



FORCE FILED

No. S245340
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
G3 GENUINE GUIDE GEAR INC.

NOTICE OF APPLICATION

Name of applicant: Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (in that capacity, the “Receiver” or the “Applicant”) of certain assets, undertakings, and properties of G3 Genuine Guide Gear Inc. (the “Debtor”).

To: The Service List attached hereto as **Schedule “A”**

TAKE NOTICE that an application will be made by the Applicant to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on 08/NOV/2024 at 9:45 a.m. for the orders set out in Part 1 below.

The Applicant estimates that the application will take 30 minutes.

- ☐ This matter is within the jurisdiction of an associate judge.
- ☒ This matter is not within the jurisdiction of an associate judge.

Part 1: ORDERS SOUGHT

1. An Order (the “**Amended Receivership Order**”) substantially in the form attached hereto as **Schedule “B”** amending the Receivership Order granted by the Honourable Justice Loo on August 9, 2024 (the “**Receivership Order**”) by deleting the following from paragraph 2:

“but excluding the FWCU Collateral, as such term is described in the subordination and standstill agreement dated as of June 16, 2015, which is attached as Exhibit G of John Lee Affidavit #1 sworn on August 7, 2024”

2. An Order substantially in the form attached hereto as **Schedule “C”** (the “**Approval and Vesting Order**”):
 - (a) approving the sale of and vesting title to certain assets of the Debtor (the “**Transaction**”) pursuant to an asset purchase agreement dated November 1,

2024 (the "**Purchase Agreement**"), among the Receiver, as vendor, and Canadawide Sports Inc. (the "**Purchaser**"), as purchaser, and other ancillary relief;

- (b) authorizing the Receiver to make interim distributions (the "**Interim Distributions**") to Royal Bank of Canada ("**RBC**") and FWCU Capital Corp. ("**FWC**"), provided that the Receiver shall at all times retain sufficient funds to pay any claims which rank in priority to RBC's and FWC's security; and
 - (c) approving the activities of the Receiver and the Receiver's statement of receipts and disbursements, as set out in the Receiver's First Report to the Court dated November 4, 2024 (the "**First Report**").
- 3. An Order substantially in the form attached hereto as **Schedule "D"** sealing the Confidential Supplement to the Receiver's First Report to the Court (the "**Confidential Report**") in the Court file.
 - 4. With respect to the above relief, Orders (a) abridging the time for service such that this Notice of Application is properly returnable on November 8, 2024, and (b) dispensing with service of this Notice of Application and supporting materials upon any interested party other than those parties on the Service List (as defined in the Receivership Order) maintained by the Receiver for these proceedings.
 - 5. Such further orders as counsel for the Applicant may advise and this Court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

Background

- 1. On application by RBC and pursuant to the Receivership Order, the Receiver was appointed as court-appointed receiver over certain assets, undertakings, and property of the Debtor.
- 2. The Debtor was a Burnaby, BC-based manufacturer and retailer of backcountry ski equipment and related gear and accessories, including ski bindings, skis and split-boards, tension straps, and ski skins.
- 3. The Debtor operated out of a 17,100 square foot warehouse and office space located at 3771 Marine Way, Burnaby, BC V5J 5A7 (the "**Premises**"). The Debtor is the tenant under a warehouse lease agreement dated March 17, 2015, and amended by lease amending agreement dated January 27, 2020 (as amended, the "**Lease**") among Hallmark Holdings Ltd. c/o Canreal Management Corporation (the "**Landlord**"), as landlord, and the Debtor, as tenant, in respect of the Premises.

4. RBC is the primary secured creditor as against the assets subject to the Receivership Order, and holds a general security agreement from the Debtor.
5. RBC was owed approximately \$2.4 million as of September 3, 2024.
6. FWC is the secondary secured creditor as against the assets subject to the Receivership Order. Pursuant to a priority agreement among RBC, FWC and the Debtor, FWC's security has priority over (i) a key-man life insurance policy (the "**Insurance Policy**") and (ii) the intellectual and industrial property owned or exclusively licensed by the Debtor, including all patents, industrial designs, copyrights, trademarks, trade names, trade secrets, computer software and options and rights to use any of the foregoing all intellectual property assets of the Debtor (the "**IP Assets**", and together with the Insurance Policy, the "**FWC Collateral**"). The FWC Collateral is not currently subject to the Receivership Order, and is explicitly carved out of the definition of "Property" as set out in paragraph 2 of the Receivership Order.
7. The key assets of the Debtor are:
 - (a) accounts receivable;
 - (b) income tax and Scientific Research and Experimental Development ("**SRED**") refund receivables;
 - (c) completed inventory;
 - (d) raw materials;
 - (e) equipment; and
 - (f) the IP Assets.

Activities of the Receiver and Sales Process

8. The Receiver has undertaken various activities since its appointment, including the following:
 - (a) attended at the Premises and met with the Debtor's employees to inspect the equipment and inventory of the Debtor;
 - (b) held numerous discussions with various stakeholders, including RBC and FWC, the Landlord, various customers, Canada Revenue Agency, and other creditors;
 - (c) enabled pickup of prepaid orders by certain customers and allowed for delivery of orders from couriers;

- (d) arranged for a valuation of the equipment and inventory of the Company;
 - (e) cancelled all unfulfilled orders arranged refunds in connection with the same;
 - (f) terminated all employees and gathered the information required to prepare the various notices and related employee claims pursuant to the *Wage Earner Protection Program Act*;
 - (g) coordinated the set-up of the Receiver's website and posted documents related to these proceedings;
 - (h) engaged the Debtor's accounting firm to complete 2024 tax filings in order to realize on SRED and T2 corporate tax refunds;
 - (i) conducted the "**Sales Process**" as defined and detailed in the First Report and the Confidential Report.
9. In respect of the Sales Process, a total of 60 targeted interested parties were sent a teaser that outlined the acquisition opportunity, of which 19 signed non-disclosure agreements to access the data room established by the Receiver.
10. The Receiver set September 11, 2024, as the bid deadline in the Sales Process (the "**Bid Deadline**"), and invited interested parties to submit offers prior to the Bid Deadline.
11. The Receiver began discussions with a bidder who submitted the highest offer to purchase the Debtor's assets on an en-bloc basis prior to the Bid Deadline. Such discussions continued for several weeks after the Bid Deadline. However, such party failed to satisfy the Receiver that it had sufficient financing to complete the proposed purchase.
12. As such, the Receiver began to make arrangements for seeking Court approval for an auction process.

En-Bloc Offer and Proposed Transaction

13. After the Bid Deadline, the Receiver continued to receive communications from parties interested in purchasing some or all of the Debtor's assets.
14. On or about November 1, 2024, the Receiver entered into the Purchase Agreement with the Purchaser.
15. Pursuant to the Purchase Agreement, the Purchaser has agreed to purchase all of the assets of the Debtor, including the IP Assets, and an assignment of the Lease including any and all prepaid rent, rent deposits, and security deposits held by the Landlord on

behalf of the Debtor. The purchase of such assets by the Purchaser is agreed to be on an "as-is where-is" basis with no representations or warranties by the Receiver.

16. The following conditions precedent are included in the Purchase Agreement:
 - (a) expansion of the Receivership Order to include the FWC Collateral in general and IP Assets specifically;
 - (b) consent of the Landlord to assign the Lease to the Purchaser; and
 - (c) the Approval and Vesting Order being granted by this Court.
17. The Receivership Order explicitly excluded the FWC Collateral, which includes the IP Assets, from the Property over which the Receiver was appointed, as defined therein. As such, the Receiver is seeking the Amended Receivership Order to enable the Receiver to complete the Transaction, in addition to the Approval and Vesting Order.
18. The proposed closing date for the Transaction is no later than five (5) days after receiving Court approval of the Approval and Vesting Order.
19. In the Receiver's view:
 - (a) a transaction including both the IP Assets and other assets of the Debtor will maximize the realizations from the Debtor's assets, relative to a transaction excluding the IP Assets;
 - (b) the timing and other terms in the Purchase Agreement are reasonable in the Receiver's experience, having regard to its involvement with transactions in other mandates;
 - (c) the portion of the purchase price allocated to the assets other than the IP Assets in the Purchase Agreement is higher than the appraised value for these assets; and
 - (d) FWC is agreeable to the portion of the purchase price allocated to the IP Assets in the Purchase Agreement.
20. Accordingly, the Receiver has entered into the Purchase Agreement, subject to approval of this Court.

Part 3: LEGAL BASIS

21. The Applicant relies on:

- (a) *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), in particular, section 243.
- (b) *Supreme Court Civil Rules*, B.C. Reg. 168/2009 (the "**Rules**"), in particular Rules 8–1, 8–5, 13–1 and 22–4;
- (c) the inherent and equitable jurisdiction of this Court; and
- (d) such further and other legal bases and authorities as counsel may advise and this Court may permit.

Sealing Order

22. The Receiver seeks to file the Confidential Report under seal.

23. The test for a sealing order is set out in the Supreme Court of Canada decision in *Sherman Estate v. Donovan*, which reframed the two-step inquiry in the *Sierra Club* test into three-steps, requiring an applicant for a sealing order to establish that:

- (a) court openness poses a serious risk to an important public interest;
- (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

***Sherman Estate v. Donovan*, 2021 SCC 25 at para. 38.**

24. In insolvency proceedings, courts regularly grant limited sealing orders over pricing and related information contained in conjunction with sale approval orders, in order to avoid jeopardizing any subsequent sales process that might occur if the approved sale does not close.

25. Protection of a sales process and the maximization of recovery in such a process is an important public interest that justifies granting a limited sealing order.

***Rose-Isli Corp. v. Frame Tech Structures Ltd.*, 2023 ONSC 832 at paras. 137–141.**

26. Sealing the Confidential Report is appropriate in the circumstances.
27. The Confidential Report contains commercially sensitive valuation information. In the event a transaction does not complete, the Receiver will seek to re-market the assets. The Confidential Report also includes sensitive pricing information on assets that may not be included in a transaction, such as the IP Assets. If this information is publicly disclosed, it would negatively impact the Receiver's ability to obtain competitive bids from other potential purchasers.
28. The proposed sealing order is limited in scope and is proportional to the interests of all parties. There is no reasonable alternative to the limited sealing order sought.

Amended Receivership Order to expanding the definition of "Property"

29. The Receivership Order may be amended as set out in paragraph 34 of the Receivership Order.
30. A court may expand the definition of "Property" in a receivership order.

See Forjay Management Ltd. v. 0981478 B.C. Ltd., 2018 BCSC 1023 at para. 10.

31. The Amended Receivership Order expands the definition of "Property" as set out in the Receivership Order.
32. The expanded definition of "Property" in the Receivership Order is necessary to give the Receiver authority to complete the Transaction and is a condition precedent of the Purchase Agreement.
33. FWC consents to adding the FWC Collateral to the definition of "Property" in the Receivership Order.

Approval of Sale

34. The factors that the Court ought to consider with respect to the approval of sale in receivership proceedings are set out in *Royal Bank of Canada v. Soundair Corp.* ("**Soundair**"). The factors to be considered are:
 - (a) whether the receiver has made sufficient effort to get the best price and has not acted improvidently;
 - (b) the interests of all parties;
 - (c) the efficacy and integrity of the process by which the offers are obtained; and

- (d) whether there has been unfairness in the working out of the process.

***Royal Bank of Canada v. Soundair Corp.*, 1991
CanLII 2727 (ONCA) at p. 8–9.**

35. The “purpose and object of a receivership authorized by the *BIA* is to facilitate and enhance the preservation and realization of the assets of an insolvent debtor for the benefit of the creditors in accordance with their priority rankings”. The liquidation of assets should result in “a maximum return to the creditors”.

***British Columbia v. Peakhill Capital Inc.*, 2024
BCCA 246 at para. 21.**

36. For the reasons set out in paragraph 19 hereof, the Receiver submits the Transaction as contemplated by the Purchase Agreement satisfies the *Soundair* factors, and is commercially reasonable in the circumstances.

Interim Distributions to RBC and FWC

37. The anticipated realization from the Transaction contemplated by the Purchase Agreement is expected to be lower than the amounts outstanding to RBC and FWC. Both secured creditors are expected to suffer a deficit in respect of their debts.
38. If granted, the Receiver will make the Interim Distributions to RBC and FWC after retaining a balance on hand to satisfy any potential priority claims that may be advanced and remaining fees and disbursements.
39. RBC and FWC, as secured creditors, are entitled to the Interim Distributions, and an efficient distribution will minimize prejudice to RBC and FWC. Further, the Interim Distributions, if made, will reduce the principal debts owed to these secured creditors, as well as the interest payable on the secured facilities.
40. As a result, the Interim Distributions are in the interest of all stakeholders, in particular RBC and FWC, and, as such, the Interim Distributions are just, convenient and advisable in the circumstance.

***BIA*, s. 243(1)(c).**

Approval of Activities

41. Approval of the Receiver’s activities is appropriate in these circumstances because such approval will:
- (a) allow the Receiver and other stakeholders to move forward confidently with the next steps in the Receivership Proceedings;

- (b) bring the Receiver's activities in issue before this Court, providing an opportunity for the concerns of this Court and/or other stakeholders to be addressed, and any problems to be rectified in a timely way;
- (c) provide certainty and finality in the Receivership Proceedings and activities undertaken by the Receiver, while providing an opportunity for the stakeholders to raise specific objections and concerns;
- (d) enables this Court, tasked with supervising the Receivership Proceedings, to satisfy itself that the Receiver's court-mandated activities have been conducted in a prudent and diligent manner;
- (e) provides protection for the Receiver, not otherwise provided by statute; and
- (f) protects creditors from delay that would be caused by:
 - (i) re-litigation of steps taken to-date; and
 - (ii) potential indemnity claims by the Receiver.

Target Canada Co (Re), 2015 ONSC 7574 at paras. 12, 23

- 42. In addition, the approval sought by the Receiver is not a general approval of its activities to date, but is the approval of the specific activities taken by the Receiver to date, all of which are detailed in the First Report.
- 43. The Receiver submits that based on the above, this Court should approve the Receiver's activities as outlined in the First Report.

Part 4: MATERIAL TO BE RELIED ON


- 1. Affidavit #1 of John Lee sworn August 7, 2024;
- 2. Receivership Order made August 9, 2024; and
- 3. Receiver's First Report to the Court, dated November 4, 2024.
- 4. Receiver's Confidential Supplement to the First Report, to be filed under seal.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days of service of this Notice of Application,

- (a) file an Application Response in Form 33,

- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: 05/NOV/2024


 Signature of lawyer for applicant
 Eamonn Watson

<i>To be completed by the court only:</i>	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
<input type="checkbox"/>	with the following variations and additional terms:
Date:	
Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Associate Judge	

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents

- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

SCHEDULE "A"

No. S245340
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF G3 GENUINE GUIDE GEAR INC.

SERVICE LIST

As at October 31, 2024

<p>Deloitte Restructuring Inc., in its capacity as court-appointed Receiver 410 West Georgia Street Vancouver, BC V6B 0S7</p> <p>Attention: Jeff Keeble</p> <p>Email: jkeeble@deloitte.com</p> <p><i>Court-appointed Receiver of G3 Genuine Guide Gear Inc.</i></p>	<p>Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver, BC V5C 3R8</p> <p>Attention: Jordan Schultz Cassandra Federico Eamonn Watson</p> <p>Email: jordan.schultz@dentons.com cassandra.federico@dentons.com eamonn.watson@dentons.com</p> <p><i>Counsel for the Receiver</i></p>
<p>G3 Genuine Guide Gear Inc. Suite 2400, 745 Thurlow Street Vancouver, BC V6E 0C5</p> <p>Attention: Oliver Steffen</p> <p>Email: oliver@genuineguidegear.com</p> <p><i>Director and President of G3 Genuine Guide Gear Inc.</i></p>	<p>Gowling WLG (Canada) LLP 550 Burrard Street, Suite 2300, Bentall 5, Vancouver, BC V6C 2B5</p> <p>Attention: Manuel Dominguez Jonathan Ross</p> <p>Email : manuel.dominguez@gowlingwlg.com Jonathan.Ross@ca.gowlingwlg.com</p> <p><i>Counsel for Royal Bank of Canada</i></p>
<p>Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3</p> <p>Attention : Brent Clark</p> <p>Email: bcclark@fasken.com</p> <p><i>Counsel for First West Credit Union</i></p>	<p>DuMoulin Boskovich LLP 1301 – 808 Nelson Street Vancouver, BC V6Z 2H2</p> <p>Attention: Kenneth Burgess</p> <p>Email: kburgess@dubo.com</p> <p><i>Counsel for G3 Genuine Guide Gear Inc.</i></p>

SCHEDULE "A"

<p>Royal Bank of Canada</p> <p>Attention: Philip Wong</p> <p>Email: <u>philip.wong@rbc.com</u></p> <p><i>Secured Creditor</i></p>	
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SCHEDULE "A"

EMAIL SERVICE LIST:

jkeeble@deloitte.com; jordan.schultz@dentons.com; cassandra.federico@dentons.com;
eamonn.watson@dentons.com; oliver@genuineguidegear.com; bcclark@fasken.com;
kburgess@dubo.com; manuel.dominguez@gowlingwlg.com; Jonathan.Ross@ca.gowlingwlg.com;
philip.wong@rbc.com

SCHEDULE "B"

No. S245340
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF G3 GENUINE GUIDE GEAR INC.

ORDER MADE AFTER APPLICATION

)	THE HONOURABLE JUSTICE)	
BEFORE))	08/NOV/2024
))	

ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as court appointed receiver (in such capacity, the "**Receiver**") of certain assets, undertakings and properties of G3 Genuine Guide Gear Inc. (the "**Debtor**"), coming on for hearing at Vancouver, British Columbia, on this 8th day of November, 2024, and on hearing Eamonn Watson and Cassandra Federico, counsel for the Receiver, and those parties listed on **Schedule "A"** hereto;

THIS COURT ORDERS that:

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on the Service List (as defined in the Order of the Honourable Justice Loo granted August 9, 2024) maintained by the Receiver for these proceedings is hereby dispensed with.
2. The Order of the Honourable Justice Loo granted August 9, 2024, is hereby amended by deleting the following phrase from paragraph 2:

"but excluding the FWCU Collateral, as such term is described in the subordination and standstill agreement dated as of June 16, 2015, which is attached as Exhibit G of John Lee Affidavit #1 sworn on August 7, 2024".

3. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Eamonn Watson
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

NO. S245340
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
G3 GENUINE GUIDE GEAR INC.**

ORDER MADE AFTER APPLICATION

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

SCHEDULE "C"

No. S245340
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
G3 GENUINE GUIDE GEAR INC.

ORDER MADE AFTER APPLICATION

)	THE HONOURABLE JUSTICE)	
BEFORE))	08/NOV/2024
))	

ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as court appointed receiver (in such capacity, the "**Receiver**") of the assets, undertakings and properties of G3 Genuine Guide Gear Inc. (the "**Debtor**"), coming on for hearing at Vancouver, British Columbia, on this 8th day of November, 2024, and on hearing Eamonn Watson and Cassandra Federico, counsel for the Receiver, and those parties listed on **Schedule "A"** hereto;

THIS COURT ORDERS that:

Service

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on the Service List (as defined in the Order granted by the Honourable Justice Loo on August 9, 2024) maintained by the Receiver for these proceedings is hereby dispensed with.

Approval of Purchase Agreement

2. The sale transaction (the "**Transaction**") contemplated by Asset Purchase Agreement dated November 1, 2024 (the "**Purchase Agreement**"), between the Receiver and Canadawide Sports Inc. (the "**Purchaser**"), a redacted copy of which is attached as **Schedule "B"** hereto and an unredacted copy of which is attached as Appendix "C" to the Confidential Supplement to the First Report of the Receiver dated November [-], 2024, is hereby approved and the Purchase Agreement is commercially reasonable. The execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Purchase Agreement (the "**Purchased Assets**").

3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order granted by the Honourable Justice Loo on August 9, 2024 (the "**Receivership Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.

6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all personal information in the company's records pertaining to the Debtor's records. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. Subject to the terms of the Purchase Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Purchase Agreement), subject to the permitted encumbrances as set out in the Purchase Agreement.

8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such other date as those parties may agree without the necessity of a further Order of this Court.

9. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

Distribution

10. The distributions authorized and approved by paragraph 11 of this Order shall at all times be subject to (a) the completion of the Transaction; (b) receipt by the Receiver of

the proceeds from the sale of the Purchased Assets (the "**Sale Proceeds**") net of any payment obligations under the Purchase Agreement (the "**Net Sale Proceeds**"); and (c) the Receiver retaining from the Net Sale Proceeds a reserve of funds (the "**Holdback Reserve**") in an amount satisfactory to the Receiver sufficient for the payment of:

- (a) the obligations secured by the Receiver's Charge as defined in the Receivership Order;
- (b) any borrowings permitted by the Receivership Order and secured by the Receiver's Borrowing Charge as defined in the Receivership Order;
- (c) amounts owing by the Receiver in respect of (i) its ordinary course post-appointment obligations incurred since the commencement of these receivership proceedings up to and including the date of this Order, and (ii) amounts incurred, or estimated to be incurred, by the Receiver in respect of its ordinary course post-appointment obligations from and after the date of this Order;
- (d) amounts required to be remitted to the Canada Revenue Agency in relation to payroll source deductions and goods and services tax;
- (e) wages and vacation pay owed to employees of the Debtor assessed by the Receiver prior to its appointment in accordance with the *Wage Earner Protection Program Act*; and
- (f) such other obligations or claims for which the Receiver deems it to be prudent in the circumstances to maintain a Holdback Reserve for.

11. Subject to the availability of sufficient Net Sale Proceeds, and the requirement to maintain the Holdback Reserve, the Receiver is authorized to make interim distributions to:

- (a) FWCU Capital Corp., up to the amount allocated to the IP Assets, as defined and set out in the Purchase Agreement; and
- (b) Royal Bank of Canada ("**RBC**"), up to the amount of the amount outstanding to RBC.

For clarity, the Receiver is authorized to make the interim distributions set out herein from any and all proceeds, including by not limited to the Net Sale Proceeds, subject to the requirement to maintain the Holdback Reserve.

Approval of Activities

12. The activities of the Receiver, as set out in the First Report of the Receiver dated November 4, 2024 (the "**First Report**"), are hereby approved.

13. The Receiver's statement of receipts and disbursements up to October 17, 2024, a copy of which is attached as Appendix "A" to the First Report, is hereby approved.

General

14. After the Closing Date, all of the Debtor's current and former directors, officers, employees, agents, shareholders, and all other persons having acted on its instructions or behalf, shall forthwith advise the Purchaser of the existence of any Purchased Assets in such person's possession or control and shall deliver all such Purchased Assets (excluding Purchased Assets subject to liens the validity of which is dependent on maintaining possession) to the Purchaser upon the Purchaser's request.

15. After the Closing Date, all Persons (as defined in the Receivership Order), other than governmental authorities, shall forthwith advise the Purchaser of the existence of any books, documents, securities, contracts, orders, documents evidencing ownership or registration, corporate and accounting records, and any other papers, records and information of any kind related to the Purchased Assets and/or the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or any other data storage media containing any such information (collectively, the "**Records**"), in that Person's possession or control, and shall, upon a request from the Purchaser and at the Purchaser's expense, provide the Purchaser with copies thereof and/or permit the Purchaser to make, retain and take away copies thereof together with any passwords, credentials or login information required in order to access any Records, subject to any lien rights, claims of privilege or any other conflicting legal right, entitlement, obligation or duty as may be asserted by such Persons.

16. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

17. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

18. Endorsement of this Order, other than by counsel for the Receiver, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Eamonn Watson
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

SCHEDULE "B"

Redacted Purchase Agreement

(see attached)

SCHEDULE "C"

RECEIVER'S CERTIFICATE

Reference is made to the Asset Purchase Agreement dated November 1, 2024 (the "**Purchase Agreement**") among Deloitte Restructuring Inc., in its capacity as receiver of G3 Genuine Guide Gear Inc. and not in its personal capacity (in such capacity, the "**Receiver**"), as vendor, and Canadawide Sports Inc. (the "**Purchaser**"), as purchaser, a redacted copy of which is attached as Schedule "B" to the Order granted made November 8, 2024 (the "**Approval and Vesting Order**") and filed herein.

PURSUANT TO PARAGRAPHS 3 AND 4 OF THE APPROVAL AND VESTING ORDER the Receiver hereby certifies that all conditions of the Purchase Agreement have been satisfied or waived and upon filing this Certificate the sale transaction contemplated by the Purchase Agreement will have completed.

DATED at the City of Vancouver, in the Province of British Columbia, this ____ day of November, 2024.

DELOITTE RESTRUCTURING INC.,
in its capacity as court appointed
receiver of receiver manager of **G3**
GENUINE GUIDE GEAR INC. and
not in its personal capacity

By: _____

NO. S245340
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
G3 GENUINE GUIDE GEAR INC.

ORDER MADE AFTER APPLICATION

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

SCHEDULE "D"

No. S245340
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF G3 GENUINE GUIDE GEAR INC.

SEALING ORDER

BEFORE)
) THE HONOURABLE JUSTICE) 08/NOV/2024
)
)

ON THE APPLICATION (the "**Application**") of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings, and properties G3 Genuine Guide Gear Inc. (the "**Debtor**") coming on for hearing at Vancouver, British Columbia, on the 8th day of November, 2024; AND ON HEARING Eamonn Watson and Cassandra Federico, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto;

THIS COURT ORDERS that:

1. The Confidential Supplement to the First Report of the Receiver dated November ____, 2024 (the "**Confidential Report**"), be sealed by the Registrar of this Honourable Court for the duration noted: [Select all applicable]

Document Name	Date filed	Number of copies filed, including any extra copies for the judge	Duration of sealing order: <i>(to specific date or until further order)</i>	Sought:	Granted	
					Yes	No
1a) Confidential Report	To be filed	One (1)	Until further Order of this Court	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1b) Entire court file				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Other court records stored by the court [e.g. court clerk's log notes, court audio recording]				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3) Order [<i>please specify</i>]				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Reasons for Judgment				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Access to the sealed items is restricted to the following persons: [Select all that apply]
- a. ___ Parties
 - b. X Counsel for the Receiver
 - c. ___ Others [Specify]
3. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Receiver
Dentons Canada LLP
Eamonn Watson

BY THE COURT

REGISTRAR

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

NO. S-245340
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
G3 GENUINE GUIDE GEAR INC.**

**ORDER MADE AFTER APPLICATION
(SEALING ORDER)**

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 131048-104