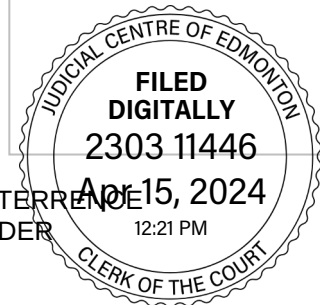


COURT FILE NUMBER 2303 11446
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF UMC FINANCIAL MANAGEMENT INC.
DEFENDANTS CAREADON CORP., 1978753 ALBERTA LTD., and TERRENO
HODGSON IN HIS CAPACITY AS TRUSTEE OF ALDER
INVESTMENT GROUP TRUST 2016
DOCUMENT APPLICATION

Clerk's Stamp



ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

McLENNAN ROSS LLP
#600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4

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Telephone: 780.482.9153
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Email: ryan.trainer@mross.com
File No.: 20232371

NOTICE TO RESPONDENTS: THE SERVICE LIST (ATTACHED AS SCHEDULE "A")

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: **April 22, 2024**
Time: **3:00 p.m.**
Where: **Law Courts, 1A Sir Winston Churchill Square, Edmonton, AB T5J 0R2**
Before Whom: **The Honourable Mr. Justice M. J. Lema**
Webex: <https://albertacourts.webex.com/meet/virtual.courtroom86>

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 abridging the time for service of notice of this Application and deeming service of this notice of Application and materials in support thereof good, valid, timely and sufficient.
2. An Order substantially in the form attached hereto as **Schedule "B"** approving, *inter alia*:
 - (a) a final distribution of proceeds to UMC Financial Management Inc. ("**UMC**");
 - (b) the fees and disbursements of Ernst & Young Inc. ("**EY**" or the "**Receiver**") and that of its legal counsel McLennan Ross LLP ("**Counsel**") as set out in the Third Report to the Court (the "**Third Report**");

- (c) the Receiver's activities as set out in the Third Report;
- (d) the Receiver's Statement of Receipts and Disbursements as set out in the Third Report;
- (e) the Life Lease Settlement (as described in the Third Report);
- (f) the Receiver's discharge upon the performance of the duties incidental to the completion of these proceedings; and
- (g) unsealing the Confidential Supplements to the Receiver's First and Second Report to the Court,

in respect of the receivership of Careadon Corp. (the "**Debtor**"), as recommended by the Receiver.

3. An Order granting such other and further relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for making this application:

4. On July 7, 2023, EY was appointed Receiver of the undertakings, properties, and assets of the Debtor.
5. Careadon was adjudged bankrupt on November 16, 2023.
6. Pursuant to an Approval and Vesting Order (the "**AVO**") granted on December 8, 2023, the Receiver completed the sale of all or substantially all of the Debtor's assets (the "**Sale**"). The Sale closed on January 8, 2024.
7. Pursuant to a concurrent Order granted December 8, 2023, the Receiver was authorized and directed to make an interim distribution upon closing to pay out the first secured creditor HMT Holdings Inc. ("**HMT**") and to repay Receiver's Borrowings.
8. Following closing of the Sale, the Receiver did pay out HMT in full and repaid Receiver's Borrowing to UMC.
9. The Receiver has executed its duties pursuant to the Receivership Order, except for certain ancillary duties as further particularized in the Third Report.
10. All fees and disbursements incurred by the Receiver and Counsel during the course of the administration of the within proceeding are reasonable and have been validly incurred in connection with the conduct of the Receiver's obligations.
11. At the time the AVO was granted, there were 4 tenants (the "**Tenants**") residing in the Debtor's building pursuant to life lease agreements (the "**Life Leases**"). The Sale did not contemplate an assignment of the Life Leases, but allowed the Tenants to remain in the building for at least six months following closing of the Sale.
12. The AVO did not address priority to the funds held in trust by Reynolds Mirth Richards and Farmer LLP (the "**Deposits**").
13. A settlement has been reached in respect of the Deposits, and notice of same was given to Creditors, and no Creditors have indicated their objection to same.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

15. This Notice of Application, filed.
16. Third Report, filed.
17. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

18. Rules 11.27 and 13.5 and Part 6, Division 4 of the Alberta Rules of Court.
19. Such further and other statutes and rules as counsel may advise.

Applicable Acts and Regulations:

20. *Judicature Act*, R.S.A. 2000, c. J-2, as amended, specifically section 8.
21. *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3.
22. *Law of Property Act*, RSA 2000, c. P-7 24.
23. *Personal Property Security Act*, RSA 2000, c. P-7.
24. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

25. None.

How the application is proposed to be heard or considered:

26. By Webex hearing, before the Honourable Mr. Justice M. J. Lema.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicants 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 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 Applicants a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

SERVICE LIST

Re: UMC Financial Management Inc. v Careadon Corp. et al.

Action No.: 2303 11446

(Updated April 11, 2024)

PARTY	COUNSEL/ADDRESS FOR SERVICE
Ernst& Young Inc. in its capacity as Receiver and Manager and Trustee of Careadon Corp. EPCOR Tower 10423 101 Street PO Box 44 Edmonton, AB T5H 0E7 Attention: Matt McCulloch & Evan MacKinnon Email: matt.mcculloch@parthenon.ey.com Evan.MacKinnon@parthenon.ey.com	c/o McLennan Ross LLP 600, 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Attention: Ryan Trainer Email: ryan.trainer@mross.com
UMC Financial Management Inc.	c/o Miller Thomson LLP 2700, 10155 102 Street Edmonton, AB T5J 4G8 Attention: Spencer Norris Email: snorris@millერთhompson.com
HMT Holdings Inc.	c/o Swainson Miki Peskett LLP Suite 2800 10104 103 Avenue NW Edmonton, AB Canada T5J 0H8 Attention: Dan Peskett Email: dpeskett@smpllp.ca
Careadon Corp.	c/o Registered Office 3200, 10180 - 101 Street Edmonton, AB T5J 3W8 Email: CORP@RMRF.COM
1978753 Alberta Ltd.	c/o Registered Office 3200, 10180 – 101 Street Edmonton, AB T5J 3W8 Email: CORP@RMRF.COM

PARTY	COUNSEL/ADDRESS FOR SERVICE
Alder Investment Group TruStreet2016	166 Westridge Road NW Edmonton, AB T5T 1B8 Attention: Terrence Hodgson Email: thodgson@kotacontracting.com
Nordic Mechanical Services Ltd.	c/o Kirwin LLP 100 12420 104 Avenue Edmonton, AB T5N 3Z9 Email: mail@kirwinllp.com
Estelar Construction Ltd.	Dale M. Knisely Professional Corp. 700 - 10050 - 112 Street NW Edmonton, AB T5K 2J1 Customer File Number 11,118 Attention: Dale Knisely Email: adam@defence.law
Smoky Lake Cabinets and Woodworking Ltd.	Biamonte LLP 10025 102A Ave NW, Edmonton, AB T5J 2Z2 Customer File Number 97321CEV Attention: cvilleneuve@biamonte.com
Kota Contracting	Bennett Jones LLP Stantec Tower 10220 103 Avenue NW Edmonton, AB T5J 0K4 Attention: Conor Holash and William Hembroff Email: holashc@bennettjones.com hembroffw@bennettjones.com
John Juhl	#305, 2 Inglewood Dr. St. Albert, AB T8N 7W6
Ernestine Zuidema	#304, 2 Inglewood Dr. St. Albert, AB T8N 7W6
Patricia and Roy Troughton	#201, 2 Inglewood Dr. St. Albert, AB T8N 7W6

PARTY	COUNSEL/ADDRESS FOR SERVICE
Janice Moore	#311, 2 Inglewood Dr. St. Albert, AB T8N 7W6
Bev Halisky	
Dyrbye Developments Ltd.	c/o Registered Office 3 Overton Place St. Albert, AB T8N 6W9 Attention: Anita Dyrbye and Dave Dyrbye Email: ddyrbye@shaw.ca anitadyrbye@shaw.ca
EPCOR	EPCOR Energy Alberta GP Inc. 2000, 10423 101 Street NW Edmonton AB T5H 0E8 Attention: Kathleen Field Zucht Email: KFIELDZUCHT@epcor.com
Counsel holding Life Lease Deposits	Reynolds Mirth Richards & Farmer LLP Stantec Tower, # 1800, 10220 103 Ave NW Edmonton, AB T5J 0K4 Attention: E. (Sonny) Mirth, KC and Irene Guidoccio Email: EMirth@rmrf.com IGuidoccio@rmrf.com

SCHEDULE "B"

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

McLENNAN ROSS LLP
#600 McLennan Ross Building
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Edmonton, AB T5N 3Y4

Lawyer: Ryan Trainer
Telephone: (780) 482-9153
Fax: (780) 733-9716
Email: ryan.trainer@mross.com
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