No. S-250121
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

LUMINA ECLIPSE LIMITED PARTNERSHIP
BETA VIEW HOMES LTD.
LUMINA ECLIPSE GP LTD.
and
D-THING DEVELOPMENT BETA LTD.

RESPONDENTS

APPLICATION RESPONSE

Application response of: The Attorney General of British Columbia ("AGBC" or the "Attorney General")

THIS IS A RESPONSE TO the notice of application of the Court-appointed monitor, AlixPartners Restructuring Inc. filed July 22, 2026.

The Attorney General of British Columbia estimates that the application will take three days.

[ ] This matter is within the jurisdiction of an associate judge.
[X] This matter is not within the jurisdiction of an associate judge.

Part 1: ORDERS CONSENTED TO

The Attorney General of British Columbia consents to the granting of the order sought in paragraph 1(a) of Part 1 of the Notice of Application

Part 2: ORDERS OPPOSED

The Attorney General of British Columbia does not oppose the granting of any of the orders sought in Part 1 of the Notice of Application.

Part 3: ORDERS ON WHICH NO POSITION IN TAKEN

The Attorney General of British Columbia takes no position on the granting of the orders sought in paragraphs 1(b), (c), and 2 of Part 1 of the Notice of Application.

Part 4: FACTUAL BASIS

1. As in the previous application proceeding, the Attorney General provides this response and will participate in this proceeding for the limited purpose of addressing the paramountcy doctrine issue that arises as a result of the relief sought on the application.

Part 5: LEGAL BASIS

2. The applicant only seeks to extend the stay period and does not otherwise seek to vary the terms of the current order. As such, the Attorney General relies on and adopts the legal arguments advanced in its response to application, filed on June 8, 2026, and the oral submissions made at the June 15 to 18, 2026 hearing.

3. The Attorney General maintains that where a party seeks an order, pursuant to the *Companies' Creditors Arrangement Act,* RSC 1985, c. C-36 (the "*CCAA*") that would have the effect of overriding otherwise valid provincial legislation, and the protections afforded by it, the supervising Court must consider whether it is appropriate to exercise their discretion in the manner proposed, which necessarily involves consideration of the doctrine of paramountcy and the appellate jurisprudence as to how that doctrine is to be applied: *CCAA,* s. 11.02(2); *Sproule v. Nortel Networks Corporation,* 2009 ONCA 833 at paras. 35 and 47; *Crystalline Investments Ltd. v. Domgroup Ltd.,* 2004 SCC 3 at para. 43.

4. The law is clear that the doctrine of paramountcy must be applied with restraint, in a manner that facilitates rather than undermines cooperative federalism, gives effect to both provincial and federal legislation in a complementary manner, while avoiding the evisceration of provincially regulated property and civil rights: *Saskatchewan (Attorney General) v. Lemare Lake Logging Ltd.*, 2015 SCC 53; *Canadian Western Bank v. Alberta,* 2007 SCC 22; *Husky Oil Operations Ltd. v. Minister of National Revenue*, [1995] 3 SCR 453; *Reference re Securities Act*, 2011 SCC 66; *Desgagnés Transport Inc. v. Wärtsilä Canada Inc*., 2019 SCC 58; *Quebec (Attorney General) v. Canadian Owners and Pilots Association,* 2010 SCC 39; *Alberta (Attorney General) v. Moloney*, 2015 SCC 51; *407 ETR Concession Co. v. Canada (Superintendent of Bankruptcy)*, 2015 SCC 52; *Orphan Well Association v. Grant Thornton Ltd.*, 2019 SCC 5. The importance of a restrictive approach to the doctrine of paramountcy is heightened, where as here, any interim

stay of section 23 of *Real Estate Development Marketing Act*, SBC 2004, c. 41 ("*REDMA*") would, in practice, have a potentially permanent effect.

5. The underlying rationale for the Monitor's position is that section 23 of *REDMA* ought to be stayed to permit the Monitor to issue completion notices to enforce the purchase agreements. However, as the Court of Appeal made clear in *Woo v. Onni Ioco Road Five Development Limited Partnership,* 2014 BCCA 76 at paragraph 36, the "protection provided to purchasers by this section [23] extends only to executory contracts, providing no potential statutory remedy once a purchase agreement has closed". Accordingly, although framed as an interim measure, this Court should consider the potentially permanent effect of staying section 23 of *REDMA*, a critical consumer protection provision, and whether such an order is appropriate within the *CCAA* framework.[1]

6. If this Court grants the orders sought by the applicant, any such order ought to be made subject to a further order of this Court to account for the outstanding decision arising from the June 2026 hearing.

Part 6: MATERIAL TO BE RELIED ON

1. Other pleadings filed in this proceeding; and
2. Such further material as counsel may advise and this Honourable Court may allow.

[x] The application respondent has filed in this proceeding a document that contains the application respondent's address for service

Date: July 24, 2026

Signature of Kaitlyn Chewka
Counsel for the Attorney General of British Columbia

[1] In making this submission, the Attorney General acknowledges that the Monitor agreed not to enforce the contracts as against the purchaser applicants who filed applications on April 22, 2026 and April 28, 2026 while their applications were outstanding before this Court; however, to the Attorney General's knowledge no such agreement was extended to other potentially similarly situated purchasers who would be affected by any order made by this Court and, in any event, the Court must be satisfied that any order made is appropriate.