

**SUPREME COURT OF PRINCE EDWARD ISLAND
(GENERAL SECTION)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

**DME LIMITED PARTNERSHIP, DME GENERAL PARTNER INC., ATLANTIC SYSTEMS MANUFACTURING
(2016) LTD., DME CANADA ACQUISITIONS INC. and DME US HOLDCO INC., as represented
by Alvarez & Marsal Canada Inc., as Court appointed receiver**

Respondents

**MOTION RECORD
(DME Sale Order)**

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George Cooper, Q.C.
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Solicitors for the Applicant**

**DME LIMITED PARTNERSHIP,
54 Hillstrom Avenue
Charlottetown, PE C1E 2C6
Respondent**

**ATLANTIC SYSTEMS MANUFACTURING (2016) LTD.,
54 Hillstrom Avenue
Charlottetown, PE C1A 7L1
Respondent**

**DME GENERAL PARTNER INC.,
333 Bay Street, Suite 640
Toronto, Ontario M5H 2R2
Respondent**

**DME CANADA ACQUISITIONS INC.
510 West Georgia Street, Suite 1800
Vancouver, British Columbia V6C 3L2
Respondent**

**DME US HOLDCO INC.
333 Bay Street, Suite 640
Toronto, Ontario M5H 2R2
Respondent**

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& Marsal Canada Inc., as Court appointed Receiver**

Respondents

NOTICE OF MOTION

Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Receiver, (the **"Moving Party"** or **"Receiver"**) will make a Motion to a Judge on Friday, February 22, 2019, at 1:30 p.m. at the Sir Louis Henry Davies Law Courts Building, 42 Water Street, Charlottetown, Prince Edward Island.

A. The Motion Is For:

1. Abridgment of Time – The Moving Party seeks an Order abridging the time requirements for service and filing with respect to the motion herein.
2. Approval - The Moving Party further seeks direction and authorization in the form of the draft order attached hereto as Schedule "A" (the **"DME Sale Order"**) to (i) to approve and accept the Receiver's Second Report dated February 14, 2019, (**"Second Report"**) (ii) to approve the Receiver executing and entering into the Sale Agreement as detailed in the Receiver's Second Report, and Confidential Appendices and (iii) to complete the sale of assets located in Charlottetown, Prince Edward Island (the **"Sale Assets"**). The DME Sale Order provides, inter alia:
 - a. Authorizing and approving the execution and delivery by the Receiver of a receiver's certificate, substantially in the form attached as Schedule "A" to the draft Order (the **"Receiver's Certificate"**), and the Receiver executing and delivering such other documents

or the taking of such additional actions as may be necessary or desirable to complete the sale and to convey the Sale Assets to the purchaser.

- b. Declaring that upon the delivery of the Receiver's Certificate, all right, title and interest of the Respondents in and to the Sale Assets shall vest absolutely in the purchaser thereof free and clear of and from any and all other interests, claims or encumbrances of any nature or kind other than registered easements or rights of way.
- c. To the extent necessary, declaring that for the purposes of determining the nature and priority of claims, the net proceeds from the completion of the sales of the Sale Assets (the "Proceeds") shall stand in the place and stead of the Sale Assets, and that from and after the delivery of the Receiver's Certificate all claims and encumbrances shall attach to the Proceeds with the same priority as they had with respect to the Sale Assets immediately prior to the sale.

3. Sealing – The Moving Party further seeks an order sealing the Confidential Appendices to the Receiver's Second Report until further order of this Court.


4. Other Relief - An Order for such other relief as this Honourable Court deems just.

B. The Grounds For The Motion Are:

- 1. By Order dated November 26, 2018, this Honourable Court appointed the Moving Party as Court-appointed receiver without security of all of the assets, undertaking and properties (the "Property") of the Respondents, and all predecessors, and all proceeds thereof (the "Receivership Order").
- 2. Pursuant to the Receivership Order, the Receiver is empowered and authorized to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate pursuant to the Receivership Order.
- 3. The proposed sales are the result of the Receiver's efforts to realize on the Sale Assets and the Receiver is of the view that approval of the sale and other requested relief is in the best interests of the Respondent's stakeholders and constitutes the best possible realization for the estate for the Sale Assets.

4. The Confidential Appendices to the Second Report contain sensitive commercial information related to the value and potential net proceeds of the Sale Assets. The release of this information would affect future realizations on the remaining Property to be sold. The benefit of sealing the information outweighs any harm caused as a result, if any, of the sealing as the sealing is limited in time with the information being available at the end of these proceedings.
 5. The Moving Party relies on the *Judicature Act*, the *Bankruptcy and Insolvency Act*, and Rules 2 and 3 of the Prince Edward Island Rules of Civil Procedure in support of the relief requested.
- C. The Following Documentary Evidence will be used at the hearing of the Motion:
1. Second Report of the Receiver, inclusive of appendices and Confidential Appendices; and
 2. Such other evidence as the Moving Party may seek to introduce and is allowed.

DATED: February 14, 2019.



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