

ACTION NO. 0801-14675

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

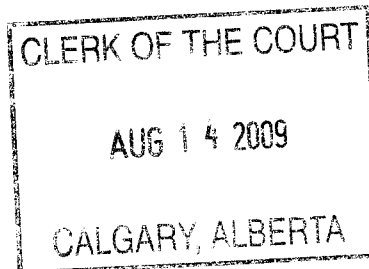
- and -

**McGILLIVRAY & SERA FARMS LTD., 626625 ALBERTA LTD.,
626626 ALBERTA LTD., BASTIAANSEN HOLDING COMPANY
LTD., JOS BASTIAANSEN, CORIEN BASTIAANSEN, and
BASSEM FARM CORPORATION**

Defendants

**SIXTH REPORT OF THE RECEIVER
ERNST & YOUNG INC.**

July 28, 2009



INTRODUCTION

1. Ernst & Young Inc. was appointed Interim Receiver over McGillivray & Sera Farms Ltd., 626625 Alberta Ltd., 626626 Alberta Ltd., Bastiaansen Holding Company Ltd., Jos Bastiaansen and Corien Bastiaansen and in respect of certain assets of Bassem Farm Corporation pursuant to an Order of this Honourable Court dated February 23, 2009 (“Interim Receiver Appointment Date”).
2. Pursuant to an Order (the “Appointment Order”) of this Honourable Court dated March 16, 2009, Ernst & Young Inc. was appointed Receiver and Manager (the “Receiver”) of the property, assets and undertaking of McGillivray & Sera Farms Ltd., 622625 Alberta Ltd., Bastiaansen Holdings Company Ltd., Jos Bastiaansen (“Mr. Bastiaansen”), and Corien Bastiaansen (“Mrs. Bastiaansen”) (collectively referred to as the “MSF Defendants”) and in respect of certain assets (including the Inventory, Proceeds and Bank Accounts as defined in the Appointment Order) of Bassem Farm Corporation (“Bassem”). Collectively, Bassem and the MSF Defendants are referred to herein as the “Defendants”. The Appointment Order was entered by this Honourable Court on March 23, 2009.
3. The Appointment Order authorized the Receiver, among other things, to carry on the business of the Defendants, to solicit offers to purchase the assets of the MSF Defendants, to continue to realize on the Bassem assets covered by this Order, and make such arrangements or agreements as deemed necessary by the Receiver.
4. The purpose of this sixth report (the “Sixth Report”) of the Receiver is to advise this Honourable Court with respect to the application to this Honourable Court seeking the discharge of certain liens that were registered against a specific piece of equipment that was sold in the Receiver’s machinery and equipment auction approved by this Court pursuant to the Court Order of the Honourable Madam Justice C. A. Kent dated May 12, 2009 and described in the Receiver’s Third Report to the Court (the “Third Report”);

BACKGROUND

5. The MSF Defendants have operated a commercial potato and other cash crop venture in and around the Town of Bow Island, in the Province of Alberta, since approximately April, 2006. The MSF Defendants' operations consist of approximately 876 acres of agricultural farm land (the "MSF Land"). Mr. and Mrs. Bastiaansen's personal residence is also located on the MSF Land. In addition to the MSF Land and Buildings, the MSF Defendants currently own certain machinery and equipment used in its farming operations. The Receiver's First Report to the Court provides further background on the Defendants and their business.
6. Further background on the MSF Defendants, including Orders issued by this Honourable Court and the Receiver's reports, have been posted by the Receiver on its website at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=106>.

DISCHARGE OF LIEN

7. Pursuant to the Order of the Honourable Madam Justice C. A. Kent dated May 12, 2009 and described in the Third Report, the Receiver executed the First Auction Contract with Ritchie Bros. Auctioneers (Canada) Inc. ("Ritchies") to auction the machinery and equipment of the MSF Defendants on June 26, 2009 (the "Auction").
8. Subsequent to the Auction, Ritchies informed the Receiver that a 1993 Kenworth W900 T/A Sleeper Truck Tractor (the "Kenworth Truck") (serial number - 2XKWDB9X4PM928972), that was owned by the MSF Defendants had been sold in the Auction for \$8,750. This item had been inadvertently overlooked and was not included in any of the equipment lists submitted to the Court in the Receiver's Third and Fifth reports. Upon further examination it was determined that this piece of equipment had the below liens outstanding against it. See Appendix "A" for a copy of a PPR search relating to the Kenworth Truck.

Company	Lien
Kal Tire A Corporate Partnership	Garage Keeper's Lien - \$3,576.71
Parlee McLaws LLP	Specific Writ of Enforcement - \$2,012.04

9. The Receiver is requesting the Court's permission to have the liens discharged in order to release the Kenworth Truck to the purchaser.
10. The net proceeds from the sale of the Kenworth Truck will be held in trust by the Receiver to be released upon determination of secured parties' right and priorities under any claimed security on the Kenworth Truck and upon determination of beneficial ownership

All of which is respectfully submitted this 28th day of July, 2009.

**ERNST & YOUNG INC.,
in its capacity as Receiver Manager
of certain of the assets of the Defendants**

A handwritten signature in black ink, appearing to read "Deryck Helkaa", written in a cursive style.

Deryck Helkaa, CA•CIRP
Senior Vice-President



Personal Property Registry Search Results Report

Page 1 of 6

Search ID#: Z01291293

Transmitting Party

MACLEOD DIXON
Attention: Sonja Laplante
3700, 400 3 AVENUE SW
CALGARY, AB T2P4H2

Party Code: 50001650
Phone #: 403 267 9524
Reference #: AE/jm

Search ID #: Z01291293

Date of Search: 2009-Jul-23

Time of Search: 09:22:00

Serial Number Collateral Search For:

2XKWDB9X4PM928972

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.





Personal Property Registry Search Results Report

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Search ID#: Z01291293

Serial Number Collateral Search For:

2XKWDB9X4PM928972

Search ID #: Z01291293

Date of Search: 2009-Jul-23

Time of Search: 09:22:00

Registration Number: 04121718318

Registration Type: REPORT OF SEIZURE

Registration Date: 2004-Dec-17

Registration Status: Current

Registration Term: Infinity

Property has been seized under Garage Keepers' Lien Act.

Amount being seized for is \$3,576.71.

Property was seized on 2002-Nov-17

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2002-Nov-17	04121718318	\$3,576.71

Exact Match on: Serial Collateral No: 1

Amendments to Registration

07122150339

Amendment

2007-Dec-21

Solicitor / Agent

KAL TIRE A CORPORATE PARTNERSHIP
4802 - 48 STREET
LEDUC, AB T9E 7G7

Phone #: 780 986 1999

Civil Enforcement Agent

CONSOLIDATED CIVIL ENFORCEMENT INC.
150 FORD TOWER, 633 6 AVE SW
CALGARY, AB T2P 2Y5

Phone #: 403 262 8800

Fax #: 403 262 8801



Personal Property Registry Search Results Report

Search ID#: Z01291293

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Debtor(s)

Block

1 965788 ALBERTA LTD.
6103 - 45 STREET
LEDUC, AB T9E 7C3

Status

Current

Creditor(s)

Block

1 KAL TIRE A CORPORATE PARTNERSHIP
4802 - 48 STREET
LEDUC, AB T9E7G7

Status

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2XKWDB9X4PM928972	1993	KENWORTH	MV - Motor Vehicle	Current

Particulars

Block Additional Information

1 SEIZURE WAS DISCHARGED IN ERROR ON 12/17/2004 - PREVIOUS REGISTRATION
NUMBER WAS 02112709478 AND GARAGEMAN'S LIEN REGISTRATION WAS
02070930389

Status

Current



**Personal Property Registry
Search Results Report**

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Search ID#: Z01291293

Serial Number Collateral Search For:

2XKWDB9X4PM928972

Search ID #: Z01291293

Date of Search: 2009-Jul-23

Time of Search: 09:22:00

Registration Number: 05111718481

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2005-Nov-17

Registration Status: Current

Expiry Date: 2009-Nov-16 23:59:59

Issued in Edmonton Judicial District

Court File Number is 0003 18050

Judgment Date is 2000-Aug-31

This Writ was issued on 2000-Sep-27

Type of Judgment is Other

Original Judgment Amount: \$1,083.94

Costs Are: \$25.00

Post Judgment Interest: \$452.05

Current Amount Owing: \$2,012.04

Exact Match on: Serial Collateral No: 5

Amendments to Registration

07111610023

Amendment And Renewal

2007-Nov-16

Solicitor / Agent

PARLEE MCLAWS LLP
#3400-150 6 AVENUE SW
CALGARY, AB T2P 3Y7

Phone #: 403 294 7000

Reference #: 57252-14

Debtor(s)

Block

1

NEW ERA FOREST PRODUCTS LTD.
200, 2827 SUNRIDGE BLVD. NE
CALGARY, AB T1Y 6G1

Status

Current



Personal Property Registry Search Results Report

Page 5 of 6

Search ID#: Z01291293

Creditor(s)

Block

1 COMMERCIAL BEARING SERVICE (1966) LTD.
C/O 1500 MANULIFE PLACE, 10180-101 STREET
EDMONTON, AB T5J 4K1

Status

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2WLPDCCJ4SK939532	1995	WESTERN STAR	MV - Motor Vehicle	Current
2	2PLA00929SB78070	1995	PEERLESS	TR - Trailer	Current
3	2PLA00927PBJ65240	1993	PEERLESS	TR - Trailer	Current
4	2PLA01910XBA95550	1999	PEERLESS	TR - Trailer	Current
5	2XKWDB9X4PM928972	1993	KENWORTH	MV - Motor Vehicle	Current



Personal Property Registry Search Results Report

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Search ID#: Z01291293

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Reg. #</u>
2XKWDB9X4TM928972	1998	KENWORTH SEMI TRUCK	MV - Motor Vehicle	06072300053
2XKWGD9X4TM928972	1998	KENWORTH SEMI (RED)	MV - Motor Vehicle	07071936004

Result Complete