

Insolvency & Restructuring Group

2024 Year in Review



The MLT Aikins insolvency and restructuring practice group carried out assignments in 2024 as counsel to debtor companies, lenders and court officers administering insolvency proceedings. Notable highlights are as follows.

MLT AIKINS

WESTERN CANADA'S LAW FIRM

Alberta assignments

Tallahassee Exploration Inc. (Receivership)

Ryan Zahara and Molly McIntosh acted as counsel to the Orphan Well Association (“**OWA**”) and the British Columbia Energy Regulator (“**BCER**”) in obtaining a receivership order against Tallahassee Exploration Inc. (“**Tallahassee**”) on October 23, 2024. Tallahassee holds licenses for hundreds of oil and gas wells, pipelines and facilities across Alberta and British Columbia.

KMC Mining Corporation (CCAA)

Ryan Zahara acted as counsel to FTI Consulting Inc. (“**FTI**”), the proposal trustee to KMC Mining Corporation (“**KMC**”), an Alberta-based mining company involved in mine development, contract mining and land reclamation. KMC filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the BIA on December 5, 2024.

Delta 9 Cannabis (CCAA)

Ryan Zahara and Chris Nyberg acted as counsel to Delta 9 Cannabis (TSX: DN) et al. (“**Delta 9**”), a group of Alberta, Saskatchewan and Manitoba cannabis retailers and a Winnipeg-based cannabis producer and distributor, which obtained CCAA protection on July 15, 2024.

Long Run Exploration Inc. (CCAA)

Ryan Zahara and Molly McIntosh acted as counsel to the Orphan Well Association (“**OWA**”) in regard to CCAA proceedings by Long Run Exploration Inc., a Calgary intermediate oil and natural gas company focused on light oil development and exploration in Western Canada.

AlphaBow Energy Ltd. (CCAA)

Ryan Zahara and Molly McIntosh acted as counsel to the Orphan Well Association (“**OWA**”) in regard to CCAA proceedings by AlphaBow Energy Ltd., a Calgary intermediate oil and natural gas company that has had significant challenges in the past few years.

Kaden Energy Ltd. (BIA Proposal)

Catrina Webster and Ryan Zahara acted as counsel to Kaden Energy Ltd. (“**Kaden Energy**”) in respect of its proposal proceedings. Kaden implemented a proposal in October of 2024 and exited the proposal proceedings.

Canadian Overseas Petroleum Limited (CCA and Chapter 15 Proceedings)

Ryan Zahara was co-counsel with Kirkland & Ellis LLP for a secured lender in the cross-border restructuring of an oil and gas company.

Tool Shed Brewing Company (BIA Proposal)

Catrina Webster and Ryan Zahara were counsel for KPMG Inc. in its capacity as proposal trustee for Tool Shed Brewing Company which implanted a successful proposal.

Northlink Supply Ltd. (Receivership)

Dana Nowak and Molly McIntosh acted as counsel for PricewaterhouseCoopers Inc. regarding the receivership of Northlink Supply Ltd., an Alberta-based company which supplied materials and services in the oilfield and mining industries.

C170 Properties Inc. (Receivership)

Dana Nowak and Molly McIntosh acted as counsel for PricewaterhouseCoopers Inc. regarding the receivership of C170 Properties Inc., who owns commercial land in Edmonton, Alberta.

Qualex-Landmark Towers Inc v 12-10 Capital Corp, 2024 ABCA 115

Dana Nowak and Carly Toronchuk acted for a mortgagee regarding the successful appeal of the granting of a pre-judgment attachment order by the Alberta Court of King’s Bench, which had been ordered as priority security for a neighbouring alleged contingent environmental land contamination claim on the basis of, among other things, principles outlined in the Supreme Court of Canada’s decision in Redwater.

Collision Kings Group Inc. (CCAA)

J.J. Burnell and Chris Nyberg acted as counsel to the Collision Kings Group et al. (“**Delta 9**”), a group of Alberta, Saskatchewan and Manitoba autobody and paint shops, which obtained CCAA protection on February 7, 2024.



British Columbia assignments

Nexii Building Solutions Inc. (CCAA)

Bill Skelly and Jess Reid acted as counsel to AECOM Tisham, a critical supplier, in the restructuring and eventual sale of Nexii.

G-T-X Cavating Ltd. (Receivership)

Bill Skelly and Jess Reid acted as counsel for Ernst & Young Inc. ("EY"), who were Court appointed receiver of G-T-X who operated in the interior of British Columbia.

Teal Jones Cedar Products Ltd. (CCAA)

Bill Skelly and Jess Reid acted for Ernst & Young Inc. ("EY") (as co-counsel with Goodman's) as the Monitor in a vertically integrated forestry company with operations in Canada and the U.S.

Garibaldi at Squamish Inc. (Receivership)

Bill Skelly and Jess Reid acted for Ernst & Young Inc. ("EY") as Receiver of Garibaldi at Squamish, an early stage ski resort development. The receivership resulted in sale by way of a Reverse Vesting Order.

My Mortgage Auction Corp. (Bankrupt)

Bill Skelly and Jess Reid acted for an investor who was pursued by the Trustee of My Mortgage for a fraudulent preference. The matter was successfully settled with the Trustee.

Donmar Properties Ltd. (CCAA)

Bill Skelly and J.J. Burnell (Winnipeg) acted for Donmar in a restructuring and sale of an early stage real estate development project in downtown Winnipeg.

Big Rig Trailers & Leasing Inc. (Receivership)

Bill Skelly and Jess Reid acted for Royal Bank of Canada ("RBC"), the senior secured creditor of Big Rig Trailer and Leasing Inc. ("Big Rig"). Big Rig operated an international sale and leasing trucking business with operations in Canada and the U.S.

CGI Merchant Group (Enforcement)

Bill Skelly and Jess Reid acted for RBC (Caribbean) the senior secured creditor of CGI Merchant Group ("CGI"). CGI has various interests in a number of different funds in Canada and the U.S. RBC reduced their claims to judgment in Canada and the U.S.

Saskatchewan assignments

Canadian Isotope Innovations Corp. (Bankruptcy)

Jeff Lee, Paul Olfert, Emily Barlas and Ryan Holfeld acted as counsel to MNP Ltd. (“**MNP**”), Trustee in Bankruptcy of Canadian Isotope Innovations Corp., a corporation based in the City of Saskatoon which filed an assignment in bankruptcy on March 26, 2024.

miEnergy Inc. (Receivership)

Jeff Lee and Shay Brehm acted as counsel to BDO Canada Limited (“**BDO**”), court-appointed Receiver of miEnergy Inc., a Saskatchewan corporation providing alternative energy solutions to industrial, institutional and residential customers in Western Canada. BDO was appointed interim receiver and administrator by Order dated February 21, 2024. By Order dated May 14, 2024, BDO was appointed receiver.

DL Pharmacy Inc. (Receivership)

Jeff Lee, Shay Brehm and Emily Barlas acted as counsel to Grant Thornton Limited (“**Grant Thornton**”), which was appointed as Receiver of DL Pharmacy Inc., Erbach Holdings Ltd. and DL Land Holdings Inc. by Order dated May 17, 2024. DL Pharmacy Inc. operates Fisher’s Drug Store in the City of North Battleford. On July 15, 2024, upon the application of the Receiver, Justice R.W. Elson of the Court of King’s Bench For Saskatchewan granted a Reverse Vesting Order in regard to DL Pharmacy Inc. The decision of Justice Elson in *DL Pharmacy Inc.* was the first instance of a Reverse Vesting Order having been granted by a Saskatchewan Court.

Leon Mfg. Company Inc. and Ram Industries Inc. (Receivership)

Jeff Lee and Shay Brehm acted as counsel to the principal secured creditor of Leon Mfg. Company Inc. and Ram Industries Inc., manufacturers of agricultural equipment located in the City of Yorkton. On June 11, 2024, on application of the secured creditor, the Court of King’s Bench For Saskatchewan granted an Order appointing a Receiver of the property, assets and undertaking of Leon Mfg. Company Inc. and Ram Industries Inc.

Riveriene Farm Ltd. (Division I Proposal)

Jeff Lee and Shay Brehm acted as counsel to MNP Ltd. (“**MNP**”), Proposal Trustee in regard to the Proposal to Creditors filed by Riveriene Farm Ltd. (“**Riveriene**”),

a pet food manufacturing company located in the City of Saskatoon which filed its Proposal to Creditors (the “**Proposal**”) under Division I of Part III of the *Bankruptcy and Insolvency Act* (the “**BIA**”) on September 20, 2024. The Proposal was approved by the creditors of Riveriene at an October 10, 2024 meeting of Creditors and by the Court of King’s Bench For Saskatchewan at a November 1, 2024 hearing.

Moose Jaw Auto & Leisure Ltd. (Receivership)

Jeff Lee and Shay Brehm acted as counsel to BDO Canada Limited (“**BDO**”), court-appointed Receiver of Moose Jaw Auto & Leisure Ltd., a Saskatchewan corporation carrying on the business of the sale and leasing of motor vehicles, trailers and recreational equipment. BDO was appointed Receiver by Order dated August 27, 2024.

ALX Artificial Lift Werx Ltd. and Davy Crocket Investments Ltd. (NOI)

Jeff Lee, Jayden Toth and Emily Barlas acted as counsel to ALX Artificial Lift Werx Ltd. (“**ALX**”) and Davy Crocket Investments Ltd. (“**DCIL**”), corporations located in the City of Estevan which carry on the business of manufacturing oilfield equipment. ALX and DCIL each filed a Notice of Intention to Make a Proposal to Creditors under section 50.4 of the BIA on November 1, 2024. Upon application by ALX & DCIL, the Court of King’s Bench For Saskatchewan: (a) granted an Order extending the stay of proceedings and authorizing interim financing and an Administration charge on November 20, 2024; and (b) granted an Order further extending the stay of proceedings and authorizing asset sales by ALX outside the ordinary course of business on December 21, 2024.

102159350 Saskatchewan Ltd. et al. (Receivership)

Paul Olfert acted as counsel to MNP Ltd. (“**MNP**”), Court-appointed Receiver of three Saskatchewan corporations which had operated several retail fuel stations. MNP was appointed Receiver by Order dated November 5, 2024.

Pride Group (CCAA)

Paul Olfert acted as counsel to a Saskatchewan-based logistics company in relation to the Ontario proceedings pursuant to the *Companies’ Creditors Arrangement Act* in respect of the Pride Group of trucking, logistics, rental and related companies based in Mississauga, Ontario.

Manitoba assignments

Bokhari Development Inc. (Receivership)

J.J. Burnell and Anjali Sandhu acted as counsel to the Court-appointed receiver of the property of Bokhari Development Inc. related to the property civically known as 1801-1825 Park Drive in Portage la Prairie Manitoba upon which a housing development is under construction (the “**Project**”).

By Order pronounced December 2, 2024, among other things, the Court approved of a sale and investment solicitation process in respect of the Project, which is currently underway.

On December 2, 2024, the Court also approved a claims process for the receiver to determine ownership claims that had been made in respect of materials and equipment left on site at the Project.

Cobalt Industries Ltd. (Receivership)

J.J. Burnell acted as counsel to a secured lender to Cobalt industries Ltd. (“**Cobalt**”), a Manitoba-based blacksmithing and welding shop, in obtaining a receivership order against Cobalt on December 11, 2024.

Genesis Inc. (Receivership)

J.J. Burnell and Chris Nyberg acted as counsel to BDO Canada Limited (“**BDO**”), the court appointed receiver of Genesus Inc. et al who was appointed on June 11, 2024. Genesus is one of the largest swine genetics operations in North America.

Kromar Printing Ltd. (Receivership)

J.J. Burnell and Anjali Sandhu acted as counsel to a secured lender to Kromar Printing Ltd. (“**Kromar**”), a printing business located in Winnipeg on December 22, 2023.

Throughout 2024, in consultation with the secured lender, the receiver has realized upon various assets of Kromar, and entered into negotiations in respect of an asset purchase agreement which will include the sale of Kromar’s real property asset.

Capitol Steel Corporation and Capitol Steel Works Ltd. (Receivership Application)

J.J. Burnell and Anjali Sandhu acted as counsel to the secured lender to Capitol Steel Corporation and Capitol Steel Works Ltd. (together, “**Capitol Steel**”). On September 17, 2024, the secured lender made an application for a receiver to be appointed over Capitol Steel.

By Order dated October 1, 2024, the Court, among other things, authorized that the payment of the full amount of the indebtedness owing to the secured creditor from the proceeds of certain of Capitol Steel’s assets which had been sold by auction.



Speaking engagements, papers and other milestones

Discussion at September 26 to 28, 2024, Insolvency Institute of Canada Conference in Scottsdale, Arizona – Jeff Lee participated in a panel discussion entitled “*Who Is Really Driving The Bus? Creditor-Initiated CCAA Proceedings*” chaired by Justice Shelly Fitzpatrick of the Supreme Court of British Columbia at the September 26 to 28, 2024, Insolvency Institute of Canada Conference in Scottsdale, Arizona.

Discussion on September 26 to 28, 2024, Insolvency Institute of Canada Conference in Scottsdale, Arizona – J.J. Burnell participated in a panel discussion entitled “*Legislative Reforms: Past, Present and Future. Did We Get it Right?*” moderated by Chief Justice Geoffrey Morawetz, Superior Court of Justice of Ontario Shelly Fitzpatrick at the September 26 to 28, 2024, Insolvency Institute of Canada Conference in Scottsdale, Arizona.

Presentation to Canadian Bar Association (Saskatchewan Branch) Bankruptcy Section – Jeff Lee delivered a presentation on Saskatchewan's First Reverse Vesting Order to the Canadian Bar Association (Saskatchewan Branch) Bankruptcy Section on October 15, 2024.

Panel Discussion on February 2, 2024, at 21st Annual Review of Insolvency Law Conference in Vancouver, British Columbia – J.J. Burnell participated in a panel discussion entitled “*Chasing the North Star: Navigating Foreign Insolvencies in Canada*” chaired by Justice Barbara Conway of the Superior Court of Justice, Toronto at the Annual Review of Insolvency Law on February 2, 2024, in Vancouver, British Columbia.

CAIRP 2024 Winnipeg Insolvency & Restructuring Forum – Anjali Sandhu was invited by the Canadian Association of Insolvency and Restructuring Professionals to present *The Legal Eye – Technical Update* at the 2024 Winnipeg Insolvency & Restructuring Forum.



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About MLT Aikins

MLT Aikins is a full-service law firm of more than 300 lawyers with a deep commitment to Western Canada and an understanding of this market's unique legal and business landscapes.

Strategically positioned in six major centres across four provinces, we operate as one cohesive team. Our unified approach allows us to offer comprehensive services across all practice areas. Our firm combines deep regional knowledge with a broad reach across Canada.

Learn more about our Insolvency & Restructuring group at mltaikins.com/services/insolvency-restructuring

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