



No. S-240358  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NATIONAL BANK OF CANADA

PETITIONER

AND:

1326 MANN FARM INC., K P DRYWALL LTD., 13 MANN FARMS B.C. LTD.,  
and DYKE VALLEY BERRY FARMS LTD.

RESPONDENT

### NOTICE OF APPLICATION

**Name of applicant:** FTI Consulting Canada Inc., in its capacity as court appointed receiver pursuant to the order of Justice Taylor pronounced on March 8, 2024 (the “**Receiver**”).

**To:** 1326 Mann Farm Inc., K P Drywall Ltd., 13 Mann Farms B.C. Ltd., Dyke Valley Berry Farms Ltd., National Bank of Canada, and Farm Credit Canada.

TAKE NOTICE that an application will be made by the applicant to the presiding judge or associate judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on July 21, 2025, at 9:45 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 20 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. The Receiver seeks an order (the “**Approval and Vesting Order**”):
  - (a) approving the sale of a real property (the “**Abbotsford Property**”), to Coast Cranberries Ltd. (the “**Purchaser**”), pursuant to a contract of purchase and sale (the “**Purchase Agreement**”) attached as Appendix A to the First Report of the Receiver dated July 8, 2025 (the “**First Report**”);

- (b) vesting in the Purchaser all of the right, title, and interest in and to the Abbotsford Property, free and clear of all “Encumbrances” other than “Permitted Encumbrances” on the terms set out in the Approval and Vesting Order; and
  - (c) approving the activities of the Receiver from March 8, 2024, to present, as set out in the First Report.
2. The Receiver seeks such other orders, directions, and declarations as counsel for the Receiver may advise and this Court may deem appropriate in the circumstances.

## **Part 2: FACTUAL BASIS**

### **The Receivership Order**

3. On March 8, 2024, the Receiver was appointed as receiver, without security, over all the assets, undertakings, and property of 1326 Mann Farm Inc., K P Drywall Ltd., 13 Mann Farms B.C. Ltd., and Dyke Valley Berry Farms Ltd. (collectively, the “**Debtors**”), including all proceeds (the “**Property**”), except for:
- (a) PID: 011-276-584 Lot 2 Except: Part Subdivided by Plan 19940; Section 2 Township 18 New Westminster District Plan 7969 (the “**Mission Property**”); and
  - (b) PID: 011-430-524 North Half of the South East Quarter Section 13 Township 10, Except: Firstly: North 33 Feet; Secondly: West 33 Feet; Thirdly: Parcel “A” (Reference Plan 11360); Fourthly: Part Subdivided by Plan 31586, New Westminster District (the “**Langley Property**”, and together with the Mission Property, the “**Excluded Properties**”).
- (the “Receivership Order”)
4. The Excluded Properties were excluded from the Receivership Order because Farm Credit Canada (“**FCC**”) – the priority creditor in respect of the Excluded Properties – decided to pursue foreclosure of those properties.
5. The Receivership Order authorizes the Receiver to, among other things, take possession of and exercise control over the Property and sell the Property or any parts thereof:

- (a) without the approval of this Court in respect of a single transaction for up to \$500,000 (provided that the aggregate consideration for all such transactions does not exceed \$1,000,000); and
- (b) effective May 1, 2024, with the approval of this Court in respect of any transaction above these limits.

#### **The Abbotsford Property**

- 6. The Abbotsford Property, legally described as PID: 024-200-981, LOT 1 SECTION 28 TOWNSHIP 14 NEW WESTMINSTER DISTRICT PLAN LMP38638, is a 160 acre rural property that was involved in the Debtors' business of growing and selling "Duke" variety blueberries.
- 7. Title for the Abbotsford Property is legally registered to the Debtor, Dyke Valley Berry Farms Ltd.
- 8. The Abbotsford Property is subject to a mortgage and assignment of rents in favour of National Bank of Canada ("NBC"), registered in August 2020, as security for certain obligations of the Debtors.

#### **Marketing the Abbotsford Property**

- 9. The Receiver solicited competing proposals from three real estate agents to act as listing agent for the Abbotsford Property. The Receiver, in consultation with NBC, reviewed the proposals and selected Landquest Realty Corp. ("**Landquest**") to act as the exclusive listing agent.
- 10. The Receiver's decision to engage Landquest was based on:
  - (a) Landquest's extensive experience with properties located in rural Western Canada where their proposed marketing strategy would target the wide range of interested parties that would be likely to transact on this type of property;
  - (b) the commission structure was competitive with the other proposals received; and
  - (c) the pricing guidance in the Landquest proposal.

11. On or around May 31, 2024, Landquest listed the Abbotsford Property for sale. The original list price was \$9.8 million. The list price was later reduced to \$7.9 million in November, 2024 and \$6.9 million in May, 2025.
12. The marketing campaign (the “**Marketing Process**”) undertaken by Landquest included, among other things, the following:
  - (a) website listings on Realtor.ca and Landquest.com;
  - (b) social media posts on Facebook, YouTube and Instagram; and
  - (c) placing advertisements in print media, including the National Post and Beef in BC Magazine.
13. Landquest provided the following statistics to the Receiver in respect of the Marketing Process:
  - (a) the website listing received approximately 3,500 views;
  - (b) social media posts reached over 14,000 individuals;
  - (c) print media ads were run approximately once a month;
  - (d) two to four inquiries were received per week throughout the listing period; and
  - (e) averaged one formal showing every two to three months.
14. Over the course of the Marketing Process, eight offers were received that were either below market value or had significant conditionality that the offering party was unwilling to waive or complete in an acceptable timeline.
15. On June 4, 2025, after the Abbotsford Property had been listed for over a year, and with multiple parties concurrently submitting offers, the Receiver instructed Landquest to commence a call for offers (the “**Call For Offers**”), inviting all interested parties to submit their highest and best bids by June 13, 2025.
16. The Call for Offers included nine parties and resulted in four offers. After negotiations with certain of the offerors, the Receiver entered into the Purchase Agreement on June 23, 2025.

### **The Purchase Agreement**

17. The key commercial terms of the Purchase Agreement are summarized as follows:
  - (a) the purchase price shall be \$6.2 million (the “**Purchase Price**”);
  - (b) a deposit of \$400,000 is to be held by the Purchaser’s real estate agent in trust and will form part of the Purchase Price;
  - (c) a sale is conditional upon the approval of this Honourable Court; and
  - (d) closing is to occur no later than 15 days after the Purchase Agreement is approved by this Honourable Court.
18. In the First Report, the Receiver provides the following comments on the Purchase Agreement:
  - (a) the Marketing Process undertaken by Landquest was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer;
  - (b) the offer represents the highest and best purchase price offered for the Abbotsford Property;
  - (c) a timely transaction to the sell the Abbotsford Property will mitigate the ongoing costs of preserving the Abbotsford Property and administering the receivership;
  - (d) the sale is supported by NBC as the primary affected creditor; and
  - (e) overall, it is the Receiver’s view that completing the transaction contemplated by the Purchase Agreement is reasonable in the circumstances and is the best interest of the Debtors’ creditors.

### **Receiver’s activities to date**

19. The Receiver’s activities since March 8, 2024, include, among other things:

- (a) corresponding and meeting with Gurmeet Mann, director of the Debtors, to advise him of the Receivership Order and obtain information in respect of the Property and the Debtors;
- (b) visiting the Abbotsford Property, the Mission Property, and the Langley Property (collectively, the “**Farms**”) on several occasions to view the properties and secure and document the assets;
- (c) engaging Accurate Effective Bailiffs Ltd. to assist the Receiver with moving and storing the Debtors’ equipment (the “**Mobile Equipment**”);
- (d) engaging an agricultural consultant to provide the Receiver with an assessment of the Farms and recommendations on the proposed maintenance and/or harvest of crops;
- (e) engaging a contractor to assist with maintenance of the Abbotsford Property;
- (f) engaging Premier Security Inc. to perform security visits every 72 hours at each of the Farms;
- (g) engaging Landquest to act as listing agent to market the Abbotsford Property for sale, and responding to various offers and inquiries in respect of the marketing efforts;
- (h) attending to insurance matters including correspondence with BFL Canada Risk and Insurance Services Inc. in respect of property and liability insurance coverage for the Farms;
- (i) contacting Mr. Mann and his legal counsel on multiple occasions in respect of previous information requests, including bank details and other books and records;
- (j) corresponding with the Office of the Superintendent of Bankruptcy with respect to obtaining an estate ID;
- (k) arranging for the Debtors’ bank accounts at Toronto-Dominion Bank to be frozen and the transfer of approximately \$219,000 in cash to the estate trust account;

- (l) arranging for the issuance of a Receiver Certificate in respect of receiver borrowings provided by NBC;
- (m) retaining Osler, Hoskin & Harcourt LLP to act as independent legal counsel to the Receiver;
- (n) holding multiple discussions with FCC and its counsel in respect of FCC's security over certain properties and the foreclosure proceedings of the Excluded Properties;
- (o) providing periodic updates to NBC and its counsel in NBC's capacity as secured lender to the Debtors;
- (p) attending to various statutory notices and other duties of the Receiver pursuant to the Receivership Order, the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 ("*BIA*") and other applicable statutes;
- (q) obtaining an appraisal for the Mobile Equipment;
- (r) completing a sale process in respect of the Mobile Equipment resulting in net proceeds of approximately \$184,000;
- (s) reviewing and acting on the opinion of an agricultural consultant who provided the Receiver with an assessment on the status of the Farms' blueberry bushes;
- (t) attending to matters relating to the sale of the Mission Property and the Langley Property through FCC's foreclosure proceedings;
- (u) assigning 13 Mann into bankruptcy as permitted under the Receivership Order; and
- (v) preparing the First Report.

### **Part 3: LEGAL BASIS**

20. The Receiver relies upon:

- (a) the Receivership Order;
- (b) Part XI of the *BIA*; and

- (c) Section 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

**The sale should be approved**

21. The considerations that must be taken into account when deciding whether to approve a sale negotiated by a court-appointed receiver include:

- (a) whether the receiver made sufficient efforts to obtain the best price and did not act improvidently;
- (b) the interest of all parties;
- (c) the efficacy and integrity of the process by which offers were obtained; and
- (d) whether there has been any unfairness in the sale process.

*Royal Bank v. Soundair Corp.*, 1991 CarswellOnt 205 at para 16

*RBC Investor Services Trust v Asfars Holdings Ltd.*, 2024 BCSC 2142 at paras 31-32

22. In this case:

- (a) the Abbotsford Property was thoroughly marketed by the Receiver for over 12 months, during which time the Receiver engaged and negotiated with potential buyers and leveraged the experience and efforts of its realtor to obtain the best price;
- (b) the sale is in the best interests of all stakeholders given ongoing costs associated with maintaining the Abbotsford Property and funding the receivership, and NBC's support of this sale as the primary secured creditor; and
- (c) the Receiver undertook fair and comprehensive efforts to engage an appropriate realtor, conduct a thorough marketing, and maintain the value of the property during the sale process.

23. As such, the Approval and Vesting Order should be approved.



**Approving the Receiver's Activities**

24. A receiver, as a court-appointed officer experienced in the insolvency field, is entitled to considerable deference. This Court may expressly approve the activities undertaken by a receiver and described in the receiver's report to court.

*RBC Investor Services Trust v Asfars Holdings Ltd.*, 2024 BCSC 2142 at para 32

*Bank of Montreal v Haro-Thurlow Street Project Limited Partnership*, 2024 BCSC 1722 at paras 53-55

*Target Canada Co. (Re)*, 2015 ONSC 7574 at paras 22-26

25. In this case, the Receiver's activities fall directly within the scope of its authority and powers under the Receivership Order and should be approved.

**Part 4: MATERIAL TO BE RELIED ON**

1. First Affidavit of Jennifer Alambre filed January 18, 2024;
2. Receivership Order granted March 8, 2024;
3. First Report of the Receiver dated July 8, 2025; and
4. Such further materials as counsel may advise and this Honourable Court may permit.

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 after 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).

Dated: July 8, 2025

A handwritten signature in black ink, appearing to read 'Ch. Garton', written over a horizontal line.

Signature of lawyer for the Applicant, Christian Garton

***To be completed by the court only:***

Order made

☐ in the terms requested in paragraphs ..... of Part 1 of this notice of application

☐ with the following variations and additional terms:

.....  
.....  
.....

Date: .....[dd/mmm/yyyy].....

.....  
Signature of ☐ Judge ☐ Master

**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