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Via Facsimile (709) 729-6623

Hon. Justice Sitting in Chambers
Supreme Court of Newfoundland and Labrador
General Division
Courthouse
309 Duckworth Street
P.O. Box 937
St. John's NL A1C 5M3

Dear Lord/Lady:

Re: The Proposal of British Bazaar Company Limited and British Confectionary Company Limited: Court Nos. 22375 and 22376

We understand that an Application is scheduled to be heard before you on Tuesday, December 4, 2018 at 10:00 a.m. wherein the Applicants, British Bazaar Company Limited and British Confectionary Company Limited, are seeking several Orders of the Court with respect, *inter alia*, the extension of time to file Proposals and the administrative consolidation of those proceedings.

We represent Atlantic Lottery Corporation (“ALC”). ALC will be filing a Motion with this Honourable Court seeking to lift any stay of proceedings, pursuant to Section 69.3(1) of the *Bankruptcy and Insolvency Act*, to allow a claim of ALC to proceed with respect to the alleged negligence of British Bazaar Company Limited regarding an (insured) loss incurred by ALC with respect to the negligent printing and manufacturing of “breakopen” tickets printed and manufactured by BBCL and that ALC therefore be allowed to pursue its claim, *inter alia*, against the insurer of British Bazaar Company Limited in the Court of Queen’s Bench of New Brunswick on the following grounds:

- (a) ALC is an unsecured creditor who is affected by the operation of sections 69-69.3(1) of the BIA;
- (b) those sections of the BIA no longer operate in respect of ALC with respect to the loss incurred by ALC regarding the negligent printing and manufacturing of “breakopen” tickets printed and manufactured by BBCL;
- (c) BBCL is taking the position that ALC’s claim in this regard is contingent or unliquidated;
- (d) ALC is and will be materially prejudiced by the continued operation of sections 69-69.3(1) of the BIA and any stay of proceedings against BBCL in this regard;
- (e) BBCL maintains liability insurance policies with regard to this loss;

- (f) it is equitable to grant this motion since allowing it to continue will not affect the Estate or property of BBCL;
- (g) subsection 69.4 of the BIA provides that any creditor may apply to the Court and request the Court declare that a stay of proceedings no longer operates with respect to that creditor;
- (h) it is equitable that the Court declare that any stay of proceedings regarding the loss incurred by ALC with respect to the negligent printing and manufacturing of "breakopen tickets" printed and manufactured by BBCL not continue or be allowed to continue;
- (i) lifting any stay in favour of ALC with respect to the negligent printing and manufacturing of "breakopen" tickets printed and manufactured by BBCL will allow ALC to recover its claim in that regard under a contract of insurance;

Yours truly,

STEWART MCKELVEY

Hugh J. Cameron

HJC/cmc

cc. Service List Schedule "A"

Schedule "A"

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