

NO. S-115028  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44

AND

IN THE MATTER OF PAKIT INC.

PETITIONER

**NOTICE OF APPLICATION**

**Names of applicant: PAKIT INC.**

TO: THE SERVICE LIST AS SET OUT IN SCHEDULE "A"

TAKE NOTICE that an application will be made by the applicant at the courthouse at 800  
Smithe Street, Vancouver, BC, V6Z 2E1, on Thursday, the 25<sup>th</sup> day of August, 2011 at 9:45 a.m.  
for directions as set out in Part 1 below.

**PART 1: ORDER SOUGHT**

1. An order in the draft form attached as Schedule "B."

**PART 2: FACTUAL BASIS**

1. Circumstances exist that make the continuation of the stay appropriate.
2. The applicant has acted and continues to act diligently and in good faith to stabilize its finances and prepare a plan for its creditors, and requires a further period of at least 30 days to do so.

**PART 3: LEGAL BASIS**

1. The applicant will rely on ss.11 and 11.02(2) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and the inherent jurisdiction of this court.

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

1. Affidavit #1 of Dwayne Yaretz, sworn on July 26, 2011 and filed July 27, 2011;
2. Affidavit #2 of Dwayne Yaretz, sworn on August 23, 2011, to be filed.

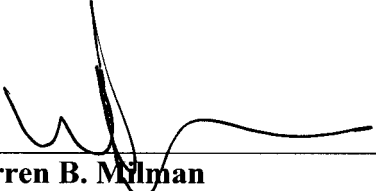
The applicants estimate that the application will take one (1) hour.

- ☒ 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).

DATED: August 23, 2011

  
\_\_\_\_\_  
**Warren B. Milman**  
Counsel for the Petitioner, Pakit Inc.

**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:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

DATED: \_\_\_\_\_

Signature of ☐ Judge

☒ ~~Master~~

<b>SCHEDULE "A"</b>
---------------------

## SERVICE LIST

<p><b>Petitioner</b>  <b>PAKIT INC.</b>  2250 – 1050 West Pender Street  Vancouver, BC V6E 3S7  <b>Attn: Dwayne Yaretz</b></p> <p>Direct: 604-683-3200 / 360-214-3112  Facsimile: 604-683-3204  Email: dyaretz@gmail.com</p>	<p><b>Counsel for Petitioner</b>  <b>MCCARTHY TÉTRAULT LLP</b>  1300 – 777 Dunsmuir Street  Vancouver, BC V7Y 1K2  <b>Attn: Warren B. Milman</b></p> <p>Direct: 604-643-7104  Facsimile: 604-622-5704  Email: wmilman@mccarthy.ca</p>
<p><b>Monitor</b>  <b>ALVAREZ &amp; MARSAL CANADA INC.</b>  1680 – 400 Burrard Street  Vancouver, BC V6C 3A6  <b>Attn: Pam K. Boparai/Tom Powell</b></p> <p>Direct: 604-638-7446  Facsimile: 604-638-7441  Email: pboparai@alvarezandmarsal.com  tpowell@alvarezandmarsal.com</p>	<p><b>Counsel for Monitor</b>  <b>BORDEN LADNER GERVAIS LLP</b>  1200 – 200 Burrard Street  Vancouver, BC V7X 1T2  <b>Attn: Magnus C. Verbrugge</b></p> <p>Direct: 604-640-4198  Facsimile: 604-622-5898  Email: mverbrugge@blg.com</p>
<p><b>Counsel for Secured Creditors Fairfax Financial Holdings Limited and Craig Barton</b>  <b>BLAKE, CASSELS &amp; GRAYDON LLP</b>  2600 – 595 Burrard Street  Vancouver, BC V7X 1L3  <b>Attn: Peter L. Rubin</b></p> <p>Direct: 604-631-3315  Facsimile: 604-631-3309  Email: peter.rubin@blakes.com</p>	<p><b>Counsel for True Partners Financial Services, LLC</b>  <b>THOMPSON DORFMAN SWEATMAN LLP</b>  2200 – 201 Portage Avenue  Winnipeg, Manitoba R3B 3L3  <b>Attn: Ross A. McFadyen/James G. Edmond</b></p> <p>Direct: 204-934-2378 / 2450  Facsimile: 204-934-0538 / 0508  Email: ram@tdslaw.com  jge@tdslaw.com</p>
<p><b>Secured Creditor</b>  <b>HSBC BANK CANADA</b>  <b>Special Credit Department</b>  400 – 888 Dunsmuir Street  Vancouver, BC V6C 3K4  <b>Attn: Philip Wong</b></p> <p>Direct: 604-641-2584  Facsimile: 604-641-1909  Email: philip_wong@hsbc.ca</p>	

## SCHEDULE "B"

NO. S-115028

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44

AND

IN THE MATTER OF PAKIT INC.

PETITIONER

## ORDER MADE AFTER APPLICATION

BEFORE ) ) \_\_\_\_\_, THE \_\_\_\_\_  
 ) )  
 ) ) DAY OF \_\_\_\_\_, 2011

ON THE APPLICATION of the Petitioner, Pakit Inc., coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on the 25<sup>th</sup> day of August, 2011, AND ON HEARING Warren B. Milman on behalf of the Petitioner, Magnus C. Verbrugge on behalf of the Monitor and Peter L. Rubin on behalf of the Respondent, Fairfax Financial Holdings Limited;

THIS COURT ORDERS that:

1. The order granted herein on July 28, 2011 is extended until September 27, 2011.

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:

WARREN B. MILMAN  
Counsel for the Petitioner, Pakit Inc.

CONSENTS ATTACHED.

---

MAGNUS C. VERBRUGGE  
Counsel for the Monitor

BY THE COURT

---

PETER L. RUBIN  
Counsel for Fairfax Financial Holdings  
Limited

---

REGISTRAR