

File No. BK 17-01-04509

**THE QUEEN'S BENCH
Winnipeg Centre
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985,
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.**

**NOTICE OF MOTION
(APPROVAL OF A PROPOSAL)
Before the Honourable Mr. Justice Dewar
HEARING DATE: Friday, March 2, 2018 at 9:00 a.m.**

FILLMORE RILEY LLP
Barristers, Solicitors & Trade-Mark Agents
1700 - 360 Main Street
Winnipeg, Manitoba
R3C 3Z3

ANDREW P. LOEWEN

Direct Telephone: 204-957-8360
Direct Facsimile: 204-954-0360
409676-2/JMJD

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Lazer Grant Inc. (the "**Proposal Trustee**"), in its capacity as Proposal Trustee of 5274398 Manitoba Ltd. o/a Cross Country Manufacturing ("**Cross Country**"), will make a motion before The Honourable Mr. Justice Dewar on Friday, the 2nd day of March, 2018 at 9:00 a.m. or as soon after that time as the motion can be heard, at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

THE MOTION IS FOR:

1. An Order that:
 - (a) the time for service of this Notice of Motion and the materials filed in support of this motion is abridged, if necessary, and that this motion is properly returnable on March 2, 2018 at 9:00 am;

- (b) further service of this Notice of Motion and the materials filed in support is dispensed with;
 - (c) the meeting of the unsecured creditors and the Proposal Trustee to conduct a vote upon the Proposal is approved and sanctioned;
 - (d) the Proposal of Cross Country to its unsecured creditors in accordance with s. 50 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") is approved; and
 - (e) the Proposal Trustee and Cross Country are authorized and empowered to do all such things as may be necessary to perform and give effect to the Proposal.
2. Such further and other relief as the parties may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Cross Country filed a Notice of Intention to Make a Proposal with the Official Receiver on August 11, 2017. The time in which to file a Proposal was extended by way of Orders of this Court granted September 7, 2017, October 11, 2017, November 15, 2017 and December 5, 2017, and the final extension expired on January 19, 2018 at 11:59 p.m. CST;
2. This Court further granted Orders in favour of Cross Country:

- (a) on September 7, 2017, approving of and authorizing, *inter alia*, a sale process for the sale, on a going concern basis, of certain property and assets of Cross Country located in Blenheim Ontario (the “**Blenheim Assets**”); and
 - (b) on December 5, 2017, approving of and authorizing, *inter alia*, a transaction to conclude the sale of the Blenheim Assets and to vest those assets in the purchaser.
3. On January 19, 2018, prior to the expiration of the final extension, Cross Country, with the assistance of the Proposal Trustee, filed the Proposal with the Official Receiver.
4. The Proposal provides for the payment of claims described in s. 60(1), 60(1.1) and 60(1.3) of the *BIA*, and for the payment of all monies payable under the Proposal to the Proposal Trustee.
5. On January 24, 2018, the Proposal Trustee sent, in the prescribed manner, those documents required to be sent by s. 51 of the *BIA* to all of the known creditors of Cross Country, as well as to the Official Receiver. The documents included a Notice of Proposal to Creditors giving notice of and advising that a creditors meeting would be held on February 6, 2018 at 2:00 P.M. during which time those creditors qualified to vote may, by resolution, vote upon the Proposal (the “**Creditors Meeting**”).

6. The Creditors Meeting was held on February 6, 2018 at 2:00 p.m. and those creditors of Cross Country present either in person or by proxy, whose claims were accepted, voted unanimously to approve and accept the Proposal satisfying the requirements for deemed acceptance of the creditors provided in s. 54(1)(d) of the *BIA*.

7. The Proposal Trustee is of the opinion that the Proposal is reasonable and will benefit the creditors of Cross Country. The Proposal Trustee is further of the opinion that the Proposal is made in good faith.

8. The assets of Cross Country are not of a value equal to fifty cents on the dollar on the amount of the bankrupt's unsecured liabilities, but none of the other facts mentioned in s. 173(b) – (o) of the *BIA* are proven, to the knowledge of the Proposal Trustee.

9. The *BIA*, and in particular, ss. 58, 59 and 60 thereof, and the inherent jurisdiction of this Honourable Court.

10. General Rules 3, 11 and 13 of the *BIA*, and Rules 2.03, 3.02, 16.04 and 37 of the *Queen's Bench Rules*.

11. Such further and other grounds as the parties may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

1. The Affidavit of Jonathan Doerksen, filed September 5, 2017;

2. The Affidavit of Samantha Dunn, filed September 6, 2017;
3. The First Report of the Proposal Trustee, filed September 6, 2017;
4. The Affidavit of Jonathan Doerksen, filed September 7, 2017;
5. The Affidavit of Samantha Dunn, filed September 13, 2017;
6. The Second Report of the Proposal Trustee, filed September 15, 2017;
7. The Third Report of the Proposal Trustee, filed October 11, 2017;
8. The Fourth Report of the Proposal Trustee, filed November 10, 2017;
9. The Affidavit of Jonathan Doerksen, filed December 1, 2017;
10. The Fifth Report of the Proposal Trustee, filed December 4, 2017;
11. The Confidential Report of the Proposal Trustee filed December 5, 2017;
12. The Sixth Report of the Proposal Trustee, to be filed;
13. such further and other material as counsel may advise and this Honourable Court may allow.

February 12, 2018

FILLMORE RILEY LLP
1700 - 360 Main Street
Winnipeg, Manitoba R3C 3Z3

ANDREW P. LOEWEN
Telephone: 204-957-8360

Counsel for the Proposal Trustee.