



NO. H220369
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC. AND EARLSTON MORTGAGE CORP.

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "Receiver")

To: the Service List

TAKE NOTICE that an application will be made by the Petitioner to the presiding judge or master at the courthouse at 800 Smithe Street, Vancouver, British Columbia on 21/JUNE/2023 at 9:45 a.m. for the order set out in Part 1 below.

Part 1: ORDER SOUGHT

1. an Order:

- (a) approving the sale of certain lands and premises which are the subject of this receivership proceeding, substantially in the form attached hereto as **Schedule "A"**; and
- (b) adding additional lands and premises to these receivership proceedings, substantially in the form attached hereto as **Schedule "B"**.

Part 2: FACTUAL BASIS

A. The Receivership

1. This is a receivership proceeding.
2. On or about October 27, 2022, on application of PLW Investment Ltd. (the "**Secured Creditor**"), the Receiver was appointed as court-appointed over the properties, assets, and undertakings of the Respondents pursuant to an order (as subsequently amended on November 7, 2022, the "**Receivership Order**") granted by Justice Giaschi.
3. The Receivership Order was subsequently stayed by consent of all parties, which stay expired on April 7, 2023. The Receiver's appointment resumed on April 8, 2023.

B. Sale of 605-5033 Cambie Street

4. The Receiver is seeking an order approving the sale of a residence located at the civic address #605-5033 Cambie Street, Vancouver, and legally described as

PID: 030-880-122

STRATA LOT 121, BLOCK 839, PLAN EPS4950, DISTRICT LOT 526,
GROUP 1, NEW WESTMINSTER LAND DISTRICT

(the "**Lands**").

5. 1256306 B.C. Ltd ("**125**") is the registered owner of the Lands and is a Respondent in these receivership proceedings.
6. On or about May 18, 2023, Arash Tavakkoli Jou and Bahar HaFezi (the "**Purchaser**") and the Receiver entered into an contract of Purchase and Sale (the "**Purchase Agreement**") to purchase the Lands for \$1,728,000 (the "**Purchase Price**"). The sale is set to close 10 business days after this Court's approval.
7. The following entities hold secured charges against the Lands:
 - (a) PLW Investment Ltd. (the "**Secured Creditor**") holds a first ranking mortgage and assignment of rents under charge numbers CA7037305 and CA7037306;
 - (b) the Secured Creditor holds a second ranking mortgage and assignment of rents under charge numbers CA7037322 and CA7037323;

- (c) the Secured Creditor holds a third ranking mortgage and assignment of rents under charge numbers CA7787470 and CA7787471;
 - (d) the Secured Creditor holds a fourth ranking under charge number CA8202887;
 - (e) the Strata Owners under Plan EPS4950 (the "**Cambie Strata**") hold a subsequently registered *Strata Property Act* lien under charge number CA9094532;
 - (f) the Cambie Strata holds a subsequently registered *Strata Property Act* lien under charge number CB135108; and
 - (g) the Secured Creditor holds a subsequently registered certificate of pending litigation under charge number CB2224804.
- 8. The Receiver understands that the Secured Creditor and the registered owner are satisfied with the transaction contemplated by the Purchase Agreement.
 - 9. The sales agent retained by the Receiver has confirmed that the Purchase Price is aligned with market rates for a property similar to the Lands.
 - 10. The Receiver therefore seeks approval of the sale of the Lands for \$1,728,000.

C. Addition of Lot 70 Nicola

- 11. Pursuant to the Receivership Order, the Receiver became the receiver over the residence located at the civic address #1203 - 535 Nicola Street, Vancouver, BC, and legally described as:

PID: 024-010-499

STRATA LOT 69, PLAN LMS3057, DISTRICT LOT PHBI, NEW WESTMINSTER LAND DISTRICT

(**'Lot 69'**)

- 12. The respondent, Linda Washington ("**Ms. Washington**"), is the registered owner of Lot 69.

13. The Secured Creditor holds a mortgage over Lot 69, along with the following additional secured charges:
- (a) Pacifica Mortgage Investment Corporation ("**Pacifica Investment**") holds a first ranking mortgage and assignment of rents under charge numbers CA7180083 and CA7180084;
 - (b) CTJ Investments Inc. ("**CTJ Investments**") holds a second ranking mortgage and assignment of rents under charge numbers CA7180085 and CA7180086;
 - (c) the Secured Creditor holds a third ranking mortgage and assignment of rents under charge number CA7651464 and CA7651465;
 - (d) the Secured Creditor holds a subsequent certificate of pending litigation under charge number CB224804;
 - (e) Pacifica Investment holds a subsequent certificate of pending litigation under charge number CB478153;
 - (f) the Strata Owners under Plan LMS3057 (the "**Nicola Strata**") hold a registered *Strata Property Act* lien under charge number CB502831; and
 - (g) CTJ Investments holds a certificate of pending litigation under charge number CB521421.
14. The Receiver is not currently the receiver over the residence located at the civic address #1203 – 535 Nicola Street, Vancouver, BC, and legally described as:
- PID: 024-010-502
- STRATA LOT 70, PLAN LMS3057, DISTRICT LOT PHBI, NEW WESTMINSTER LAND DISTRICT,
- ("**Lot 70**").
15. Ms. Washington is also the registered owner of Lot 70.
16. The Secured Creditor does not hold a registered mortgage or assignment of rents against Lot 70. The following entities hold secured charges against Lot 70:
- (a) Pacifica Investment holds a first ranking mortgage and assignment of rents under charge numbers CA7180083 and CA7180084;

- (b) CTJ Investments holds a second ranking mortgage and assignment of rents under charge numbers CA7180085 and CA7180086;
 - (c) Pacifica Investment holds a certificate of pending litigation under charge number CB478153;
 - (d) the Strata holds a registered *Strata Property Act* lien under charge number CB502863; and
 - (e) CTJ Investments holds a certificate of pending litigation under charge number CB521421.
17. Despite being separate units, the Receiver is advised that, at some point, Lot 69 and Lot 70 were renovated and the wall separating the two lots was removed. As a result, Lot 69 and Lot 70 were effectively converted into one unit.
18. Given the renovation, the Receiver is of the view that it would be impractical to sell Lot 69 without also selling Lot 70.
19. As a result, the Receiver seeks to amend the Receivership Order to add Lot 70 to these receivership proceedings and to grant the Receiver the power to market and sell Lot 69 and Lot 70 together.

Part 3: LEGAL BASIS

1. The Petitioner will rely on:
- (a) Receivership Order,
 - (b) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as may be amended from time to time, the “BIA”);
 - (c) Rule 13-5 of the *Supreme Court Civil Rules*; and
 - (d) Section 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

A. Sale of 605-5033 Cambie Street

2. Pursuant to paragraphs 2(l)(ii) and 2(m) of the Receivership Order and Rule 13-5(1) of the *Supreme Court Civil Rules*, the Receiver submits that this Court grant the order to sell the Lands to the Purchaser; as:
- (a) the Secured Creditor and Ms. Washington support the sale of the Lands to the Purchaser;

- (b) the Sales Agent is of the view that the Purchase Price reflects the fair market value for the Lands; and
- (c) the Receiver is supportive of the sale of the Lands to the Purchaser.

B. Addition of Lot 70 Nicola:

3. The Receiver was appointed pursuant to, *inter alia*, section 243 of the BIA, which provides:

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
- (c) take any other action that the court considers advisable.

4. Pursuant to paragraph 34 of the Receivership Order, on 7 clear business days' notice to the service list, any party may apply to amend the Receivership Order.
5. The Receiver submits that it is just, convenient, and advisable to add Lot 70 to these receivership proceedings, as:
- (a) the renovations noted above make it impractical to market Lot 69 without also marketing Lot 70;
 - (b) the Receiver, the Secured Creditor, and Ms. Washington agree that Lot 70 should be added to these receivership proceedings; and
 - (c) the Receiver is of the view that it is in the best interest of all stakeholders that Lot 70 be added to these receivership proceedings so the unit may be sold in the most efficient manner possible.
6. Therefore, the Receiver asks this Court to grant the orders sought herein pursuant to the form of Order provided.

Part 4: MATERIAL TO BE RELIED ON

1. Receivership Order made October 27, 2022;
2. Order (Slip Rule) Amending Receivership Order, made November 7, 2022;
3. Order made November 7, 2022;
4. Order made December 7, 2022;
5. Order made February 7, 2023;
6. Affidavit #1 of Avic Arenas, made 8/JUNE/2023; and
7. Receiver's Second Report to the Court, to be filed.

The applicant(s) estimate(s) that the application will take 15 minutes.

- ☐ This matter is within the jurisdiction of a master.
- ☒ 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 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: 08/JUNE/2023


Signature of lawyer for filing party
Jordan Schultz

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 ☐ Master

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

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PLW INVESTMENT LTD.

PETITIONER

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RESPONDENTS

BEFORE) JUSTICE _____) 21/JUNE/2023
))

ON THE APPLICATION of the Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Jordan Schultz, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing, although duly served;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale of the lands at 605 – 5033 Cambie Street, Vancouver, British Columbia, legally known and described as:

Parcel Identifier: 030-880-122
Strata Lot 121 Block 839 District Lot 526 Group 1 New Westminster District
Strata Plan EPS4950

(the "Lands")

to Arash Tavakkoli Jou and Bahar HaFezi, as joint tenants (the “**Purchasers**”), for the purchase price of \$1,728,000.00 and on the other terms and conditions set out in the contract of purchase and sale dated May 18, 2023, as subsequently amended from time to time (collectively, the “**Contract**”), is hereby approved.

2. The sale transaction (the “**Transaction**”) contemplated by the Contract is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).

3. Upon delivery by the Receiver to the Purchaser of a certificate confirming the Transaction has completed to the satisfaction of the Receiver (the “**Receiver’s Certificate**”), all of the right, title and interest of 1256306 B.C. Ltd. (the “**Debtor**”) in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated October 27, 2022; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. On filing a certified copy of this Order in the Vancouver Land Title Office together with a letter from the Receiver’s solicitor authorizing the filing, the Lands be conveyed to and vest in the Purchasers as registered owners in fee simple, free and clear of any estate, right, title, interest, equity of redemption and other claims of the parties, together with any other charges, liens, encumbrances caveats, or certificates of pending litigation registered against the Lands subsequent to the Petitioner’s Certificate of Pending Litigation, but subject to the reservations, provisos, exceptions, and conditions express in the original grants thereof from the Crown.

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. All persons claiming possession of the Lands, or any portion thereof, shall deliver vacant possession of the Lands to the Purchasers, or their agents, successors or assigns, on the Possession Date, as defined in the Contract (herein, the "**Possession Date**").

7. If any person fails to deliver vacant possession of the Lands to the Purchaser at the Possession Date, then the Receiver shall be at liberty to apply to the Registrar for a Writ of Possession, under Rule 13-2(13) and without further Order of the Court.

8. The net sale proceeds after adjustments shall be paid to Dentons Canada LLP, in trust, or otherwise in accordance with the written direction of Dentons Canada LLP, and then disbursed in accordance with the following priorities without further Order:

- (a) first, payment of water and sewer rates, property taxes, arrears of property taxes, interest and penalties on arrears of property taxes, owing in respect of the Lands;
- (b) second, in payment of real estate commission in an amount not exceeding 7% of the first \$100,000 of the gross selling price and 2.5% of the remainder, plus applicable taxes thereon;
- (c) third, to The Owners, Strata Plan EPS4950, or its solicitors, the amount required to pay the outstanding balance of its lien Nos. CA9094532 and CB135108; and
- (d) fourth, the balance to the Receiver to be held pending further Order of this Honourable Court.

9. For the purpose of issuing title and in respect of the Lands, the following charges, liens, encumbrances, caveats, mortgages, and certificates of pending litigation be cancelled insofar as they apply to the Lands:

	Party	Nature of Charge	Registration No.
(a)	PLW Ltd.	Investment Mortgage	CA7037305
(b)	PLW Ltd.	Investment Assignment of Rents	CA7037306
(c)	PLW Ltd.	Investment Mortgage	CA7037322
(d)	PLW Ltd.	Investment Assignment of Rents	CA7037323
(e)	35 Park Parking Inc.	Option to Lease	CA7614154
(f)	PLW Ltd.	Investment Mortgage	CA7787470
(g)	PLW Ltd.	Investment Assignment of Rents	CA7787471
(h)	PLW Ltd.	Investment Mortgage	CA8202887
(i)	The Owners, Strata Plan EPS4950	Strata Property Act Lien	CA9094532
(j)	The Owners, Strata Plan EPS4950	Strata Property Act Lien	CB135108
(k)	PLW Ltd.	Investment Certificate of Pending Litigation	CB224804

together with any other charges, liens, encumbrances, caveats, or certificates of pending litigation registered against the Lands subsequent to the Petitioner's Certificate of Pending Litigation.

10. The Parties hereto and the Purchasers be at liberty to apply for such further and other direction as may be necessary to carry out the full purport and effect of this Order.

11. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

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.

Signature of Jordan Schultz
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"
LIST OF COUNSEL

Name	Appearing for

SCHEDULE "B"

NO. H220369
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE
DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC.,
WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD.,
1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD.,
1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO),
EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK
PARKING INC. AND EARLSTON MORTGAGE CORP.

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE) JUSTICE _____) 21/JUNE/2023
))

ON THE APPLICATION of the Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Jordan Schultz, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing, although duly served;

THIS COURT ORDERS AND DECLARES THAT:

1. The Receivership Order granted by this Court in these proceedings on October 27, 2022, as November 7, 2022, by adding the following the Schedule "B":

- PID: 024-010-502
Strata Lot 70 of the Public Harbour of Burrard Inlet NWD Strata Plan
LMS3057

2. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

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:

Signature of Jordan Schultz
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"
LIST OF COUNSEL

Name	Appearing for