

Court file number:	1703-21274
Court of King's Bench of Alberta	
Judicial Centre	Edmonton
Plaintiff	Royal Bank of Canada
Defendants	Reid-Built Homes Ltd., 1679775 Alberta Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Red Built Homes Calgary Ltd., Reid Investments Ltd., Reid Capital Corp., and Emilie Reid
Document	Application – Payment of GST Claims
Address for service and contact information of party filing this document	Department of Justice Canada 300 EPCOR Tower, 10423 – 101 Street NW Edmonton AB T5H 0E7 Counsel: George F. Bódy Tel: 780-495-7595 Fax: 780-495-3319 Email: GEORGE.BODY@JUSTICE.GC.CA

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 Judge.

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

Date	Thursday 3 November 2022
Time	3:00 p.m. MDST
Where	Edmonton Law Courts via Webex videoconference
Virtual Courtroom Link:	https://albertacourts.webex.com/meet/virtual.courtroom86
Before Whom	The Honourable Justice J.T. Neilson

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

Remedy claimed or sought:

The form of order attached as Schedule "A" to this Application.

Grounds for making this application:

1. His Majesty the King in right of Canada, as represented by the Minister of National Revenue (the “**Minister**”), herself represented by the Canada Revenue Agency (“**CRA**”) is a creditor of 1679775 Alberta Ltd. (sometime carrying on business as Reid-Built Homes), Reid-Built Homes Ltd., Builders Direct Supply Ltd., and Reid Worldwide Corporation
2. On November 2, 2017, this Honourable Court appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as the Receiver of 1679775 Alberta Ltd. (sometime carrying on business as Reid-Built Homes), Reid-Built Homes Ltd., Builders Direct Supply Ltd., and Reid Worldwide Corporation and related corporations.
3. At the date of receivership, the four corporations were liable, and remain liable today, to the Minister pursuant to the *Excise Tax Act*, RSC 1985 c. E-15 for goods and services tax (“**GST**”) they collected before November 2, 2017 (the “**GST Claim**”).
4. Pursuant to subsection 222(1) of the *Excise Tax Act*, each corporation was required to remit the GST to the Receiver General, but failed to do so.
5. Pursuant to subsection 222(3) of the *Excise Tax Act*, if a person fails to remit the amount it is required to remit pursuant to ETA ss. 222(1), its property is subject to a statutory trust in favour of His Majesty and the proceeds of the property are to be paid to the Minister in priority to the claims of all secured creditors (as defined in ETA ss. 128(1)) of the person.
6. The CRA remitted its GST Claims with respect to the four corporations to A&M as Receiver on March 2018 and June 2018, and requested payment again on August 27, 2018 and January 17, 2019 but A&M has not paid this claim.
7. On September 20, 2022, CRA’s counsel wrote to A&M’s counsel to inquire about payment. A&M’s counsel replied that the companies were going to make assignments in bankruptcy and CRA’s GST Claim would be dealt with in the bankruptcy.
8. By way of paragraph 3(r) of the Consent Receivership Order (2 November 2017), this Honourable Court authorized A&M to assign 167 into bankruptcy.
9. As of 21 October 2022, none of the four corporations had been assigned into bankruptcy.
10. Pursuant to subsection 222(1.1) of the *Excise Tax Act*, the Minister’s deemed trust claim for GST is extinguished upon the bankruptcy of the tax debtor.
11. According to the Nineteenth Report of the Receiver (September 20, 2021) (the most recent report filed by the Receiver in this proceeding, for the period from November 2, 2017 to September 10, 2021, the total receipts in the receivership proceedings amounted to \$131,885,000, total disbursements amounted to \$131,041,000, and the closing cash balance was \$843,000.
12. The Receiver has not provided any reason why it has neglected or refused to pay the Minister’s GST claims for over four years.

13. The Minister applies for an order directing the Receiver to remit payment of

- (a) \$193,343.42 with respect to 1679775 Alberta Ltd.,
- (b) \$555,105.69 with respect to Reid-Built Homes Ltd.,
- (c) \$4,495.27 with respect to Builders Direct Supply Ltd., and
- (d) \$19,422.90 with respect to Reid Worldwide Corporation

to the Receiver General in respect of the GST claims of the Minister.

Material or evidence to be relied on:

- 1. Affidavit of CRA Officer Doraine Awid sworn October 25, 2022, filed.
- 2. Receiver's Nineteenth Report dated September 20, 2021 (previously filed)

Applicable rules:

- 3. Alberta Rules of Court 6.2, 6.3, 6.9, 6.10, 6.11

Applicable statutes and regulations:

- 4. *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3, ss. 181(1), 183(1), 243
- 5. *Excise Tax Act*, RSC 1985 c. E-15, ss. 222
- 6. Such further statutes and regulations as counsel may advise and that this Honourable Court may allow..

Any irregularity complained of or objection relied on:

- 7. There are no irregularities complained of or objections relied upon.

How the application is proposed to be heard or considered:

- 8. Via Cisco-Webex electronic hearing, before presiding Justice in commercial chambers.

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.

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Judicial Centre	Edmonton
Plaintiff	Royal Bank of Canada
Defendants	Reid-Built Homes Ltd., 1679775 Alberta Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Red Built Homes Calgary Ltd., Reid Investments Ltd., Reid Capital Corp., and Emilie Reid
Document	ORDER – Payment of GST Claims
Address for service and contact information of party filing this document	Department of Justice Canada 300 EPCOR Tower, 10423 – 101 Street NW Edmonton AB T5H 0E7 Counsel: George F. Bódy Tel: 780-495-7595 Fax: 780-495-3319 Email: GEORGE.BODY@JUSTICE.GC.CA
Date on which this Order was pronounced:	Thursday 3 November 2022
Name of Justice who pronounced this Order:	Justice J.T. Neilson
Place where this Order was pronounced:	Edmonton, Alberta

UPON the application of the Attorney General of Canada acting for His Majesty the King in right of Canada, represented by the Minister of National Revenue, herself represented by the Canada Revenue Agency;

AND UPON reading the affidavit of Canada Revenue Agency officer Doraine Awid sworn October ___, 2022, filed;

AND UPON hearing counsel for the applicant and counsel for Alvarez & Marsal Canada Inc. (“A&M”) in its capacity as Receiver of the Defendants;

THE COURT ORDERS AND DECLARES:

1. Service of notice of this application and supporting materials is good and sufficient, no other person is required to have been served with notice of this application, time for service of the notice of application for this Order is hereby abridged to that actually given, and this application is properly returnable today.

2. A&M is directed to pay to the Receiver General of Canada
 - (a) \$193,343.42 with respect to 1679775 Alberta Ltd.,
 - (b) \$555,105.69 with respect to Reid-Built Homes Ltd.,
 - (c) \$4,495.27 with respect to Builders Direct Supply Ltd., and
 - (d) \$19,422.90 with respect to Reid Worldwide Corporationforthwith in respect of His Majesty's claims for outstanding goods and services tax owing by the corporations.
3. This Order shall have continuing and binding effect and shall not otherwise be limited or impaired in any way by:
 - (a) Any application(s) for bankruptcy orders issued pursuant to the *Bankruptcy and Insolvency Act* RSC 1985 c. B-3 (the "**BIA**") or any bankruptcy order made pursuant to such applications;
 - (b) The filing of any assignment for the general benefit of creditors made pursuant to the BIA;
 - (c) The provisions of any federal or provincial statutes.
4. [IF NECESSARY:] Pursuant to subsection 181(1) of the *Bankruptcy and Insolvency Act*, the assignment in bankruptcy of 1679775 Alberta Ltd., Reid-Built Homes Ltd., Builders Direct Supply Ltd., or Reid Worldwide Corporation by A&M on [date] is annulled.

Justice J.T. Neilson
Court of King's Bench of Alberta