

Court File No. SJM-31-2025

IN THE COURT OF KING'S BENCH OF  
NEW BRUNSWICK IN BANKRUPTCY  
AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE receivership of  
686949 N.B. Ltd., carrying on business at  
the County of Madawaska the Province of  
New Brunswick;

PURSUANT TO section 33 of the  
*Judicature Act*, R.S.N.B. 1973, c. J-2, Rules  
41, Rules of Court, New Brunswick and  
section 243 of the *Bankruptcy and  
Insolvency Act*, R.S.C. 1985, c. B-3,

BETWEEN:

**CITY HOTELS NB LTD.**, a body corporate  
carrying on business in the Province of New  
Brunswick

Applicant,

- and -

**686949 N.B. LTD.**, a body corporate  
carrying on business in the Province of New  
Brunswick

Respondent.

**NOTICE OF MOTION  
(FORM 37A)**

TO: The Service List attached hereto as  
Schedule "A"

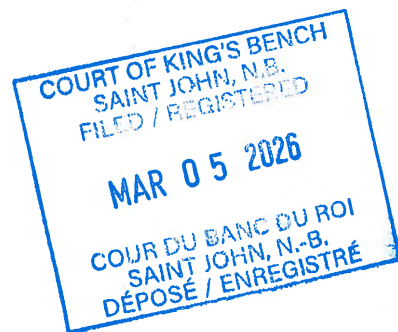
Powell Associates Ltd., (the "Receiver"), in  
its capacity as Court appointed Receiver, will  
apply to the Court of King's Bench of New  
Brunswick at 10 Peel Plaza, Saint John, NB,  
on the **14<sup>th</sup>** day of **April**,

COUR DE BANC DU ROI DU NOUVEAU-  
BRUNSWICK

DIVISION DE PREMIERE INSTANCE

CIRCONSCRIPTION JUDICIAIRE DE  
SAINT JEAN

ENTRE:



Demandeur,

- et -

Defendeur.

**AVIS DE MOTION  
(FORMULE 37A)**

DESTINAIRE:

Le demandeur (ou selon le cas)  
demandera à ..... (lieu précis)  
....., le ..... 19 ....., à ..... h  
....., d'ordonner (indiquer l'ordonnance  
demandée, les motifs à discuter et les renvois

2026, at 9:30 a.m./p.m. for an order as set out hereunder.

*aux dispositions législatives ou règles qui seront invoquées);*

1. An order, substantially in the form and substance of the draft order attached hereto as Schedule “B”, including, *inter alia*:
  - (a) Abridging and validating the timing and method of service of the Notice of Motion and the Record on Motion, if necessary, so that this Motion is properly returnable and further service is dispensed with; and
  - (b) Approving the settlement agreement between 15523257 Canada Inc. and the Receiver dated February 4, 2026 (the “**Settlement**”) in respect of a deposit as described in the Third Report of the Receiver dated February 25, 2026 (the “**Third Report**”) filed in support of this Motion;
  - (c) Approving the Receiver’s activities and decisions as described in the Third Report;
  - (d) Approving the fees and expenses of the Receiver as contained in the Third Report;
  - (e) Approving the fees and expenses of Brenton Kean, solicitor of the Receiver, as contained in the Third Report;
  - (f) Approving and authorizing the distribution of the remaining proceeds available in the estate of the Respondent as described in the Third Report; and
  - (g) Discharging the Receiver as

receiver of the undertaking,  
property and assets of the  
Respondent.

2. Such further and other relief as may be just.

Upon the hearing of the motion, the Receiver intends to argue the following grounds and rely upon the following statutory provisions or rules:

- a) The Receiver has entered into the Settlement after concluding it will benefit all interested parties considering that the outcome of litigation is unknown and the cost of litigation may be substantial relative to the amounts involved.
- b) The Receiver is of the view that professional fees and expenses of the Receiver and its Counsel and the projected statement of receipts and disbursements would be appropriate.
- c) The Receiver is of the opinion that the final distribution as provided in the Third Report would be appropriate.
- d) The Receiver is not aware of any objection to the Receiver's conduct or activities.
- e) Such further and other grounds as counsel may advise and this Honourable Court may permit.

UPON the hearing of the motion the following affidavit or other documentary evidence will be presented:

- a) The Third Report; and
- b) Such further and other affidavits or documentary evidence as counsel for the Receiver may advise and this

A l'audition de la motion, les affidavits ou les autre preuves littérales suivantes seront présentées: (*énumérer les preuves littérales qui seront utilisées lors de l'audition de la requête*).

Honourable Court may permit.

You are advised that:

- (a) you are entitled to issue documents and present evidence at the hearing in English or French or both;
- (b) the Receiver intends to proceed in the English language; and
- (c) if you intend to proceed in the other official language, an interpreter may be required and you must so advise the clerk at least 5 days before the hearing.


Sachez que:

- (a) vous avez le droit d'émettre des documents et de présenter votre preuve à l'audience en français, en anglais ou dans les deux langues;
- (b) le demandeur (*ou selon le cas*) a l'intention d'utiliser la langue ..... ; et
- (c) si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un interprète pourront être requis et vous devrez en aviser le greffier au moins 5 jours avant l'audience.

DATED at Saint John, New Brunswick, this 4<sup>th</sup> day of March, 2026.

FAIT à ..... le ..... 20.....

.....  
Avocat du demandeur (*ou selon le cas*)

  
 \_\_\_\_\_  
 William C. Kean, K.C.  
 Brenton Kean  
 Solicitors for the Receiver

Brenton Kean  
 Lawyers – Avocats  
 75 Prince William Street, 4<sup>th</sup> Floor  
 P.O. Box 609  
 Saint John, NB, E2L 4A5

Telephone: (506) 646-7505  
 Facsimile: (506) 693-1166

## Schedule "A"

Court File No. SJM/31/2025

IN THE COURT OF KING'S BENCH OF NEW  
BRUNSWICK IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE receivership of 686949 N.B.  
Ltd., carrying on business at the County of Madawaska the  
Province of New Brunswick;

PURSUANT TO section 33 of the *Judicature Act*, R.S.N.B.  
1973, c. J-2, Rules 41, Rules of Court, New Brunswick and  
section 243 of the *Bankruptcy and Insolvency Act*, R.S.C.  
1985, c. B-3,

BETWEEN:

**CITY HOTELS NB LTD.**, a body corporate carrying on business in the  
Province of New Brunswick

Applicant,

- and -

**686949 N.B. LTD.**, a body corporate carrying on business in the Province  
of New Brunswick

Respondent.

**SERVICE LIST**

<p>Paul Moffett, MBA, CIRP, LIT Powell Associates Ltd. Licensed Insolvency Trustee 302-133 Prince William St., Saint John, NB, E2L 2B5 Email: <a href="mailto:pmoffett@maritimetrustee.ca">pmoffett@maritimetrustee.ca</a></p> <p><b>Receiver</b></p>	<p>Simon-Pierre Godbout Cox and Palmer Blue Cross Centre, Suite 500 644 Main Street Moncton, NB E1C 1E2 Email: <a href="mailto:spgodbout@coxandpalmer.com">spgodbout@coxandpalmer.com</a></p> <p><b>Solicitor for City Hotels NB Ltd.</b></p>
<p>Scott Wilson McInnes Cooper Suite 1700, 1 Germain Street Saint John, NB E2L 4V1 Email: <a href="mailto:scott.wilson@mcinnescooper.com">scott.wilson@mcinnescooper.com</a></p> <p><b>Solicitor for The Toronto Dominion Bank</b></p>	<p>Edwin G. Ehrhardt, K.C. Bingham Law Marven's Place 1 Factory Lane, Suite 310 Moncton, NB E1C 9M3 Email: <a href="mailto:egehrhardtW@bingham.ca">egehrhardtW@bingham.ca</a></p> <p><b>Solicitor for JYSK Holdings Ltd. and James Youm</b></p>

<p>Romain Viel Connors Stilwell 401-212 Queen Street Fredericton, NB E3B 1A8 Email: <a href="mailto:romaine.viel@connorsstilwell.com">romaine.viel@connorsstilwell.com</a></p> <p><b>Solicitor for Sunhye Chung, Yoon Joo Jim and Vanessa Lim</b></p>	<p>Charles A. Haché C.A. Haché Law 20 Marr Road, Suite 300 Rothesay, NB E2E 2R5 Email: <a href="mailto:charles@cahachelaw.ca">charles@cahachelaw.ca</a></p> <p><b>Solicitor for Sandhyaji Resorts Inc.</b></p>
<p>Deanna M. Frappier, K.C. Attorney General of Canada <b>Department of Justice</b> Email: <a href="mailto:Deanna.frappier@justice.gc.ca">Deanna.frappier@justice.gc.ca</a> Email: <a href="mailto:agc_pgc_aro-bra@justice.gc.ca">agc_pgc_aro-bra@justice.gc.ca</a></p>	<p>Devon Steele <b>Canada Revenue Agency</b> Insolvency Division Email: <a href="mailto:Devon.Steele@cra-arc.gc.ca">Devon.Steele@cra-arc.gc.ca</a></p>
<p>Lisa Kusterski Loss Recovery Administrator <b>Meridian OneCap Credit Corp.</b> 204-3185 Willingdon Green Burnaby, BC V5G 4P3 Email : <a href="mailto:Lisa.Kusterski@meridianonecap.ca">Lisa.Kusterski@meridianonecap.ca</a></p>	<p>George L. Cooper, K.C. Cox and Palmer Blue Cross Centre, Suite 500 644 Main Street Moncton, NB E1C 1E2 Email: <a href="mailto:gcooper@coxandpalmer.com">gcooper@coxandpalmer.com</a></p> <p><b>Solicitor for 15523257 Canada Inc.</b></p>
<p><b>ACOA</b> Email: Kynan Philippe &lt;<a href="mailto:kynan.philippe@acoa-apeca.gc.ca">kynan.philippe@acoa-apeca.gc.ca</a>&gt;</p>	<p>Trevor Hagel <b>Superior Lodging Development TL Corporation</b> Email: <a href="mailto:thagel@travelodge.ca">thagel@travelodge.ca</a></p>

**Schedule “B”**

Court File No. SJM/31/2025

IN THE COURT OF KING’S BENCH OF NEW  
BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

**IN THE MATTER OF THE RECEIVERSHIP OF  
686949 N.B. LTD.**, carrying on business at the County of  
Madawaska and Province of New Brunswick;

PURSUANT TO SECTION 33 OF THE *JUDICATURE ACT*,  
R.S.N.B. 1973, C. J-2, RULES 41, RULES OF COURT, NEW  
BRUNSWICK AND SECTION 243 OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,

BETWEEN:

**CITY HOTELS NB LTD.**, a body corporate carrying on business in the  
Province of New Brunswick

APPLICANT

-and-

**686949 N.B. LTD.**, a body corporate carrying on business in the province of  
New Brunswick

RESPONDENT

**ORDER TO APPROVE SETTLEMENT AGREEMENT, FEES, DISBURSEMENTS AND  
FINAL DISTRIBUTION, AND DISCHARGE OF RECEIVER**

**UPON READING** the Notice of Motion of Powell Associates Ltd. (the “**Receiver**”) in its capacity as  
Receiver of the assets, undertakings and properties of 686949 N.B. Ltd. (the “**Respondent**”) dated March  
4, 2026;

**AND UPON READING** the Third Report of the Receiver dated February 25, 2026 (the “**Third Report**”) and the affidavit of \_\_\_\_\_ sworn on \_\_\_\_\_ (collectively the “**Supporting Documents**”);

**AND UPON** it appearing that appropriate notice of the within Motion has been provided to all interested parties; and

**AND UPON HEARING** the submissions of counsel for the Receiver and such other counsel as appeared and were heard on the Motion;

**IT IS HEREBY ORDERED THAT:**

**SERVICE**

1. The timing and method of service of the Notice of Motion, the Supporting Documents and the Record on Motion are hereby validated, such that this Motion is properly returnable and hereby dispenses with further service hereof.

**SETTLEMENT AGREEMENT**

2. The settlement agreement dated February 4, 2026 (the “**Settlement**”) between 15523257 Canada Inc. and the Receiver in its capacity as Receiver of the Respondent (the “**Settlement Parties**”) as appended as Exhibit SS to the Third Report is hereby authorized and approved. The Settlement is valid and binding on the Settlement Parties.
3. For greater certainty, the Deposit as defined in the Settlement shall be equally split between the Settlement Parties and the Settlement Parties shall jointly instruct Actus Law to deliver the Deposit equally in trust to the Settlement Parties’ respective counsel.
4. The Settlement Parties be and are hereby authorized and directed to take additional steps as are necessary or desirable to carry out and complete the Settlement and to discontinue the Notice of Action With Statement of Claim Attached, which is identified as Court File Number MC-265-2024, on a without cost basis with a bar to future actions as provided in the Settlement.

**APPROVAL OF THE PROFESSIONAL FEES OF RECEIVER**

5. The Receiver's fees and expenses to February 25, 2026 as detailed in the Third Report, including those that are accrued to finalize administration of the receivership, are hereby approved without the necessity of a formal assessment of its accounts.

**APPROVAL OF THE PROFESSIONAL FEES OF BRENTON KEAN**

6. The fees and expenses of Brenton Kean to February 25, 2026 as detailed in the Third Report, including those that are accrued to finalize administration of the receivership, are hereby approved without the necessity of a formal assessment of its accounts.

**FINAL DISTRIBUTION AND EXCESS PROCEEDS**

9. The proposed final distribution as described in the Third Report is hereby approved. The Receiver is authorized and directed to make the distributions as set out in the Third Report.
10. After payment of the final distribution, disbursements, and professional fees and expenses as described in the Third Report herein approved, the Receiver shall pay the monies remaining in its hand to Connors Stilwell In Trust for distribution to the shareholders as agreed between them as described in the Third Report.
11. The Receiver is authorized and directed to complete any other tasks or activities as necessary to complete the administration of the receivership herein.

**DISCHARGE OF RECEIVER**

12. Upon the payment being made in accordance with section 10 and upon the completion of other activities described in the Third Report, this Court orders and declares that the Receiver will henceforth be released and discharged from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the part of the Receiver. Without limiting the generality of the foregoing, the Receiver will be hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within

receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

13. Notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

**GENERAL**

14. This Court hereby requests the aid and recognition of any Court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Receiver, as an Officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

**DATED** at Saint John, New Brunswick, this \_\_\_\_ day of \_\_\_\_\_, 2026.

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Justice of the Court of King's Bench of  
New Brunswick in Bankruptcy and Insolvency