registry under base registration number 753953H, and in so far as the orders sought affect RBC’s rights under the cash collateral agreement between RBC and Urthecast Corp.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

The application respondent takes no position on the granting of the Orders set out in paragraphs NIL of Part 1 of the Notice of Application.

Part 4: FACTUAL BASIS

1. The GICs are not, and should not, be assets captured by the description of the assets to be transferred by the agreements for which the Petitioners seek Court approval. The GICs are unrelated to the assets which are the subject of the agreements and are held by RBC as security for advances made to Urthecast Corp. by way of Visa cards issued by RBC to Urthecaste Corp.
2. RBC has requested that the Petitioners confirm that the Orders sought in the Petitioners’ Application are not intended to affect the GICs and RBC’s security over the GICs but the Petitioners have declined to provide that confirmation. RBC’s registration in the Personal Property Registry is limited to monies and amounts on deposit in the name of Urthecast Corp. at RBC and RBC related entities, and their proceeds. This security does not need to be and should not be discharged in order for the sales contemplated by the Petitioner’s Application to be completed.

Part 5:LEGAL BASIS

1. The GICs are held as cash collateral by RBC and RBC holds security against the GICs registered in the British Columbia Personal Property registry under base registration number 753953H.
2. The GICs are unrelated to the transactions and assets which are the subject of the agreements for which the Petitioners seek approval in the subject Application.
3. The Cash Collateral Agreement provides that so long as the customer's indebtedness to RBC exists, RBC will not be indebted to the customer for the amounts of the GICs, and the Cash Collateral Agreement provides that RBC has the right of set off and co-mingling of accounts.

Part 6:MATERIAL TO BE RELIED ON

1. Affidavit # 1 of Alexis Jimenez, made January 5, 2021.

The application respondent estimates that the application will take 30 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:

Application Respondent's address for service:

C/o Jef Poulsen

Poulsen & Company

Barristers & Solicitors

1800-999 West Hastings Street

Vancouver, BC V6C 2W2

Telephone:

604-541-2469

Email:

contact@poulsenlaw.com

Date: January 5, 2021



Signature of ☐ application respondent

☒ lawyer for Application Respondent

Jef Poulsen

No. S-208894
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
AS AMENDED

-AND-

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGMENT OF URTHECAST
CORP., URTHECAST INTERNATIONAL CORP., URTHECAST USA INC, 1185729 B.C.
LTD.

PETITIONERS

APPLICATION RESPONSE

POULSEN & COMPANY
Barristers & Solicitors
1800 – 999 West Hastings Street
Vancouver, BC V6C 2W2
Telephone: 604-684-0123
Fax: 604-683-1375