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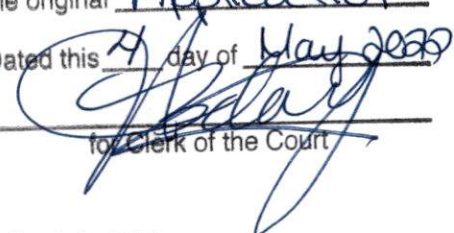
C5079

COURT FILE NUMBER 2201-02948
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT CROWN CAPITAL PARTNER FUNDING LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.
RESPONDENT RBee AGGREGATE CONSULTING LTD.
DOCUMENT **APPLICATION (Bankruptcy Order)**



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COM
May 18, 2022
Justice Campbell

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
MLT Aikins LLP
Barristers and Solicitors
2100 - 222 3rd Avenue SW
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Phone: (403) 693-5420
Fax: (403) 508-4349
Attention: Ryan Zahara
File: 0151020.00013

I hereby certify this to be a true copy of the original Application
Dated this 4 day of May 2022

for Clerk of the Court

NOTICE TO RESPONDENTS: Service List attached hereto as **Schedule "A"**.

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the presiding Justice.

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

Date: May 18, 2022
Time: 10:00 a.m.
Where: Calgary Courts Centre
Before Whom: The Honourable Justice G.A. Campbell

Go to the end of this document to see what else you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

1. The Applicant, Crown Capital Partner Funding, LP, by its manager, Crown Private Credit Partners Inc. (collectively, "**Crown Capital**") seeks from this Honourable Court, an Order substantially in the form attached hereto as **Schedule "B"** granting the following relief:

- (a) a declaration that RBee Aggregate Consulting Ltd. ("**RBee**" or the "**Bankrupt**"), be adjudged bankrupt;
- (b) a Bankruptcy Order pursuant to sections 42 and 43 of the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3 (the "**BIA**") in respect of the property of the Bankrupt;
- (c) an Order directing that FTI Consulting Canada Inc. ("**FTI**") a licensed trustee (the "**Trustee**"), in the Province of Alberta, be appointed as the Trustee in Bankruptcy over the estate of the Bankrupt;
- (d) an Order for costs of the within Application, to be paid out of the estate of the Bankrupt;
- (e) an Order deeming service of this notice of Application and materials in support thereof good, valid, timely, and sufficient; and
- (f) such further and other relief as counsel for Crown Capital may advise and this Honourable Court may deem just and appropriate.

Grounds for Making this Application:

The Parties

2. Crown Capital relies on the following grounds in support of its the Application for the Bankruptcy Order:
 - (a) Pursuant to an Assumption and Assignment Agreement dated November 9, 2017 (the "**Assignment Agreement**"), RBee assumed certain indebtedness in the principal amount of \$17,255,000.00 (as adjusted, the "**Assumed Indebtedness**") owing by Petrowest Corporation and its related entities (collectively, the "**Petrowest Entities**") to the Fund as consideration for Rbee's purchase of certain assets out of the receivership of Petrowest Entities (the "**Transaction**").
 - (b) RBee's obligation to repay the Assumed Indebtedness was further evidenced by a Promissory Note issued by Rbee in favour of the Fund dated November 9, 2017 (the "**Original Note**"), which was repayable by RBee on demand.

- (c) The Assumed Indebtedness was subject to further adjustments upon closing of the Transaction, and as a result of such adjustments, the Original Note was amended and restated in its entirety by Amended and Restated Promissory Note effective as of November 9, 2017 (the “**Amended Note**”). Pursuant to the Amended Note, *inter alia*, the Assumed Indebtedness was adjusted to \$18,807,490.10.
- (d) As of March 7, 2022, the indebtedness outstanding under the Amended Note amounts to \$22,734,432.15, exclusive of legal and professional fees, costs, charges, disbursements, and expenses incurred by Crown Capital prior to and after March 7, 2022 (collectively, the “**Outstanding Indebtedness**”).
- (e) The Outstanding Indebtedness is repayable on demand by RBee to Crown Capital, and is accruing interest at the rate of 12% per annum as set out in the Amended Note.
- (f) As security for all amounts owing by RBee to Crown Capital, on November 9, 2017, RBee granted a General Security Agreement in favour of Crown Capital (the “**GSA**”).
- (g) On November 9, 2017, Crown Capital registered the GSA against RBee at the Alberta Personal Property Registry.
- (h) On November 9, 2017, Canadian Western Bank (“**CWB**”), Crown Capital and RBee entered into a Priority, Postponement, Subordination and Standstill Agreement (the “**Priority Agreement**”), pursuant to which, the parties agreed that the obligations of Rbee to Crown Capital under the Amended Note and GSA would be postponed and subordinated to RBee's obligations to CWB under RBee's loan agreement and security granted in favour of CWB, subject to any waiver in writing executed by CWB.
- (i) RBee currently has approximately \$8,200,000.00 in outstanding accounts receivable, a significant portion of which is aged greater than 90 days and is highly concentrated in a small number of larger customers.

- (j) CWB provides operating financing to RBee and it has indicated it is capping the operating line of RBee at \$7,900,000.00.
- (k) RBee does not have further access to funds to pay its ongoing operational expenses, and Crown Capital is not prepared to provide any additional funding to RBee for its operational expenses outside of a receivership proceeding.
- (l) On February 23, 2022, pursuant to a Business Division Agreement (the “**BDA**”) between RBee, Crown Capital, 2069328 Alberta Ltd., A-1 Quality Belting Ltd., Bernie Reed and David Howells, Crown Capital became the 100% voting shareholder of RBee.
- (m) After completion of the BDA, RBee has three employees and no senior management remaining, and there is insufficient staff to centralize and collect all of RBee’s equipment, which is located at several sites across Alberta and British Columbia.
- (n) To the best knowledge of Crown Capital, RBee has estimated outstanding liabilities owing to the Canada Revenue Agency (the “**CRA**”) for unpaid source deductions (\$2,247,000.00) and outstanding GST remittance (\$543,000.00) in the total estimated amount of \$2,790,000.00.
- (o) RBee’s operating line of credit with CWB was capped and it has no further access to funds under its operating line.
- (p) On March 7, 2022, Crown Capital issued a demand letter and Notice of Intention to enforce its security pursuant to section 244 of the BIA to RBee (the “**RBee Demand**”), which required payment in full of the Outstanding Indebtedness.
- (q) Also on March 7, 2022, RBee provided an executed waiver of the 10-day period required pursuant to section 244 of the BIA.
- (r) RBee is unable to pay the Outstanding Indebtedness that is due and owing to Crown Capital. RBee’s failure to pay amounts owed to Crown Capital when due and owing is an Event of Default pursuant to the Promissory Note and the GSA and is an act of bankruptcy.

- (s) On March 14, 2022, FTI was appointed as receiver (the “**Receiver**”) of the assets, property and undertakings of RBee.
- (t) The appointment of the Trustee is a just, convenient, and appropriate remedy in the circumstances and FTI has consented to act as the Trustee.
- (u) such further and other grounds as counsel may advise and this Honourable Court may permit.

Acts of Bankruptcy

- 3. As of the date of this Application, the Receiver is expected to recover insufficient funds to repay Crown Capital from the Bankrupt in respect of the secured debt obligations owing to Crown Capital.
- 4. Crown Capital expects to suffer a shortfall of at least \$1,000,000 on the realization of its security and will be an unsecured creditor for at least that amount.
- 5. RBee has a significant number of other unsecured creditors who are not expected to be paid any amounts for their unsecured claims from the estate of RBee.
- 6. As such, RBee has failed to meet its obligations generally as they become due. Consequently, it has committed an act of bankruptcy pursuant to section 42 of the *BIA* within the six months preceding this Application.

Security of Crown Capital

- 7. Crown Capital has registered the GSA against RBee and estimates the value of that security for RBee to be \$21,000,000.00 (the “**Estimated Value of Security**”).
- 8. Crown Capital estimates that it will have an unsecured claim against RBee of at least \$1,000,000 after deducting the Estimated Value of Security from its claim against RBee.

Consent of Trustee in Bankruptcy to Act as Trustee

- 9. FTI has consented to act as Trustee of the Bankrupt.

Material or Evidence to be Relied on:

10. Crown intends to rely on the following materials:
 - (a) the Affidavit of Tim Oldfield, sworn April 29, 2022;
 - (b) the Affidavit of Tim Oldfield, sworn and filed March 7, 2022;
 - (c) the First Report of FTI in its capacity as Receiver of RBee dated April 29, 2022;
 - (d) the Consent to Act as Trustee, executed by a duly authorized representative of the FTI as the proposed Receiver; and
 - (e) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

11. *Alberta Rules of Court*, AR 124/2010, Part 6, Division 1.
12. Such further and other Rules as counsel may advise and this Honourable Court may accept.

APPLICABLE ACTS AND REGULATIONS:

13. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, sections 42 and 43.
14. *Bankruptcy and Insolvency General Rules*, CRC 1978, Rules 69 to 72 and 74 to 76.
15. Such further and other legislation as counsel may advise and this Honourable Court may accept.

ANY IRREGULARITY COMPLAINED OF:

16. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD:

17. In person before the Honourable Justice G.A. Campbell, as booked on the Commercial List in Chambers.

WARNING


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.

DATED at the City of Calgary, in the Province of Alberta, this ____ day of April, 2022.

CROWN CAPITAL PARTNER FUNDING, LP, by its
manager, CROWN PRIVATE CREDIT PARTNERS
INC., by its counsel, MLT AIKINS LLP

Per:  _____
Ryan Zahara

ISSUED at the City of Calgary, in the Province of Alberta, this 2 day of May, 2022.



Registrar of Bankruptcy

SCHEDULE "A"

Service List

(See attached)

COURT FILE NUMBER: 2201- 02948

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

PLAINTIFF CROWN CAPITAL PARTNER FUNDING, LP,
by its manager, CROWN PRIVATE CREDIT
PARTNERS INC.

DEFENDANT RBEE AGGREGATE CONSULTING LTD.

DOCUMENT

SERVICE LIST

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

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Facsimile: 403.508.4349
Attention: Ryan Zahara/Catrina Webster
File: 0151020.00013

Updated April 20, 2022

PARTY	ROLE
<p>CROWN CAPITAL PARTNER FUNDING, LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.</p>	<p><i>Counsel for Crown Capital Partner Funding, LP, by its manager, Crown Private Credit Partners Inc.</i></p> <p>MLT AIKINS LLP 2100 Livingston Place 222 3 Ave SW Calgary, AB T2P 0B4</p> <p>Ryan Zahara rzahara@mltaikins.com</p> <p>Catrina Webster cwebster@mltaikins.com</p> <p>Kaitlin Ward kward@mltaikins.com</p>

<p>FTI CONSULTING INC. 1610 520 5th Avenue S.W. Calgary, AB T2P 3R7</p> <p>Tom Powell Tom.powell@fticonsulting.com</p> <p>Deryck Helkaa deryck.helkaa@fticonsulting.com</p> <p>Lindsay Shierman Lindsay.Shierman@fticonsulting.com</p>	<p><i>Proposed Court-appointed Receiver</i></p>
<p>RBEE AGGREGATE CONSULTING LTD.</p> <p>Christopher A. Johnson Chris.johnson@crowncapital.ca</p>	
<p>CANADIAN WESTERN BANK</p>	<p><i>Counsel for Canadian Western Bank</i></p> <p>MCLENNAN ROSS 600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4</p> <p>Chuck Russell, Q.C. chuck.russell@mross.com</p>
<p>KOMATSU INTERNATIONAL (CANADA) INC. 3755 Boul Matte, Suite E Brossard, QC J4Y 2P4</p> <p>riacovozzi@komatsuna.com</p>	
<p>WS LEASING LTD. Suite 1900 – 13450 102 Avenue Surrey, BC V3T 5Y1</p> <p>Ph: 604-528-3802 Fax: 604-525-7572</p> <p>leasing.web@prospera.ca</p>	

<p>GREG DISTRIBUTORS 16215 – 118 Ave Edmonton, AB T5V 1C7</p> <p>Ph: 780-447-3447 Fax: 780-451-2528</p> <p>gdl@gdl.ca</p>	
<p>SMS EQUIPMENT INC. 11285 – 274 Street Acheson, AB T7X 6P9</p> <p>Ph: 780-948-3894 Fax: 780-690-4637</p> <p>Heather Gallant hgallant@smsequip.com</p>	
<p>WELLS FARGO EQUIPMENT FINANCE COMPANY 1290 Central Parkway W, Suite 1100 Mississauga, ON L5C 4R3</p>	
<p>ROYAL BANK OF CANADA 300 – 5575 North Service Rd Burlington, ON L7L 6M1</p> <p>cms_alberta_notifications@teranet.ca</p>	
<p>CANADA REVENUE AGENCY 220 4th Avenue SE Calgary, AB T2G 0L1</p>	
<p>DEPARTMENT OF JUSTICE CANADA – PRAIRIE REGIONAL OFFICE (CALGARY) 510, 606 – 4 Street SW Calgary, AB T2P 1T1</p> <p>Jill Medhurst Jill.Medhurst@justice.gc.ca</p>	

RMC CONSTRUCTION MATERIALS LTD.

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Edmonton, AB T5J 0K4

Chris Zelyas

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SCHEDULE "B"

Form of Bankruptcy Order

(See attached)

COURT FILE NUMBER: 2201-02948

Clerk's stamp

COURT COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CROWN CAPITAL PARTNER FUNDING LP, by
its manager, CROWN PRIVATE CREDIT
PARTNERS INC.

DEFENDANT RBee AGGREGATE CONSULTING LTD.

DOCUMENT **BANKRUPTCY ORDER**

ADDRESS FOR SERVICE AND
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Fax: 403.508.4349
Attention: Ryan Zahara
File: 0151020.00013

DATE ON WHICH ORDER WAS PRONOUNCED: MAY18, 2022

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

UPON THE APPLICATION of the Applicant, Crown Capital Partner Fund LP, by its manager, Crown Private Credit Partners Inc. (the "**Crown Capital**") for a Bankruptcy Order against the Respondent, RBee Aggregate Consulting Ltd. (the "**Bankrupt**"), filed on April 29, 2022 (the "**Application**") ; **AND UPON NOTING** the consent of FTI Consulting Canada Inc., the Court-appointed Receiver of the Bankrupt; **AND UPON** reading the materials filed by Crown Capital in respect of the Application; **AND UPON** hearing the oral submissions of counsel for Crown Capital and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Application upon the Bankrupt is deemed good, valid, timely, and sufficient.
2. RBee Aggregate Consulting Ltd., a corporation registered in the Province of Alberta, is adjudged bankrupt by virtue of this Bankruptcy Order hereby made on this date.
3. FTI Consulting Canada Inc., of the Province of Alberta, is hereby appointed as Trustee of the estate of the Bankrupt.
4. The Applicant is awarded costs of this Application, which shall be paid out of the estate of the Bankrupt, on taxation or upon further Order of this Court.

A.C.J.Q.B.A, Justice G.A. Campbell