

**COURT FILE NUMBER Q.B. 1401 of 2019**

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

**JUDICIAL CENTRE SASKATOON**

**APPLICANT PILLAR CAPITAL CORP.**

**RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.**

**NOTICE OF APPLICATION**

**(Property Claims Process and Sales Process Order)**

**NOTICE TO RESPONDENTS: All Parties Listed On The Enclosed Service List**

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	Friday, June 5, 2020
Time	10:00 am

**NOTE: The hearing of this application is expected to take place by telephone pursuant to the Court's procedures during the COVID-19 pandemic. Dial-in particulars are available from the Receiver's legal counsel by written or e-mailed request.**

*(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. An Order (Property Claims Process) in the form of the Draft Order (Property Claims Process) filed herewith (the "**Property Claims Process Order**"), requiring all parties having a claim to any personal property located at the premises bearing the civic address of 2401 Millar Avenue and 821 47<sup>th</sup> Street East, Saskatoon, Saskatchewan (the "**Premises**") owned by Harmon International Enterprises Inc. ("**Harmon**") to prove their claims to such property.
2. A Sales Process Order (the "**Sales Process Order**");
  - (a) authorizing the Receiver to list the Premises for sale through ICR Commercial Real Estate;

- (b) approving the actions, activities and conduct of the Receiver, the professional fees and disbursements of the Receiver, and the professional fees and disbursements of MLT Aikins LLP, legal counsel to the Receiver, to date; and
  - (c) sealing the Confidential Supplement to the First Report of the Receiver on the Court file.
3. Such further and other relief as counsel may request and this Honourable Court may allow.

**Grounds for making this application:**

Property Claims Process Order

4. As detailed in the First Report of the Receiver dated May 27, 2020 (the “**First Report**”):
- (a) There are a significant number of items of personal property stored within the buildings or outdoors upon the Premises;
  - (b) Calvin Moneo, a director of Harmon, has stated to the Receiver on multiple occasions that persons other than Harmon (including, respectively, Calvin Moneo, Victor Moneo, their family members, and arm’s length third parties) own certain items of personal property stored at the Premises; and
  - (c) Calvin Moneo has repeatedly failed and/or refused to provide a list of such third party-owned property when requested to do so by the Receiver.
5. The Premises, and any personal property owned thereon, are subject to liquidation and distribution pursuant to the Receivership Order granted in these proceedings on January 10, 2020 by the Honourable Mr. Justice R.W. Elson (the “**Receivership Order**”). The Receiver cannot deal with any of the personal property located at the Premises without knowing whether or not it is Harmon’s and is subject to the Receivership Order. Further, given the significant amount (and, in many cases, dilapidated condition) of the personal property, the presence of the personal property on site is a significant impediment to the Receiver effectively marketing the Premises for sale.
6. Accordingly, a process is required which will definitively determine ownership of the personal property located upon the Premises, and which will require any third party owners with valid claims to any such property to remove it from the Premises in a timely fashion.

Sales Process Order

7. As more particularly described in the First Report and the Confidential Supplement to the First Report of the Receiver dated May 27, 2020 (the “**Confidential Supplement**”), the Receiver has solicited proposals from local real estate agents and has selected the proposal which, in the

Receiver's professional judgment, provides the best opportunity to market and sell the Premises in a manner which maximizes value for the stakeholders of Harmon.

8. Accordingly, the Receiver seeks an Order approving the listing proposal with ICR Commercial Real Estate detailed in the Confidential Supplement pursuant to the listing agreement appended to the First Report.

Approval of the Activities of the Receiver, the Professional Fees and Disbursements of the Receiver, and the Professional Fees and Disbursements of Legal Counsel To The Receiver

9. As more particularly detailed in the First Report, 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.
10. The professional fees and disbursements of the Receiver to date, and the professional fees and disbursements of MLT Aikins LLP, legal counsel to the Receiver to date, are fair and reasonable in the circumstances.
11. Accordingly, the Receiver seeks the approval of its actions, activities and conduct from the date of the Receivership Order to June 5, 2020, as well as the approval of the professional fees and disbursements of the Receiver and of legal counsel to the Receiver through April 30, 2020.

Sealing of the Confidential Supplement to the First Report of the Receiver

12. The Confidential Supplement to the First Report of the Receiver includes sensitive commercial information regarding the Receiver's strategy for marketing the Premises for sale and the expected realizable value of the Premises. Publicly disclosing the Confidential Supplement, and the sensitive information therein, prior to the closing of a transaction for the sale of the Premises would prejudice the Receiver's efforts to market and sell the Premises for their maximum realizable value, and would impair the ability of the Receiver to maximize value for all stakeholders.
13. Such further and other grounds as counsel may advise and this Honourable Court may allow.

**Material or evidence to be relied on:**

14. This Notice of Application, with proof of service;
15. First Report of the Receiver dated May 27, 2020;
16. Confidential Supplement to the First Report of the Receiver dated May 27, 2020;
17. Brief of Law (to be filed);

18. Proof of Compliance with General Application Practice Directive #3;
19. Draft Order (Property Claims Process);
20. Draft Sales Process Order; and
21. Such further and other materials as counsel may advise and this Honourable Court may allow.

**Applicable Acts and regulations:**

22. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
23. *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01.

DATED at Saskatoon, Saskatchewan, this 29<sup>th</sup> day of May, 2020.

**MLT AIKINS LLP**

Per: 

Jeffrey M. Lee, Q.C. and Paul Olfert, Counsel for  
the Receiver, Hardie & Kelly 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:**

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