No. H241188
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

TCC MORTGAGE HOLDINGS INC.

Petitioner

- and -

SHAWN OAKS HOLDINGS LTD.
LANDMARK SHAWN OAKS DEVELOPMENT LTD.
LANDMARK PREMIERE PROPERTIES LTD.
HELEN CHAN SUN
PETERSON INVESTMENT GROUP INC.
THE OWNERS: STRATA CORPORATION VR. 855 and
ALL TENANTS OR OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

NOTICE OF APPLICATION

Name of applicant: **Alvarez & Marsal Canada Inc.** ("**A & M**"), in its capacity as court appointed receiver and manager of the assets, undertakings and properties of Landmark Shawn Oaks Development Ltd. and Shawn Oaks Holdings Ltd. (in such capacity, the "**Receiver**" or the "**Applicant**")

To: the Service List attached hereto as **Schedule "A"**.

TAKE NOTICE that an application will be made by the Applicant to the Honourable Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC, on August 12, 2026 at 11:00 am for the orders set out in Part 1 below.

The Applicant estimates that the application will take 2 hours.

☐ This matter is within the jurisdiction of an associate judge.

☒ This matter is not within the jurisdiction of an associate judge.

Part 1: ORDERS SOUGHT

1. An order substantially in the form attached hereto as **Schedule "B"** (the "**Discharge Order**"):

   (a) approving the activities of the Receiver as set forth in the First Report of the Receiver dated July 13, 2026 (the "**First Report**")

   (b) approving the Receiver's statement of actual and estimated receipts and disbursements for the period from February 13, 2025 to July 13, 2026;

   (c) approving the fees of the Receiver for the period from February 13, 2025 to June 30, 2026;

   (d) approving the Receiver's estimated further fees and disbursements of approximately $50,000 (plus applicable taxes) for the period from July 1, 2026 to the completion of this matter;

   (e) approving the fees and disbursements of the Receiver's legal counsel, Dentons Canada LLP ("**Dentons**"), for the period from February 13, 2025 to June 30, 2026;

   (f) approving Dentons' estimated further fees and disbursements of approximately $60,000 (plus applicable taxes) for the period from July 1, 2026 to the completion of this matter; and

   (g) discharging the Receiver from its duties in these proceedings, upon the Receiver filing the Receiver's Certificate (the "**Receiver's Certificate**").

2. Such further and other relief as the Receiver may request and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

Background

3. Landmark Shawn Oaks Development Ltd. (the "**Beneficial Owner**") and Shawn Oaks Holdings Ltd. (the "**Nominee**" and together with the Beneficial Owner, the "**Debtors**") are British Columbia companies in the business of real estate development.

4. The Receiver was appointed as receiver and manager over all assets, property and undertakings of the Debtors by an order granted by the Honourable Justice Wolfe on February 13, 2025 and entered on February 18, 2025 (the "**Receivership Order**").

5. The Nominee is the registered owner of the lands and premises with the following legal description: Strata Lots 1-46 and 48-72, District Lot 526, Strata Plan VR 855 located in Vancouver, B.C. (the "**Lands**").

6. The Lands comprise an approximate 139,000 square feet development site located at 5505-5585 Oak Street, Vancouver, B.C. There are 72 stratified town homes (71 individually strata-titled residential units and one common strata unit) currently located on the Lands, which are rented to third parties.

7. Following its appointment pursuant to the Receivership Order, the Receiver engaged Colliers Macaulay Nicolls Inc. ("**Colliers**") to market the Lands to prospective buyers.

8. As set out in the Receiver's Notice of Application filed on July 21, 2026, and returnable August 12, 2026 (the "**Sale Approval Application**"), the Receiver has entered into a subscription agreement executed on July 3, 2026 (the "**Purchase Agreement**") with TC Shawn Oaks FC Limited Partnership, by its general partner, TC Shawn Oaks FC GP Inc. (the "**Purchaser**"). The Purchaser is an affiliate of the Petitioner and the Purchase Agreement contemplates a reverse vesting transaction with the purchase price to be funded by a reduction of the indebtedness owing to the Petitioner (the "**Transaction**").

9. The Sale Approval Application is scheduled to be heard on August 12, 2026, and the Purchase Agreement sets a closing date of the Transaction ten (10) days following Court approval.

10. Once the Transaction Closes and the Lands vest in the Purchaser, the Receiver does not know of any material assets that will remain in the Debtors' estates for further recovery.

11. As such, the Receiver is seeking approval of its activities and fees and leave to be discharged as Receiver concurrently with the Court approving the Transaction.

Activities and Fees:

12. The Receiver has outlined all of the activities since being appointed as the Receiver (the "**Activities**") in the First Report.

13. The Receiver also seeks approval of:

    (a) the Receiver's fees and disbursements for the period from February 13, 2025 to June 30, 2026 (the "**Receiver's Fee Period**");

    (b) Dentons' fees and disbursements for the period from February 13, 2025 to June 30, 2026 (the "**Dentons Fee Period**" and together with the Receiver's Fee Period, the "**Fee Period**"); and

(c) the Receiver's and Dentons' estimated fees and disbursements to complete the Receivership.

14. The Activities, as summarized in the First Report, include:

(a) securing and taking possession of the Lands including issuing notices to the occupants of the Lands;

(b) providing notice to Toronto Dominion Banking Corporation regarding the receivership, requesting the Debtors' bank accounts and credit cards be frozen and cash balances be remitted to the Receiver;

(c) attending introductory meetings with the Debtors and representatives of the property manager, Fraser Park Realty Ltd. (the "**Property Manager**");

(d) providing oversight and management of the Lands, including addressing enquiries from service providers and regulatory bodies;

(e) attending to various governmental reporting related to the Lands;

(f) arranging for the caretaking and maintenance services for the Lands;

(g) reviewing and approving monthly financial, building management reports, and annual budgets produced by the Property Manager and engaging in discussions with the Property Manager regarding the same;

(h) publishing relevant court materials, including the Receivership Order, onto the Receiver's website;

(i) preparing for and facilitating an audit by the Canada Revenue Agency of the Debtors' books and records;

(j) providing notice to and corresponding with the insurer of the Lands to amend the insurance coverage to reflect the Receivership Proceedings and renew the policies;

(k) reviewing invoices and authorizing necessary payments including repair and maintenance expenses, utilities, landscaping and property tax remittances;

(l) engaging Colliers as the listing agent to market the Lands and attending periodic meetings with Colliers regarding the sales process;

(m) attending ad-hoc meetings with the Debtors' creditors to provide updates on the Receivership Proceedings; and

(n) preparing the First Report.

15. The Receiver's fees are detailed in the First Affidavit of Anthony Tillman (the "**A & M Affidavit**") and the invoices attached thereto.

16. The Receiver's invoiced costs for the Receiver's Fee Period include $273,576.00 in respect of fees, $515.47 in respect of disbursements, and $13,704.62 in respect of taxes, for a total of $287,796.09 (the "**Receiver's Invoiced Fees**"). The Receiver estimates that its fees and disbursements for the period from July 1, 2026 to the completion of this matter will amount to approximately $50,000 (plus applicable taxes).

17. The Receiver has affirmed its belief that the time expended and the fees charged by the Receiver are reasonable in light of the services provided and prevailing market rates for services of this nature.

18. As further detailed in the First Affidavit of John Sandrelli (the "**Dentons Affidavit**") and the invoices attached thereto, Dentons has been counsel for the Receiver since February 2025.

19. Dentons has assisted the Receiver with its activities. With respect to the activities, and noting that the Receiver retains and has not waived solicitor-client privilege with respect to same, Dentons has, among other things:

(a) attended calls and corresponded with the Receiver to offer legal opinions and to advise the Receiver with respect to its activities;

(b) conducted a security review to confirm the validity of the security interests in the Debtors' property;

(c) assisted the Receiver with communication with stakeholders regarding various matters;

(d) assisted the Receiver with the sales process and reviewed the agreements in this regard;

(e) assisted the Receiver with negotiating the Purchase Agreement and facilitating the Transaction; and

(f) drafted court materials for all matters before this Court and assisted the Receiver with preparing its report to the Court in this regard.

20. Dentons' invoiced costs for the Dentons Fee Period are $77,927.50 in respect of fees, $1,097.00 in respect of disbursements, and $9,352.11 in respect of taxes, for a total of $88,376.62 (the "**Dentons Invoiced Fees**"). Dentons estimates that its fees and

disbursements from July 1, 2026 to the completion of this matter will amount to approximately $60,000 (plus applicable taxes).

21. The Receiver has reviewed the invoices of Dentons and the estimated costs to completion and concluded that they are reasonable and appropriate.

22. The Receiver has affirmed that the services performed by Dentons were at the Receiver's request and that the Receiver believes that the time expended and the fees charged by Dentons are reasonable in light of the services provided and prevailing market rates for fees of this nature.

Discharge:

23. The Receiver seeks its discharge upon the filing of the Receiver's Certificate, certifying that the following conditions have been met:

(a) the Receiver and its legal counsel have been invoiced and paid in accordance with the estimates; and

(b) the Receiver's completion of any other outstanding activities set out in the First Report.

Part 3: LEGAL BASIS

24. There exists no statutory authority for the discharge of a receiver's powers. Unlike a trustee in bankruptcy, a receiver does not have statutory protection from liability in respect of any act or default done by it in the administration of a debtor's estate, save and except the protections afforded by s. 14.06 of the *Bankruptcy and Insolvency Act*.

25. A receiver may wish "to be discharged once it has completed the substance of its mandate."

***Ed Mirvish Enterprises Limited v. Stinson Hospitality Inc.*, 2009 CanLII 55113 (O.N.S.C.) at para. 8.**

26. Courts are alive to the lack of statutory authority for such a discharge and have noted that "[a] receiver's discharge is not addressed by statute. For all of these reasons, requests for full releases are made of the Court."

***Ed Mirvish Enterprises* at para. 9.**

27. On completion of its mandate, a court-appointed receiver should be granted a discharge in the absence of evidence of any improper or negligent conduct.

***Pinnacle Capital Resources Ltd. v. Kraus Inc.*, 2012 ONSC 6376 at para 47.**

28. "A receiver often is concerned that if it is discharged without a full release, it may be required to spend time and money defending an unmeritorious action. Once discharged, there is no ability for the receiver to recover its costs from the estate."

***Ed Mirvish Enterprises* at para 8.**

29. The Receiver submits that in these circumstances it is appropriate to discharge the Receiver and grant releases in the Receiver's favour, save and except for with respect to gross negligence or willful misconduct, as:

   (a) the Receiver has reported to the Court on this proceeding;

   (b) the Receiver has substantially completed its mandate with respect to this receivership;

   (c) the Receiver will be discharged on the filing of the Receiver's Certificate; and

   (d) there is no evidence of improper or negligent conduct on the part of the Receiver.

30. Therefore, the Receiver submits that it is appropriate in these circumstances to grant a full discharge upon the Receiver filing the Receiver's Certificate.

Approval of Fees of the Receiver and Counsel

31. The Receiver is seeking final approval of its fees and its legal counsel's fees.

32. The fees and disbursements of the Receiver and its legal counsel are outlined in the First Report. Further details of the fees and disbursements are set out in the A & M Affidavit and the Dentons Affidavit (collectively, the "**Fee Affidavits**"). Copies of the relevant invoices, with detailed narratives are attached as exhibits to the Fee Affidavits.

33. In connection with these proceedings and the Receiver's efforts, it was necessary for the Receiver to incur professional fees and legal fees.

34. The Receiver's counsel will issue itemized invoices in respect of additional work done after the Fee Period to be billed against the estimate of projected fees and disbursements. The Receiver will only pay the amount actually billed. If fees exceed the estimate, the Receiver's counsel is prepared to bear the additional costs.

35. The fees of both the Receiver and its legal counsel are verified by affidavit and relate to work done to complete the receivership proceeding.

36. Para 21 of the Receivership Order provides that the Receiver and its counsel shall pass their accounts from time to time.

Receivership Order, para. 21.

37. Further, the Court has the inherent jurisdiction to approve the activities of a court-appointed receiver. If the receiver has met the objective test of demonstrating that it has acted reasonably, prudently, and not arbitrarily, the Court may approve the activities as set out in its reports.

Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd., 2014 BCSC 1855 at para. 54.

38. Courts have provided direction as to the exercise a supervising court should undertake to approve receivers' fees and activities. This direction includes that it is not necessary to go through the supporting documentation for the fees, line by line, in order to determine what the appropriate fees are for a receivership. In addition, the Court's analysis should not involve second guessing the amount of time spent by a receiver unless it is clearly excessive or overreaching. Generally, courts have directed that supervising courts should consider all the relevant factors, and should award costs (or fees) in a more holistic manner.

***Bank of Nova Scotia v. Diemer*, 2014 ONSC 365 [*Diemer*] at para. 19, aff'd 2014 ONCA 851.**

39. With respect to a receiver's fees, the Court has held that the following non-exhaustive factors should be considered by a court to determine if the receiver's fees are reasonable in the circumstances:

(a) the nature, extent and value of the assets;

(b) the complications and difficulties encountered by the receiver;

(c) the time spent by the receiver;

(d) the receiver's knowledge, experience and skill;

(e) the diligence and thoroughness displayed by the receiver;

(f) the responsibilities assumed;

(g) the results of the receiver's efforts; and

(h) the cost of comparable services.

HSBC Bank Canada v Maple Leaf Loading Ltd., 2014 BCSC 2245 [Maple Leaf] at para. 11.

40. The Receiver submits its fees are fair and reasonable because:

(a) the Receiver has significant knowledge, experience and skill, and is a Licenced Insolvency Trustee under a corporate licence in good standing with the Office of the Superintendent of Bankruptcy (part of Innovation, Science and Economic Development Canada), the federal regulator of Canada's insolvency regime;

(b) the Receiver has displayed diligence and thoroughness in discharging its duties, and has taken on significant responsibilities in this proceeding;

(c) the fees of the Receiver are in line with comparable services and were performed in a prudent and economical manner; and

(d) the Receiver submits its costs in this matter are fair and reasonable in light of the services rendered.

41. As such, the Receiver submits that the Receiver's fees are reasonable in the circumstances and is seeking its discharge.

42. As set out below, the test for approving a receiver's legal counsel's fees is similar to that of approving a receiver's fees.

43. The Receiver's legal counsel's fees must be fair and reasonable in the circumstances.

Pandion Mine Finance Fund LP v. Otso Gold Corp., 2022 BCSC 1923 at para. 19.

44. There should be "some reasonable connection to the amount that should reasonably have been contemplated" and as "appellate courts have directed... judges should consider all the relevant factors, and should award costs (or fees) in a more holistic manner" and should not "second-guess the amount of time claimed unless it is clearly excessive or overreaching."

***Diemer* at para. 19.**

45. In this case, the Receiver submits that there is a reasonable connection between the Receiver's and the Receiver's legal counsel's fees to the work done.

46. Moreover, the jurisprudence has acknowledged it is difficult to prove what is reasonable, as the New Brunswick Court of Appeal reasoned:

"Experienced counsel know that it can be a matter of some difficulty to prove that an account for services is fair and reasonable. In many cases, counsel attempt to establish this fact by calling as witnesses persons who are engaged in the same profession or calling to testify that the charges made by the plaintiff are the usual and normal charges for similar services made by members of that particular profession or calling in their locality..." [Emphasis added.]

***Federal Business Development Bank v. Belyea and Fowler*, 1983 CanLII 4086 (N.B.C.A.) at para. 10.**

47. The Court has set out a number of factors that a court should consider when determining whether to exercise its discretion to approve a receiver's legal counsel's fees, which are:

(a) the time expended;

(b) the complexity of the receivership;

(c) the degree of responsibility assumed by the lawyers;

(d) the amount of money involved, including the amount of proceeds after realization and the payments to the creditors;

(e) the degree and skill of the lawyers involved;

(f) the results achieved; and

(g) the client's expectations as to the fee.

***Maple Leaf* at para. 12.**

48. On an application to approve a receiver's accounts and the accounts of its legal counsel:

(a) the accounts should be verified by affidavit;

(b) the accounts should contain sufficient evidence to permit a court to conclude that what was incurred for services rendered was at the standard rate of charges of the receiver and of the receiver's counsel; and

(c) the accounts should provide a sufficient description of the services rendered to permit a court to determine whether the liability for fees was properly made or incurred.

***Redcorp* at paras. 26 & 32.**

49. In the case herein, the Receiver submits that its legal counsel's fees are fair and reasonable, given that:

(a) legal counsel has assumed responsibility throughout this receivership and has worked closely with the Receiver throughout;

(b) legal counsel has staffed its legal team with experienced insolvency lawyers and properly delegated legal tasks to members of the legal team that had the skills to complete each activity in a cost-effective manner;

(c) in working with the Receiver, legal counsel has helped the Receiver market and sell the Lands; and

(d) legal counsel has been transparent regarding its fees and the Receiver submits that its legal counsel's fees are reasonable in the circumstances.

Approval of Activities of the Receiver

50. In *Re: Target Canada Co.*, Justice Morawetz stated that Court approval of a monitor's activities serves certain policy and practical purposes. These purposes were adopted in the context of receiverships in *Hanfeng Evergreen Inc. (Re.)*. Specifically, such approval:

(a) allows a court officer to move forward with the next steps in the proceedings;

(b) brings the court officer's activities before the court;

(c) allows an opportunity for the concerns of the stakeholders to be addressed, and any problems to be rectified;

(d) enables the court to satisfy itself that the court officer's activities have been conducted in a prudent and diligent manner;

(e) provides protection for the court officer not otherwise provided by statute; and

(f) protects the creditors from the delay and distribution that would be caused by:

(i) re-litigation of steps taken to date, and

(ii) potential indemnity claims by the court officer.

***Target Canada Co. (Re.),* 2015 ONSC 7574 at para. 23.**
***Hanfeng Evergreen Inc. (Re.),* 2017 ONSC 7161 at para. 15 (applying *Target* to receiverships).**

51. The Receiver submits that these policy and practical purposes are served. Specifically:

(a) there will be no residual assets in the estate of the Debtors once the Transaction closes and the Lands vest in the Purchaser, so it is appropriate to seek discharge of the Receiver concurrently with the approval of the Transaction;

(b) the Receiver has outlined all of its activities throughout this receivership in its reports to the Court;

(c) this application to approve the Receiver's activities allows an opportunity for the concerns of the stakeholders to be addressed;

(d) this application to approve the Receiver's activities enables the Court to satisfy itself that the Receiver's activities have been conducted in a prudent and diligent manner;

(e) this application to approve the Receiver's activities provides protection for the court officer not otherwise provided by statute; and

(f) this application to approve the Receiver's activities protects the creditors from the delay that would be caused by re-litigation of steps taken to date, and potential indemnity claims by the court officer.

52. The Receiver submits that its activities were carried out pursuant to, and in accordance with, the Receivership Order and subsequent orders of this Court. The Receiver submits that at all times it has acted reasonably, prudently, and not arbitrarily.

53. Further, the approval sought by the Receiver in respect of its activities is not a general approval of its activities, but is the approval of the specific activities taken by the Receiver as detailed in the reports, and is linked to the fees and disbursements of the Receiver for which approval is also being sought.

54. The Receiver submits that the activities were necessary to progress this receivership. The Receiver carried out all activities in good faith.

Part 4: MATERIAL TO BE RELIED ON

1. Receivership Order made February 18, 2025;

2. First Report of the Receiver dated July 13, 2026;

3. First Affidavit of John Sandrelli, sworn July 16, 2026;

4. First Affidavit of Anthony Tillman, sworn July 28; and

5. Such other materials as counsel may advise.

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 of 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: 28/JULY/2026

Signature of lawyer for applicants
Cassandra Federico

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 ☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ 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