

COURT FILE NUMBER QBG 1337 of 2020

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF BANK OF MONTREAL

DEFENDANTS TYLER SMITH, PAMELA SMITH, SMITH NORTHERN
RANCHING and 101197829 SASKATCHEWAN LTD.

NOTICE OF APPLICATION

(Approval of Sales and Other Relief)

NOTICE TO RESPONDENT

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

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

Where	Court House, 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Thursday, January 14, 2021
Time	10:00 a.m.

Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. To confirm the telephone number where you can be reached on the date of the application, you must immediately contact the office of the local registrar at (306) 933-5135 and provide your telephone number. You must remain available by telephone at that number on that date until your matter is heard.

(Read the Notice at the end of this document to see what else you can do and when you must do it.)

Remedy claimed or sought:

1. Deloitte Restructuring Inc. (the "**Receiver**"), the Court-appointed Receiver of certain property (the "**Property**") of Tyler Smith, Pamela Smith, Smith Northern Ranching, and 101197829 Saskatchewan Ltd. (collectively, the "**Debtors**") pursuant to the Receivership Order granted in these proceedings by the Honourable Mr. Justice R.S. Smith on December 1, 2020 (the "**Receivership Order**") seeks an Order:
 - (a) approving the proposed sale(s) of certain of the Debtors' livestock as described in the First Report of the Receiver (the "**First Report**") and defined therein as the "**Proposed Livestock Sale**";

- (b) approving the proposed sale(s) of certain of the Debtors' grain inventory as described in the First Report and defined therein as the "**Proposed Market Grain Sale**";
- (c) approving the repayment by the Receiver of certain amounts previously borrowed by the Receiver pursuant to paragraphs 20-23 of the Receivership Order (the "**Receiver's Borrowings**");
- (d) approving the First Report;
- (e) approving the actions, activities, and conduct of the Receiver from December 1, 2020 through to and including January 8, 2021, as more particularly described in the First Report;
- (f) approving the Receiver's Statement of Receipts and Disbursements for the period of December 1, 2020 through to and including January 6, 2021, as more particularly described in the First Report; and
- (g) approving the professional fees and disbursements of the Receiver for the period of November 3, 2020 through to and including December 31, 2020, and the professional fees and disbursements of the Receiver's legal counsel, MLT Aikins LLP, for the period of November 10, 2020 through to and including December 28, 2020, all as more particularly described in the First Report.

2. Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

Approval of the Proposed Livestock Sale and the Proposed Market Grain Sale

- 3. The Debtors are in the business of farming. The Proposed Livestock Sale involves the sale of the Debtors' livestock through Northern Livestock Sales in Prince Albert, Saskatchewan, a local auction market. The Proposed Market Grain Sale involves the sale of approximately 2,417.67 metric tonnes of canola at, or above, the price at which the Debtors had already contracted to sell such canola to Richardson Pioneer Limited.
- 4. The Proposed Livestock Sale and the Proposed Market Grain Sale could likely be considered to be sales in the ordinary course of business of the Debtors, such that Court approval of such sales potentially may not (strictly speaking) be required pursuant to the Receivership Order. However, because the amounts in issue materially exceed the thresholds in the Receivership Order for non-ordinary course asset sales without Court approval, and in the interests of transparency, the Receiver is seeking the approval of this Honourable Court before proceeding with the Proposed Livestock Sale and the Proposed Market Grain Sale.

Approval of the Repayment of the Receiver's Borrowings

5. The Receiver's Borrowings were intended to be short-term loans of amounts necessary to fund the Receivership. Pursuant to paragraph 20 of the Receivership Order, repayment of the Receiver's Borrowings is secured by a first-priority "**Receiver's Borrowings Charge**" over the Property.
6. Accordingly, it is appropriate and in the interests of cost-effective administration of the receivership estate that, once there are sufficient funds in the receivership estate following the Proposed Livestock Sale and the Proposed Market Grain Sale, the Receiver's Borrowings be repaid promptly and without the need for further Order of the Court.

Approval of the First Report, the Activities of the Receiver, the Statement of Receipts and Disbursements, and the Professional Fees and Disbursements of the Receiver and its Legal Counsel

7. As more particularly detailed in the First Report:
 - (a) the Receiver's mandate has at all times been carried out with efficiency and integrity and with due regard for the interests of all parties;
 - (b) the receipts and disbursements of the Receiver are detailed and transparent; and
 - (c) the professional fees and disbursements of the Receiver and its legal counsel are fair and reasonable in the circumstances.

Material or evidence to be relied on:

8. This Notice of Application, with proof of service;
9. First Report of the Receiver dated January 8, 2021; and
10. Such further and other materials as counsel may advise and this Honourable Court may allow.

Applicable Acts and regulations:

11. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, Part XI.

DATED at Saskatoon, Saskatchewan, this 8th day of January, 2021.

MLT AIKINS LLP

Per: 

for Jeffrey M. Lee, Q.C., counsel for the Receiver,
Deloitte Restructuring Inc.

NOTICE

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 at the 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.

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm: MLT Aikins LLP
Lawyer in charge of file: Jeffrey M. Lee, Q.C.
Address of firm: 1201, 409 3rd Avenue South, Saskatoon SK S7K 5R5
Telephone number: 306.975.7100
Email address: JMLee@mltaikins.com
File No: 56074.16