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 FOURTH REPORT** **January 29, 2024**
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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SCHEDULES

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"**).

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. Prior to the date of the Receivership Order, Management made several attempts to refinance the Building and pay any outstanding debts owing to the Bank of Montreal, Canada Revenue Agency, and the second and third mortgage holders.

4. 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.

5. 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.

6. 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.

7. 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**"). The SH Process was approved by the Court on June 12, 2023 and concluded on July 28, 2023. This is detailed further in the Receiver's Second Report.

8. At the conclusion of the SH Process, a superior offer was received from a new purchaser (the "**Successful Offeror**") which was presented to the Court for approval on September

1, 2023. On this date, the Court approved the sale of the Building, and as such, the SH SAVO was discarded, and a new Sale Approval and Vesting Order was executed with the Successful Offeror ("**Final SAVO**"). As a result of the above, the SH Bidder became entitled to be paid the Break Fee as detailed in the SH PSA and discussed in the Receiver's Second Report.

9. Upon receipt of the sales proceeds for the Building, the Receiver paid the Break Fee and sought approval from the Court on November 10, 2023 to make an Interim Distribution to the secured creditors, the details of which are noted in the Receiver's Third Report. On November 10, 2023, the Court approved the Receiver's proposed Interim Distribution to the secured creditors.

10. The Interim Distribution was completed shortly after Court approval, with funds sent to the secured creditors on November 13, 2023. This is discussed in further detail, later in this report.

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

    a) the activities of the Receiver since the date of the Receiver's Third Report, including the Interim Distribution of proceeds to date;

    b) the receipts and disbursements incurred by the Receiver since the onset of the receivership proceeding up to and including January 26, 2024 (the "**January 26 Statement of Receipts and Disbursements**")

    c) the fees and expenses of the Receiver and its counsel from October 21, 2023, to January 19, 2024;

    d) a proposed distribution to the Canada Revenue Agency ("**CRA**") and Alberta Finance (the "**Receiver's Proposed Distribution**");

    e) a proposed payment of the remaining funds held by the Receiver (less an accrual for fees and expenses of the Receiver to finalize the administration of these receivership proceedings (discussed later in this report) into Court to be held pending a resolution of the potential tax liability of 119 to CRA in regard to the sale of the Building;

    and to obtain an Order (or Orders) of the Court that:

    f) approves the Receiver's actions as set out in this report;

    g) approves the January 26 Statement of Receipts and Disbursements;

h) approves the fees and expenses of the Receiver and those of its legal counsel, up to and including January 19, 2024;

i) approves the Receiver's Proposed Distribution as set out herein;

j) approves the payment of the remaining funds into Court after the Receiver's Proposed Distribution as contemplated in paragraph 11(d) above and approves the payment of remaining funds into court;

k) approves the discharge of the Receiver after all funds held by the Receiver have been distributed, and all administrative matters have been concluded, without the requirement for an additional application to the Court upon the filing of a certificate and final statement of receipts and disbursements for 119 (the "**Final Statement of Receipts and Disbursements**"); and

l) provides such further relief that the Court considers just and warranted in the circumstances.

DISCLAIMER

12. In preparing the Receiver's Fourth 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.

13. This report should be read in conjunction with any other materials filed before the date of the upcoming application, which is currently scheduled for February 5, 2024. 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*

14. All references to dollars are in Canadian currency unless otherwise noted. Capitalized items used herein, not otherwise defined, are as defined in the previous reports of the Receiver or other materials filed in connection with these proceedings.

ACTIVITIES OF THE RECEIVER SINCE THE RECEIVER'S THIRD REPORT

15. Since the Receiver's Third Report, the Receiver's activities have included, but are not limited to the following:

a) facilitated the payments pursuant to the Interim Distribution to all secured creditors in the amounts as detailed in the Receiver's Third Report;

b) engaged in various discussions and other correspondence with Receiver's counsel, CRA and representatives of various other stakeholders of 119 in relation to a number of specific matters and the receivership generally;

c) prepared and submitted all of the necessary post-Receivership GST filings;

d) discussed with the CRA potential capital gain concerns of the Receiver and the options to preserve value for 119 to pay any amounts owing from the sale of the Building (if any) to CRA in this regard: and

e) preparing this Receiver's Fourth Report.

JANUARY 26 STATEMENT OF RECEIPTS AND DISBURSEMENTS

The following chart summarizes the receipts and disbursements of the Receiver in connection to these receivership proceedings up to and including January 26, 2024:

1194038 Alberta Ltd.		
Ernst & Young Inc. - Receiver		
Statement of Receipts and Disbursements		
For the Period March 15, 2023 to January 26, 2024		
	Notes	
Receipts:		
Sales proceeds		4,512,543
Rental income		230,220
Cash in bank		861
Insurance refund		719
Total Receipts		**4,744,342**
Disbursements:		
Interim Distribution	a	
Bank of Montreal		2,859,284
Sunner & Jawanda		219,808
Jawanda		65,942
Professional fees	b	151,580
Break fee		125,000
Repairs & maintenance		95,486
Property taxes		24,332
GST	c	4,152
Appraisal		3,675
Insurance		2,741
License fee		73
Bank fees		55
Total Disbursements		**3,552,128**
Cash on Hand - January 26, 2024		**1,192,214**

16. The Receiver provides the following explanatory notes in relation to certain of the more

significant items outlined in the January 26 Statement of Receipts and Disbursements above:

a) Interim Distribution as outlined in the Receiver's Third Report. Funds were remitted to the secured creditors, Bank of Montreal, Joginder Sunner, and Guggendeep Jawanda;

b) Receiver's fees and disbursements ($88,593.65) and Receiver's counsel's fees and disbursements ($62,986.49) to date, which have been invoiced and paid out of funds on hand; and

c) This amount relates to GST paid by the Receiver to Canada Revenue Agency in relation to post-Receivership period; however, the most recent GST remittance, covering the period September 1 to November 30, 2023, calculated a tax refund of $4,510.01 which has yet to be received as of the date of this report. Post-Receivership GST filings are up to date.

PROFESSIONAL FEES TO JANUARY 19, 2024

Summary of the Receiver's Accounts

17. 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 from September 23, 2023, up to and including January 19, 2024. Since the Receiver's Third Report, the Receiver has rendered two invoices to the estate for its fees and expenses totaling $14,976.60 (inclusive of GST). Attached hereto as **Schedule "A"** are copies of these invoices.

Receiver's Fee Schedule

Employee	Hours	Rate (Standard)	Amount
Evan MacKinnon	11.80	375.00	4,425.00
Mark Shtay	3.20	250.00	800.00
Matt McCulloch	12.20	695.00	8,479.00
Trina Sorbara	2.00	250.00	500.00
Total	**29.20**		**14,204.00**

Using the standard rates of the Receiver, total invoiced fees since the Receiver's Third Report are $14,204.00 (exclusive of GST). Expenses in relation to postage for various mailouts and notices invoiced on these invoices totaled $59.42 (exclusive of GST).

18. Accounting for the fees of $14,204.00, expenses of $59.42, and GST of $713.18, the invoiced total is equal to the $14,976.60 amount referenced in paragraph 18 of this report.

19. Since the appointment of the Receiver by this Court, Mr. Matthew McCulloch, CA, CPA,

CIRP, 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.

20. 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 January 19, 2024, are comparable to receivership assignments of similar scale and complexity.

21. 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.

22. The Receiver respectfully requests that the Court approve its fees and expenses incurred to January 19, 2024.

Receiver's Legal Counsel's Fees

23. The Receiver's legal counsel has issued one invoice since the Receiver's Third Report. The total legal fees and expenses of Witten LLP from October 4 up to and including November 28, 2023, are $7,534.64 (inclusive of GST).

24. A summary and copy of this legal invoice rendered by Witten LLP is attached as **Schedule "B"** to this report.

25. The Receiver's counsel confirmed to the Receiver that there is no outstanding work in progress or other amounts owed to it as of January 19, 2024.

26. 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 legal 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.

27. Based on the above, the Receiver respectfully requests that the Court approve the fees and expenses of its legal counsel to January 19, 2024.

Proposed Accrual for Professional Fees

28. The Receiver proposes to retain a holdback of $25,000 from the funds currently in trust with the Receiver to cover the professional fees and expenses from January 19, 2024, onward to the conclusion of these proceedings, including the potential unknown final fees

of counsel to BMO.

29. Any funds not required from the above noted holdback (if any), as well as any additional funds received by the Receiver (if any), will be distributed by the Receiver as directed by the Court prior to the Receiver's discharge (discussed later in this report).

RECEIVER'S PROPOSED DISTRIBUTION TO CRA & ALBERTA FINANCE

30. The identified stakeholders of 119, after the Receiver completed a claims process as discussed in paragraphs 18 through 21 of the Receiver's Third Report, are as follows:

    i. Bank of Montreal ("**BMO**") (first mortgage);
    ii. Joginder Sunner and Guggendeep Jawanda ("**Subordinate Mortgage Holders**") (second and third mortgage);
    iii. CRA (GST and corporate income tax);
    iv. Alberta Finance (provincial corporate taxes); and
    v. Mr. Dobish (lone shareholder and director of 119)

31. As noted earlier in this report, BMO and the Subordinate Mortgage Holders have been paid in full as of the date of this report.

32. Using the most recent and substantive claims and statements available from CRA and Alberta Finance, the Receiver is proposing to distribute sufficient funds from the remaining funds on hand to satisfy the pre-receivership amounts owed to CRA and Alberta Finance. Additional details in this regard, and the proposed treatment of the remaining amounts held by the Receiver thereafter are detailed in the paragraphs to follow.

<u>Canada Revenue Agency</u>

33. Attached as **Schedule "C"** to this report is a GST Deemed Trust Claim Letter ("**GST Claim Letter**") from CRA, dated November 23, 2023, detailing amounts owing in relation to pre-receivership GST.

34. This GST Claim Letter was provided to the Receiver after sending notice to CRA and Alberta Finance to provide any amended claims as detailed in paragraphs 20 and 21 of the Receiver's Third Report. As per the GST Claim Letter, 119 is indebted to CRA in the amount of $105,372.36 for GST amounts outstanding for various periods spanning as far back as August, 2018.

Canada Revenue Agency GST Claim As of November 23, 2023	
GST/HST Amounts Outstanding	92,776.65
Penalties & Interest	12,955.71
Total	**105,732.36**

35. With regard to corporate income taxes, CRA submitted an unsecured claim to the Receiver in the amount of $151,082.04 relating to amounts owing for the tax years ending May 2015, 2019, 2020 and 2021.

36. CRA's income tax claim was originally provided to the Receiver on April 3, 2023. As of the date of this report, CRA has not filed any amended claims relating to the income tax outstanding. Attached herein as **Schedule "D"** to this report is the April 3, 2023 income tax claim.

Canada Revenue Agency Income Tax Outstanding As of November 23, 2023	
Principal	102,600.30
Penalties & Interest	48,481.74
Total	**151,082.04**

37. Accounting for the outstanding GST ($105,732.36) and Income Tax ($151,732.36) claims of CRA, the total amount outstanding to CRA is $256,814.40.

Alberta Finance

38. The Receiver is in receipt of a statement of account from Alberta Finance (the "**Statement of Account**"), dated January 3, 2024. Attached herein to as **Schedule "E"** to this report is the Statement of Account.

39. The Statement of Account covers corporate income taxes owing for the annual periods ending May 2020 and 2021, with a total amount of $24,052.87 outstanding to Alberta Finance.

Alberta Finance Statement of Account As of January 3, 2024	
May 2020 Corporate Tax Balance	22,706.79
May 2021 Corporate Tax Balance	1,346.08
Total	**24,052.87**

Proposed Distribution

40. Given the amounts detailed above, the Receiver is proposing to distribute $280,867.27 to CRA and Alberta Finance in accordance with the analysis outlined below:

1194038 Alberta Ltd. Ernst & Young Inc. - Receiver Receiver's Proposed Distribution	
Cash on Hand - January 26, 2024	**1,192,214.00**
Less Distributions:	
Canada Revenue Agency	256,814.40
Alberta Finance	24,052.87
Total Distributions	**280,867.27**
Remaining Funds Available	**911,346.73**

PAYMENT OF SURPLUS FUNDS INTO COURT

41. As per the Unfiled Dobish Affidavit, the Building was purchased for an amount substantially less than what it was sold for in these receivership proceedings. Further, the Receiver is not in the possession of any information to determine whether or not there is a tax consequence (i.e. Capital Gain on Sale) resulting from the sale of the Building and does not have the support available to file an accurate tax return in this regard. However, based on the limited information available to the Receiver, the Receiver is concerned that there may be capital gains taxes owing to CRA as a result of the sale of the Building.

42. Further to the above, the Receiver does not believe it is beneficial to the estate to incur further professional fees attempting to gather the necessary information to try to file the required returns and address the potential capital gain issue with CRA.

43. The Receiver has discussed this matter with CRA, and both the CRA and the Receiver agree that the best course of action to mitigate costs to 119, Mr. Dobish, and CRA is to pay the remaining funds available in the estate after deducting the proposed distributions noted herein and the $25,000.00 holdback for the anticipated closing costs of the Receiver and its counsel (provided such amounts are approved by the Court) into Court to be held pending a determination of the amounts owed to CRA on account of the sale of the Building (if any). For the Court's ease of reference, based on the distributions and holdback noted in this report, the Receiver is proposing that $886,346.73 be paid into court as set out in the following analysis:

1194038 Alberta Ltd. Ernst & Young Inc. - Receiver Receiver's Proposed Distribution	
Funds Available After Distribution	**911,346.73**
Less:	
Accrual to Close	25,000.00
Payment to Court	886,346.73
Total Distributions	**911,346.73**
Remaining Funds Available	**0.00**

DISCHARGE OF THE RECEIVER

44. In an effort to minimize costs, the Receiver respectfully requests that the Court grant its discharge, without the requirement for an additional application to the Court, subject to the Receiver confirming to the Court, in an affidavit, that it has completed the following tasks (as required):

    a) a final GST return has been compiled and filed with the CRA for the post-receivership period and any resulting refunds (if any) received, have been forwarded to the Court in addition to the amount contemplated in this report;

    b) the payment of the Receiver's Proposed Distribution to CRA, Alberta Finance and Court (if approved);

    c) the payment into Court of any surplus amounts accrued for professional fees; and

    d) upon completion of the above, the Receiver has closed 119's trust account and filed a Final Statement of Receipts and Disbursements pursuant to 246(3) of the *Bankruptcy and Insolvency Act.*

CONCLUSION

45. Based on the matters outlined in this report, the Receiver respectfully requests that this Honourable Court grant an Order (or Orders) that:

    a) approves the Receiver's actions as set out in this report;

    b) approves the January 26 Statement of Receipts and Disbursements;

    c) approves the fees and expenses of the Receiver and its legal counsel up to and including January 19, 2024;

    d) approves the Proposed Distribution as set out herein;

    e) approves the payment of the surplus funds into Court after the Receiver's Proposed Distribution as contemplated in this report;

    f) approves the discharge of the Receiver after all funds held by the Receiver have been distributed (if approved), and all administrative matters have been concluded, without the requirement for an additional application to the Court; upon the filing of an affidavit confirming the administration is complete with a copy of the Receiver's Final Statement of Receipts and Disbursements for 119; and,

g) provides such further relief that the Court considers just and warranted in the circumstances.

Respectfully submitted this 29th day of January, 2024.

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”

Ernst & Young Inc.
Edmonton, AB

Invoice

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

Invoice No.: CA12C500009941
Please include this number with payment

Invoice Date:	November 14, 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 September 26 up to and including October 30, 2023.

		Net	Tax	Rate	Tax Amount	**CAD** Total
Fee		11,733.00	GST	5 %	586.65	12,319.65
Expenses		56.42	GST	5 %	2.83	59.25
		11,789.42			**589.48**	**12,378.90**
Invoice summary		**11,789.42**				
Tax:	5% GST				589.48	
Total:		**11,789.42**			**589.48**	**12,378.90**

A member of Ernst & Young Global

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

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.

Ernst & Young Inc.
Edmonton, AB

Invoice

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

Invoice No.: CA12C500010171
Please include this number with payment

Invoice Date:	January 23, 2024
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 October 31, 2023 up to and including January 19, 2024

			Net	Tax	Rate	Tax Amount	**CAD** Total
Fee			2,471.00	GST	5 %	123.55	2,594.55
Expenses			3.00	GST	5 %	0.15	3.15
			2,474.00			**123.70**	**2,597.70**
Invoice summary			**2,474.00**				
	Tax:	5% GST				123.70	
Total:			**2,474.00**			**123.70**	**2,597.70**

A member of Ernst & Young Global

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

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 "B"

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

January 17, 2024
Invoice No.: 501253
Our File No.: 133281-2

GST/HST 121418982

Attention: Matt McCulloch

RE: Receivership of 1194038 Alberta Ltd.

REMITTANCE COPY
PLEASE REMIT WITH PAYMENT

OUR FEES	$6,750.00
Non Taxable Disbursements	96.00
Total Taxable Disbursements subject to GST	53.12
Total Taxable Other Charges subject to GST	281.30
Total GST	354.22
INVOICE TOTAL	**$7,534.64**

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 780-441-3240 if you require assistance

SCHEDULE “C”

Canada Revenue Agency / Agence du revenu du Canada

Tax Services Office
Edmonton AB T5J 4C8

November 23, 2023

Account Number
678 RT0001

ERNST & YOUNG INC.
1400 - 10423 101 ST NW
EDMONTON AB T5H 0E7

Dear Sir/Madam:

Subject: 1194038 ALBERTA LTD.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of $105,372.36.

Period outstanding	GST/HST payable	Penalty & interest	Total
2018-08-31	$2,431.85	$ 805.09	$3,236.94
2018-11-30	$5,653.32	$1,432.06	$7,085.38
2019-02-28	$5,842.77	$1,372.52	$7,215.29
2019-05-31	$5,341.81	$1,156.90	$6,498.71
2019-08-31	$5,336.44	$1,058.31	$6,394.75
2019-11-30	$5,341.02	$ 963.16	$6,304.18
2020-02-29	$5,358.55	$ 876.76	$6,235.31
2020-05-31	$5,360.34	$ 877.06	$6,237.40
2020-08-31	$4,930.77	$ 735.13	$5,665.90
2021-02-28	$5,272.48	$ 637.08	$5,909.56
2021-05-31	$4,686.09	$ 501.18	$5,187.27
2021-08-31	$5,117.16	$ 546.25	$5,663.41
2021-11-30	$5,053.03	$ 523.93	$5,576.96
2022-02-28	$5,053.03	$ 415.19	$5,468.22
2022-05-31	$5,053.03	$ 413.95	$5,466.98
2022-08-31	$5,053.03	$ 292.60	$5,345.63
2022-11-30	$5,053.03	$ 160.49	$5,213.52
2023-02-28	$5,053.03	$ 138.95	$5,191.98
2023-03-14	$1,785.87	$ 49.10	$1,834.97

.../2

Under the Excise Tax Act, $55,555.44 of the above totals represents property of the Crown held in trust and does not form part of 1194038 ALBERTA LTD.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada $60,878.23 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of $49,816.92.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 587-337-5994.

Yours truly,

AJ LaRocque

A.J. LaRocque (1225)
Resource/Complex Case Officer

SCHEDULE "D"

Proof of Claim (Form 31)
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the following address:

Canada Revenue Agency
Surrey National Verification and Collection Centre
Insolvency Intake Centre
Collections Directorate
9755 King George Blvd
Surrey BC V3T 5E1

Attention: Debora Tams (1225)

In the matter of the receivership of 1194038 ALBERTA LTD. of the City of Edmonton in the Province of Alberta, and the claim of His Majesty the King in Right of Canada as represented by the Minister of National Revenue, creditor.

I, Debora Tams (1225), of the City of Edmonton in the Province of Alberta, do hereby certify:

1. That I am a resource officer/complex case officer of the Canada Revenue Agency.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the receivership namely the 14th day of March, 2023, and still is, indebted to the creditor in the sum of $151,082.04, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

4. (X) UNSECURED CLAIM of $151,082.04. That in respect of this debt, I do not hold any assets of the debtor as security.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

ATTACHMENT PAGE 2

6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

nil

Dated at the City of Edmonton on April 3, 2023.

.... Witness

.... Signature of claimant

Schedule "A"

Name: 1194038 ALBERTA LTD.

Unsecured claim

Income Tax Act
Account number: 822541678 RC 0001
Assessed period(s):
TYE: 2015-05-31, 2019-05-31, 2020-05-31, & 2021-05-31

Principal:	$102,600.30
Penalty and interest:	$ 48,481.74
Total:	$151,082.04
Total Unsecured claim	$151,082.04

SCHEDULE “E”

Alberta

STATEMENT OF ACCOUNT

Alberta Corporate Tax Act

1194038 ALBERTA LTD.

Corporate Account Number: 2011940380
Statement Date: January 3, 2024
Account Balance **24,052.87**

For the Period: 2023/12/01 to 2023/12/31

Period Ending:	**2021/05/31**	**2020/05/31**
Opening Balance:	1,346.08	22,543.47
Payments:		
Adjustments:		
(Re)Assessments:		
Refunds:		
Refunds Applied:		
Arrears Interest:		163.32
Royalty Tax Credit Claim:		
Closing Balance:	**1,346.08**	**22,706.79**

Internet payment of tax can be made via payment services provided by most major financial institutions in Canada. Please call TRA or contact your Bank for further details.

Processed		**Effective**	**Amount**
Details for the period ended	**May 31, 2020**		
2024/01/03	Arrears Interest	2023/12/31	163.32

Please retain this statement for your records. *If you have any enquiries concerning this statement, please write to Tax & Revenue Administration, 9811 109 Street, Edmonton AB, T5K 2L5, or call (780) 427-3044. If calling long distance within Alberta, dial 310-0000, then enter (780) 427-3044. Fax (780) 422-3770.*

AT10(Sep-98)

Alberta

REMITTANCE ADVICE

ALBERTA CORPORATE TAX ACT

1 Submit With Payment

Sequence No. (if applicable)

Account No. 2 0 1 1 9 4 0 3 8 0

1194038 ALBERTA LTD.

Remittance Code	Payment for Period Ending Year	Month	Day	**Amount Paid**
0 1				$

See Instructions on Reverse

All payments should be in CANADIAN FUNDS and all cheques made PAYABLE TO THE GOVERNMENT OF ALBERTA. **Payable on-line or in person at most financial institutions in Canada.**

DO NOT WRITE BELOW THIS LINE

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