



No. S-260086
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

MASKEEN 177 PROJECTS LTD., 0676086 B.C. LTD.,
MASKEEN DEVELOPMENT LTD., MASKEEN HOMES LTD.,
1302095 B.C. LTD., 0943151 B.C. LTD., 0816980 B.C. LTD.,
0816984 B.C. LTD., PRO RIDGE HOMES LTD., PRORIDGE
VENTURES INC., JAGDIP SINGH SIVIA, AMARJIT KAUR SIVIA,
JATINDERPAL SINGH GILL, HARBANS KAUR GILL,
PRABHDEV SINGH KHERA, FIRST WEST CREDIT UNION,
TOKIO MARINE CANADA LTD., VANCOUVER CITY SAVINGS
CREDIT UNION, BMW CANADA INC., FRONT STREET
LEASING LP O/A DILAWRI LEASING, OPENROAD LEASING,
TD AUTO FINANCE (CANADA) INC., COUNTRY GREEN
EXCAVATING LIMITED, 1299615 B.C. LTD., NEXGEN
ENVIRONMENTAL SERVICES LTD., INTEGRITY SHORING &
CIVIL LTD. WITH ASSUMED NAME: ISC SHORING & CIVIL
LTD., MADNESS FORMING & CONSTRUCTION SERVICES
INC., AND PDQ CONSTRUCTION LTD.

RESPONDENTS

APPLICATION RESPONSE

Application response of: MCAP Financial Corporation ("**MCAP**")

THIS IS A RESPONSE TO the notice of application of Maskeen 177 Projects Ltd., 0676086 B.C. Ltd., Maskeen Development Ltd., Maskeen Homes Ltd., 1302095 B.C. Ltd., and 0943151 B.C. Ltd. (collectively, the "**Debtors**" or the "**Borrowers**") filed August 21, 2026 (the "**Notice of Application**").

The application respondent estimates that the application will take 1 day.

PART 1 ORDERS CONSENTED TO

The application respondent consents to the granting of NONE of the orders set out in Part 1 of the Notice of Application.

PART 2 ORDERS OPPOSED

The application respondent opposes the granting of ALL of the orders set out in Part 1 of the Notice of Application.

PART 3 ORDERS ON WHICH NO POSITION IS TAKEN

The application respondent takes no position on NONE of the orders set out in Part 1 of the Notice of Application.

PART 4 FACTUAL BASIS

1. MCAP is the Petitioner in these proceedings and the senior secured creditor in respect of the “**Real Property**” (as defined in the Receiver’s Notice of Application filed August 14, 2026). MCAP registered a mortgage and assignment of rents against the Real Property under charge numbers CB391708 and CB391709 on December 15, 2022, in connection with a loan agreement dated October 31, 2022, as amended (the “**Loan Agreement**”).
2. As at August 27, 2026, MCAP is owed approximately \$16.5 million under the Loan Agreement, with interest and costs continuing to accrue, and excluding the amounts it has advanced to fund the present proceedings.
3. The Borrowers have been in default of the Loan Agreement since August 2025. Their defaults include, without limitation: (a) failure to repay the loan (the “**Loan**”) at maturity; (b) commencing construction on the Real Property in breach of a negative covenant prohibiting construction until full repayment; (c) retaining purchaser deposit funds of \$1,165,000 from the sale of lot 3 without MCAP’s consent; (d) failing to maintain interest payments; and (e) failing to satisfy the conditions under the forbearance agreement dated October 3, 2025 (the “**Forbearance Agreement**”).
4. Under the Forbearance Agreement, the Borrowers expressly agreed that: (a) the applicable redemption period would be deemed to have commenced on **August 8, 2025**;

and (b) the Borrowers irrevocably consented to the appointment of a receiver upon expiry of the forbearance period or a further event of default.

5. On January 14, 2026, the Supreme Court of British Columbia (the “**Court**”) pronounced the receivership order (the “**Receivership Order**”). The Borrowers consented to the appointment and were provided until March 16, 2026 to redeem. They did not redeem, and the Receivership Order took effect on that date. The Borrowers have therefore had in excess of twelve months since the commencement of the redemption period in which to arrange refinancing or payout.
6. Throughout the period preceding these proceedings, the Borrowers repeatedly sought extensions of the Loan maturity date and pursued refinancing proposals, none of which produced binding financing sufficient to retire the indebtedness owing to MCAP. The Borrowers’ refinancing efforts have consistently been conditional, insufficient, or abandoned.
7. The Receiver conducted the sale process (the “**Sale Process**”) in accordance with the Court-approved sale process order (the “**Sale Process Order**”) dated May 6, 2026. Colliers Macaulay Nicolls Inc. (“**Colliers**”) widely marketed the Real Property over approximately ten weeks, resulting in twelve confidentiality agreements, substantive discussions with thirty-seven interested groups, and three offers. The agreement of purchase and sale with 1343239 B.C. Ltd. (the “**Purchaser**”) provides for the highest consideration received and is unconditional. The initial deposit has been paid.
8. As at the date of this response, the Borrowers have not filed affidavit evidence establishing the source, timing, or certainty of the funds required to redeem. No binding commitment from any lender has been produced. The Borrowers’ Notice of Application states that affidavit evidence is “to be filed.”
9. The Borrowers’ application, if granted, would delay or possibly defeat the transaction contemplated by the agreement of purchase and sale (the “**Transaction**”), prejudice the Purchaser who has provided an unconditional offer and a material deposit, and expose MCAP and the estate to further accruing interest, receivership costs, and risk of loss of the Transaction.
10. MCAP reserves the right to file written submissions and to make further submissions at the hearing of this application.

PART 5 LEGAL BASIS

1. On an application to approve a sale in a receivership, the Court considers the factors set out in *Royal Bank of Canada v. Soundair Corp.* (1991), 4 O.R. (3d) 1 (Ont. C.A.) (the “**Soundair**” factors), including: (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the interests of all parties; (c) the efficacy and integrity of the process by which offers were obtained; and (d) whether there has been unfairness in the working out of the process.
2. The Sale Process satisfies the Soundair factors. It was conducted in accordance with the court-approved Sale Process Order, broadly canvassed the market, and yielded the highest and best offer. There was no unfairness in the process.
3. While the equity of redemption is a relevant consideration in a receivership (*Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership*, 2024 BCSC 47) (“**Haro-Thurlow**”), the right is not absolute and must be balanced against the interests of all stakeholders and the integrity of the court process. The issue is what period of time should be afforded to a debtor to redeem, having regard to all of the circumstances (*Haro-Thurlow* at para. 103).
4. Here, the Borrowers have had over twelve months since the deemed commencement of their redemption period. They consented to the Receivership Order, were afforded an additional period to redeem prior to the Receiver taking office, and have produced no concrete evidence of their ability to fund a redemption. In these circumstances, further delay is not warranted.
5. The Court should not refuse or delay approval of a commercially reasonable sale to accommodate a redemption proposal that is unsubstantiated and speculative: *QRD (Willoughby) Holdings Inc. v. MCAP Financial Corporation*, 2024 BCCA 318 at para. 79; *Canadian Western Bank v. Quarry Rock Developments (McAllister) Inc.*, 2024 BCSC 2328 at paras. 36–42.
6. In support of the present Response, MCAP relies generally on:
 - (a) The Receivership Order, entered March 17, 2026;
 - (b) The Sale Process Order, dated May 6, 2026;

- (c) Part XI of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3;
- (d) Such further and other legal basis as counsel may advise and this Court may allow.

PART 6 MATERIAL TO BE RELIED ON

1. First Report of the Receiver, filed April 28, 2026;
2. Second Report of the Receiver, filed August 17, 2026;
3. Affidavit #1 of Blake Johnston, made January 7, 2026;
4. Affidavit #2 of Blake Johnston, made August 19, 2026;
5. The materials filed in these proceedings and such further material as counsel may advise and this Honourable Court may allow.

☒ The application respondent has filed in this proceeding a document that contains the application respondents address for service.

August 25, 2026

Dated



Signature of ☒ lawyer for application respondent
DLA Piper (Canada) LLP (Arad Mojtahedi)
Lawyer for MCAP Financial Corporation

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RIDGE HOMES LTD., PRORIDGE VENTURES INC., JAGDIP SINGH
SIVIA, AMARJIT KAUR SIVIA, JATINDERPAL SINGH GILL, HARBANS
KAUR GILL, PRABHDEV SINGH KHERA, FIRST WEST CREDIT UNION,
TOKIO MARINE CANADA LTD., VANCOUVER CITY SAVINGS CREDIT
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B.C. LTD., NEXGEN ENVIRONMENTAL SERVICES LTD., INTEGRITY
SHORING & CIVIL LTD. WITH ASSUMED NAME: ISC SHORING &
CIVIL LTD., MADNESS FORMING & CONSTRUCTION SERVICES INC.,
AND PDQ CONSTRUCTION LTD.

RESPONDENTS

APPLICATION RESPONSE

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