

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.

IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

NOTICE OF APPLICATION

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	Tuesday, August 4, 2020
Time	1:30 pm

(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:
 - (a) increasing the amount of the "**Receiver's Borrowings Charge**", as that term is defined in the Receivership Order granted in these proceedings on January 10, 2020 by the Honourable Mr. Justice R.W. Elson (the "**Receivership Order**"), together with the corresponding borrowing limit, from \$250,000.00 to \$500,000.00; and
 - (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.
2. Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

Increase To Receiver's Borrowings Charge

3. As detailed in the Third Report of the Receiver dated July 29, 2020 (the "**Third Report**"), the costs incurred by the Receiver to date, and expected to be incurred by the Receiver prior to the completion of its mandate, are significantly higher than anticipated at the time of the application for the Receivership Order for a number of reasons including, without limitation, the amount of professional time required for communications and other dealings with Mr. Calvin Moneo, a director of Harmon International Industries Inc. ("**Harmon**"); new estimates as to the cost of cleaning up the real property owned by Harmon at 2401 Millar Avenue and 821 47th Street East, Saskatoon, Saskatchewan (the "**Premises**") in compliance with applicable environmental laws; and Harmon's appeal of two previous Orders granted in these proceedings to the Court of Appeal for Saskatchewan
4. Accordingly, in order to have the liquidity required to pay its anticipated costs, including professional costs and cleanup costs, incurred in the course of its mandate, the Receiver requires that the amount of the Receiver's Borrowings Charge and the associated borrowing limit be increased from \$250,000.00 to \$500,000.00.

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

5. As more particularly detailed in the Third 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.
6. The professional fees and disbursements of the Receiver for the period from May 1, 2020 to June 30, 2020, and the professional fees and disbursements of MLT Aikins LLP, legal counsel to the Receiver to date for the period from May 1, 2020 to June 30, 2020, are fair and reasonable in the circumstances.
7. Accordingly, the Receiver seeks the approval of its actions, activities and conduct from June 6, 2020 to and including July 29, 2020, as well as the approval of the professional fees and disbursements of the Receiver and of legal counsel to the Receiver from May 1, 2020 to June 30, 2020.
8. Such further and other grounds as counsel may advise and this Honourable Court may allow.

Material or evidence to be relied on:

- 9. This Notice of Application, with proof of service;
- 10. Third Report of the Receiver dated July 29, 2020;
- 11. Brief of Law;
- 12. Draft Order; and
- 13. Such further and other materials as counsel may advise and this Honourable Court may allow.

Applicable Acts and regulations:

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

DATED at Saskatoon, Saskatchewan, this 29th day of July, 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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