

(Rule 16-1 (5) and Rule 25-14 (2))



No. S-261350
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NATIONAL BANK OF CANADA

Petitioner

AND:

1030931 B.C. LTD.,
MANNEY TRANSPORT LTD.,
NCG NATIONAL CONTAINER GROUP INC.,
1312230 B.C. LTD. dba LIQUOR 56,
138516 B.C. LTD. and 11490756 B.C. Ltd. dba BURNABY LIQUOR MART

Respondents

RESPONSE TO PETITION

Filed by: 1030931 B.C. Ltd., Manney Transport Ltd., NCG National Container Group Inc.,
1312230 B.C. Ltd., 138516 B.C. LTD. and 11490756 B.C. Ltd. (together, the
"Respondents")

THIS IS A RESPONSE TO the Petition filed February 20, 2026.

The Petition Respondents estimate that the application will take 2 hours.

Part 1: ORDERS CONSENTED TO

The Respondents consent to the granting of the Orders set out in the following paragraphs of Part 1 of the Petition: NONE

Part 2: ORDERS OPPOSED

The Respondents oppose the granting of the Orders set out in paragraphs ALL of Part 1 of the Petition.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

The Respondents takes no position on the granting of the orders set out in paragraphs NONE of Part 1 of the Petition.

Part 4: FACTUAL BASIS

Background

1. Defined terms used in the Petition to Court shall be used in this Response to Petition save where otherwise stated.
2. The Respondent Manney Transport Ltd ("**Manney**"), together with its associated companies, Respondents 1030931 B.C. Ltd. ("**103**"), and NCG National Container Group Inc. ("**NCG**"), operates a trucking business from the premises in Surrey, BC.
3. The Respondents 1312230 B.C. Ltd ("**Liquor 56**"), 138516 B.C. LTD. and 11490756 B.C. Ltd. (together, "**Liquor 138**") operate two liquor store businesses (the "**Liquor Store businesses**")
4. The Petitioner and the Business Development Bank of Canada ("**BDC**"), are the senior secured creditors of the Respondent 103, Manney, and NCG.
5. The Petitioner is the senior secured creditor in respect of Liquor 56 and Liquor 138. The liabilities owed by Liquor 56 and Liquor 138 are guaranteed by 103, Manny and NCG.
6. The Petitioner has advanced various loans to the Respondents which are secured by way of (amongst other security) a mortgage over the following properties owned by the Respondent, 1030931 B.C. Ltd (the "**Properties**"):
 - (a) the property at 10198 Grace Road, Surrey, BC (PID: 023-645-709) (the "**Grace Road Property**"); and
 - (b) the property at 17914 96 Avenue, Surrey, BC (PID: 004-608-038) (the "**96 Avenue Property**"),together, the "**Properties**".
7. Both Properties are large industrial premises, with the Grace Road Property being used by Manney as its main operating location, and the 96 Avenue Property used as a storage site for its equipment and vehicles.
8. In addition to the Properties, Manney owns an extensive fleet of trucks and equipment used within its business, with a current market value totaling approximately \$4,638,000.
9. The amount stated to be owed by the Respondents to the Petitioner is \$13,938,626 as at January 4, 2026 and from the Respondents to BDC is \$9,769,139 as of January 5, 2026, bringing the total senior secured debt to \$23,707,765 (with interest accruing).

Respondents' Opposition to a Receivership:

The Refinancing of the Liquor Businesses

10. The Respondents, with the support of their mortgage broker, are in the process of exploring a refinancing of the liabilities owed by Respondents Liquor 56 and Liquor 138 to the Petitioner in respect of the Liquor Businesses.

11. The Respondents are in discussions with a new lender and anticipate being in receipt of a commitment letter for such refinancing by the end of March 2026. The refinancing transaction is expected to close within the next two months.
12. The anticipated refinancing of the Liquor Business will result in the term loans advanced by the Petitioner to Liquor 56 and Liquor 138 being repaid in full, and the discharge of the property taxes due in respect of the Grace Road Property.

The Respondents' Financials

13. The Petitioner seeks to rely on the failure of the Respondents to deliver financial reporting on time or at all, to support their request for the appointment of a receiver.
14. The Respondents have at all times throughout the duration of their lending relationship from early 2024 onwards, co-operated with requests for information from the Petitioner. Unfortunately, the group has been moved between various account managers and representatives during this time, resulting in significant disruption to the ongoing discussions, and confusion as to the amount of the arrears.
15. In addition, the Respondents' were unable to access their accounts held with the Petitioner online from September 2025 onwards, resulting in significant difficult reconciling the financial position.
16. On September 19, 2025, and in response to a request for information from Petitioner, the Respondents sent a comprehensive set of financial documents and information to the Petitioner. Follow up emails were sent to the Petitioner on September 24th and October 17th, but a response was never received.
17. Furthermore, in the email sent to the Petitioner on September 24, 2025, the Petitioner was informed that there was an amount of \$85,799.76 sitting in the account and was not being applied to the loans. Again, no response was received to this correspondence.
18. The Respondents are current on their obligations to the Canada Revenue Agency in relation to GST and employee source deductions.

Property Taxes

19. The Petitioner has sought to rely on non-payment of property taxes as a justification for seeking the appointment of a receiver.
20. The 2025 property taxes in respect of the 96 Avenue Property have been fully discharged.
21. The 2025 property taxes that remain outstanding in respect of the Grace Road Property as of February 23, 2026, totalling \$267,349.33, will be discharged on or following the refinancing of the Liquor Businesses.

Sale and/or refinancing of the Equipment

22. As outlined at paragraph 8 above, the Respondents have equipment with a market value of approximately \$4,638,000. We are in discussions with a potential buyer for the sale and purchase of 20-25 chassis, with an estimated realisable value of \$800,000.

23. The Respondents are also exploring refinancing options for most of the remaining equipment.
24. The proceeds of sale of the equipment and/or the refinancing will be used to discharge (in part), the debt owed to the Petitioner.

Valuations of the Properties

25. The Respondents have obtained updated valuations of the Properties from Colliers Macaulay Nicolls Inc ("**Colliers**"), which indicate the current market values as follows:
 - (a) In respect of the Grace Road Property, a valuation at \$23,650,000.
 - (b) In respect of the 96 Avenue Property, a valuation at \$7,860,000
26. Using the above-mentioned appraisal values, the combined values of the Properties are \$31,510,000, which far exceeds the total amounts due to both the Petitioner and BDC, which together total \$23,707,765.
27. The Properties are well-maintained, are not wasting or at risk of abandonment.

Ongoing efforts for refinancing or sale of the Properties

28. The Respondents are actively engaged in marketing the Properties for sale.
29. The Respondents have engaged the expertise of agents Josh Gaze, Geoffrey Charters and Liam Simpson at Colliers to advise the Respondents on marketing strategy and to market and sell the Properties.
30. A Listing Agreement for the marketing and sale of the 96 Avenue Property was entered into between the Respondent 103 and Colliers on March 3, 2026.
31. On the recommendation of Colliers, the 96 Avenue Property has been priced to sell at \$6,500,000, in an effort to obtain immediate interest from prospective buyers and with a view to completing a sale in short order.
32. A Listing Agreement for the marketing and sale of the Grace Road Property was entered into between the Respondent 103 and Colliers on January 7, 2026.
33. On the recommendation of Colliers, the Grace Road Property has been priced to sell at \$11,950,000, in an effort to obtain immediate interest from prospective buyers and with a view to completing a sale in short order.
34. The Respondents anticipate that a sale of the Properties, to enable the repayment of the amount owed to the Petitioner and to BDC, is likely to be achieved within the next 4 - 6 months.
35. In conjunction with listing the Properties for sale, the Respondents and their mortgage broker are actively exploring all available options to refinance the outstanding debt owed to the Petitioner and to BDC.

36. The Respondents anticipate that a commitment letter for the refinancing will be received imminently and will be considered alongside the ongoing marketing efforts for the sale of the Properties.

Part 5: LEGAL BASIS

37. The Petition Respondents rely, inter alia, on:
- (a) Rules 16-1, 21-7, and 22-1(7)(a) of the *Supreme Court Civil Rules*;
 - (b) Section 17, 18, 24 and 39 of the Law and Equity Act; and
 - (c) Such other basis as counsel may advise.

Appointment of a receiver or receiver-manager

38. In relation to the order sought under paragraph 3 of the Petition, the Respondents oppose any appointment of a receiver or a receiver-manager under the Petitioner's Security and in respect of the Respondents and the Properties.
39. This Court has previously held that the granting of a receivership order is an "extraordinary relief which should be granted cautiously and sparingly."

The Bank of Nova Scotia v Sidhu, 2025 BCSC 1344 at para 35.

40. The factors that the court considers when *determining* whether the appointment of a receiver is warranted are set out in *Maple Trade Finance Inc v CY Oriental Holdings Ltd*, 2009 BCSC 1527 ("**Maple Trade Finance**") (at para 25). These include:
- a) whether irreparable harm might be caused if no order were made, although it is not essential for a creditor to establish irreparable harm if a receiver is not appointed, particularly where the appointment of a receiver is authorized by the security documentation;
 - b) the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of the assets while litigation takes place;
 - c) the nature of the property;
 - d) the apprehended or actual waste of the debtor's assets;
 - e) the preservation and protection of the property pending judicial resolution;
 - f) the balance of convenience to the parties;
 - g) the fact that the creditor has the right to appoint a receiver under the documentation provided for the loan;
 - h) the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulty with the debtor and others;

- i) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
 - j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its' duties more efficiently;
 - k) the effect of the order upon the parties;
 - l) the conduct of the parties;
 - m) the length of time that a receiver may be in place;
 - n) the cost to the parties;
 - o) the likelihood of maximizing return to the parties;
 - p) the goal of facilitating the duties of the receiver.
41. These factors are not a checklist but a collection of considerations to be viewed holistically in an assessment as to whether in all of the circumstances the appointment of a receiver is just or convenient.

The Bank of Nova Scotia v Sidhu, 2025 BCSC 1344 at para 9.

Institutional Mortgage Capital Canada Inc. v. Mortise (Scott Road Residential) Holdings Ltd. 2025 BCSC 1500, at para. 26.

42. The Petitioner has not pleaded any material facts or disclosed evidence that demonstrates that the *Maple Trade Finance* factors are materially satisfied, nor that it is just and convenient to appoint a receiver.

Respondents' opposition to the appointment of a receiver

43. The Respondents strongly oppose any appointment of a receiver or a receiver-manager under the Petitioner's Security and in respect of the Properties on the basis that (without limitation):
- (a) the affidavit of Raymond Pai filed in support of the Petition makes inferences as to the conduct of the Respondent's business that are unsupported by the facts or evidence filed in support, and as such, these statements are inadmissible and cannot be relied upon by the Petitioner;
 - (b) the Respondents' going concern operations are stable and there is no need for a receiver to be appointed to protect and preserve the Respondent's business operations;
 - (c) the Petitioner is primarily relying on its security over the Properties to repay its debt and the broad powers being sought under the receivership order are wholly excessive and unwarranted;

- (d) such an appointment would be significantly disproportionate and prejudicial to the Respondents given the equity available in the Properties, which is sufficient to discharge both the Petitioner's and BDC's debt in full;
 - (e) in addition, such an appointment would be severely and unnecessarily prejudicial to the livelihoods of Manney's 45 office employees, 75 independent owner-operators, and 23 company drivers;
 - (f) the Respondents can continue to service the agreed monthly payments to the Petitioner, such that the Petitioner's current position is not deteriorating;
 - (g) the Respondents are current in respect of their monthly payments to BDC, and as such, the other senior secured creditor's position is not deteriorating
 - (h) there is no evidence of urgency since the Properties continue to be well-maintained and are not deteriorating or at risk of abandonment;
 - (i) the significant professional fees that would be incurred in a receivership will grossly outweigh the benefits of such appointment;
 - (j) the Respondents have commenced marketing efforts for the sale of the Properties, and the appointment of a receiver will materially derail the potential sale of the Properties; and
 - (k) the appointment of a receiver with the immediate power to market and sell the Properties will deprive the Respondents' fundamental right to equity of redemption.
44. Whilst the Respondents firmly oppose the appointment of a receiver or receiver/manager, they would not generally oppose a postponed foreclosure process in respect of the Properties.

Alternative foreclosure process

45. This Court has previously held that the granting of a receivership order is "extraordinary relief which should be granted cautiously and sparingly", and if there is a remedy other than receivership, it should be considered because receiverships are intrusive interferences with the affairs of the company. They can be harmful to the reputation of the company and the cost of a receivership can be considerable.
- Institutional Mortgage Capital Canada Inc. v. Mortise (Scott Road Residential) Holdings Ltd.* 2025 BCSC 1500, at para. 28.
46. When considering the appointment of a receiver over real property, it is also necessary to consider the law regarding foreclosure and the respondents' equity of redemption.
- The Bank of Nova Scotia v Sidhu*, 2025 BCSC 1344 at para. 10.
47. The Court should consider the debtor's equity of redemption in considering whether a receiver will be appointed, and, if so, whether that receiver will be granted the power of sale and when.

48. Such a consideration is clearly relevant to the question as to whether any such appointment and power is “just or convenient”, again having regard to the nature of the relief sought. In addition, a consideration of any equity of redemption also comes within the Maple Trade factors – factor (k) – in relation to the “effect of the order upon the parties”.

Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership, 2024 BCSC 47 at para 101

49. Recognizing that an equity of redemption exists, even in a receivership, the true issue in that event is what amount of time should be afforded.

Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership, 2024 BCSC 47 at para 103

Foreclosure is an adequate remedy

50. The Respondents submit that a foreclosure process provides a complete and adequate remedy for the Petitioner.
51. Where a standard foreclosure process can achieve the Petitioner’s objective of repayment in full, the appointment of a receiver is unnecessary and wholly disproportionate.
52. The Petitioner has provided no evidence to establish why a foreclosure would be an inadequate remedy and why a receivership with immediate power to control and market the Properties for sale is the only appropriate remedy in the circumstances.
53. Where a foreclosure process is adequate, that the Respondents should be entitled to secure the standard 6-month redemption period. The Petitioner has failed to establish any special circumstances to justify a shortening of the standard redemption period.

Opposition to order relating to the Petitioner’s Costs

54. The Respondents oppose the order sought under paragraph 8 of the Petition relating to the Petitioner’s request for costs on a solicitor and own client basis.
55. The Respondents submit that the Petitioner has not demonstrated any basis for an award of costs on a solicitor and own client basis.
56. Section 20 of the Law and Equity Act provides the Court’s inherent jurisdiction to make a determination as to costs, notwithstanding any covenant or term of any mortgage relating to payment, calculation and determination of costs and expenses arising out of or in connection with a foreclosure.
57. Given that these proceedings, if they are continued, should be no different to ordinary foreclosure proceedings, costs should be awarded at Scale B, or in the alternative, the parties ought to bare their own costs.


Further

58. The Petition Respondent relies on the Law and Equity Act RSBC 1996 c. 23, specifically section 24, to reduce any interest and or penalties under the Petitioners’ Security.

Part 6: MATERIAL TO BE RELIED ON

1. An Affidavit of Gagandeep Singh Nahal dated March 4, 2026.
2. Such further and other materials as counsel may advise.

Date: March 04, 2026



Signature of Lawyer for the Respondents

Cody Reedman

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