

COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE EDMONTON

ESTATE NUMBER 24-2536824

PROCEEDING IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
R.D.E. VENTURES INC.

Clerk's Stamp



- and

ESTATE NUMBER 24-2536823

PROCEEDING IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
FRONTLINE CIVIL HOLDINGS INC.

DOCUMENT **APPLICATION BY MERIDIAN ONECAP
CREDIT CORP.**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
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Lawyer's
Name: Stephanie A. Wanke
Lawyer's
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File No.: 182818.4

NOTICE TO RESPONDENT(S): Service List attached as Schedule "A"

This application is made against you. You are a respondent. You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: August 19, 2019
Time: 2:00 p.m.
Where: Law Courts Building, Edmonton
Before Whom: **The Honourable Justice J.H. Goss**

Go to 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 abridging time for service of notice of this Application to time actually given, and deeming service good and sufficient;
2. An Order that pursuant to section 69.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") any stay of proceedings with respect to Proposal Debtors, R.D.E. Ventures Inc. ("**R.D.E. Ventures**") and Frontline Civil Holdings Inc. ("**Frontline**") be lifted with respect to Meridian OneCap Credit Corp. ("**Meridian OneCap**") in relation to the Equipment as described in Schedule "**B**"; and
3. Such further and other relief as this Honourable Court may grant.

Grounds for making this application:

4. Meridian OneCap has entered into a series of lease agreements with R.D.E. Ventures, some of which Frontline is also a co-lessor (the "**Lease Agreements**")
5. In or around May and June of 2019, Frontline and R.D.E. Ventures ceased making payments under the Lease Agreements.
6. Meridian OneCap engaged in discussions with Frontline and R.D.E. Ventures to assist them with payment, however necessary information was never provided by R.D.E. Ventures and Frontline to Meridian OneCap as promised and Frontline and R.D.E. Ventures became unresponsive to Meridian OneCap's inquiries.
7. On or around July 11, 2019, Meridian OneCap demanded payment on the Lease Agreements and served Notices of Intention to Enforce Security pursuant to s. 244 of the *BIA*.
8. On or around July 16, 2019, certain of the Equipment was seized by a Civil Enforcement Agency at Meridian OneCap's direction and left in the possession of R.D.E. Ventures on a bailee's undertaking. Certain other Equipment was seized by registration in the Alberta Personal Property Registry.
9. On July 19, 2019, R.D.E. Ventures and Frontline filed a notice of intention ("**NOI**") to make a proposal under Division I of the *BIA*.
10. No payments have been made to Meridian OneCap since the date of the NOI
11. On August 8, 2019, the Proposal Trustee filed Material Adverse Changes reports for both R.D.E Ventures and Frontline advising that:
 - (a) the cash flow to be used for ongoing operation costs and payments to the Canada Revenue Agency was not being received;
 - (b) Frontline had failed to obtain short term funding for working capital; and
 - (c) Frontline had been locked out of the job site of CN Rail for non-compliance.
12. On August 16, 2019, National Bank of Canada brought an application to lift the NOI stay of proceedings to appoint a receiver over the assets it holds a security interest over.
13. On August 16, 2019, Wells Fargo brought an application to lift the NOI stay of proceedings to permit it to enforce its security.

14. As at July 6, 2019, Meridian OneCap was owed \$4,095,86.08 under the Leases, plus costs.
15. Meridian OneCap is undersecured and will not be made whole upon realizing on the Equipment.
16. As the Equipment continues to depreciate without payment, Meridian OneCap's deficiency continues to grow. As a result, Meridian OneCap is materially prejudiced by the stay of proceedings.
17. Such further and other grounds as counsel may advise.

Material or evidence to be relied on:

18. The Affidavit of Tamara Enright to be filed.
19. The Material Adverse Change Report with respect to R.D.E. Ventures, filed August 9, 2019.
20. The Material Adverse Change Report with respect to Frontline Civil Holdings Inc., filed August 9, 2019.
21. The Trustee's First Report to Court dated August 15, 2019.
22. Such further and other grounds as counsel may advise.

Applicable rules:

23. *Bankruptcy and Insolvency General Rules*, CRC, c 368.
24. *Alberta Rules of Court*, AR 124/2010, including Rules 1.3, 11.27, and 13.5.
25. Such further and other grounds as counsel may advise.

Applicable Acts and regulations:

26. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 including sections 65.1(4), 69(1), and 69.4.
27. *Personal Property Security Act*, RSA 2000, c P-7.

Any irregularity complained of or objection relied on:

28. None

How the application is proposed to be heard or considered:

29. In person on the commercial list.

WARNING

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A" – SERVICE LIST

Party	Counsel	Address	Service Method
The Bowra Group Inc.	Dean Hitesman	The Bowra Group Inc. 1411 TD Tower, 10088 – 102 Avenue, Edmonton, AB T5J 2Z1 Dentons Canada LLP 2500 Stantec Tower, 10220 - 103 Avenue NW Edmonton, AB T5J 0K4 Canada	dean.hitesman@dentons.com dchivers@bowragroup.com kgray@bowragroup.com
R.D.E. Ventures and Frontline Civil Holdings Inc.	Kentigern Rowan	Ogilvie LLP 1400 Canadian Western Bank Place 10303 Jasper Avenue Edmonton, AB T5J 3N6	krowan@ogilvielaw.com
National Bank of Canada	Sean Collins Pantelis Kyriakakis	McCarthy Tetrault LLP Suite 4000, 421 7th Avenue SW Calgary AB T2P 4K9	pkyriakakis@mccarthy.ca scollins@mccarthy.ca
Meridian OneCap Credit Corp	Stephanie A. Wanke Spencer Norris	Miller Thomson LLP 2700 Commerce Place 10155 - 102 Street Edmonton, Alberta T5J 4G8	swanke@millerthomson.com snorris@millerthomson.com
Landlord	Benjamin J. Ferland	Reynolds Mirth Richards & Farmer LLP Manulife Place Suite 3200-10180 101 St NW Edmonton, AB T5J 3W8	bferland@rmrf.com
Brandt Tractor Ltd.		PO BOX 3856, Highway #1 East Regina, SK S4P 3R8	tcarson@brandt.ca
Hitachi	Terrence M. Warner	Miller Thomson LLP 2700 Commerce Place 10155 - 102 Street Edmonton, Alberta T5J 4G8	twarner@millerthomson.com
Wells Fargo	Bryan Maruyama	1700 Enbridge Centre, 10175-101 Street NW, Edmonton, Alberta T5J 0H3	Bryan Maruyama <bmaruyama@parlee.com>
CRA	George Body		

SCHEDULE "B" - EQUIPMENT

Lease #	Year, Make, Model	S/N
378193	2014 Stargate Durawall Tridem End Dump	2S9DA5355EM116945
423176	Konica Minolta BH C258	A7R0011009986
445697	2015 John Deere 410E Rock Truck	1DW410ETKEE665936
447791	2015 John Deere 410E Rock Truck	1DW410ETVEE666024
600646	2017 John Deere 410E Articulated Dump Truck	1DW410ETKHF682945
601097	2016 John Deere 410E Articulated Dump Truck	1DW410ETJGF673758
601103	2018 John Deere 844K Loader	1DW844KCCJF689030
601108	2016 John Deere 842K Wheel Loader	1DW824KXCGD676914
601110	2018 John Deere 700K Dozer	1T0700KXPHF323494
601115	2018 John Deere 300GLC Excavator	1FF300GXEJF730674
601117	2016 John Deere 410E Articulated Dump Truck	1DW410ETKGF676092
604894	2018 FAE UML/HY 125VT Mulcher Head	18-1509
605628	2017 FAE UMM/EX 150 VT Mulcher Head	17-1261