

October 3, 2024

HAND DELIVERED

The Honourable Justice Presiding in Chambers
Supreme Court of Nova Scotia
The Law Courts Building
1815 Upper Water Street
Halifax, NS B3J 1S7

My Lady/ My Lord:

Re: In the Matter of The Receivership of TCAS Holdings Limited, Sustainable Fish Farming (Canada) Limited, Sustainable Blue Inc. and TCAS IP Inc.
Hfx. No. 531915
Estate No. 51-126479

We represent Deloitte Restructuring Inc., court appointed receiver of the respondent companies (the “**Receiver**”). These written submissions are in support of the Receiver’s motion to increase the amount of borrowing authorized by the order issued in this proceeding April 4, 2024, as previously amended (the “**Appointment Order**”) from \$6,000,000 to \$8,000,000.

In support of this motion, we have filed the Fourth Report of the Receiver dated October 3, 2024 (the “**Fourth Report**”).

SERVICE AND NOTICE

The relief sought in this application is pursuant to the BIA and therefore the Bankruptcy and Insolvency General Rules supersede our Civil Procedure Rules in the event of any inconsistency. BIA Rule 3 states:

- 3 In cases not provided for in the Act or these Rules, the courts shall apply, within their respective jurisdictions, their ordinary procedure to the extent that that procedure is not inconsistent with the Act or these Rules.

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As this is a matter where the BIA does not specify a minimum notice of requirement, BIA Rule 6 applies. Rule 6 states:

- 6 (1) Unless otherwise provided in the Act or these Rules, every notice or other document given or sent pursuant to the Act or these Rules must be served, delivered personally, or sent by mail, courier, facsimile or electronic transmission.
- (2) Unless otherwise provided in these Rules, every notice or other document given or sent pursuant to the Act or these Rules
- (a) must be received by the addressee at least four days before the event to which it relates, if it is served, delivered personally, or sent by facsimile or electronic transmission; or
 - (b) must be sent to the addressee at least 10 days before the event to which it relates, if it is sent by mail or by courier.
- (3) A trustee, receiver or administrator who gives or sends a notice or other document shall prepare an affidavit, or obtain proof, that it was given or sent, and shall retain the affidavit or proof in their files.
- (4) The court may, on an ex parte application, exempt any person from the application of subsection (2) or order any terms and conditions that the court considers appropriate, including a change in the time limits.

In terms of measuring the four days provided for under BIA Rule 6, the period of time is governed by BIA Rule 4, which stipulates clear business days:

- 4 If a period of less than six days is provided for the doing of an act or the initiating of a proceeding under the Act or these Rules, calculation of the period does not include Saturdays or holidays.

In accordance with BIA Rule 6(1), the motion materials will be served electronically by email on October 3, 2024. No opposition is anticipated. Proof of service by affidavit will be filed prior to the hearing of this motion.

Increase in Borrowing Authority and Borrowing Charge

The Appointment Order is based on the Court's precedent as published in the practice memorandum and permits increases in the authorized borrowing authority by further order of the Court. The Court previously increased the initial borrowing authority by Orders issued May 14, 2024, and June 5, 2024. Like the present motion, these increases were to provide

sufficient funding for the Receiver to operate the respondent's business until a sale of the assets could be completed.

As noted in the Fourth Report, additional time is required to complete a transfer of a necessary permit for the business and the Receiver has concluded that further borrowing is required to maintain operations and preserve the live inventory until it can close the transaction authorized by this Court by Order issued September 20, 2024. The appointing creditor (4595756 Nova Scotia Limited) has agreed to make the further loans on the same terms as the initial advances.

An updated cash flow statement to December 1, 2024, is found at Schedule A to the Fourth Report, which shows the need for additional borrowings. Although the cash flow statement shows a maximum additional need for \$1,200,000, the Receiver is requesting additional authority to cover unforeseen circumstances and avoid additional appearances. To the extent the additional funds are not required, the Receiver will not borrow them.

The Receiver does not view the additional borrowing as prejudicial to the other creditors of the respondent companies given the existing debt and security held by 4595756 Nova Scotia Limited; and given that 4595765 is the approved purchaser of the assets and these funds are being used to maintain them pending closing.

All of which is respectfully submitted,


Gavin D. F. MacDonald
GDFM/lb
Enclosures

A. Meaghan Kells
A Barrister of the Supreme
Court of Nova Scotia

Cc: Service List