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Form 27
[Rules 6.3 and 10.52(1)]

Clerk's stamp:



COURT FILE NUMBER

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ROYAL BANK OF CANADA

DEFENDANTS

**INDEPENDENT ELECTRIC AND CONTROLS LTD.,
IEC BUSINESS HOLDINGS INC., SUMMIT
CONTROLS (2012) CORP., BLACK KNIGHTS
ELECTRIC INC., BRADLEY TURNBULL, BRENT
CAMERON ERICKSON AND TODD GUY**

DOCUMENT

**APPLICATION BY ROYAL BANK OF CANADA,
PLAINTIFF, FOR THE APPOINTMENT OF A
RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No.: 125665-8726

NOTICE TO RESPONDENTS INDEPENDENT ELECTRIC AND CONTROLS LTD., IEC BUSINESS HOLDINGS LTD., SUMMIT CONTROLS (2012) CORP., BLACK KNIGHTS ELECTRIC INC., BRADLEY TURNBULL, BRENT CAMERON ERICKSON AND TODD GUY

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

You have the right to state your side of this matter before the master/judge.

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

Date	Friday September 29, 2017
Time	10:00am
Where	Law Courts Building, Edmonton
Before Whom	The Honourable Justice K.G. Nielsen

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. A Consent Order seeking the appointment of Alvarez & Marsal Canada Inc. as a receiver of the undertaking, property and assets of Independent Electric and Controls Ltd. ("**Electric**"), IEC Business Holdings Inc. ("**IEC**"), Summit Controls (2012) Corp. ("**Summit**"), and Black Knights Electric Inc. ("**Black Knights**") (collectively, the "**Corporate Defendants**").
2. Such further or other relief as this Honourable Court may direct.

Grounds for making this application:

The Direct Indebtedness

3. Electric borrowed money from the Plaintiff, Royal Bank of Canada ("**RBC**"), which it agreed to repay to RBC with interest, and is directly indebted to RBC with respect to such borrowing (the "**Electric Indebtedness**").

The Guaranteed Indebtedness

4. IEC provided guarantees to RBC pursuant to which IEC guaranteed the indebtedness of Electric to RBC (the "**IEC Guaranteed Indebtedness**").
5. Summit provided a guarantee to RBC pursuant to which Summit guaranteed the indebtedness of Electric to RBC (the "**Summit Guaranteed Indebtedness**").
6. Black Knights provided a guarantee to RBC pursuant to which Black Knights guaranteed the indebtedness of Electric to RBC (the "**Black Knights Guaranteed Indebtedness**").
7. Turnbull provided a guarantee to RBC pursuant to which Turnbull guaranteed the indebtedness of Electric to RBC (the "**Turnbull Guaranteed Indebtedness**").
8. Erickson provided a guarantee to RBC pursuant to which Erickson guaranteed the indebtedness of Electric to RBC (the "**Erickson Guaranteed Indebtedness**").
9. Guy provided a guarantee to RBC pursuant to which Guy guaranteed the indebtedness of Electric to RBC (the "**Guy Guaranteed Indebtedness**").

The Security

10. Electric granted security in favour of RBC including, without limitation, three general security agreements securing to RBC all present and after acquired personal property of Electric (the "**Electric GSAs**"). The Electric GSAs secure all of the Electric Indebtedness.
11. IEC granted security in favour of RBC including, without limitation, two general security agreements securing to RBC all present and after acquired personal property of IEC (the "**IEC GSAs**") and postponements and assignments in favour of RBC in respect of the indebtedness of

Electric (the "**IEC Postponements and Assignments**"). The IEC GSA's and the IEC Postponements and Assignments secure all of the IEC Guaranteed Indebtedness.

12. Summit granted security in favour of RBC including, without limitation, a general security agreement securing to RBC all present and after acquired personal property of Summit (the "**Summit GSA**") and a postponement and assignment in favour of RBC in respect of the indebtedness of Electric (the "**Summit Postponement and Assignment**"). The Summit GSA and the Summit Postponement and Assignment secure all of the Summit Guaranteed Indebtedness.
13. Black Knights granted security in favour of RBC including, without limitation, a general security agreement securing to RBC all present and after acquired personal property of Black Knights (the "**Black Knights GSA**") and a postponement and assignment in favour of RBC in respect of the indebtedness of Electric (the "**Black Knights Postponement and Assignment**"). The Black Knights GSA and the Black Knights Postponement and Assignment secure all of the Black Knights Guaranteed Indebtedness.
14. Turnbull granted security in favour of RBC including, without limitation, a postponement and assignment in favour of RBC in respect of the indebtedness of Electric (the "**Turnbull Postponement and Assignment**"). The Turnbull Postponement and Assignment secures all of the Turnbull Guaranteed Indebtedness.
15. Erickson granted security in favour of RBC including, without limitation, a postponement and assignment in favour of RBC in respect of the indebtedness of Electric (the "**Erickson Postponement and Assignment**"). The Erickson Postponement and Assignment secures all of the Erickson Guaranteed Indebtedness.
16. Guy granted security in favour of RBC including, without limitation, a postponement and assignment in favour of RBC in respect of the indebtedness of Electric (the "**Guy Postponement and Assignment**"). The Guy Postponement and Assignment secures all of the Guy Guaranteed Indebtedness.
17. RBC has perfected the security interests created by the Electric GSAs, IEC GSAs and the IEC Postponements and Assignments, the Summit GSA and the Summit Postponement and Assignment, the Black Knights GSA and the Black Knights Postponement and Assignment, the Turnbull Postponement and Assignment, the Erickson Postponement and Assignment and the Guy Postponement and Assignment (collectively referred to as the "**Security**").

The Demands

18. On or about September 12, 2017, RBC did demand payment of the Electric Indebtedness, the IEC Guaranteed Indebtedness, the Summit Guaranteed Indebtedness, the Black Knights Guaranteed Indebtedness, the Turnbull Guaranteed Indebtedness, the Erickson Guaranteed Indebtedness and the Guy Guaranteed Indebtedness, and did serve on each of Electric, IEC, Summit and Black Knights a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3. The time periods applicable to the demands and to each of such notices have expired.
19. The Defendants, and each of them, have failed or neglected and continue to fail or neglect to pay to RBC the Electric Indebtedness, the IEC Guaranteed Indebtedness, the Summit Guaranteed

Indebtedness, the Black Knights Guaranteed Indebtedness, the Turnbull Guaranteed Indebtedness, the Erickson Guaranteed Indebtedness and the Guy Guaranteed Indebtedness, or any portion thereof.

20. The Electric Indebtedness, the IEC Guaranteed Indebtedness, the Summit Guaranteed Indebtedness, the Black Knights Guaranteed Indebtedness, the Turnbull Guaranteed Indebtedness, the Erickson Guaranteed Indebtedness and the Guy Guaranteed Indebtedness is fully due, owing and payable to RBC and the Defendants have each defaulted in their respective obligations to RBC including, without limitation, payment obligations in favour of RBC.

The Appointment of a Receiver is Just and Convenient in the Circumstances

21. Each of the Electric GSAs, the IEC GSAs, the Summit GSA, and the Black Knights GSA allows and provides for the appointment of a Receiver or a Receiver and Manager of the undertakings, property and assets of the Corporate Defendants, respectfully, in the event of default with respect to the obligations owed in favour of RBC.
22. The time periods applicable to each of the demands and notices regarding the Electric GSAs, the IEC GSAs, the Summit GSA, and the Black Knights GSA have expired and the Defendants have not satisfied these demands.
23. The Defendants are in default of their obligations to RBC.
24. RBC has lost confidence in the ability of the management of the Corporate Defendants to continue to operate the businesses of the Corporate Defendants.
25. The appointment of a receiver of the undertakings and property of the Corporate Defendants is necessary for the protection of the estates of the Corporate Defendants and for the protection of the interests of RBC.
26. Alvarez & Marsal Canada Inc. is prepared to consent to act as Receiver in this matter and RBC supports the appointment of Alvarez & Marsal Canada Inc. as the Receiver of the undertakings, property and assets of the Corporate Defendants.
27. It is just and convenient to appoint a receiver of the assets, undertakings and property of the Corporate Defendants in the circumstances.
28. The Defendants have consented to the appointment of a Receiver.

Material or evidence to be relied on:

29. The pleadings and proceedings in this Action;
30. The Affidavit of Arnold Masson sworn September 28, 2017; and
31. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

32. Rule 6.3 of the *Alberta Rules of Court*, AR 124/2010.

33. *Bankruptcy and Insolvency General Rules*, CRC c 368.

Applicable Acts and regulations:

34. Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended;

35. Section 13(2) of the *Judicature Act*, RSA 2000, c J-2, as amended; and

36. Section 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7, as amended.

Any irregularity complained of or objection relied on:

37. None.

How the application is proposed to be heard or considered:

38. In person in open 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 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.