

COURT FILE NUMBER 1703-21274

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., REID CAPITAL CORP., and EMILIE REID



IN THE MATTER OF THE RECEIVERSHIP OF 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., 1852512 ALBERTA LTD., and REID CAPITAL CORP.

APPLICANT ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., 1852512 ALBERTA LTD., and REID CAPITAL CORP.

RESPONDENT 840307 ALBERTA LTD.

DOCUMENT **APPLICATION**
(Release of Lien Holdback)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Norton Rose Fulbright Canada LLP
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Attention: Howard A. Gorman, Q.C. / Samantha Jenkins

NOTICE TO THE RESPONDENT, 840307 Alberta Ltd.

This application is made against you. You are a respondent.
You have the right to state your side of this matter before the Justice.

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

Date:	October 9, 2019
Time:	10 A.M.
Where:	Edmonton Law Courts
Before Whom:	The Honourable Mr. Justice R.A. Graesser (Commercial List)

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

Remedy claimed or sought:

- 1 Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Receiver (the **Receiver**) of the current and future assets, undertakings and properties of Reid-Built Homes Ltd., 1679775 Alberta Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Reid Built Homes Calgary Ltd., Reid Investments Ltd., 1852512 Alberta Ltd., and Reid Capital Corp. (collectively referred to herein as the **Reid Group**) seeks an order, substantially the form attached as **Schedule "A"**:
 - (a) ordering the discharge of a builders' lien (described herein) and granting declaratory relief with respect to the release and distribution of lien holdback funds as set out in the proposed form of Order attached as Schedule "A"; and
 - (b) such further and other relief as this Honourable Court may permit.

Grounds for making this application:

- 2 On November 2, 2017, Alvarez & Marsal Canada Inc. was appointed as Receiver over the current and future assets, undertakings and properties of Reid pursuant to a Consent Receivership Order granted by the Honourable Justice Hillier (**Receivership Order**).
- 3 Prior to receivership, then counsel for the Reid Group, Parker Dubrule Lawyers, maintained lien holdbacks from the purchase price of certain properties sold by the Reid Group to third party purchasers.
- 4 The Receiver's counsel considered the validity of liens registered against these properties. Where it was assessed that a lien was valid, the Receiver's counsel negotiated the discharge and pay out of the lien. Where it was assessed that a lien was invalid, the Receiver's counsel wrote the lien claimant or its counsel requesting the discharge of the lien.
- 5 840307 Alberta Ltd. has a builders' lien bearing instrument no. 171 224 434 (the **Lien**) against the lands legally described as:

PLAN 1610985
BLOCK 2
LOT 32
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the **Property**).

- 6 Parker Dubrule Lawyers maintains a lien holdback for the Property in connection with the Lien.
- 7 The Lien was registered after title to the Property transferred to the purchasers. To the Receiver's knowledge, the purchasers of the Property are unrelated *bona fide* third party purchasers for value without notice. As such, the Lien is invalid.

Material or Evidence to be relied on:

- 8 The Receivership Order.
- 9 The Receiver's Reports previously filed in this proceeding and the Receiver's Seventeenth Report filed with respect to this Application.
- 10 Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- 11 Rules 1.4(1), 3.72, 6.3(1), 6.9(1), and 6.28 - 6.36 of the *Alberta Rules of Court*;
- 12 Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

- 13 The *Builders' Lien Act*.
- 14 Such other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 15 There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

- 16 Oral submissions by counsel.

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is heard or considered.

SCHEDULE A

COURT FILE NUMBER 1703-21274
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA

Clerk's Stamp

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

IN THE MATTER OF THE RECEIVERSHIP
OF REID-BUILT HOMES LTD., 1679775
ALBERTA LTD., REID WORLDWIDE
CORPORATION, BUILDER'S DIRECT
SUPPLY LTD., REID BUILT HOMES
CALGARY LTD, REID INVESTMENTS LTD.,
1852512 ALBERTA LTD., and REID
CAPITAL CORP.

APPLICANT ALVAREZ & MARSAL CANADA INC. in its
capacity as Court-appointed Receiver of the
current and future assets, undertakings and
properties of REID-BUILT HOMES LTD.,
1679775 ALBERTA LTD., REID
WORLDWIDE CORPORATION, BUILDER'S
DIRECT SUPPLY LTD., REID BUILT HOMES
CALGARY LTD, REID INVESTMENTS LTD.,
1852512 ALBERTA LTD., and REID
CAPITAL CORP.

RESPONDENT 840307 ALBERTA LTD.

DOCUMENT **ORDER**
(Lien Holdback)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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Attention: Howard A. Gorman, Q.C. / Samantha Jenkins
File No.: 1001004429

DATE ON WHICH ORDER WAS PRONOUNCED: October 9, 2019
LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Mr. Justice Graesser

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. in its capacity as Court-appointed receiver and manager (**Receiver**) of the current and future assets, undertakings and properties of 1679775 ALBERTA LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD, REID INVESTMENTS LTD., 1852512 ALBERTA LTD., and REID CAPITAL CORP. (collectively, the **Reid Group**); **AND UPON HAVING READ** the Consent Receivership Order dated November 2, 2017 (the **Receivership Order**) and the Seventeenth Report of the Receiver dated October 2, 2019, (**Seventeenth Report**); **AND UPON HEARING** counsel for the Receiver; **AND UPON** hearing from counsel for the Respondent, 840307 Alberta Ltd., or upon noting that service on the Respondent has been effected; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Upon production of a certified copy of this Order the Registrar of the Land Titles Office is hereby directed to forthwith vacate and discharge the builders' lien registered by 840307 Alberta Ltd. bearing instrument no. 171 224 434 (the **Lien**) against the lands legally described as:

PLAN 1610985
BLOCK 2
LOT 32
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the **Property**) and any certificate of *Lis Pendens* related thereto.

2. Parker Dubrule is authorized and directed to release to the Receiver any lien holdback funds maintained in connection with the Lien.
3. The Receiver is authorized to distribute the amount releasable to the Reid Group estate in accordance with the administration of the Receivership estate.
4. The Receiver is awarded costs in the amount of \$500.

The Honourable Mr. Justice Graesser
J.C.Q.B.A