

COURT FILE NO. 2303 11446

Clerk's Stamp:

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL
CENTRE EDMONTON

PLAINTIFF UMC FINANCIAL MANAGEMENT INC.

DEFENDANTS CAREADON CORP., 1978753 ALBERTA LTD., and TERRENCE HODGSON IN
HIS CAPACITY AS TRUSTEE OF ALDER INVESTMENT GROUP TRUST 2016

DOCUMENT **ORDER FOR DISCHARGE OF RECEIVER AND RELATED RELIEF**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File No.: 20232371

DATE ON WHICH ORDER WAS PRONOUNCED: April 22, 2024

LOCATION OF HEARING OR TRIAL: Edmonton, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice M. J. Lema

UPON THE APPLICATION of Ernst & Young Inc. in its capacity as the Court-appointed Receiver (the "**Receiver**") of the undertakings, properties and assets of Careadon Corp., (the "**Debtor**") for an Order for a final distribution of proceeds, approval of the Receiver's fees and disbursements and that of its independent legal counsel, approval of the Receiver's activities, discharge of the Receiver and approval of a settlement of the life lease tenant claims; **AND UPON** having read the Receiver's Third Report to the Court dated April 15, 2024 (the "**Third Report**"); **AND UPON** hearing from counsel for the Receiver and all parties in attendance; **AND UPON** being satisfied that it is appropriate to do so;

IT IS HEREBY ORDERED THAT:

1. Service of the Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.

2. The fees and disbursements of the Receiver, as set out in the Third Report are hereby approved without the necessity of a formal passing of its accounts.
3. The fees and disbursements of the Receiver's independent legal counsel, McLennan Ross LLP ("**Counsel**"), as set out in the Third Report are hereby approved without the necessity of a formal assessment of its accounts.
4. All fees, disbursements, and taxes incurred by the Receiver and Counsel from April 5, 2024 to the conclusion of the administration of the receivership are hereby approved without the necessity of a formal passing of their accounts up to a maximum amount of \$25,000.
5. The Receiver's activities and Statement of Receipts and Disbursements as included in the Third Report are hereby ratified and approved.
6. The Receiver is authorized and directed to distribute \$215,545 to UMC Financial Management Inc. as well as any surplus in the receivership estate following conclusion of the administration of the receivership.
7. The Restricted Court Access Orders dated August 31, 2023 and December 8, 2023 sealing the confidential supplements to the Receiver's First and Second Reports to the Court are no longer necessary and the Clerk of the Court is directed to unseal the confidential supplements to the Receiver's First and Second Reports.
8. The Settlement (as described in the Third Report) is hereby authorized and approved and the Receiver is authorized and directed to take all steps necessary to give effect to the Settlement. The Settlement shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
9. The Receiver is authorized to direct Reynolds Mirth Richards & Farmer LLP ("**RMRF**") how to distribute the Deposits (as defined in the Third Report), totaling an estimated \$1,419,865.00 as at February 14, 2024, plus any additional accrued interest thereon. RMRF shall be entitled to its reasonable costs of distribution and shall take payment for its fees from the accrued interest, so long as its reasonable costs do not exceed \$1,500.
10. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any

act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.

11. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
12. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a Licensed Insolvency Trustee employed by the Receiver confirming that:
 - a. all matters set out in paragraph 6 of this Order have been completed;
 - b. if applicable, all books and records are returned to the Debtor that are not required for the administration of the receivership to the principals of the Debtor, or alternatively, if the books and records are not requested by the Debtor within 30 days of service of this Order, the books and records may be destroyed by the Receiver; and
 - c. completing other administrative matters incidental to the Receiver's appointment and pending discharge, including the filing of reports pursuant to section 256(2) and 246(3) of the *Bankruptcy and Insolvency Act* and the cancelling of all open operating accounts, if any;

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

13. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

14. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of King's Bench of Alberta