



NO. S-258449  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND**

**IN THE MATTER OF SQUARE NINE KING GEORGE DEVELOPMENT LTD. and  
SQUARE NINE KING BUILDERS INC.**

PETITIONERS

**RESPONSE TO PETITION**

**Filed by:** Cameron Stephens Mortgage Capital Ltd. (the "**Petition Respondent**")

THIS IS A RESPONSE TO the petition filed November 10, 2025 (the "**CCAA Petition**").

The Petition Respondent estimates that the application will take 2 hours.

**PART 1: ORDERS CONSENTED TO**

The Petition Respondent consents to the granting of the orders set out in the following paragraphs of Part 1 of the CCAA Petition:

- a) None.

**PART 2: ORDERS OPPOSED**

The Petition Respondent opposes the granting of the orders set out in the following paragraphs of Part 1 of the CCAA Petition:

- a) All.

**PART 3: ORDERS ON WHICH NO POSITION IS TAKEN**

The Petition Respondent takes no position on the granting of the orders set out in the following paragraphs of Part 1 of the CCAA Petition:

- a) None.

## PART 4: FACTUAL BASIS

### A. Overview

1. The Petition Respondent, Cameron Stephens Mortgage Capital Ltd. ("**CSMC**") is the senior secured lender and first mortgagee to the petitioner, Square Nine King George Development Ltd. ("**King George**"), a single-purpose real estate corporation whose primary assets consist of 40 residential units and five commercial units that remain unsold in the Belvedere development, a completed 275-unit high-rise residential tower developed by King George. CSMC is owed in excess of \$18.5 million by King George (representing 83% of King George's secured debt).
2. CSMC has no knowledge of the business, operations, assets or liabilities of the other petitioner, Square Nine Builders Inc. ("**Square Nine Builders**", and together with King George, the "**Debtors**"). Square Nine Builders is neither a borrower nor a guarantor in respect of the Loan and, to CSMC's knowledge, does not have any continuing involvement with the Real Property.
3. CSMC opposes the relief sought in the CCAA Petition and requests instead a receiver in connection with the property of King George with the intention that the Receiver would conduct an orderly, timely and transparent process for the sale of the Real Property. The delay and costs associated with the granting of the CCAA proceeding are likely to reduce CSMC's recovery, and by extension, the prospect of recovery for any subsequent ranking stakeholders.
4. Permitting a debtor-led CCAA proceeding will cause significant risk and prejudice to the secured creditors without enhancing value for any other stakeholders (except perhaps Manish Sharma).
5. On the other hand, a creditor-led receivership will allow for a timely, efficient, fair and transparent process for the marketing and sale of the mortgaged properties. MNP Ltd., the proposed Receiver has significant experience in over 100 real estate projects, including acting as receiver and as monitor, and is well equipped to maximize value for the benefit of all stakeholders.
6. All capitalized terms used in this Response to Petition which are not defined herein shall have the meanings given to them in the Affidavit of Jerrold Marriott made September 23, 2025 (the "**Receivership Affidavit**") made in support of CSMC's Petition filed on September 25, 2025 for the appointment the Receiver (the "**Receivership Petition**") and the 1<sup>st</sup> Affidavit of Jerrold Marriot made November 12, 2025 in these proceedings (the "**CCAA Affidavit**").

### B. Background

7. The facts supporting this Response to Petition and the Receivership Petition are more fully set out in the Receivership Affidavit and the Affidavit of Jerrold Marriott sworn November 12, 2025 in these proceedings.

Defaults and Receivership Petition

8. Following various breaches under the Loan and Security Documents, on August 29, 2025 and in accordance with the statutory requirements for the appointment of a receiver, CSMC, through its legal counsel, delivered to King George a demand letter and a notice of intention to enforce CSMC's security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NITES").
9. The Indebtedness was not repaid thereafter and CSMC determined that it was necessary to seek the appointment of a receiver. On September 25, 2025, CSMC filed the Receivership Petition with the Court.
10. Since filing the Receivership Petition, in addition to the defaults that existed at that time (including failure to disclose the existence of third-party loans, permitting registration of subsequent mortgages and builders' liens on title to the Real Property without the prior written consent of CSMC, and selling residential units at prices below the required pricing set out in the Commitment Letter without CSMC's consent), CSMC has become aware of the following breaches, including:
  - (a) failing to make interest payments due under the Loan for the months of September and October 2025, amounting to approximately \$233,000 of unpaid interest; and
  - (b) the registration of an additional builders' lien against title to the Real Property in favour of LAT49 Builders Inc. without the prior written consent of CSMC.
11. On November 10, 2025, King George filed the CCAA Petition.

**C. CCAA is not Appropriate**

12. CSMC has four primary concerns that necessitate a receivership order and dismissing the CCAA Petition.

Valuation and Market Distress

13. The value of King George's property is entirely uncertain in the current real estate market.
14. There is significant softness in the condominium market in the Lower Mainland of British Columbia. In the case of the Belvedere Project, the remaining Real Property remains unsold despite substantial completion of the development of February 2025.
15. CSMC is concerned that the value of its collateral will continue to be eroded given lower prices (due to an overabundance of inventory in the market) and will take longer to sell, during which time interest and costs continue to accrue. At present, interest is accruing on the Indebtedness at the rate of approximately \$116,000 per month.
16. As support for their assertions as to the value of the remaining Real Property, the Debtors rely:
  - (a) in the case of the residential units, on six month old draft letters of value (not appraisals), dated May 16, 2025; and

- (b) in the case of the Commercial Units, a contract of purchase and sale dated September 19, 2025 with 1559924 BC Ltd., as purchaser (including an addendum that is unsigned by the potential purchaser). The financing and due diligence condition date under the agreement lapsed on October 20, 2025, but no evidence has been provided by the Debtors that the conditions were waived or satisfied (or that the initial deposit of \$200,000 was paid), or as to the ability of the proposed purchaser to complete the transaction (which is not scheduled to close until January 2026).
17. On May 31, 2025, two weeks after the letters of value were issued, King George sold certain strata units for a 25% discount on listed prices, and below the agreed minimum selling prices set out in the Loan and Security Documents, as part of the "CONDO DAY" flash sale conducted by King George.

No Practical Purpose

18. The CCAA proceeding will serve no practical purpose. The Debtors give no indication of having any real restructuring "plan" going forward, despite the demand letter and NITES having been issued over two months ago, and the Receivership Petition having been served over six weeks ago.
19. The Debtors seek time to refinance the Indebtedness, but provide no details of their efforts to do so to date or of any expressions of interest or offers of credit. These efforts have been ongoing since at least late August 2025, without success.
20. The Debtors provide no particulars of their marketing efforts over the almost six months since the "CONDO DAY" event, and merely state that their "restructuring" will be finalized with the assistance of the proposed Monitor. King George is a special purpose entity with no business other than to develop the Belvedere. Once the remaining Real Property has been sold, there is no business to restructure. While the CCAA Petition includes a statement that Square Nine Builders "retained certain contractors to construct the Belvedere", no evidence of this fact or as to the nature and extent of its business has been provided.
21. King George's assets almost entirely consist of completed strata units in the Belvedere Project, and it has no employees. The day-to-day management of the Belvedere project is carried out by the Strata Corporation, and King George's remaining involvement with the project appears limited to liquidating the unsold strata units. There is no evidence that Square Nine Builders has any ongoing role in connection with the Belvedere Project.
22. The CCAA Petition makes various unsubstantiated assertions regarding the benefits of a CCAA proceeding, and that the "plan" proposed by the Debtors is more advantageous to the creditors. No evidence is provided to support these assertions. The CCAA Petition also misconstrues the alleged impacts of the proposed receivership proceeding.
23. If appointed, the Receiver would be well placed to carry out a timely, efficient, fair and transparent process to market and sell the remaining Real Property, for the benefit of all stakeholders, and to the extent that funds are available for distribution to unsecured creditors, to conduct a claims process and make distributions in respect of proven claims.

24. In the circumstances, a CCAA would serve no practical purpose that could not be achieved by way of the proposed receivership.

Imposition of Costs and Diversion of Revenues

25. The Cash Flow Statement reflects minimal receipts (from rental income, presumably payable to King George with no contribution from Square Nine Builders) but significant expenditures, the vast majority of which are to be funded from the proceeds of the proposed DIP Facility, secured by way of a charge ranking in priority to CSMC's security.
26. The DIP Facility remains conditional on due diligence and lender creditor committee with an interest rate of 14% per annum, payable monthly and calculated daily, a 3% facility fees plus payment of the lender's legal fees. By contrast, the Receiver's borrowings in the proposed receivership would be advanced by CSMC at the same interest rate as the Loan, i.e. the greater of 7.95% and Prime (as defined in the Commitment Letter) + 2.25% per annum, calculated daily, with no facility fee.
27. Among the significant expenses contemplated by the Cash Flow Statement are:
- (a) intercompany payments for employee wages and benefits of other entities (as the Debtors have no employees), management fees for head office and corporate costs, and office rent for Square Nine Builders. This is particularly concerning in light of the financial statements attached as Exhibit "A" to the Sharma Affidavit which reflect that King George is a net lender to the other related entities in the amount of \$1.3 million; and
  - (b) a total of approximately \$300,000 in professional fees within the first 13 weeks of the proposed CCAA proceeding.
28. The Cash Flow Statement does not include any provision:
- (a) for payment of monthly interest on the DIP Facility in accordance with its proposed terms; or
  - (b) for any payments of principal or interest to CSMC, so CSMC's mortgage will go unpaid while it indirectly pays for CCAA-related costs and involuntarily supporting other entities which CSMC did not consider when evaluating the terms of its loan, for an indeterminate period of time.
29. The granting of the relief sought in the CCAA Petition will cause significant prejudice to CSMC and its security, as well as to other secured lenders and subsequent ranking creditors.

Loss of Confidence

30. CSMC has lost confidence in King George as a result of its conduct, including, among other things:
- (a) deliberately misleading and withholding information from CSMC regarding the existence of various third-party loans entered into by King George prior to CSMC advancing the Loan;

- (b) permitting the registration of multiple third-party registrations on title to the Real Property, including subsequent mortgages and builder's liens without CSMC's consent;
- (c) conducting the "CONDO DAY" sales event that led to King George entering into multiple agreements of purchase and sale for strata units in the Belvedere Project for prices below the expressly agreed upon prescribed minimum purchase price provided for in the Commitment Letter;
- (d) reaching agreements in principle with certain trade creditors to apply amounts owing to them as deposits toward the purchase of certain residential units in the Belvedere (and comprising part of the Real Property); such agreements constitute preferences in favour of unsecured creditors and breach the express terms of the Loan and Security Documents with CSMC, to the clear detriment of CSMC and subsequent ranking creditors; and
- (e) designing and seeking a CCAA proceeding without consulting CSMC in advance that provides for, among other things:
  - (i) intercompany payments, with no visibility or controls around each of the Debtors' operating costs or the remaining Square Nine Group entities (which are not petitioners in these proceedings), funded by debtor-in-possession financing secured by a charge ranking in priority to CSMC's Loan;
  - (ii) a total of approximately \$300,000 in professional fees within the first 13-weeks of the CCAA proceeding;
  - (iii) no payment of principal or interest to CSMC; and
  - (iv) no visibility into how the CCAA proceedings will be funded beyond the initial 13-week period described in the Cash Flow Statement.

## **PART 5: LEGAL BASIS**

1. The Debtors have ostensibly proposed a process for moving forward but there is no content to that scheme and no reasonably predictable path to a value maximizing transaction for all stakeholders, let alone the mortgagees of King George.
2. The Debtors seek time to refinance the Indebtedness, but provide no details of their efforts to do so to date or of any expressions of interest or offers of credit. CSMC believes it could take significant time to refinance or sell the Real Property. The Debtors do not offer any clear plan for future efforts.
3. The fundamental – and only – premise of the CCAA Petition is that there is equity value in the remaining Real Property which will protect creditors in the short term. This premise relies on faulty data, in addition to ignoring the availability of other paths that would preserve the mortgagees' collateral. Put differently, King George does not need a CCAA proceeding, Square Nine Builders or other entities in the Square Nine Group to achieve a positive result for all its stakeholders (except Manish Sharma).

## A. The Appointment of a Receiver is Just and Convenient

4. The factual and legal basis supporting the appointment of the Receiver are set out in the Receivership Petition.

## B. The Relief Sought Under the CCAA Should not be Granted

### CCAA Proceedings are Not Appropriate in the Circumstances

5. The relief sought by the Debtors would not serve the CCAA's primary purpose of facilitating a compromise or arrangement between an insolvent debtor and its creditors to enable the company to stay in business.

*Octagon Properties Group Ltd (Re)*, 2009 ABKB 500  
[*Octagon*] at para 9

*Cliffs Over Maple Bay Investments Ltd. v Fisgard Capital Corp.*,  
2008 BCCA 327 [*Cliffs Over Maple Bay*] at para 29, citing  
*Hongkong Bank v Chef Ready Foods*,  
1990 CanLII 529 (BCCA) at para 10  
*Marine Drive Properties Ltd. (Re)*,  
2009 BCSC 145 [*Marine Drive*] at para 31;

6. In addition, an applicant may not meet the test for relief under the CCAA where:
  - (a) the applicant is not conducting development work on the subject property;
  - (b) secured creditors have sufficient protection through other court proceedings; and
  - (c) employees will not be affected by the failure to grant an initial order.

*Marine Drive* at paras 36-42 & 46

7. In the context of King George, which is a non-operating entity with no employees and its remaining activities are primarily limited to the sale of the remaining Real Property, CSMC is not prepared to: (i) forego the straightforward contractual remedies available to it (e.g., bring foreclosure proceedings or appoint a receiver); (ii) assent to a process that lacks the flexibility needed to maximize property values and recoveries; and (iii) allow the Debtors to withhold payments of principal and interest for the foreseeable future. Given the lack of incentive on the lenders' part, the parties are not at all likely to agree to a compromise or arrangement.
8. Real property-centric entities such as King George are often less suitable for CCAA proceedings due to the nature of their security structures and operations. Rather, those entities and their stakeholders commonly benefit more from simpler receivership proceedings, including because of the straightforward nature of the competing security and priorities of the creditors.

Jeremy Opolsky et al, "Receivership versus CCAA in Real Property Development: Constructing a Framework for Analysis" (2021), Annual Review of Insolvency Law, 2020 CanLIIDocs 3602, s 1 (Opolsky, *Receivership versus CCAA*).

9. Where a secured creditor is seeking the appointment of a receiver and the debtor has a competing application for an order under the CCAA, the Court will consider, *inter alia*:

- (a) whether the secured creditor has a contractual right to the appointment of a receiver upon default by the debtor;
- (b) whether there is a germ of a plan for reorganizing the debtor that has a prospect of succeeding;
- (c) whether the debtor has a prospect of finding a lender to refinance it at a level required to satisfy the indebtedness of the secured creditors;
- (d) if financing is not available, whether the debtor will be able to negotiate a plan or compromise with its creditors;
- (e) whether the debtor hid or misrepresented matters to the secured creditor;
- (f) whether the secured creditor has lost confidence and trust in the debtor, the reasonableness of that loss of confidence and whether it derives from circumstances and events beyond the debtor being in breach of its obligations to repay the outstanding debt;
- (g) whether the secured creditor will be prejudiced given the held security, taking into consideration the evidence in respect of the value of the creditor's security;
- (h) whether allowing the continued operation of the business carries consequences that affect the value of the assets; and
- (i) whether the secured creditor would effectively bear the risks and costs associated with a CCAA proceeding, taking into consideration the costs of the monitor and its legal counsel and charges that will prime the secured creditor's security.

*Affinity Credit Union 2013 v Vortex Drilling Ltd.*,  
2017 SKQB 228 at paras 24, 30, 33 & 37-38;  
*JBT Transport Inc. (Re)*,  
2025 ONSC 1436 [*JBT Transport*] at paras 32, 37, 39, 45-49 & 53  
*Cliffs Over Maple Bay* at para 36;  
*Marine Drive* at para 32;  
*BCIMC Construction Fund Corporation et al v*  
*The Clover on Yonge Inc*, 2020 ONSC 1953 [*BCIMC*] at paras 98-105  
*In the Matter of a Plan of Compromise or Arrangement of*  
*Antibe Therapeutics Inc* at para 70, dated April 22, 2024,  
ONSC, CV-24-00717410-00CL (unreported)

10. In circumstances where the applicants are simply “buying time”, without any clear path forward other than an orderly process that maximizes value, the court may take note of the “aspirational quality” of the applicants’ submissions and evidence.

*Ashcroft Urban Developments Inc. (Re)*,  
2024 ONSC 7192 at paras 97-100

11. The suggestion that the monitor be granted enhanced powers, in circumstances where it is evident that nonetheless the Debtors and their principals envision retaining a role in the CCAA proceedings, is not sufficient to allay the concerns of CSMC given the total loss of trust in King George.

*AFC Mortgage Administrative Inc. v. Sunrise Acquisitions (Stayner) Inc. et al*,



at para 80(e), dated February 29, 2024, ONSC, CV-23-00710361-00CL (unreported)  
*AFC Mortgage Administrative Inc. v. Sunrise Acquisitions (Elmvale) Inc. et al*,  
 at para 80(e), dated February 29, 2024, ONSC, CV-24-00713287-00CL (unreported)  
*In the Matter of a Plan of Compromise or Arrangement of Sunrise Acquisitions (Stayner) Inc.,  
 2846862 Ontario Inc., and Sunrise Acquisitions (Elmvale) Inc.*,  
 at para 80(e), dated February 29, 2024, ONSC, CV-2400715345-00CL (unreported)

12. In this case, the above considerations weigh heavily against granting the relief sought in the CCAA Petition:
- (a) CSMC is contractually entitled to the appointment of the Receiver;
  - (b) the CCAA Petition does not put forward any germ of a plan beyond unsupported references to an intention to pursue a restructuring of the Debtors' business which will likely include allowing for additional time to obtain refinancing and liquidate the remaining Real Property;
  - (c) King George has no prospect of refinancing, particularly considering the current market conditions. It has been seeking alternative financing for a considerable time, without any success;
  - (d) there is no possibility of reorganization available for King George. CSMC holds a blocking position to any CCAA plan and has no intention of compromising its debt in a CCAA proceedings because its priorities are straightforward;
  - (e) King George withheld information at the outset of its relationship with CSMC and has acted underhandedly at various points since, including with the "CONDO DAY" sale, the conferring of preferences, and the design of the process contemplated by the CCAA Petition without consulting CSMC, resulting in irreparable damage to the Debtor's relationship with CSMC;
  - (f) as described above, CSMC has lost all confidence in King George;
  - (g) as described above and as set out in further detail below, CSMC will suffer significant prejudice if the relief sought in the CCAA Petition is granted;
  - (h) permitting King George to remain in control of the Property will result in significant costs being incurred, impacting the value of CSMC's collateral. Further, King George does not carry on any actual business other than the marketing of the Property, which can readily be done by the Receiver on a more efficient basis;
  - (i) the form of initial order sought by the Debtors contemplates the extension of the stay of proceedings to Square Nine Developments Inc. and Manish Sharma (although no legal basis for this relief is included in the CCAA Petition). Such stay would further prejudice CSMC as these entities are guarantors of the Indebtedness; and
  - (j) for the reasons set out in further detail below, the CCAA Petition will result in significant unnecessary costs being borne by CSMC, with no corresponding benefit.

13. Much like other real estate insolvencies, the nature of the security makes CCAA proceedings unattractive here.

*Re Redekop Properties Inc.*,  
2001 BCSC 1892 at paras 63-64;  
*Marine Drive* at paras 37-41;  
*Encore Developments*,  
2009 BCSC 13 at paras 22-25;  
*BCIMC* at paras 97-103;  
*Dondeb Inc. (Re)*,  
2012 ONSC 6087 [*Dondeb*] at paras 5-6;  
*Cliffs Over Maple Bay* at para 36

14. Similar circumstances existed in *Cliffs Over Maple Bay*, where the Court of Appeal for British Columbia set aside the debtor's initial order:

Although the CCAA can apply to companies whose sole business is a single land development [...] such companies would have difficulty proposing an arrangement or compromise that was more advantageous than the remedies available to its creditors. The priorities of the security against the land development are often straightforward, and there may be little incentive for the creditors having senior priority to agree to an arrangement or compromise that involves money being paid to more junior creditors before the senior creditors are paid in full. If the developer is insolvent and not able to complete the development without further funding, the secured creditors may feel that they will be in a better position by exercising their remedies rather than by letting the developer remain in control of the failed development while attempting to rescue it by means of obtaining refinancing, capital injection by a new partner or DIP financing.

*Cliffs Over Maple Bay* at para 36

15. This case is significantly different than the circumstances present in *Pacific Shores Resort & Spa Ltd., Re*, which the Debtors cite in support of the CCAA Petition for the proposition that the sale of the Property through the CCAA proceeding will maximize returnable value as compared to a receivership sale. In *Pacific Shores*, the filing entities had approximately 250 active employees, an active ongoing consumer business across multiple geographic locations, thousands of fractional owners and the filing entities' operations were inextricably linked. By comparison, King George has no employees, its sole remaining property consists of approximately 40 unsold strata units, it has no active business beyond marketing the sale of the strata units, it has one direct owner and one indirect owner (Square Nine Developments Inc. and Manish Sharma, respectively) and, as construction of the Belvedere Project is complete, no significant continuing business with Square Nine Builders. The circumstances are not comparable, the considerations not transferable, and the Debtors' attempt to point to *Pacific Shores* as support for the proposition that a CCAA sale will maximize price should be given no weight.

*Pacific Shores Resort & Spa Ltd., Re*,  
2011 BCSC 1775 at paras 7-9

The Proposed CCAA Proceedings Will Prejudice CSMC

16. If the CCAA Petition is granted, CSMC and the other secured lenders will be forced to fund a lengthy, unduly expensive process over which they have no transparency.
17. In *BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.*, the Ontario Superior Court of Justice found for the creditors in an analogous dispute:

...the Receivership Applicants should not necessarily be compelled to remain in the project [...] while they wait for a project specific company to obtain new financing without the Receivership Applicants having any control of the process. Forcing the Receivership Applicants to remain without control of the process is even more unfair when the contracts to which the Debtors agreed give the Receivership Applicants a right to control the process through a receivership.

*BCIMC* at para 71

18. In the context of real estate-based insolvencies commenced for the purpose of liquidation, the costs of the CCAA proceeding, and that they will be borne by the estate's creditors, weighs significantly against the granting of the relief under the CCAA.

*Dondeb* at paras 27 & 34  
*Romspen Investment Corporation v*  
*Atlas Healthcare (Richmond Hill) Ltd et al*,  
 2018 ONSC 7382 at paras 116-120

19. The CCAA Petition contemplates the approval of court-ordered priority charges securing professional fees in the amount of \$150,000 and interim financing related costs and fees in the amount of \$700,000 in priority to CSMC's security. In addition to these charges, the Debtors' ability to pay their expenses also results from increased cash flow upon the cessation of payments of principal and interest on the mortgages and using revenues from the Belvedere Project indiscriminately to fund Square Nine Builders and other entities within the Square Nine Group.
20. There is no definitive timeline in which the secured lenders would be forced to endure and indirectly fund the CCAA proceedings. The Debtors' "plan" also offers no insight into how the proceeding will be funded beyond the initial 13-week period.
21. The lack of progress made by the Debtors to refinance their debt and current market conditions suggests that the CCAA proceedings will be protracted.
22. The CCAA Proceedings would inappropriately afford the Debtors that time to the detriment of CSMC and the other secured lenders. In declining to allow CCAA protection in similar circumstances, the court in *Marine Drive Properties Ltd (Re)* stated that:

[t]o put it bluntly, the Petitioners have sought CCAA protection to buy time to continue their attempts to raise new funding. As counsel for the Petitioners stated in argument, they need time to "try to pull something out of the hat". They have sought DIP financing so that

they can do this at the expense of their creditors. This is not an appropriate use of the extraordinary remedy offered by the CCAA.

*Marine Drive* at paras 38-41  
See also *Octagon* at paras 10, 17

23. No exception should be made for the Debtors. Should this Court afford CCAA protection, mortgages will go unpaid while cash flow is diverted to restructuring costs and supporting non-party Square Nine entities by way of intercompany payments. By the time they “pull something out of the hat,” if ever, the equity of the secured lenders will almost certainly be primed and their rights and prospects of recovery seriously prejudiced.

*Letters of Value Should be Disregarded*

24. Where a property has received a proper and lengthy exposure to the market without ability to identify a transaction, an appraisal becomes relegated to not much more than a well-meant but inaccurate prediction.

*Romspen Mortgage Corp. v Lantzill Foothills Estate Inc.*,  
2013 BCSC 2222 at para 20

25. The Debtors’ reliance on flawed valuation information from outdated draft letters of value that are not reflective of current market conditions is misguided.
26. The CCAA Petition further acknowledges the degradation of the strata market in the Surrey, BC area. There is no evidence that market conditions will imminently improve if CSMC is delayed in enforcing its security by the commencement of the CCAA proceeding.
27. Any delay caused by the CCAA Petition may further exacerbate the depreciation of the collateral securing the Indebtedness owing to CSMC.

*The Appointment of a Receiver is more Appropriate than a CCAA Proceeding*

28. The appointment of the Receiver is more appropriate in the circumstances than the relief sought in the CCAA Petition, including because:
  - (a) CSMC has a contractual entitlement to the appointment of the Receiver, consistent with what CSMC bargained for in the Loan and Security Documents in agreeing to provide the Loan;
  - (b) the appointment of the Receiver will, among other things, ensure appropriate delineation between the assets of King George and the other members of the Square Nine Group, and avoid costs being incurred by King George on behalf of the other members of the Square Nine Group;
  - (c) King George’s assets almost entirely consist of completed strata units in the Belvedere Project; there is no “business” for King George to restructure through a CCAA proceeding;
  - (d) there are limited or no shared services or shared facilities among King George and other entities within the Square Nine Group;

- (e) the day-to-day management of the Belvedere Project is carried out by a strata corporation formed in respect of the Belvedere Project;
  - (f) King George has no employees;
  - (g) King George's remaining involvement with the Belvedere Project appears limited to marketing the unsold strata units, which can be efficiently and transparently completed by the Receiver; and
  - (h) to the extent that funds are available for distribution to unsecured creditors, the Receiver would be well placed to conduct a claims process and make distributions in respect of proven claims.
29. A receivership will ensure the stable operations of King George, is cost-effective and will not further jeopardize the value of CSMC's collateral. In contrast, a CCAA proceeding, is an unnecessarily complex, risky path that will inappropriately erode CSMC's collateral.
30. The remedial steps proposed by the Debtors, including by seeking relief under the CCAA, are short-sighted. A receiver ought to be appointed in short order to mitigate these risks.

**PART 6: MATERIALS TO BE RELIED ON**

1. 1<sup>st</sup> Affidavit of Jerrold Marriot affirmed November 12, 2025;
2. 1<sup>st</sup> Affidavit of Hayley Roberts affirmed November 13, 2025.
3. Pre-Filing Report of the Proposed Receiver dated November 12, 2025.
4. Such further affidavits and other documents as counsel may advise and as this Honourable Court may permit.

Date: November 13, 2025




---

Signature of lawyer for the Petition Respondent,  
Cassels Brock & Blackwell LLP  
(Vicki Tickle)

**Petition Respondent's address for service**

c/o Cassels Brock & Blackwell LLP  
RBC Place, Suite 200, 885 West Georgia St  
Vancouver, BC V6C 3E8