Clerk's Stamp

COURT FILE NUMBER	2303-01855
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	1194038 ALBERTA LTD. AND ALAN DOBISH ALSO KNOWN AS ALLAN DOBISH
DOCUMENT	**RECEIVER'S SECOND REPORT** **August 18, 2023**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** ERNST & YOUNG INC. 10423 – 101 Street, Suite 1400 PO Box 44 Edmonton, Alberta T5H 0E7 Attention: Matt McCulloch / Evan MacKinnon Telephone: 780-638-6642 / 780-441-2447 Fax: 780-428-8977 Email: matt.mcculloch@parthenon.ey.com evan.mackinnon@parthenon.ey.com **COUNSEL** WITTEN LLP Suite 2500, Canadian Western Bank Place 10303 – Jasper Avenue Edmonton, Alberta T5J 3N6 Attention: Bren R. Cargill Telephone: 780-701-3776 Fax: 780-429-2559 Email: bcargill@wittenlaw.com

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INTRODUCTION, BACKGROUND AND PURPOSE OF THE REPORT

1. On March 20, 2023, pursuant to an application made by the Bank of Montreal ("**BMO**"), the Court endorsed an Order (the "**Receivership Order**") dated March 14, 2023, and filed March 15, 2023 appointing Ernst & Young Inc. ("**EY**" or the "**Receiver**") as receiver and manager over all the assets of 1194038 Alberta Ltd. ("**119**" or the "**Company**"). For the remainder of this report, and future reports, any reference to "**Management**" will be used to refer to Mr. Alan Dobish, the director of 119.

2. Prior to these receivership proceedings, 119 owned and leased out a single-story industrial and retail property located at 10103-175 Street NW, Edmonton, Alberta (hereinafter referred to as the "**Building**"). The Building is 100% occupied by a single commercial tenant, PartSource Inc. ("**PartSource**"), a subsidiary of Canadian Tire Corporation, Limited ("**Canadian Tire**"). PartSource is operating a distribution centre for its business as well as a store front retail business within the Building.

3. As at the date of the Receivership Order, 119's assets ("**Assets**") consisted of the following:

    a) the Building, a 20,397 square foot commercial building situated on approximately 58,370 square feet of land;

    b) cash in the Company's bank account in the amount of $860.55; and

    c) two (2) leased vehicles, a 2022 Acura MDX and 2019 Acura RDX (the "**Acuras**"), both leased through Honda Finance Canada ("**Honda**").

4. Prior to the date of the Receivership Order, Management made several attempts to refinance the Building and pay any outstanding debts owing to BMO, CRA, and the Subordinate Mortgage Holders. Information in relation to some of these attempts by Management are outlined in the unfiled (and unsigned) affidavit of Alan Dobish dated March 7, 2023 ("**Unfiled Dobish Affidavit**") at paragraphs 67 to 76. A copy of the Unfiled Dobish Affidavit, without exhibits for ease of reference, is attached as **Schedule "A"** to this report. These attempts were not successful.

5. Shortly after the effective date of the receivership, counsel for 119 advised the Receiver of a new possible source of financing that Management was pursuing to resolve 119's issues with its various creditors. Given the information and representations provided to the Receiver by 119 or its counsel in this regard, the Receiver delayed taking any steps to sell the building until April 20, 2023.

6. On April 20, 2023, given that to the best of the Receiver's knowledge 119's financing efforts had again not materially progressed from the initial date of Receivership, the Receiver proceeded with a request for proposal ("**RFP**") process for the Building.

7. As referenced in the Receiver's First Report, the RFP spanned approximately two (2) weeks with a May 5, 2023, deadline and was sent to approximately fifty-five (55) commercial realtors and strategic investors. The RFP resulted in multiple offers to purchase and listing proposals. At least one of the offers to purchase received during the RFP would have been able to pay out all identified creditors in full.

8. Given the short timeline of the RFP, the Receiver felt it would be beneficial to run a longer sales process while locking in the most attractive and highest offer to purchase identified through the RFP as the minimum bid required in any proposed process. As such, the Receiver proposed a stalking horse sale process ("**SH Process**").

9. Further to paragraph 3(k) of the Receivership Order, the Receiver has the power:

> "*to market any of all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, provided however that the Receiver is directed to obtain prior agreement from Alan Dobish, also known as Allan Dobish, and Bank of Montreal respecting the list price for the Property, and any amendments thereto, and failing such agreement, the Receiver may seek direction from the Court as to an approved list price for the Property*".

10. In accordance with the above, the Receiver reached out to BMO and Management to discuss the proposed SH Process. The Receiver had a call with BMO and their counsel on May 9, 2023, in which BMO stated they were agreeable to the SH Process. The Receiver was able to arrange a similar call on May 16, 2023, with Management and 119's counsel, during which Management stated they may not be agreeable to the SH Process but will follow up in the next day or two to provide a definite response. On the afternoon of May 18, 2023, Receiver's counsel sent a follow up note to Management and 119's counsel seeking a definitive response on the SH Process and an update on 119's financing efforts to date. Attached as **Schedule "B"** to this report is this correspondence. No response was received.

11. Given the above, as per paragraph 3(k) of the Receivership Order, in failing to reach a consensus on list or offer price, the Receiver may seek direction from the Court. As such,

the Receiver filed an application returnable on June 12, 2023, seeking advice and direction from the Court amongst other relief including the approval of a stalking horse Approval and Vesting Order ("**SH SAVO**") and an Order approving the SH Process.

12. At 1:23pm on June 12, 2023, less than an hour before the scheduled Court application, 119's counsel forwarded a new "Commitment Letter" from KV Capital, dated June 8, 2023, to both counsel for the Receiver and BMO.

13. At the application on June 12, 2023, the Court considered the filed pleadings before it and the information delivered shortly before the time of the application from counsel for 119. The Court granted three orders on June 12, 2023, as follows:

    a.) a Temporary Sealing Order sealing the Confidential Supplement to the First Report of the Receiver

    b.) the SH SAVO approving the sale transaction contemplated between the Receiver and the SH Bidder on certain terms contained therein; and

    c.) an Order (the "**June 12 SH Order**") that included, amongst various other terms and relief, the following direction:

        i.) The earliest commencing date for the SH Process shall be July 3, 2023;

        ii.) The SH Process shall be stayed until July 31, 2023, if 119 makes a payment to the solicitors for the Receiver in the amount of $125,000.00 (the "**Payment**") no later than 4:00 pm on June 30, 2023; and,

        iii.) Notwithstanding the above, 119 may consent to the commencement of the SH Process at any time following the pronouncement of the June 12 SH Order.

14. For the Court's ease of reference, the Payment represented what would be the proposed break fee to the SH Bidder as compensation for 119 possibly finding replacement financing which could ultimately eliminate the SH Process and the ability of the SH Bidder to purchase the Building.

15. The purpose of this report (the **"Receiver's Second Report"**) is to provide the Court with information, and where required, the Receiver's comments in relation to the following:

    a) the actions of 119 and its counsel since the June 12 SH Order, including an update on the status of the Payment and 119's financing efforts since the June 12 SH Order was granted;

b) the implementation and results of the SH Process;

c) the fees and expenses of the Receiver and its counsel to August 14, 2023;

and to serve as support for the Receiver's request for:

d) an Order approving the Receiver's actions as set out in this report;

e) an Order approving the sale of the Building to the Successful Offeror (as defined later in this report) pursuant to a Superior Offer received through the SH Process;

f) an Order approving the fees and expenses of the Receiver and its counsel as outlined herein;

g) an Order sealing the 2nd Confidential Supplement of the Receiver (defined later in this report); and,

h) an Order that provides such further relief that the Court considers just and warranted in the circumstances.

DISCLAIMER

16. In preparing the Receiver's Second Report, the Receiver relied upon certain financial information prepared by 119 and derived from discussions with Management. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information provided. Accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this report or relied upon in its preparation.

17. This report should be read in conjunction with any other materials filed before the date of the Receiver's Second Report. All reports and Orders, save for items directed to be sealed for confidentiality purposes, are available on the Receiver's website established for these proceedings that is located at *https://documentcentre.ey.com/#/detail-engmt?eid=518*

18. All references to dollars are in Canadian currency unless otherwise noted.

ACTIONS OF 119 & ITS COUNSEL SINCE THE JUNE 12 SH ORDER & UPDATE ON 119'S REFINANCING EFFORTS TO DATE

19. As noted earlier in this report, pursuant to the June 12 SH Order, the SH Process and related matters were stayed until at least July 3, 2023, to provide additional time for 119/Management to secure financing. Further, if 119/Management wished to have a longer stay (until July 31, 2023) the Payment (of $125,000), to Receiver's counsel in trust by no later than 4:00pm on June 30, 2023, was also required.

20. On June 23, 2023, counsel for 119 sent counsel for the Receiver, BMO and the SH Bidder unfiled application materials which suggested that 119 would be seeking relief in the form of setting aside or modifying the "Order of Justice Little, dated June 12, 2023" and such further and other relief as the Court deems just. The Receiver believes that these unfiled materials related to the June 12 SH Order but is uncertain if the other two Orders granted that same date were also being challenged.

21. Upon review of the relief sought in the unfiled materials, there was no request for a stay to the proceedings and to the best of the Receiver's knowledge, no appeal was ever filed with the Court of Appeal regarding any of the Orders granted by Justice Little. Further, to date, the Receiver has not been served with a filed copy of the June 23 Notice of Application. Attached hereto as **Schedule "C"** is a copy of the unfiled June 23 Notice of Application.

22. On the afternoon of June 29, 2023, the Receiver's counsel sent an email to counsel for 119, BMO, and the SH Bidder advising that if the Payment was not received the following day, the Receiver would be proceeding with the SH Process as per the June 12 SH Order. A copy of this email is attached hereto as **Schedule "D"**. No response was received from 119's counsel as to the status of these funds.

23. On June 30, 2023, the Receiver's counsel confirmed that it did not receive the Payment as required under the June 12 SH Order. Further, the Receiver advises that, as of the date of this report, the Payment has not been received.

24. Given the above, on July 3, 2023, the Receiver proceeded with the SH Process as per the terms of the June 12 SH Order.

25. On July 17, 2023, counsel for 119 advised counsel for the Receiver and BMO that they did not have further instructions with respect to the unfiled June 23 Notice of Application and, as such, they were adjourning same *sine die*.

26. Since the June 12 SH Order, the Receiver has received minimal correspondence from

119 or its counsel in regard to any progress 119 made to refinance its obligations to its stakeholders. As such, the Receiver is again of the belief that there has been no real or substantive progress in this regard. At this stage of these receivership proceedings and given the ample number of concessions and time provided to 119 to seek refinancing in these circumstances, the Receiver is of the opinion that refinancing is no longer a reasonable or viable option for 119 and that continued delays and concessions in this regard would not be appropriate in the context of these proceedings.

THE STALKING HORSE SALES PROCESS

27. As noted above, the Receiver proceeded with enacting the SH Process on July 3, 2023.

28. Pursuant to the previous RFP process outlined in the First Report, a list of prospective purchasers had been compiled and the Teaser Letter (as defined in the Stalking Horse Procedure) was emailed to the Prospective Purchasers on July 4, 2023 and was posted to the Receiver's web page. Notice of the SH Process was also advertised in the following publications:

    a) The Edmonton Journal;

    b) The Globe and Mail; and

    c) The Insolvency Insider.

29. For the Court's reference, attached as **Schedule "E"** is a copy of the Teaser Letter and attached as **Schedule "F"** is a copy of the advertisement that was published in the above noted publications.

30. As a result of the Receiver's efforts, a total of 64 different parties were directly provided with the Teaser Letter by the Receiver. It is unknown how many other parties may have viewed or otherwise received a copy of the Teaser Letter from the Receiver's web site, advertising, or indirectly otherwise.

31. The SH Process concluded on July 28, 2023, and at its conclusion, one interested party (the "**Successful Offeror**") provided the Receiver with an offer that was compliant with the terms of the SH Process and amounted to a Superior Offer as defined therein (the "**Successful Offer**").

32. As there were now two competing offers for the Building, including the SH Bid, the Receiver approached counsel for the SH Bidder to inquire as to whether they wished to participate in the auction process outlined in the SH Process. Counsel for the SH Bidder advised that their client did not wish to participate or make a further competing offer. In

light of the pending sale, and at least until such time as the Building sale transaction is closed, the Receiver believes that the Superior Offer for the Building is sensitive in nature should not be made public at this time. For clarity, if for some reason the sale does not proceed, the Receiver does not want the Superior Offer in the public domain. Given the Receiver's concern in this regard, additional details in relation to the SH Process and the Superior Offer will be provided to the Court by way of a Confidential Supplement to the Receiver's Second Report ("**2nd Confidential Supplement**").

33. As the Successful Offer amounts to a Superior Offer pursuant to the terms of the SH Process, the Receiver is recommending that the Successful Offer be approved by the Court.

PROFESSIONAL FEES TO AUGUST 14, 2023

Summary of the Receiver's Accounts

34. Set out in the chart below is a summary of the Receiver's time (and related charges) for each individual who has worked on this matter up to August 14, 2023. To date, the Receiver has rendered two invoices to the estate for its fees and expenses in the amounts of $29,178.74 and $20,625.46, respectively, totaling $49,804.20 (inclusive of GST). Attached hereto as **Schedule "G"** are copies of these invoices.

Receiver's Fee Schedule

Employee	Hours	Rate (Standard)	Amount
Dan McCulloch	0.50	525.00	262.50
Evan MacKinnon	83.50	375.00	31,312.50
Mark Shtay	2.50	250.00	625.00
Matt McCulloch	22.40	695.00	15,568.00
Serena Daniels	2.40	375.00	900.00
Trina Sorbara	7.50	250.00	1,875.00
Total	**118.80**		**50,543.00**

Using the standard rates of the Receiver, total invoiced fees are $50,543.00 (exclusive of GST); however, the Receiver has provided a courtesy discount in the amount of $3,339.36, bringing the total fees invoiced down to $47,203.64.

35. Expenses invoiced to date have totaled $228.94 (exclusive of GST). These expenses are in relation to mail redirection requests and mailouts.

36. Accounting for the fees of $47,203.64, expenses of $228.94, and total GST of $2,371.62, the invoiced total to date is equal to the $49,804.20 amount referenced in paragraph 34 of this report.

37. The Receiver's total WIP outstanding to August 14, 2023 is $10,802.06 (inclusive of GST). For clarity, this amount is in addition to the amounts previously invoiced to the estate by the Receiver as indicated above. The breakdown of the Receiver's outstanding WIP is as follows:

    i.) $6,734.18 in unbilled time charges of the Receiver; and

    ii.) $4,067.88 in expenses relating to advertising the SH Process in The Globe and Mail and The Edmonton Journal as referenced earlier in this report.

38. Since the appointment of the Receiver by this Court, Mr. Matthew McCulloch, CA, CPA, LIT, who is a Partner with EY, has had primary responsibility for the work carried out by the Receiver. However, wherever appropriate, work was delegated to other members of the EY team to mitigate the professional fee charges of the Receiver.

39. In the Receiver's respectful opinion, the time and disbursements incurred in the course of its duties are fair and reasonable in these circumstances. Further, the Receiver's costs in relation to this Receivership to August 14, 2023, are comparable to receivership assignments of similar scale and complexity.

40. The hourly rates charged by the Receiver are consistent with the average hourly rates billed by the Receiver on its other engagements and, to the Receiver's knowledge, are reasonably consistent with other firms of comparable size and qualifications engaged on similar receivership matters.

41. The Receiver respectfully requests that the Court approve its fees and expenses incurred to August 14, 2023.

Receiver's Legal Counsel's Fees

42. The Receiver engaged the services of Witten LLP as its independent legal counsel to assist with the obligations in these proceedings. The lawyer primarily responsible for assisting the Receiver was Mr. Bren R. Cargill.

43. The total legal fees and expenses of Witten LLP to August 14, 2023, are $44,521.39 (inclusive of GST).

44. A summary and copies of the legal invoices rendered by Witten LLP are attached as **Schedule "H"** to this Report.

45. Given the specific circumstances encountered in these receivership proceedings to date and the extensive involvement of counsel for 119, BMO and 226, the Receiver advises that its counsel played a crucial role in these receivership proceedings. Further, the Receiver has reviewed the invoices rendered to it by Witten LLP and believes they are both reasonable and proper. The legal services provided were necessary for the Receiver to fulfil its obligations in these proceedings.

46. Based on the above, the Receiver respectfully requests that the Court approve the fees and expenses of its legal counsel to August 14, 2023.

CONCLUSION

47. Based on the matters outlined in this report, the Receiver respectfully requests that this Honourable Court grant:

a) an Order approving the Receiver's actions as set out in this report;

b) an Order approving the sale of the Building to the Successful Offeror (as defined later in this report) pursuant to a Superior Offer received through the SH Process;

c) an Order approving the fees and expenses of the Receiver and its counsel as outlined herein;

d) an Order sealing the 2nd Confidential Supplement of the Receiver (defined later in this report); and

e) an Order that provides such further relief that the Court considers just and warranted in the circumstances.

Respectfully submitted this 18th day of August, 2023.

Ernst & Young Inc.
In its capacity as Receiver of
1194038 Alberta Ltd.
and not in its Personal Capacity

Per:

Matt McCulloch, CPA, CA, CIRP, LIT
Senior Vice President

SCHEDULE A

COURT FILE NUMBER	2303 01855
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANT	1194038 ALBERTA LTD., and ALAN DOBISH, also known as ALLAN DOBISH
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Sharek Logan & van Leenen LLP Barristers & Solicitors 2100 Scotia Place, 10060 Jasper Avenue NW Edmonton, Alberta, T5J 3R8 **Attn: Amber M. Poburan** File: MAT22306 Phone: 780.413.3105 Fax: 780.413.3100

I, Alan Dobish, of the City of Edmonton, in the Province of Alberta, make oath and say that:

1. I am an individual Defendant in this Action, and am the sole director and shareholder of 1194038 Alberta Ltd. ("**119**") and, as such, have knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief and, where so stated, I verily believe the same to be true.
2. Previously, I operated a number of businesses in and around Edmonton, including owning and operating a Mr. Entertainment in West Edmonton Mall, and functioning as landlord for property located at 10103 – 175 Street, Edmonton, AB, and legally described as:

   PLAN 7722579
   BLOCK 2
   LOT 7
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   (the "**Property**").
3. A copy of title to the Property is attached hereto as **Exhibit "A"**.
4. 119 purchased the Property in October, 2005, for a purchase price of approximately $2,300,000. 119 initially financed this purchase by way of a mortgage provided by Servus Credit Union. This was refinanced in favour of ATB Financial ("**ATB**") in 2009.
5. In or around February, 2007, Canadian Tire Real Estate Limited ("**Canadian Tire**") negotiated a lease agreement for the Property. At the time I was operating another

business out of the Property, which gave vacant possession on or about June of 2008. Canadian Tire took possession of the Property that month.

6. The current lease, attached hereto as **Exhibit "B"** (the "**Lease**") was for a term commencing on or about July 1, 2008, and expiring on July 1, 2018.

7. Canadian Tire currently operates a Parts Source retail store from the Property ("**Parts Source**"), and they have leased the Property consistently since the date of possession, without ever missing a rent or other payment.

8. Canadian Tire registered a caveat protecting their interest on March 31, 2009, and have continued their tenancy since that time.

9. Canadian Tire currently pays the sum of $38,502.15 gross rent per month for the Lease of the Property, which includes rent, property taxes, and insurance. All of the utilities for the Property are paid by Canadian Tire.

10. Since that initial lease in 2009, Canadian Tire has consistently renewed their lease in the Property.

11. In advance of the expiration of the Lease, Canadian Tire agreed to a Lease extension of five years, which has never gone into default, and has been an ideal, and spotless tenancy.

12. Canadian Tire has further agreed to an early renewal for a five year term, ending in 2028 (the "**Lease Renewal**"), pursuant to the Lease. A copy of that confirmation is attached hereto as **Exhibit "C"**.

13. In the summer of 2022, I engaged the services of Frost and Associates ("**Frost**") to perform an appraisal on the Property, taking into account the tenants of the same, who are impeccably reliable (the "**Appraisal**"). A copy of the Appraisal is attached hereto as **Exhibit "D"**.

14. Frost chose, I believe correctly, to value the Property based on an income approach. The Property is the sole asset of 119, and has consistently, without exception, made money by way of income from leasing to commercial tenants. The Lease is a valuable asset of 119, and is guaranteed to continue generating income for 119 until at least September 23, 2028.

15. Frost made the following observations in respect of the Property:

    a. The current market value of the Property, as at July of 2022, was $5,320,000 (the "**Property's Value**);

    b. The Property is improved with a ~20,397 square foot business complex, which is further improved with a ~6,722 square foot retail showroom, and a ~13,675 square foot warehouse (the "**Space**");

    c. The Property, being built in 1979, will, with regular maintenance, have a remaining economic life of 30 years or more;

d. The "highest and best use" of the Property is that which it is currently engaged in: namely, as a commercial industrial complex;

e. Of the approaches to valuing the Property, being a "cost approach", an "income approach" and a "direct comparison approach", the Property is best valued on the income approach, which focuses on income generated by the leasing of the Property;

f. The Space is fully leased until September 23, 2028, with options to renew further;

g. The current Lease payments being made by Canadian Tire are within market norms, and there is the potential for further negotiations beyond the Lease Renewal to extend the Lease further;

h. The operating expenses of 119 in leasing the Property comprise approximately 2% of the expense contributable to the Property itself;

i. The capitalization rate for the Property is estimated at 5.5 – 6.5%;

j. In coming to their conclusion on the Property's Value, Frost considered the location of the Property, its age, condition, and the current Lease in place; and

k. Even on a direct comparison approach, comparing the Property with other, similar properties, Frost values the Property at $5,201,235.

16. On or about April 6, 2022, 119 received an offer to purchase the Property for $5,400,000 (the "**Offer to Purchase**"). A copy of that Offer to Purchase is attached hereto as **Exhibit "E"**. 119 countered the Offer to Purchase by way of Counteroffer dated April 12, 2022, seeking a purchase price of $6,025,000, and the proposed purchaser further countered that same day with an offer to purchase for $5,800,000. Copies of those counteroffers are attached here as **Exhibit "F"**.

17. Unfortunately, as a result of delays on the part of the purchaser the transaction did not proceed.

18. I understand that capitalization rates have increased. However, I strongly believe the Property has retained its estimated value at $5,300,000. Attached hereto as **Exhibit "G"** is a copy of the Colliers Q4, 2022 Canada Cap Rate Report for properties in Edmonton. Of note, Colliers observes that, in respect of Industrial properties:

    a. Rental rates continue to trend higher; and

    b. Capitalization rates have not increased tangibly.

Financing History

19. Before my involvement with BMO, I dealt primarily with ATB as 119's financial institution. In approximately June of 2016, I approached mortgage brokers Canada ICI Capitol Corporation to assist in 119 obtaining additional financing ("**Canada ICI**"). Canada ICI approached a number of banks, and I understand they approached the Plaintiff, the

Bank of Montreal ("**BMO**") who provided a letter of interest in respect of the refinancing (the "**LOI**").

20. At this time 119 also received a further $250,000 loan from ATB (the "**Further Advance**"). Attached hereto as **Exhibit "H"** is the payout statement from ATB, dated October 3, 2016, itemizing 119's total obligations to ATB to be paid out in the sum of $3,081,796.98. The Further Advance formed part of the variable loan described as Loan #02.

21. Pursuant to the LOI, BMO and 119 agreed that BMO would advance to 119 the sum of $3,700,000 in order to consolidate 119's debts, taking into account the payment of the Further Advance, and take out ATB's loans in full (the "**Initial LOI**").

22. As evidence that the sum of $3,700,000 was being sought by 119, I have attached here as **Exhibit "I"** is a letter of intent that 119 received from CMLS Financial indicating that they were in a position to advance up to $3,750,000 by way of loan to 119.

23. My account manager with BMO at the time was Christopher Cameron ("**Chris**"), and he walked me through the refinancing, the loan amount, and the conditions that accompanied the advance proposed under the LOI.

24. It was understood and agreed that BMO would register a mortgage against the Property to secure the Initial LOI amount for the full balance to be advanced, being $3,700,000.

25. In support of the Initial LOI, I reached out to ATB to provide a reference letter in respect of my, and 119's, solvency and history in respect of our loan repayments. Attached hereto as **Exhibit "J"** is a copy of the letter from ATB to Chris, dated September 22, 2016, advising that myself and 119 have consistently made all payments on time, and remitted with any delay.

26. It was also a condition of the Initial LOI that 119 perform roof repairs to the Property (the "**Roof Repairs**"). 119 completed the Roof Repairs. Attached hereto as **Exhibit "K"** is a copy of the Roofing Report performed by West Point Roofing Inc. on June 14, 2017, as well as the invoice for that work. The total cost of the Roof Repairs was $62,758.50.

27. Unfortunately, there was some miscommunication between Canada ICI and BMO that resulted in BMO failing to include the Further Advance in its payout of ATB. As a result, BMO provided an approval letter in September of 2016 which reflected a total loan amount of $3,500,000, $200,000 less than the amounts contemplated in the LOI (the "**First Loan**"). A copy of the letter of agreement for the First Loan is attached hereto as **Exhibit "L"**.

Secondary Financing

28. 119 was required to seek alternative financing to payout the Further Advance by ATB, as well as other financial obligations that were disclosed to BMO. I began approaching third party lenders recommended to me by one of my lawyers in September of 2016. At that time I was very clear with BMO, and particularly Chris, that this funding was in progress

and that it was required to enable me to fully pay out ATB and close on other obligations of 119.

29. I approached Joginder Sunner and Guggendeep Jawanda, private financers (the "**Second Financers**"), and was able to reach an agreement that they would advance 119 the sum of $200,000 and that 119 would be responsible for paying interest only until such time as the loan was paid in full (the "**200k Loan**"). Guggendeep Jawanda later advanced 119 a loan in the sum of $60,000 for the Roof Repairs on the same terms (the "**60k Loan**").

30. Chris, on behalf of BMO, advised me expressly that the financing from the Second Financers could proceed *as long as* I ensured that BMO's security against the Property was registered first, and was subordinate to the security of the Second Financers.

31. The Second Financers ultimately took security against 119 by way of two mortgages on the Property (the "**Second Financers' Mortgages**"). The Second Financers' Mortgages were registered at the Alberta Land Titles Office on January 14, 2017, as registration number 172 013 417, and January 13, 2018, as registration number 182 010 575 respectively.

32. Aside from the express permission of a representative of BMO to obtain funds from the Second Financers, BMO was on notice of their registered security as of at least five years ago.

33. The Second Financers also took security by way of mortgage against property owned by my other business, Trespass Music Ltd. (the "**Trespass Property**"). Trespass Music Ltd. ("**Trespass**") ceased operations on or about September of 2022, as a result of Covid, the details of which will be outlined further herein.

34. A copy of title to the Trespass Property, now in the name of the purchaser, is attached hereto as **Exhibit "M"**. This property is unrelated to 119 and at no time was charged in favour of BMO.

35. I have reviewed the payments 119 has made to the Second Financers as a result of BMO's failure to provide the $3,700,000 contemplated in the Initial LOI, 119 has been required to pay interest to the Second Financers in the sum of $3,316.67 per month since October of 2016.

36. The principal balance of $260,000 remains owing to the Second Financers; however, 119 was required to spend a total of $255,382.05 in interest to the Second Financers, which, among other things including the impact Covid had on Trespass, resulted in the tax arrears at issue in this Action. I believe that the sum of payments to the Second Financers would have entirely covered the taxes for 119.

37. It is a term of the First Loan that, taking into account the approximately $200,000 that was not being advanced pursuant to the Initial LOI, BMO would do an additional advance of $200,000 on review of 119's 2017 fiscal statements (the "**Holdback**").

38. The further $200,000 was never advanced: despite consistent correspondence with BMO requesting the same, 119 did not ever receive the Holdback, which would have

been instrumental in either paying off the Second Financers, or paying down the tax debt of 119.

Tax Arrears

39. BMO's failure or refusal to advance the further $200,000 as agreed contributed to the tax arrears that I personally, and 119, presently face.

40. Aside from those heldback funds, there were issues in respect of my personal income tax and the taxes for 119. In respect of my personal income tax, I provided documentation to my accountant every year to enable him to file my taxes. I understand that he did in fact file my taxes each year; however, beginning in 2008, my accountant was diagnosed with an illness that unfortunately affected his work and his ability to concentrate on the accuracy of his files.

41. Attached hereto as **Exhibit "N"** is a letter from my accountant, dated April 10, 2017 indicating that, as a result of his serious health issues, he made a number of errors in respect of my personal taxes. Those errors resulted in my taxes for subsequent years being reassessed by CRA, who determined that additional amounts were owing.

42. In respect of the corporate tax and GST arrears, I can advise that those arrears are a direct result of the impact of Covid on the operations of my other business, Trespass. Trespass was operating a music store out of West Edmonton Mall, but during the Covid lock-downs and the health directives to avoid public places, the business was struggling substantially. As Trespass contributed money to 119's initial purchase of the Property, 119 advanced funds to Trespass to allow it to maintain its expenses.

43. During this period BMO continued to refuse to advance the Holdback. Further, as detailed below, BMO provided a letter of agreement in respect of a second loan at the expiration of the First Loan, for an additional advance of $575,000 which would enable 119 to pay off all of its tax arrears, perform work in respect of HVAC repairs, and deal with the Secondary Financers' Mortgages. However, upon the missed delivery of three post-dated cheques for 119's monthly mortgage payments BMO refused to advance further sums.

44. I am in the process of taking out the Second Financers by way of a private loan, after which the proceeds from the sale of the Trespass Property will be applied towards 119's GST and income tax arrears, with any balance to be applied to my personal tax arrears. Attached hereto as **Exhibit "O"** is a copy of the Statement of Adjustments reflecting the sale of the Trespass Property.

45. I have executed documents to this effect, and expect to be in a position to pay out 119's tax obligations within the next month or so.

Missed Payments

46. I spend a substantial amount of time in the United States for both business and personal needs. As 119's business consists simply of collecting rent from Canadian Tire, I am not deeply involved in the day-to-day financials of the company. I rarely monitor 119's business while I am away.

47. From the beginning of 119's relationship with BMO until the beginning of 2022, all of 119's payments to BMO were paid on time and without issue. The First Loan expired in December of 2021, and I was in active negotiations with BMO regarding further financing for 119 at that time.

48. In October of 2021, an individual responsible for remitting payment for the BMO loans while I am out of country, Roger, suffered a very serious heart attack. He was required to undergo a double bypass surgery on his heart.

49. In preparation for a trip to the United States, I had filled out post-dated cheques payable to BMO for the months of January, February, and March, and left them with Roger to deliver to BMO upon his return to work in January of 2022. Unfortunately, Roger did not deliver the post-dated cheques as a result of his recovery and the medications he was taking for the same, and he forgot a number of work tasks, including sending the cheques to BMO.

50. I was completely unaware of the non-payment until March 8, 2022, when Jaye Hubbard ("**Jaye**") reached out and advised me that 119 had three months' worth of missed payments (the "**Missed Payments**"). In the past, BMO has always advised me fairly quickly of any issues or concerns.

51. I immediately coordinated payment of the Missed Payments to BMO. Since that incident, 119 has, again, been current on its payments to BMO and there have been no issues in respect of the same.

52. I believe that these missed payments, corresponding with the refinancing timeframe for my loan with BMO, caused BMO to refuse to extend my financing any further, despite the fact that I advised them of the issue and immediately rectified the same.

53. Attached hereto as **Exhibit "P"** is a copy of email correspondence between myself and BMO advising of the situation leading up to the missed payments.

Refinancing History

54. The loan advanced under the First LOA was for a term of five years. As a result, beginning in the late fall of 2021, I began having conversations with BMO staff regarding re-amortizing or refinancing 119's BMO loans, as well as conversations regarding further financing to deal with certain 119 debts.

55. Before I began discussions regarding extending or renegotiating my loan with BMO, I had filled out a customer satisfaction survey for BMO and indicated my frustrations in

obtaining the funds originally agreed in the Initial LOI, and the funds comprising the Holdback.

56. Given the substantial equity in the Property, and the consistent flow of income from Canadian Tire, I could not understand why the Holdback that BMO agreed to advance did not ever occur. The non-release of the Holdback directly resulted in 119 entering into the Second Financers' Mortgages, as well as contributing to the tax debt incurred by 119.

57. I was contacted by Jaye, the regional BMO director of income property finance, in respect of dealing with 119's existing loans, and potential financing to consolidate all of 119's debts going forward.

58. On or about December of 2021, I was working closely with BMO in respect of a refinancing or a revision of the terms of the First Loan. Primarily, I was seeking a further advance from BMO.

59. On December 21, 2021, I received correspondence from BMO enclosing a further loan approval in favour of 119 (the "**Second Loan**"). At that time, BMO and I agreed and understood that:

    a. BMO would renew the loans to 119 under the First Loan, and would re-amortize the existing mortgage on the Property over 240 months or 20 years;

    b. BMO would extend new financing to 119, by way of a loan in the sum of $535,000 to pay off existing tax debt, the cost of HVAC repairs for the Property, the Second Financers, and a further loan I advanced to my sister;

    c. No new security would be required of 119.

60. Attached hereto as **Exhibit "Q"** is an email from a BMO representative, Jaye Hubbard, itemizing those conditions and attaching the Second LOA.

61. When the Missed Payments arose, and despite being advised of the circumstances giving rise to the Missed Payments, BMO indicated that they would not be advancing the Second Loan.

62. During this time, between December of 2021, and April of 2022, I exchanged emails with various BMO staff, including Jaye, Adam Sisulak, and Michelle Madrigga ("**Michelle**").

63. I believe that 119's financing with BMO hit an impassable roadblock in my dealings with Michelle. On several occasions I requested to have telephone conversations with her regarding the status of 119's accounts, and next steps.

64. During our email correspondence, Michelle indicated that we could schedule a call to discuss the Third Agreed Loan only when I provided written authorization for the Second Financers' Mortgages.

65. Michelle sent 119 a letter, attached hereto as **Exhibit "R"**, in which BMO requested that I sign on behalf of 119 acknowledging a number of defaults. I disagree that 119 is in default of the First Loan insofar as it entered into the Second Financers' Mortgages, as

Chris was not only advised of those loans, but worked with me to coordinate registration of the same in a manner that would not prejudice BMO.

66. Our discussions in this regarding via email are attached hereto as **Exhibit "S"**.

Attempts at Refinancing/Paying Out BMO

67. Beginning around the spring or summer of 2022, I began having discussions with BMO regarding refinancing or repayment of the BMO loan to 119.

68. Since that time I have taken proactive steps to obtain refinancing from third parties sufficient to pay out BMO.

69. 119's year end is in May, and 119's accountants will be preparing its annual returns and financial statements. These statements are essential in ultimately obtaining new financing to pay out BMO.

70. Attached hereto as **Exhibit "T"**, are emails between myself and Dominion Lending ("**Dominion**"). Dominion was and continues to help 119 try to obtain refinancing. Further attached as **Exhibit "U"** is a letter of engagement between 119 and Alberta Business Loans whereby Alberta Business Loans has agreed to assist 119 in obtaining financing in the sum of $3,200,000.

71. In an email of August 18, 2022, Henry Gill with Dominion forwarded a proposed letter of intent from Canadian Western Bank, and advised that it was "just one offer as we are waiting on another 2 or 3". A copy of the Canadian Western Bank letter is attached hereto as **Exhibit "V"**.

72. 119 remains in correspondence with Canadian Western Bank, but I appreciate that I need to take care of 119's outstanding GST first and foremost, which will then greatly increase my chances of refinancing.

73. As at February of this year, I continue working with Dominion, and in mid-January Dominion began updating my requests for refinancing.

74. As it is my intention to pay 119's GST arrears from the proceeds of the sale of the Trespass Property, I am fully optimistic that 119 will be able to refinance and pay out BMO in full.

75. 119 will, however, require time to do so. 119 is not insolvent, and BMO is very well secured against the Property. 119 needs to perform its year end, prepare financial statements, coordinate payment of the outstanding CRA obligations, and apply for and be approved for new financing which, after the CRA debts are taken care of, is almost certain to be approved.

76. I make this Affidavit in opposition to BMO's application to appoint a receiver over the asset(s) of 119.

77. I further swear that:

a. It was impossible for me to by physically present before the commissioner to swear this Affidavit;

b. I was not physically present before the commissioner, but was linked with the commissioner utilizing video technology;

c. I showed the commissioner my Alberta Driver's License, and believe she has confirmed my identity based on the same;

d. I have reviewed this Affidavit and the Exhibits thereto, and confirm that the copies of the Affidavit reviewed by myself and the Commissioner are identical; and

e. I will send an electronic copy of this Affidavit and Exhibits, initialed on each page, to the commissioner.

Sworn before me at the City of Edmonton, In the Province of Alberta, this 7th day of March, 2023.

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_____
COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

_____
ALAN DOBISH

SCHEDULE B

From: Bren Cargill <bcargill@wittenlaw.com>
Sent: May 18, 2023 3:00 PM
To: Amber Poburan
Cc: Crystal Jensen; Evan MacKinnon
Subject: 133281.2: Bank of Montreal v 1194038 Alberta Ltd. (Action No. 2303 01855)

Hi Amber,

I'm following up on our call from Tuesday afternoon. Does your client have a position or any comments on the Receiver's proposed sales process? We can advise that Bank of Montreal is supportive of the Receiver's proposed sales process. We're hoping to have those comments or positions this afternoon from your client as the Receiver is looking to move forward with the sales process at this time.

Also, can you advise exactly what your client meant with the KV Capital refinancing being "90%" completed vis-à-vis the waiver of conditions? Can you advise which conditions remain outstanding? And are you able to advise if the refinancing with 2082137 Alberta Ltd. is still a possibility or are they no longer at the table?

Thanks,

WITTEN LLP

Bren Cargill (he/him) | **Lawyer**
bcargill@wittenlaw.com | direct:(780) 701-3776 | reception: (780) 428-0501 | fax: (780) 429-2559
Witten LLP | www.wittenlaw.com
Suite 2500, Canadian Western Bank Place,10303 Jasper Avenue, Edmonton, Alberta T5J 3N6

This communication and any attachment is confidential and may be subject to solicitor-client privilege and/or be exempt from disclosure under privacy laws. There is no intention to waive privilege. It should only be read by the person to whom it is addressed. If you have received this communication in error, please notify us by reply and delete the communication. There is risk of data error and transmission of viruses with electronic communication. Please take appropriate precautions.

No address, whether electronic or otherwise, set out in this email shall be treated as an address provided for the purpose of transmitting information or data in respect of an action for the purpose of service.

SCHEDULE C

Form 27
[Rules 6.3 and 10.52(1)]

COURT FILE NUMBER	2303 01855
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF/APPLICANT	BANK OF MONTREAL
DEFENDANTS/ RESPONDENTS	1194038 ALBERTA LTD., and ALAN DOBISH also known as ALLAN DOBISH
DOCUMENT	**APPLICATION FOR A STAY AND PERMISSION TO APPEAL BY THE DEFENDANTS/RESPONDENTS**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Sharek Logan & van Leenen LLP Barristers & Solicitors 2100 Scotia Place, 10060 Jasper Avenue NW Edmonton, Alberta, T5J 3R8 Attn: Amber M. Poburan File: MAT22306 Phone: 780.413.3105 Fax: 780.413.3100

Clerk's Stamp

NOTICE TO RESPONDENT(S): See attached service list

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

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

Date:	**July 31, 2023 or such other date available**
Time:	**to be determined**
Where:	**Edmonton Law Courts**
Before Whom:	**The Honourable Justice Little**

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 setting aside or modifying the Order of Justice Little, dated June 12, 2023; and
2. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

3. The Defendants, 1194038 Alberta Ltd. ("**119**") and Allan Dobish ("**Dobish**") are defendants in the within Action commenced by Bank of Montreal ("**BMO**") in respect of unpaid liabilities incurred by 119 and owing to BMO.

4. By way of Order dated March 14, 2023, the Honourable Justice Fagnon granted a receivership order appointing Ernst & Young Inc. (the "**Receiver**") as Receiver over all of the assets and undertakings of 119 (the "**Receivership Order**").

5. 119 through its principal Dobish contested the Receivership Order, and provided evidence to the Court of an intention and efforts to refinance to pay out the BMO and other nominal indebtedness. 119 brought an application for a Stay Pending Appeal, which was heard by Justice Fagnon on March 21, 2023, and denied. An Order Declining Stay and Amendment to Receivership Order was pronounced on that day (the "**Amended Order**").

6. However, in an effort to accommodate 119's intended refinancing while the Receiver undertook its duties, Justice Fagnon incorporate a term into the Receivership Order stating:

> 3. Paragraph 3(k) of the Receivership Order is hereby amended as follows:
>
> ...
>
> (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, <u>provided however that the Receiver is directed to obtain prior agreement from Alan Dobish, also known as Allan Dobish, and Bank of Montreal respecting the list price for the Property, and any amendments thereto, and failing such agreement, the Receiver may seek direction from the Court as to an approved list price for the Property.</u>

7. The substance and spirit of this amendment was to afford 119 the opportunity to agree to any list price of the property at issue, or, at his discretion, refinance.

8. It was further understood and agreed between all parties that 119 was in the process of refinancing and would not participate in any sales process as a potential purchaser/bidder, limiting it to refinancing as its involvement in the process.

9. Unbeknownst to 119, and in violation of the spirit and intent of the Amended Order, the Receiver entered into negotiations with a potential purchaser, 2262576 Alberta Ltd. (the "**Proposed Purchaser**") through a bid process that resulted in an agreement between those parties that if a sale to the Proposed Purchaser does not close then the Proposed Purchaser is entitled to a break fee of $125,000 (the "**Break Fee**").

10. 119 had no input or knowledge of the Break Fee.

11. On June 12, 2023, the parties appeared before the Honourable Justice Little on an application by the Receiver to put forth a Stocking-Horse bid process, using the bid of the Proposed Purchaser as its basis (the "**Stocking Horse Order**").

12. 119 again contested the application of the Receiver on the basis that it had virtually concluded refinancing, and, given it was unaware of the Break Fee, its refinancing was in jeopardy as the "purchase price" of the property was essentially renegotiated to include an additional $125,000 payment in the right circumstances.

13. The Stocking Horse Order was granted, but was made conditional on still allowing 119 to refinance and pay out its liabilities any date up until closing of the sale of the property; however, Justice Little erred in finding that 119 should be liable to pay the Break Fee should it be able to refinance and pay its liabilities out prior to closing.

14. Directing that 119 is responsible for paying the Break Fee on attaining refinancing undermines the substance and the intent of the Amended Order.

15. 119 has a right to redeem within the Receivership on payment of its outstanding liabilities. The Break Fee, negotiated without 119's knowledge or consent, has undermined 119's prospects at refinancing and constitutes an unwarranted penalty amidst 119's attempts to redeem.

16. Pending the hearing of an appeal, if a stay of proceedings is not granted 119 will be suffer irreparable harm, having been deprived of the opportunity to redeem/refinance and retain its sole asset and source of income.

17. There is no corresponding prejudice to any of the remaining parties: the tenant in the subject property continues to pay rent, and HVAC work will be completed in the interim.

18. The right to redeem in a receivership context, and whether that right can be restricted by way of Court Order further constitutes a serious issue to be tried.

19. Such further and other grounds as this Honourable Court deems just.

Material or evidence to be relied on:

20.

Applicable rules:

21. N/A

Applicable Acts and regulations:

22. *The Bankruptcy and Insolvency Act*, RSC 1985 – c B-3 and Rules and Regulations thereto.

Any irregularity complained of or objection relied on:

23. N/A

How the application is proposed to be heard or considered:

24. Via Webex before the Honourable Justice Little.

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"

Bank of Montreal v 1194038 Alberta Ltd. and Alan Dobish also known as Allan Dobish

Court of King's Bench Action No. 2303 01855

Service List

Party	Counsel	Address	Email/Fax/Phone
Bank of Montreal	Susy Trace	Bank of Montreal c/o Miller Thomson LLP 2700, 10155 – 102 Street Edmonton, AB T5J 4G8 Attention: Susy Trace	strace@millerthomson.com *Via Email*
Ernst & Young Inc., Receiver		Ernst & Young Inc. 1400, 10423 – 101 Street Edmonton, AB T5H 0E7 Attention: Matt McCulloch & Evan MacKinnon	Matt.Mcculloch@parthenon.ey.com Evan.Mackinnon@parthenon.ey.com *Via Email*
Witten LLP, Counsel for the Receiver	Bren R. Cargill	Witten LLP 2500, 10303 Jasper Avenue NW Edmonton, AB T5J 3N6 Attn: Bren R. Cargill	bcargill@wittenlaw.com *Via Email*
1194038 Alberta Ltd.	Amber Poburan	1194038 Alberta Ltd. c/o Sharek Logan & van Leenen LLP 2100, 10060 Jasper Ave NW Edmonton, AB T5J 3R8 Attention: Amber Poburan	apoburan@sharekco.com *Via Email*
Alan Dobish also known as Allan Dobish	Amber Poburan	Alan Dobish also known as Allan Dobish c/o Sharek Logan & van Leenen LLP 2100, 10060 Jasper Ave NW Edmonton, AB T5J 3R8 Attention: Amber Poburan	apoburan@sharekco.com *Via Email*
Canada Revenue Agency		His Majesty the King in Right of Canada Edmonton Tax Services 9700 Jasper Avenue	*Via Courier*

		Edmonton, AB T5J 4C8	
Joginder Sunner and Guggendeep Jawanda *Secured Creditors*	Gurinder D. S. Bhangoo	Law Office of James Pittaway Joginder Sunner and Guggendeep Jawanda 16404 100 Avenue Edmonton, AB T5P 4Y2 Attention: Gurinder D. S. Bhangoo	*gary@pittaway.ca* *Via Email*
Honda Canada Finance Inc. *Secured Creditor*		Honda Canada Finance Inc. 180 Honda Blvd. Makham, Ontario L6C 0H9	albertaprod@teranet.ca *Via Email*
Canadian Tire Real Estate Limited *Tenant*	Alexa Peng (inhouse counsel)	Canadian Tire Corporation, Limited 2180 Yonge Street, 7th South, Toronto, Ontario M4P 2V8 Attention: Alexa Peng	*Alexa.Peng@cantire.com* *Via Email*
2262576 Alberta Ltd. *Stalking Horse Bidder*		15019 115 Street NW Edmonton, AB T5X 1H9 Attention: Sam Mraiche & Mike Eldassouki	*smraiche@carvercorporation.com* *meldassouki@carvercorporation.com* *Via Email*
Reynolds Mirth Richards and Farmer LLP, Counsel for the Stalking Horse Bidder	E. (Sonny) Mirth, K.C.	3200, 10180 – 101 Street NW Edmonton, AB T5J 3W8 Attention: E. (Sonny) Mirth, K.C.	*emirth@rmrf.com* *Via Email*

SCHEDULE D

From: Bren Cargill <bcargill@wittenlaw.com>
Sent: Thursday, June 29, 2023 3:30 PM
To: Trace, Susy <strace@millerthomson.com>; Amber Poburan <apoburan@sharekco.com>
Cc: Evan MacKinnon <Evan.MacKinnon@parthenon.ey.com>; Matt McCulloch <Matt.McCulloch@parthenon.ey.com>; PGreep@rmrf.com; Crystal Jensen <cjensen@wittenlaw.com>
Subject: RE: 133281.2: BMO v 1194038 Alberta Ltd. and Al Dobish - Update from the Receiver [MTDMS-Legal.FID11410654]

Good afternoon all,

Further to the emails below, this email will serve to confirm that, in accordance with the Orders pronounced on June 12th, unless our office is in receipt of the $125,000.00 by 4:00 pm tomorrow that the Receiver will be proceeding next week with the Stalking Horse Sales Process as per the terms of the Sales Process Order and Stalking Horse Procedure.

Regards,

WITTEN LLP

Bren Cargill (he/him) | Lawyer
bcargill@wittenlaw.com | direct:(780) 701-3776 | reception: (780) 428-0501 | fax: (780) 429-2559
Witten LLP | www.wittenlaw.com
Suite 2500, Canadian Western Bank Place,10303 Jasper Avenue, Edmonton, Alberta T5J 3N6

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SCHEDULE E

EY Parthenon
Building a better working world

Ernst & Young Inc.
Suite 1400 Epcor Tower
10423 – 101 Street
Edmonton, AB T5H 0E7

Tel: +1 780 423 5811
Fax: +1 780 428 8977
ey.com/parthenon

July 4, 2023

Offers to Purchase
1194038 Alberta Ltd. – 10103 175 Street NW, Edmonton, Alberta

On March 15, 2023, pursuant to an Order granted by the Court of King's Bench of Alberta (the "**Court**"), Ernst & Young Inc. ("**EY**" or the "**Receiver**") was appointed as Receiver over the assets of 1194038 Alberta Ltd. ("**119**"). In its capacity as Receiver, EY is currently seeking offers to purchase in relation to a single-story commercial building tenant occupied by PartSource (the "**Building**"), owned and operated by 119, located at:

10103 175 Street NW, Edmonton, Alberta T5S 1L9

Legal Description: Lot 7, Block 2, Plan 7722579

On June 12, 2023, the Court authorized the Receiver to initialize a formal sales process commencing July 3, 2023, for the Building. Further to the Court Order granted, the Receiver will consider any and all offers for the Building that are of a value equal to or greater than **$4,500,000 + GST (if applicable)**.

The Building was constructed in 1979 and is zoned IB – Industrial Business Zone with Major Commercial Corridors Overlay. The Building is approximately 20,397 square feet and constructed with concrete. There is an asphalt parking lot located at the front of the building with access directly to and from Stony Plain Rd.

(Please do not approach tenants with enquiries about the Building. All questions related to the Building or sale of the Building should be made to the Receiver at the contact information listed below.)

Offer to Purchase deadline: July 28, 2023 at 4:00 PM (MDT)

All offers in respect of the Building shall be made to the Receiver on an as is where is basis, and with the understanding that such offers are submitted without any representations or warranties from the Receiver in relation to the description, quality, quantity, or fitness for use or purpose of the Building, or otherwise. All parties replying to this Notice are responsible for conducting their own due diligence with respect to the Building. Any

EY Parthenon
Building a better working world

offer to purchase should clearly indicate any conditions of such offers (if any) and applicable timelines for resolution of any such conditions.

Any offer accepted by the Receiver (if any) must also be approved by the Court of King's Bench of Alberta. Interested parties must make an appointment to inspect the Building. All Offers are irrevocable and cannot be withdrawn or amended prior to the earlier of the Receiver notifying the Offeror that the Offer has been accepted (subject to Court approval) or rejected.

Offers shall be accompanied by a deposit equal to at least 15% of the Offer price (the "Deposit"). The Deposit shall be paid by certified cheque or bank draft payable to "Ernst & Young Inc. – in Trust", in its capacity as Receiver of 1194038 Alberta Ltd.

If an Offer is accepted by the Receiver and Court approval is granted, the Deposit will be applied to the purchase price of the Building on closing. The Receiver will return any Deposit, within ten (10) business days of the related Offer being rejected by the Receiver or by the Court. Deposit refunds will be sent by registered mail or courier.

If an Offer is withdrawn prior to the Receiver notifying the Offeror if the Offer has been rejected or accepted or if the Offeror fails to close the purchase on the terms and conditions set out herein after the Receiver accepts the Offer and Court approval is obtained, the Deposit shall be immediately and irrevocably forfeited to the Receiver.

The Receiver may, in its sole discretion:

a. negotiate the terms of any Offer with one or more Offerors;
b. waive or vary any of these Terms and Conditions;
c. accept an Offer or portion thereof, prior to the Offer Deadline;
d. reject an Offer in full and unfettered discretion; and
e. withdraw this Invitation at any time.

If no purchase offers that are deemed acceptable to the Receiver are received by the deadline noted above the Receiver may (but is not obligated to) consider any sale proposals received through this process.

This request for offers to purchase does not prohibit the Receiver from accepting and closing any offer for all or any part of the Building prior to the proposal deadline, should any acceptable offer be received. If you have questions about this request for proposals or would like to arrange for a site visit of the Building, please contact **Evan MacKinnon at (780) 441-2447 or by email at evan.mackinnon@parthenon.ey.com**.

SCHEDULE F

FP EDMONTON

GLOBAL BUYS STATION NETWORK

Ontario-based Global Fuels Inc. says it has signed a deal to acquire all of U.K.-based Greenergy's Canadian retail fuel business. The acquired network is one of the largest in Canada, consisting of 241 retail gas and convenience locations from Nova Scotia to B.C. The sites are predominantly Mobil-branded and located adjacent to Loblaw grocery stores in larger communities across the country. Greenergy, which launched in Canada in 2013, says it has chosen to divest its Canadian retail business to focus on renewable energy projects instead. The companies have not disclosed the dollar value of the deal, which is expected to close later this year. Global Fuels operates one of the largest chains of gas stations in the country, with a national network of Esso, Mobil, and Esso Card-lock branded fuel locations.

The Canadian Press

BoC to raise rates this week, Big 6 say

All six of Canada's main commercial lenders now expect the Bank of Canada to raise interest rates this week after the country's labour market tripled expectations in June.

The country added 60,000 jobs, driven by gains in full-time work, while the unemployment rate rose to 5.4 per cent, the highest since February 2022, Statistics Canada reported Friday in Ottawa. The figures blew past a 20,000 forecast gain, but missed expectations in a Bloomberg survey for a jobless rate of 5.3 per cent.

Friday's data show the loss of 17,300 positions in May was a temporary setback, although the increases last month were accompanied by slower wage gains of 3.9 per cent — the weakest in a year. With the economy still churning out jobs despite 450 basis points of rate hikes, the central bank is likely to remain on its tightening path after ending its conditional pause on June 7 and raising the benchmark overnight rate to 4.75 per cent.

After the release, Canadian Imperial Bank of Commerce joined its peers in forecasting a rate hike from the central bank at its July 12 meeting.

Canada added 60,000 jobs in June. *WINDSOR STAR*

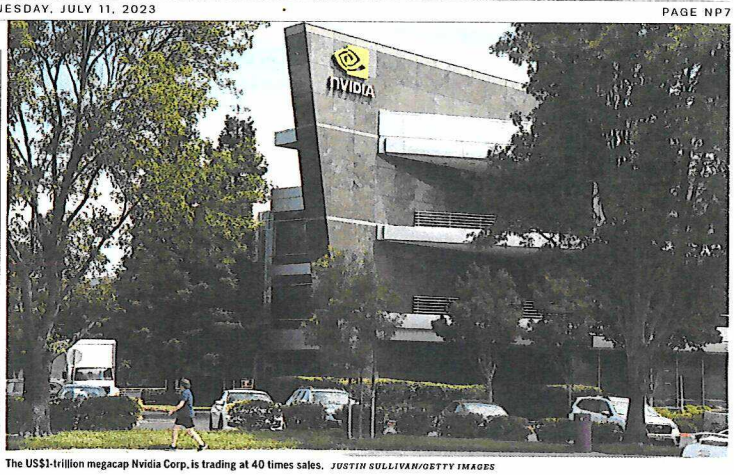
"The data are probably just strong enough to see policymakers pull the trigger on another 25 basis-point interest rate hike next week, rather than wait until September as we had previously forecast," CIBC economist Andrew Grantham said in a report to investors.

"We still think that the rate of 5.0 per cent reached at the time of the next hike will prove to be the peak, as evidence that the economy is slowing appears to be mounting," he added.

The loonie rose as high as $1.3288 per U.S. dollar after the jobs report, which came at the same time as Bureau of Labor Statistics figures that showed U.S. employers added fewer jobs in June than expected.

Canada's unemployment rate rose 0.2 percentage points, following a similar increase in May.

Bloomberg
—With assistance from Erik Hertzberg



The US$1-trillion megacap Nvidia Corp. is trading at 40 times sales. *JUSTIN SULLIVAN/GETTY IMAGES*

COMMENT

AVOID PRICEY TECH MEGACAPS IF YOU WANT BETTER VALUE

Investors can find buying opportunities outside this sector, writes ***Martin Pelletier.***

There has been a great equalization since the equity correction began in January 2022, with tech rallying and the rest of the market simply chugging along or selling off in the case of utilities and energy.

Overall, the story so far this year is markets being a one-trick pony with investors herding into U.S. megacap tech stocks and not much else.

Looking a bit deeper, this rally in U.S. stocks since the October 2022 trough has been entirely driven by multiple expansion, given forward earnings estimates have declined. U.S. equity valuations have risen over the past six to nine months while inflation-adjusted interest rates have stayed elevated at one to 1.5 per cent, according to Liz Young, head of investment strategy at SoFi Technologies Inc.

Higher interest rates typically reduce the net present value of future cash flows and, therefore, valuations, and yet this is not being reflected at all in the current market environment. Let's hope corporate America and/or the United States Federal Reserve deliver profit growth and lower interest rates, respectively.

Meanwhile, the high-valued megas continue to dominate, with an average earnings multiple of 30, pushing up the multiple on the entire S&P 500 to 19, which is well above its median value of 16 over the past decade.

A company such as Apple Inc. is trading at a price-to-earnings multiple of 34, bumping up against a US$3-trillion market cap and offering a paltry dividend yield of 0.5 per cent. Its cash reserves have also been greatly reduced, with net cash down to just 1.7 per cent of its market cap versus 28 per cent back in 2016

Elsewhere, the US$1-trillion megacap Nvidia Corp. is trading at 40 times sales. Taking former Sun Microsystems Inc. chief executive Scott McNealy's infamous quote and applying it to Nvidia, the company must pay you 400 per cent of revenues for 10 straight years in dividends in order to get a 40-year payback. That assumes there is a zero cost of goods sold, zero expenses and zero taxes paid. It also assumes you pay no taxes on your dividends, which is kind of illegal.

Now, make the same assumptions with Microsoft Corp. trading at 12 times sales and Apple trading at 7.5 times sales. Apple and Microsoft only grew their revenues two to 2.5 times on average during the past decade, so they somehow will deliver three to six times the level of this historical growth despite being much larger companies and interest rates being materially higher. How are they going to do this?

Don Johnson, chief economist at Macro Edge, points out that the ISM purchasing managers' index (manufacturing) and Nasdaq 100 have never been this divergent. Either the ISM reading doesn't matter anymore because of the growth of artificial intelligence or the Nasdaq is wildly mispriced after its largest first-half gain in history.

We find the lack of conviction about this tech rally a rather interesting dynamic, with the average monthly volume being 20 per cent lower than last year, with every month in 2023 (except June) being lower on a year-over-year basis, according to Barchart.com Inc. data.

Not surprisingly, U.S. retail investors are ignoring all this and simply FOMO-chasing exchange-traded funds and single-name stocks with the net buying in June being the largest since 2019.

Retail Investors purchased US$1.5-billion worth of single stocks in the week ending June 20, an all-time record, and most of that capital went into just three names: Nvidia, Tesla Inc. and Apple.

That said, there remain large swaths of the market that are being completely ignored. According to Barchart, we just had the worst first-half performance for dividend-paying stocks relative to non-payers since 2009, and the magnitude of this divergence is the largest since the dot-com highs in 2000.

Strip out some of the impact from the megas, and the equal-weighted S&P 500 has retraced roughly 62 per cent of its 2022 decline. Assuming October was the low on an equal-weighted basis, the S&P 500 is up only 14 per cent, which would be the weakest recovery on record.

Looking ahead, we see inflation sticking around along with higher rates, so we're not buying into the Fed pivot or talk about the recession risk, and are positioning accordingly.

We continue to be underweight bonds, especially long duration, choosing to replace a large part of this allocation with structured notes.

We also like Canadian equities, which are offering the biggest payout ever relative to the S&P 500, according to Canadian Imperial Bank of Commerce research. The S&P/TSX composite currently has a payout yield of 5.4 per cent, which is 100 basis points higher than the S&P 500 yield. We also like the U.S. market, but in mid- and small-cap stocks paired with some global value and low volatility.

Financial Post

Martin Pelletier, CFA, is a senior portfolio manager at Wellington-Altus Private Counsel Inc. operating as TriVest Wealth Counsel, a private client and institutional investment firm specializing in discretionary risk-managed portfolios, investment audit/oversight and advanced tax, estate and wealth planning.

Money worries climb with higher interest rates

CALGARY More than half of Canadians say they are $200 away or less from not being able to pay all of their bills at the end of the month, a report by insolvency firm MNP Ltd. said, as higher interest rates and a rising cost of living have stretched budgets. At 52 per cent, that's up six percentage points from the proportion of Canadians who said the same in April.

The escalating burden of household bills and food prices has intensified Canadians' financial anxiety and is further compounded by increased debt-servicing costs, particularly for those who are deeply indebted, MNP president Grant Bazian said Monday.

MNP's consumer debt index fell to 83 points in its latest reading compared with 89 points in April as Canadians expressed a more negative attitude toward their personal finances and debt.

The report noted that 35 per cent of respondents say they already don't make enough to cover their bills and debt payments, up from 30 per cent in April and a record high for the survey. It also said a record 48 per cent of those surveyed are concerned about their level of debt.

Household debt has been identified as a key risk for the economy by the Bank of Canada, which is scheduled to make its next interest rate decision on Wednesday.

Sixty-nine per cent of those surveyed by MNP said they're feeling the effects of interest rates, and 66 per cent said they're worried about their ability to pay their debts as rates rise.

The Canadian Press

RARE INVESTMENT OPPORTUNITY!

EY, in its capacity as Receiver of 1194038 Alberta Ltd. is seeking offers to purchase a 20,397 sq ft commercial building and related land located at 10103 175 Street NW, Edmonton, AB. The property is currently leased to, and being occupied, by a reputable tenant (PartSource) under a lease that extends to September 2028. All inquiries should be directed solely to EY as Receiver. The deadline for submission of offers is currently set for July 28, 2023 at 4:00 PM (MDT).

Information relating to the property can be located at the link below:
https://documentcentre.ey.com/#/detail-enqmt?eid=518
or by contacting our office.

Evan MacKinnon (780 441 2447)
evan.mackinnon@parthenon.ey.com

Ernst & Young Inc., Receiver
Suite 1400, 10423 - 101 Street
Edmonton, Alberta T5H 0E7
Fax (780) 428-8977

EY Parthenon

Tax credits: Ottawa committed to making promised policies retroactive

FROM B1

A spokesperson for Ms. Freeland pushed back against the concerns. "The investment tax credits are already providing business with the certainty needed to make investments in Canada," said Katherine Cuplinskas, adding that the government has committed to making them retroactive so companies can proceed with qualifying expenditures.

That approach does not appear to have fully overcome a range of nagging doubts.

In some cases, it's primarily a matter of how long it has taken for promised policies to become law. That applies to a 50-per-cent investment tax credit for carbon capture, utilization and storage (CCUS) technology, intended to help reduce emissions from oil-and-gas production and some forms of heavy manufacturing, which was first announced in 2021.

Most major questions about the shape of that measure have been resolved, and Ottawa is hoping to enact it through a budget implementation bill this fall and make it retroactive to 2022. (One aspect still in discussion is how labour requirements involving fair wages and apprenticeship ratios, also being attached to most of the other credits, will be enforced.)

But Cement Association of Canada president Adam Auer – whose members include Germany's **Heidelberg Materials**, which is aiming to build the sector's first large-scale North American CCUS facility in Edmonton – said retroactivity isn't worth much until the measure gets through Parliament.

"Everyone is very happy these things have been brought into the conversation and made it to this point," he said, "but they're not going to inform final investment decisions until they're law."

Mr. Auer added that in industries such as his, dominated by large multinationals, Canada is competing "not only for external capital but also internal capital" – meaning further delays could cause limited budgets for the new technology to go to places with greater policy certainty.

A 30-per-cent tax credit for private developers of clean power was promised in last year's fall economic statement. GUILLAUME NOLET/THE GLOBE AND MAIL

In other sectors, especially electricity, the issue is less about timing than confusion about how the tax credits promised for the first time in this year's budget will work.

Representatives of interests in that space – including the Canadian Renewable Energy Association, Energy Storage Canada and industry group Electricity Canada – said they're relatively clear on a 30-per-cent tax credit, first promised in last year's fall economic statement, to be available to private developers of clean power.

They also praised Ottawa for pledging a 15-per-cent credit for non-taxable entities in this year's budget – a response to concerns that the initial commitment would do nothing for provincial power utilities or for Indigenous communities increasingly leading or holding equity in energy projects. (It will be refundable, like the other credits, so essentially a straight subsidy.)

But there have been almost no details since the budget about how the latter credit will work, including how vague wording in the budget about a required commitment to net-zero electricity will be imposed. It's also unclear how the two credits will interact with each other on projects involving both taxable and non-taxable entities.

A danger, according to the sectoral organizations, is that private companies may delay investments as they await eligibility details for non-taxable partners – problematic as Canada races to ensure it has enough electricity during a shift from fossil fuels.

There is also confusion among manufacturers around eligibility for a 30-per-cent tax credit, promised in this year's budget, for making or processing "clean technologies and their precursors."

For instance, apropos electric-vehicle supply chains, the government has said that the manufacturing credit will be available to companies that mine or refine battery materials and won't be available to automakers such as Volkswagen and Stellantis with separate subsidy deals. But it isn't clear whether or how automotive parts manufacturers supplying automakers with EV components will qualify.

Mr. Darby also said his organization is pushing for that credit to be retroactive to 2023, because manufacturers are making investment decisions now, while Ottawa says it will be retroactive to the start of 2024 if not law by then.

Representatives of the emerging non-emitting hydrogen sector, which aims to produce the fuel source for hard-to-decarbonize domestic and foreign sectors such as heavy industry and commercial transportation, were somewhat more patient in their assessments.

Canadian Hydrogen and Fuel Cell Association president Ivette Vera-Perez said eligibility requirements and other considerations around a tax credit promised last fall and worth between 15 per cent and 40 per cent are complex enough that she understands needing some time to get it right.

"The worst thing that could happen would be to think we've got an instrument and then find that it's not useful," she said.

However, Ms. Vera-Perez and others across several sectors also flagged the launch of the $15-billion Canada Growth Fund – intended to provide financing tools, such as carbon contracts for differences, to de-risk projects – as an area of concern.

This year's budget said the CGF, first announced in 2022, would "begin investing in the first half of 2023." But that time frame passed without any financing agreements being reached, as the Public Sector Pension Investment Board, which has been tasked with managing the fund, works to interpret its mandate.

As with some of the tax credits, a common impression is that Ottawa quickly made policy commitments to address competitiveness needs and gaps in its national emissions-reduction strategy, and now there's a need to both hurry up and get the fine print right.

"We're asking for two things at the same time," Ms. Vera-Perez said of the competing pressures.

"I think there's a balance to be found," she said. "Investment decisions, rationally or not, are being made right now based on the signal from Canada."

Mr. Auer was more pointed. "We're running into the old saying that capital is impatient," he said.

"Money is flowing in other jurisdictions, and in Canada we still have only the potential of that money flowing effectively."

Rogers: Restructuring process included laying off at least 35 senior employees

FROM B1

Rogers has denied Ms. Singh's claims in its statement of defence, saying it "honoured its contractual obligations" to Ms. Singh and provided her with "generous separation entitlements," including a bonus and 13 months of salary.

"It appears from the statement of claim that the plaintiff now wishes she had made a different bargain with the company," the statement said.

A spokesperson said the company would be responding to Mr. Woodhead's suit through the courts.

The lawsuits follow a leadership shuffle and job reductions at the Toronto-based telecom in the wake of its successful takeover of Calgary-based Shaw.

Rogers has been shrinking its head count since closing the deal in April after an arduous, two-year regulatory review process. Last week, the telecom and media giant launched a voluntary staff departure program with the aim of eliminating overlapping roles.

Last week, the telecom and media giant launched a voluntary staff departure program with the aim of eliminating overlapping roles.

The company did not specify how many employees it expects to apply but said it will continue to review its work force and eliminate duplication after the program's conclusion.

The Globe and Mail previously reported that a number of Rogers employees have been let go over the past three months. Samfiru Tumarkin LLP, a Canadian law firm that specializes in employment law, has said that since June 22 it has been contacted by numerous Rogers and Shaw employees claiming they had been laid off owing to the restructuring surrounding the deal.

Rogers has said the number of employees who have left the company over the past three months constitutes a "small percentage" of its work force.

In court documents, Rogers said Ms. Singh was let go as part of the company's restructuring process, which included reassigning employees and laying off "at least 35 senior employees," including Ms. Singh and two other senior HR executives.

Rogers chief executive officer Tony Staffieri made a number of changes to the executive leadership team after being appointed to the top job in late 2021 following a tumultuous boardroom battle that unseated his predecessor, Joe Natale.

One of those changes was promoting Mr. Woodhead, whom Mr. Natale had recruited from Telus Corp., where Mr. Woodhead had worked for 15 years.

In court documents, Mr. Woodhead said he was a "conscientious and diligent employee who served the interests of his employer to the best of his ability."

"Woodhead performed his role very well, earning consistently solid ratings on his performance reviews and receiving overwhelmingly positive feedback regarding his performance and his career trajectory at Rogers," reads a document filed July 4.

He was let go shortly after the deal closed amid several other leadership changes, including the appointment of former industry minister Navdeep Bains to the newly created role of chief corporate affairs officer.

Mr. Woodhead is seeking roughly $350,000 in incentive compensation, $2.46-million in deferred compensation and $1.89-million he would have earned over what he calls a "reasonable notice period of 16 months."

According to court documents and the company's previous disclosures, the Shaw bonuses awarded to Rogers executives are contingent on meeting certain milestones on the first and second anniversaries of the deal's completion.

Chesley Wood Industry Co Inc.

Notice of Calls for Claims, Claims Procedure and Claims Bar Date

NOTICE IS HEREBY GIVEN THAT, by Order of the Ontario Superior Court of Justice (Commercial List) made June 28, 2023 **(the "Chesley Claims Procedure Order")**, MNP Ltd., in its capacity as claims officer **(the "Claims Officer")** of Chesley Wood Industry Co. Inc. (the "Company"), has been authorized to conduct a claims procedure with respect to claims against the Company in accordance with the terms of the Chesley Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Chesley Claims Procedure Order.

All persons wishing to assert a Claim against the Company must file a Proof of Claim with the

Claims Officer. **THE CLAIMS BAR DATE is 5:00 p.m. (Toronto Time)** on August 14, 2023. Proofs of Claim must be filed with the Claims Officer on or before the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS OFFICER BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date, you shall not be entitled to participate in any distribution in respect of any such Claim and such Claim will be forever barred and extinguished.

The Chesley Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials, including the Claims Officer's contact information, may be accessed from the Claims Officer's website at www.mpdebt.ca/turuss, or by emailing the Claims Officer at jerry.henechowicz@mnp.ca.

DATED at Toronto, Ontario 10th day of July, 2023.

MNP Ltd., in its capacity as Claims Officer of Chesley Wood Industry Co. Inc.

SUPERIOR COURT
Commercial Division -
Court No. 500-11-062549-239

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF:

PERATIV GENERAL PARTNERSHIP, a body duly incorporated according to law, having a place of business at 6646 Abrams Street, in the city of Montréal, Province of Quebec, H4S 1Y1

-and-

PERATIV HOLDINGS LIMITED, a body duly incorporated according to law, having a place of business at 1500-1625 Grafton Street, in the City of Halifax, Province of Nova Scotia, B3J 0E8

-and-

PERATIV SOLUTIONS INC., a body duly incorporated according to law, having a place of business at 6646 Abrams Street, in the city of Montréal, Province of Quebec, H4S 1Y1

-and-

PERATIV PARTNERCO LIMITED, a body duly incorporated according to law, having a place of business at 1500-1625 Grafton Street, in the City of Halifax, Province of Nova Scotia, B3J 0E8

-and-

SARATOGA ATM ARMORED SERVICES INC., a body duly incorporated according to law, having a place of business at 6646 Abrams Street, in the city of Montréal, Province of Quebec, H4S 1Y1

DEBTORS

NOTICE TO CREDITORS OF THE INITIAL ORDER

TAKE NOTICE THAT an order pursuant to the *Companies' Creditors Arrangement Act* was rendered on July 3, 2023 by the Superior Court of Quebec with respect to Perativ General Partnership, Perativ Holdings Limited, Perativ Solutions Inc., Perativ Partnerco Limited and Saratoga ATM Armored Services Inc.

The initial order provides for an initial stay of all proceedings against the debtors as well as their respective directors and officers until July 13, 2023 and appoints PricewaterhouseCoopers Inc., LIT (Philippe Jordan, CPA, CIRP, LIT), as Monitor of the business and of the financial affairs of the debtors.

Copy of the initial order is available on the Monitor's website at: **https://www.pwc.com/ca/perativ**

DATED AT MONTREAL, this 11th day of July 2023

PRICEWATERHOUSECOOPERS INC.
LICENSED INSOLVENCY TRUSTEE
Philippe Jordan, CPA, CIRP, LIT

1250 René-Lévesque Blvd. West, Suite 2500
Montreal, Québec H3B 4Y1
Tel.: +1 514 205-5000, fax: +1 514 205-5694, www.pwc.com

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TGAM.CA/SUBSCRIBE

RARE INVESTMENT OPPORTUNITY!

EY, in its capacity as Receiver of 1194038 Alberta Ltd. is seeking offers to purchase a 20,397 sq ft commercial building and related land located at 10103 175 Street NW, Edmonton, AB. The property is currently leased to, and being occupied, by a reputable tenant (PartSource) under a lease that extends to September 2028. All inquiries should be directed solely to EY as Receiver. The deadline for submission of offers is currently set for July 28, 2023 at 4:00 PM (MDT).

Information relating to the property can be located at the link below:

https://documentcentre.ey.com/#/detail-engmt?eId=518
or by contacting our office.

Evan MacKinnon (780 441 2447)
evan.mackinnon@parthenon.ey.com

Ernst & Young Inc., Receiver
Suite 1400, 10423 – 101 Street
Edmonton, Alberta T5H 0E7
Fax (780) 428-8977

EY Parthenon

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July 10, 2023

Large BC medical clinic files; Ekati mine sold

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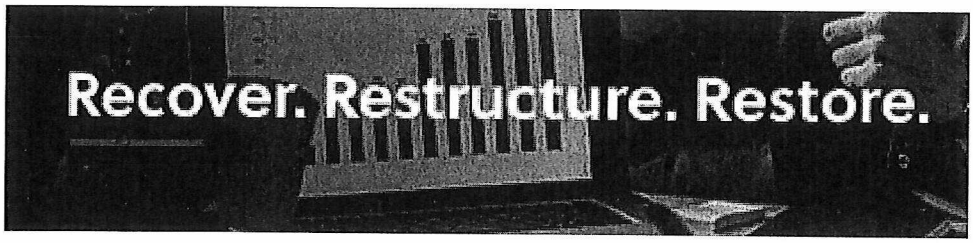

Recent Filings

Perativ General Partnership et al., a leading automatic teller machine operator in Canada, obtained CCAA protection on July 3, on application by **BMO** as agent for a syndicate of lenders. The business closures during the pandemic had a negative impact on the companies and their operations. The following two years brought on a severe downtown in operations and adversely affected the financial performance of the companies, with operating losses totaling $25.8 million in 2020, $61.3 million in 2021 and $12.6 million in 2022. After the companies executed an unsuccessful pre-filing SISP, they engaged in discussions with their main shareholder and CEO regarding a potential restructuring of their debt and capital structure. Discussions broke down, and the lenders

- Actor Danny Trejo Reportedly Files For Chapter 11 Bankruptcy, Owes Over $2 Million To The IRS
- Mallinckrodt delays $200M settlement payment again as it mulls bankruptcy

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Assets for Sale

msi Spergel inc. in its capacity as Court Appointed Receiver of **Vellend-Tech Inc.**, an importer and wholesaler of Reid bicycles and assorted cycling footwear, is soliciting offers to purchase the company's assets, properties and undertakings. Further information can be found HERE.

Ernst & Young Inc. in its capacity as Trustee to the notice of intention of **B.S.K. Group Inc.**, is soliciting offers to purchase some or all of the **B.S.K. Group Inc.'s**, assets, including inventory and fixed assets. Interested parties must deliver their offer by no later than **3:00 p.m. ET on July 14, 2023**. Further information can be found HERE.

EY, in its capacity as Receiver of **1194038 Alberta Ltd.** is seeking offers to purchase a 20,397 sq ft commercial building and related land located at 10103 178 Street NW, Edmonton, AB. Further information can be found HERE.

Grant Thornton Limited in its capacity as monitor of **Swarmio Media Holdings Inc., Swarmio Media Inc.**, and **Swarmio Inc.** (collectively, the "**Swarmio Group**") is seeking non-binding letters of intent ("**LOI**") for the **Swarmio Group's** business, property, assets, and undertakings. Further information can be found HERE.

KSV Restructuring Inc. has engaged **Colliers International** to solicit offers for the sale of a development property located at **189 Summerset Drive, Barrie**. Further information can be found HERE.

KSV Restructuring Inc. has engaged **Colliers International** to solicit offers for the sale of a development property located at **88-99 Nashville Road, Vaughan**. Further information can be found HERE.

PricewaterhouseCoopers Inc. in its capacity as Court Appointed Receiver of **IE CA 3 Holdings Ltd. and IE CA 4 Holdings Ltd**. has engaged **Foundry Digital LLC** to solicit offers on approximately 38,000 bitcoin mining machines. **The deadline for offers is July 31, 2023**. Further details can be found HERE.

CBRE as the listing agent for the court appointed selling officer is seeking offer for property located on Blackstrap Lake, near Saskatoon, known as **Lakeside Golf Resort**. Further information can be found HERE.

FTI Consulting Canada Inc., in its capacity as court-appointed Monitor of **Fire & Flower Holdings Corp.** et al., which operate a large network of cannabis dispensaries, is conducting a SISP to solicit interest in **Fire & Flower**. Interested parties must deliver a non-binding LOI by no later than **5:00 p.m. ET on July 13, 2023**. Further information can be found HERE.

KSV Restructuring Inc. in its capacity as court appointed receiver and manager of **StateView Homes (ELM & CO) INC.**, has engaged **Cushman & Wakefield ULC** to solicit offers for the sale of the residential development property located at **12942 York Durham Line, Stouffville**. Further information can be found HERE.

KSV Restructuring Inc. in its capacity as court appointed receiver and manager of **StateView Homes (NAO TOWNS II) INC.**, has engaged **Cushman & Wakefield ULC** to

SCHEDULE G

Ernst & Young Inc.
Edmonton, AB

Invoice

1194038 Alberta Ltd.
1304 Wellbourn Lane NW
Edmonton, AB T6M 2M2
Canada

Invoice No.: CA12C500009318
Please include this number with payment

Invoice Date:	May 30, 2023
Due Date:	Upon receipt
Client No.:	0013373125
Engagement No.:	E-67352495

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

Fees and expenses related to the Receivership of 1194038 Alberta Ltd. (20 March 2023 to 10 May 2023).

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	19,426.64	GST	5 %	971.33	20,397.97
Expenses	216.66	GST	5 %	10.83	227.49
	19,643.30			**982.16**	**20,625.46**
Invoice summary	**19,643.30**				
Tax: 5% GST				982.16	
Total:	**19,643.30**			**982.16**	**20,625.46**

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Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

Ernst & Young Inc.
Edmonton, AB

Invoice

1194038 Alberta Ltd.
1304 Wellbourn Lane NW
Edmonton, AB T6M 2M2
Canada

Invoice No.: CA12C500009466
Please include this number with payment

Invoice Date:	June 21, 2023
Due Date:	Upon receipt
Client No.:	0013373125
Engagement No.:	E-67352495

Please see last page of the invoice for payment instructions.

For professional services rendered from May 11 up to and including June 16, 2023.

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	27,777.00	GST	5 %	1,388.85	29,165.85
Expenses	12.28	GST	5 %	0.61	12.89
	27,789.28			**1,389.46**	**29,178.74**
Invoice summary	**27,789.28**				
Tax: 5% GST				1,389.46	
Total:	**27,789.28**			**1,389.46**	**29,178.74**

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GST/HST: R123425522 **QST:** 1006354498

Ernst & Young Inc.
Edmonton, AB

Payment Options and Instructions

Interac e-Transfer

Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques

P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West
	Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal
	Bank : 001
	Transit : 24112
	Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:
gss.CanadaAccountsReceivable@xe02.ey.com.

SCHEDULE H

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F: 780.429.2559
lawyers@wittenlaw.com
www.wittenlaw.com

Ernst & Young Inc.
1400, 10423 - 101 Street
PO Box 44
Edmonton, AB T5H 0E7

Attention: Matt McCulloch

May 31, 2023
Invoice No.: 490374
Our File No.: 133281-2

GST/HST 121418982

RE: Receivership of 1194038 Alberta Ltd.

To all professional services provided for or on your behalf relating to the matters undertaken by our firm for your benefit and at your request which, without restriction, include the following services:

Total Fees	$20,673.00
Total Disbursements subject to GST	31.50
Total Taxable Other Charges	83.90
Total GST	1,039.42
INVOICE TOTAL	**$21,827.82**

/CJ

E. & O. E. This account may not include all disbursements incurred to date. Additional disbursements (if any) will be billed later. Account due when rendered. Interest will be charged at 18% per annum on all accounts over 30 days.

WITTEN LLP

2500, 10303 Jasper Avenue
Edmonton, Alberta T5J 3N6
Canada

T: 780.428.0501
F: 780.429.2559
lawyers@wittenlaw.com
www.wittenlaw.com

Ernst & Young Inc.
1400, 10423 - 101 Street
PO Box 44
Edmonton, AB T5H 0E7

Attention: Matt McCulloch

August 15, 2023
Invoice No.: 493851
Our File No.: 133281-2

GST/HST 121418982

RE: Receivership of 1194038 Alberta Ltd.

REMITTANCE COPY
PLEASE REMIT WITH PAYMENT

Total Fees	$19,929.00
Non Taxable Disbursements	89.00
Total Disbursements subject to GST	530.86
Total Taxable Other Charges	1,068.30
Total GST	1,076.41
INVOICE TOTAL	**$22,693.57**

Payment Methods:

[ ] e-transfer to accounting@wittenlaw.com and include Invoice Number and Client Name

[ ] Cheque payable to Witten LLP

[ ] Pay securely online with Visa or MasterCard at https://www.wittenlaw.com/pay-online

[ ] Please contact Monika Taylor mtaylor@wittenlaw.com or 780-441-3232 if you require assistance