



COURT FILE NUMBER	1703 21274
COURT	COURT OF QUEEN'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., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., REID CAPITAL CORP. AND EMILIE REID
APPLICANT	STANDARD GENERAL INC.
RESPONDENTS	ROYAL BANK OF CANADA AND ALVAREZ & MARSAL CANADA INC.
DOCUMENT	<b>APPLICATION BY STANDARD GENERAL INC.</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DANIEL R. PESKETT / CHRISTOPHER M. YOUNG Brownlee LLP #2200 Commerce Place 10155-102 Street Edmonton, Alberta T5J 4G8 Telephone: (780) 497-4800 Facsimile: (780) 424-3254 File #: 74270-0107

**NOTICE TO THE RESPONDENTS:** ROYAL BANK OF CANADA and ALVAREZ & MARSAL CANADA INC., as Receiver for the various Defendant companies.

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

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

Date: November 29, 2017  
Time: 10:00 a.m. or so soon thereafter as Counsel may be heard  
Where: Edmonton Law Courts  
Before: Justice S.D. Hillier

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

**Remedy Claimed or sought:**

1. An Order removing the following lands from the Receivership:

PLAN 9222258

BLOCK 1  
 LOT 7  
 CONTAINING 5.05 HECTARES (12.48 ACRES) MORE OR LESS  
 EXCEPTING THEREOUT:

	HECTARES	(ACRES)	MORE OR LESS
A) ROAD PLAN 172170 ROAD	0.158	0.39	

EXCEPTING THEREOUT ALL MINES AND MINERALS

and

ALL THAT PORTION OF THE WEST HALF OF SECTION THIRTY ONE (31)  
 TOWNSHIP FIFTY TWO (52)  
 RANGE TWENTY SEVEN (27)  
 WEST OF THE FOURTH MERIDIAN, LYING SOUTH OF RAILWAY PLAN  
 6267R, CONTAINING 68.01 HECTARES (168.03 ACRES) MORE OR LESS  
 EXCEPTING THEREOUT:

	HECTARES	(ACRES)	MORE OR LESS
A) PLAN 8421331 - SUBDIVISION	37.4	92.42	
B) PLAN 8620283 - SUBDIVISION	5.58	13.79	
C) PLAN 9222258 - SUBDIVISION	0.523	1.29	
D) PLAN 9223120 - SUBDIVISION	9.42	23.28	
E) PLAN 9423629 - ROAD	0.276	0.68	
F) PLAN 9926401 - SUBDIVISION	1.42	3.51	
G) PLAN 0227378 - SUBDIVISION	0.416	1.03	

EXCEPTING THEREOUT ALL MINES AND MINERALS

(collectively, the "Lands").

2. In the alternative, an Order not permitting any Receiver charges, including the fees and disbursements of legal counsel for the Receiver, to be a priority charge on the Lands unless such charges relate entirely to work or services performed in relation to dealing with the Lands.
3. In the alternative, an Order not permitting any Receiver borrowing charges, including the Receiver's Borrowing Charge set out in paragraph 21 of the Consent Receivership Order dated November 2, 2017, to be secured by the Lands or to be secured against the Lands in priority to the builder's lien interest of Standard General Inc. ("Standard General") being the Statement of Lien registered on behalf of Standard General Inc. on October 12, 2017 as Instrument No. 172 266 731 (the "Standard General Lien").
4. In the alternative, an Order directing disclosure of the Receiver's legal counsel's proposed standard rates and charges and taking into account the location of the Lands and the location of the Receiver and its legal counsel.
5. An Order directing disclosure of information or production related to the Royal Bank of Canada mortgage registered against the Lands as Instrument No. 162 012 406 (the "RBC Mortgage"), and amounts owed if needed or requested.
6. An Order directing listing of the Lands for sale on reasonable terms and conditions in an effort to maximize their value and the sale amount received.
7. An Order validating service of this application, and any supporting materials, and that the time for service of this Application, and any supporting materials, shall be abridged or dispensed with, if necessary.
8. An Order awarding the Applicant costs in respect of this application.

9. Such further or other relief as may be deemed appropriate by this Honourable Court.

**Grounds for making this application:**

10. Standard General did not receive notice of the Receivership application, which proceeded *ex parte*.
11. A concurrent Order with the Consent Receivership Order provides for a comeback application on November 29, 2017, and further requires secured creditors affected by the Receivership application to file material by November 17, 2017.
12. Standard General has a builder's lien as against the Lands, and registered a Statement of Lien against the Lands on October 12, 2017, and Standard General is owed the amount of \$890,022.12 (plus any additional applicable taxes, interest, and costs), in relation to the Standard General Lien and work and materials supplied by Standard General to Reid Worldwide Corporation and the Lands.
13. Standard General is still reviewing the RBC Mortgage registered against the Lands, and the amounts owed in relation to the RBC Mortgage.
14. Section 11 of the *Builders' Lien Act* gives a builder's lien priority over receiving orders and Standard General questions the jurisdiction and reason for allowing any borrowing charge in priority to the Standard General Lien.
15. The Lands are development lands next to the Stony Plain golf course which have been serviced, at least in part, for the future construction of a residential neighbourhood. Standard General does not know why a Receiver is needed for these Lands.
16. There is no reason to encumber a single land development with future unknown Receivership charges related to other properties or corporations to the detriment of the Standard General Lien and other lienholders and parties with interests registered against the Lands.
17. No clear reason or plan has been provided by the Receiver or Royal Bank of Canada for the need of a Receiver in relation to the Lands or why the Lands should be encumbered by Receivership charges and borrowings which have no impact on the Lands.
18. Royal Bank of Canada has excluded itself from the Receivership stay of proceedings and can proceed with a judicial sale listing of the Lands without the Lands being encumbered by additional Receivership debt to the detriment of lienholders and dilution of lienholder interests.
19. Such further and other grounds as the Applicant may provide and this Honourable Court may permit.

**Material or evidence to be relied on:**

20. Affidavit of Curtis Martin, filed.
21. The Consent Receivership Order dated November 2, 2017;
22. The Order (Comeback Order) dated November 2, 2017
23. Such Supplemental Affidavits and further and other evidence as counsel for the Applicant may provide and this Honourable Court may permit.

**Applicable Rules:**

- 24. Rules 1.3, 1.4., 9.14, 9.15, 11.27, 11.29, and 13.5.
- 25. Such further and other Rules as counsel for the Applicant may advise.

**Applicable Acts and Regulations:**

- 26. *Builders' Lien Act*, R.S.A. 2000, B-7, as amended, including section 11 thereof.
- 27. *Judicature Act*, R.S.A. 2000, c. J-2, as amended.
- 28. The Alberta *Rules of Court*.
- 29. Such further and other Acts and Regulations as counsel for the Applicant may advise.

**Any irregularity complained of or objection relied on:**

- 30. N/A.

**How the application is proposed to be heard or considered:**

- 31. In person before a Justice in 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.