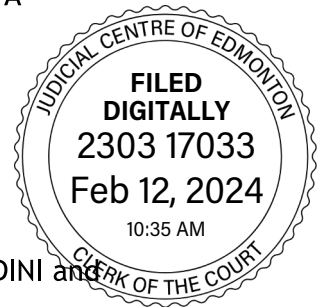


COURT FILE NUMBER 2303-17033
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF BANK OF MONTREAL
DEFENDANTS 2396610 ALBERTA INC., ALI ABSHIR DINI and
ADEN SHIRE ALI
DOCUMENT RECEIVER'S FIRST REPORT
DATED FEBRUARY 9, 2024



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

RECEIVER

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EXHIBITS

Exhibit 1 - Receivership Order

Exhibit 2 - Notice and Statement of Receiver

Exhibit 3 - Statement of Receipts and Disbursements

INTRODUCTION, BACKGROUND AND PURPOSE OF THE REPORT

1. On November 20, 2023, pursuant to an application made by the Bank of Montreal (“BMO”), the Court granted an Order (the “Receivership Order”) appointing BDO Canada Limited (“BDO” or the “Receiver”) as receiver and manager over all the assets of 2396610 Alberta Inc. (“2396” or the “Company”). Attached as **Exhibit 1** to this report is a copy of the Receivership Order.
2. As detailed in an affidavit sworn by Wade Plawucki dated November 8, 2023 (the “Affidavit”), the Receiver understands the following:
 - a) on February 7, 2022, 2396 entered into an agreement with BMO to borrow money, in the form of a mortgage secured by the Building (defined below), which 2396 agreed to repay with interest;
 - b) on or about August 18, 2023, as a result of 2396’s default in its mortgage obligations, BMO demanded repayment of the balance of the mortgage indebtedness. At the same time, BMO issued 2396 with a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “BIA”);
 - c) 2396 has failed or neglected and continues to fail or neglect to pay its mortgage obligations to BMO; and,
 - d) as of September 19, 2023, the outstanding balance of 2396’s mortgage obligations to BMO was \$967,753 plus interest.
3. Based on the Affidavit, the Receiver believes that 2396’s sole business activity was owning, leasing, and managing a nine-unit residential apartment building located at 10734 - 108 Street NW in Edmonton, Alberta (hereinafter referred to as the “Building”) and with legal description: PLAN B4, BLOCK 8, LOT 192.
4. In order to confirm this and notify the Company of the receivership, the Receiver has made numerous attempts (via regular mail, email, and telephone) to contact the director of 2396, Mr. Ali Dini (the “Director”). In addition, the Receiver has requested 2396’s books and records. However, as of the date of this report the Receiver has been unsuccessful in its attempts to contact the Director.

5. The purpose of this report (the “**Receiver’s First Report**”) is to advise this Hounorable Court of the following:
 - a) the Receiver’s activities to date;
 - b) various creditor matters; and,
 - c) the receipts realized and disbursements incurred by the Receiver since the onset of these receivership proceedings and up to and including February 9, 2024 (the “**Receiver’s Statement of Receipts and Disbursements**”).

6. The Receiver is seeking an order of this Hounorable Court that:
 - a) approves the Receiver’s activities to date, as outlined in this report;
 - b) approves the Receiver’s Statement of Receipts and Disbursements; and,
 - c) provides such further relief that the Court considers just and warranted in the circumstances.

DISCLAIMER

7. The information contained in the Receiver’s First Report has been obtained from the records of the Company, publicly available information, and/or based upon discussions with and representations made by the Company’s management and other professional advisors retained in this matter. The information relied upon by the Receiver was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has any financial information referenced necessarily been prepared in accordance with generally accepted accounting principles, and the reader is cautioned that this report may not disclose all significant matters about the Company. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this report.

8. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of circulation, publication, reproduction, or use

of the Receiver's First Report. Any use that any party makes of this report or reliance on or decisions to be made based on it is the responsibility of such party.

9. This report should be read in conjunction with any other materials filed before the date of the upcoming application to Court which has currently been set for February 21, 2024. A copy of the Receiver's First Report and other relevant documents in this receivership proceeding, save for items directed to be sealed for confidentiality purposes, are available on the Receiver's website located at: <https://www.bdo.ca/en-ca/extranets/2396610AB>

RECEIVER'S INITIAL ACTIVITIES

10. The following paragraphs detail the actions taken by the Receiver to protect the interests of the Estate.
11. On November 24, 2023, shortly after receiving a filed copy of the Receivership Order, the Receiver attended the premises with a locksmith, gained access to the Building, re-keyed the locks to the two exterior doors and affixed a Notice of Receivership to each exterior door. The Receiver also posted to each units' door a copy of the Receivership Order and a letter advising, amongst other things, that all future rents were to be paid to the Receiver.
12. At the same time, the Receiver conducted a walkthrough in and around the Building and photographed all accessible areas. The Receiver observed the following:
 - a) the common areas appeared to have been recently renovated and were in good condition;
 - b) two ground floor windows were broken;
 - c) the two exterior doors are old, wooden doors. It was evident to the Receiver that the doors need to be replaced with more secure steel doors;
 - d) the existing intercom system was inoperable; and,

- e) a detached, single car garage in the rear of the Building had its entrance door broken and was secured with a piece of plywood. The Receiver was unable to gain access to the garage at that time.

The Receiver also provided the tenants of the four occupied units with new keys to the exterior doors.

13. Based on discussions with the current tenants, the Receiver understands the following:
 - a) four of the nine units are occupied, and the remaining five units are thought to be vacant;
 - b) the poor condition of the two exterior doors is as a result of repeated break-ins; and,
 - c) general repairs and maintenance of the Building have been neglected since the building was purchased by 2396.
14. On November 26, 2023, the Receiver returned to the Building and posted notices on the doors of the thought to be vacant units (the “**Vacant Units**”) providing 48-hours’ notice of the Receivers’ intention to gain entry for the purpose of inspecting the condition of the units and re-keying the locks. The Receiver also gained access to the detached garage and photographed the contents which consisted mainly of used construction materials.
15. On November 28, 2023, the Receiver returned to the Building with a locksmith, gained access to the Vacant Units, had the locks re-keyed, and inspected and photographed the units. The Receiver advises that all five units appeared to be abandoned and in need of various repairs to bring them to a state ready for new occupancy. The Receiver also gained access to the laundry room and mechanical room and had the locks re-keyed. For ease of tenant access, the lock to the laundry room was re-keyed to the same key as the two exterior doors. The Receiver also had the locksmith install metal blocker plates at the locks to the exterior doors to provide greater security and help prevent future break-ins.

16. At the same time, the Receiver met representatives from two different door companies, to have the two exterior doors assessed and provide quotes for their replacement with more secure steel doors and met a representative from a window company to provide a quote on replacing the two broken windows. The Receiver advises that the two broken windows have since been repaired and two new steel entrance doors have been ordered.
17. On November 29, 2023, the Receiver sent to all known creditors notices required pursuant to subsections 245(1) and 246(1) of the BIA, via regular mail. Attached as **Exhibit 2** to this report is a copy of the Notice and Statement of Receiver.
18. On November 29, 2023, the Receiver engaged Glen Cowan & Associates (“GCA”) to provide an appraisal of the Property. On December 12, 2023, the Receiver obtained a final version of the appraisal. A copy of the appraisal will be used by the Receiver to assess potential offers to purchase the Building. Unless the Court orders otherwise, the Receiver will not disclose the contents of the Appraisal until after a sale has been concluded.
19. On December 1, 2023, during a subsequent visit to the Building, the Receiver noticed that the ground floor window to the laundry room had been broken. The Receiver temporarily secured the window.
20. On December 4, 2023, the Receiver met a junk removal company at the Building and had all the items from the Vacant Units and the detached garage removed. The Receiver also engaged a cleaning company to have all the Vacant Units thoroughly cleaned.
21. On December 12, 2023, in an effort to minimize costs to the Estate, the Receiver entered into an agreement with Zen Residential (the “**Property Manager**”) to manage the Building. Zen Residential was formerly Mayfield Property Management and had managed the Building for the owner prior to 2396.
22. Shortly thereafter, the Receiver met the Property Manager at the Building to provide them copies of the new keys and make a detailed assessment of the

repairs required to each Vacant Unit to bring them to a state ready for new occupancy.

23. The Property Manager has begun repairs to the Vacant Units as they cannot be rented to tenants in their current condition. In addition, the Property Manager has arranged to have the broken laundry room window repaired and install exterior bars over the window to help protect against future damage.
24. The Receiver advises that all repairs are projected to be completed by the end of February 2024. Once the repairs are completed, it is the Property Manager's intention to rent-out the Vacant Units which will increase cash flow for the property. The increased cash flow and having the Property fully occupied will assist in maximizing the sale value.
25. The Receiver discussed the repair costs with BMO and the reason why they should be completed. BMO was supportive of completing the repairs in order to rent-out the Vacant Units.
26. On December 13, 2023, the Receiver met a representative from the laundry service company ("**Coinamatic**") at the Building to provide them with a key so they could access the laundry room within in the Building to service the machines and access their fees for service. Coinamatic executed a keyholder agreement with the Receiver.
27. Since the Receiver has been unable to contact the Director to obtain 2396's books and records, the Receiver advises the following:
 - a) 2396's bank account(s) cannot be frozen; however, in an attempt to locate the bank account(s), the Receiver has sent a letter to 11 financial institutions to identify any potential accounts to be frozen;
 - b) 2396's mail cannot be redirected;
 - c) the Receiver obtained insurance on the Building; as it could not confirm with the Director that insurance was in place; and,
 - d) the Receiver setup new utilities accounts with ATCO and EPCOR.

28. The Receiver collected the rent for December 2023 from the existing four tenants and deposited the funds into the Estate trust account. Going forward, monthly rents will be collected by the Property Manager and forwarded to the Receiver.
29. Based on discussions with the four tenants, the Receiver understands that the tenants' rental agreements have expired, and they are currently renting on a month-to-month basis. The Property Manager is currently renewing the rental agreements with the tenants.
30. On January 8, 2024, the Receiver received a call from a former tenant (the "Tenant") who claimed to have lived in one of the Vacant Units. The Tenant claims to have pre-paid rent up to December 2023 and had been away for several months for work. The Tenant indicated that on December 12, 2023, they became aware that the Buildings' locks and ownership had changed and claims to have made numerous attempts to call the Receiver. The Receiver advises that it has no record of the previous Tenant's call attempts.
31. The Tenant requested access to the unit in order to retrieve his Canadian Welding Bureau textbooks and was not interested in any other items they may have left behind. The Receiver advised the Tenant that, unfortunately, the unit had been cleaned-out in order to bring it to a state ready for new occupancy. The Tenant claims the textbooks are worth \$2,000 and that they will be contacting the Consumer Contact Centre to lodge a formal complaint.

RECEIVER'S BORROWINGS

32. On December 18, 2023, the Receiver issued a Receiver's Certificate to BMO, in the amount of \$50,000, and borrowed funds to cover the costs of repairs, the ongoing maintenance and operating costs, and the administration of these receivership proceedings.

CREDITOR MATTERS

Goods and Services Tax (“GST”) and Source Deductions

33. In the absence of any books and records, the Receiver was unable to determine 2396’s status, if any, with respect to GST (RT0001) or source deductions (RP0001). As a result, the Receiver contacted the Canada Revenue Agency (the “CRA”) and ascertained that 2396 had opened an RT0001 and RP0001 accounts but that no returns had ever been filed nor was there any outstanding balances owing. Since 2396 is engaged in GST exempt activities (which does not require GST registration) and does not appear to have had any employees, the Receiver has requested that the CRA close the RT0001 and RP0001 accounts.

Property Taxes

34. The Receiver conducted a search at the City of Edmonton and ascertained that the outstanding property taxes owing on the Building, as of January 24, 2024, are \$24,636.

Secured Creditors

35. The Receiver conducted a search at the Alberta Personal Property Registry and identified BMO as the only registered secured creditor over all of the present and after-acquired personal property of 2396. In addition, per a land title search attached as an exhibit to the Affidavit, a mortgage has been registered by BMO against the Building.

Unsecured Creditors

36. Since the Receiver has been unable to contact the Director to obtain 2396’s books and records, the Receiver is unable to determine if 2396 has any unsecured creditors.

SALE OF THE BUILDING

37. It is the Receiver’s intention to sell the Building, in the absence of the Director, with the approval of this Court.

38. In an effort to administer this receivership in a timely manner, the Receiver took initial steps to solicit listing proposals to sell the Building from the following realtors with whom the Receiver had previous experience:
- a) Avison Young;
 - b) NAI Commercial Real Estate Inc.;
 - c) Cushman & Wakefield Edmonton;
 - d) CBRE; and,
 - e) Colliers.
39. The Receiver received listing proposals from Cushman & Wakefield Edmonton and Colliers. After careful consideration, the proposal from Colliers was the most reasonable and the Receiver proceeded to enter into a six-month listing agreement with Colliers to sell the Building. The Receiver does not propose to disclose the contents of the listing agreement until after a sale of the Building has been concluded, although a copy will be made available for the Court's consideration.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

40. Attached as **Exhibit 3** to this report is a copy of the Receiver's Statement of Receipts and Disbursements up to and including February 9, 2024.

RECOMMENDATION

41. Based on the matters outlined in this report, the Receiver respectfully requests that this Honorable Court grant an order that:
- a) approves the Receiver's actions to date, as outlined in this report;
 - b) approves the Receiver's Statement of Receipts and Disbursements; and
 - c) provides such further relief that the Court considers just and warranted in the circumstances.

INTENDED COURSE OF ACTION

42. If an order is granted, the Receiver's intended course of action is to:
- a) sell the Building for sale with Colliers;
 - b) distribute the net sale proceeds to the proven creditors of 2396, as required; and,
 - c) complete the administration of this receivership, leading to an application for discharge.

Respectfully submitted this 9th day of February 2024.

BDO Canada Limited
In its capacity as Receiver of
2396610 Alberta Inc.
and not in its Personal Capacity

Per:



David Lewis, CPA, CIRP, LIT
Senior Vice President

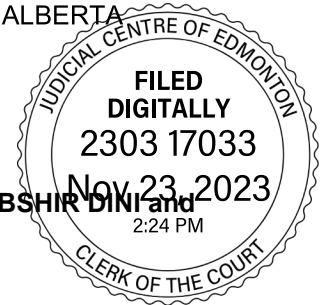
EXHIBIT 1

**To the Receiver's First Report to Court
Dated February 7, 2024**

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of the
document digitally filed on Nov 23, 2023

Clerk's Stamp:

COURT FILE NUMBER 2303 17033
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF **BANK OF MONTREAL**
DEFENDANTS **2396610 ALBERTA INC., ALI ABSHIR DINI and**
DOCUMENT **ADEN SHIRE ALI**
RECEIVERSHIP ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
2500 Stantec Tower
10220 – 103 Avenue
Edmonton, Alberta T5J 0K4
Ph. (780) 423-7284 Fx. (780) 423-7276
Attention: Dean A. Hitesman
File No.: 126233-2265



DATE ON WHICH ORDER WAS PRONOUNCED:	November 20, 2023
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton
NAME OF JUSTICE WHO MADE THIS ORDER:	The Honourable Justice M.E. Burns

UPON the application of Bank of Montreal ("**BMO**" or the "**Plaintiff**") in respect of 2396610 Alberta Inc. (the "**Debtor**"); AND UPON having read the Application and supporting Affidavit of Wade Plawucki, filed; AND UPON reading the consent of BDO Canada Limited to act as receiver and manager (the "**Receiver**") of the Property (as defined below) of the Debtor, filed; AND UPON having read written submissions and having heard oral submissions from counsel for the Plaintiff and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), section 13(2) of the *Judicature Act*, RSA 2000, c J-2, section 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7 ("**PPSA**"), and section 49 of the *Law of Property Act*, RSA 2000, c L-7, BDO Canada Limited is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly

empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver's ability:
 - (i) to abandon, dispose of, or otherwise release any interest in any of the Debtor's real or personal property, or any right in any immovable; and
 - (ii) upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize

the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

- (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;
- (l) to sell, convey, transfer, lease, or assign the Property in the ordinary course of business without the approval of this Honourable Court and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *PPSA* shall not be required;

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) with the prior approval of the Court, to assign the Debtor into bankruptcy; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 9; and (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province. Nothing within this Order shall limit or stay the right of the Plaintiff to continue Proceedings against the individual Defendants in this action.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, [that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the *BIA*), and further provided that nothing in this Order shall:
- (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtor where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the *BIA*) from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *BIA*, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*, SC 2005, c 47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of

such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
 - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain

full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the *BIA*.

RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000.00 as security for their professional fees and disbursements, incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), 81.6(2) and 88 of the *BIA*.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the *BIA*.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. The requirement of the Plaintiff and the Debtor to engage in a dispute resolution process is dispensed with.
31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
33. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

35. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.bdo.ca/en-ca/extranets/2396610AB> and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and

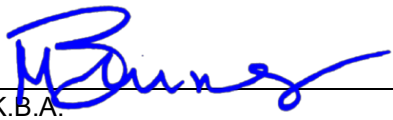
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

36. Service of this Order shall be deemed good and sufficient by:

- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
- (b) posting a copy of this Order on the Receiver's Website;

and service on any other person is hereby dispensed with.

37. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



J.C.K.B.A.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the interim receiver and receiver and manager (the "**Receiver**") all of the assets, undertakings and properties of 2396610 Alberta Inc., appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 20th day of November, 2023 (the "**Order**") made in Action 2303 17033, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded _____ after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2023.

BDO Canada Limited, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Name: _____

Title: _____

EXHIBIT 2

**To the Receiver's First Report to Court
Dated February 7, 2024**

District of: Alberta
Division No.: 01 - Edmonton
Court No.: 2203 17033
Estate No.:

NOTICE OF RECEIVER AND STATEMENT OF THE RECEIVER
(Subsections 245(1) and 246(1))

IN THE MATTER OF THE RECEIVERSHIP OF
2396610 ALBERTA INC.

The Receiver gives notices and declares that:

1. On the 20th day of November 2023, we, BDO Canada Limited, was appointed receiver (“Receiver”) in respect of the property of 2396610 Alberta Inc. (the “Company” or “239”). as of the date of this notice the only asset knowing to the Receiver is real property listed below. Based on a property tax assessment from the City of Edmonton dated August 31, 2023, the value of the property is \$1,029,500.
2. The undersigned became a Receiver in respect of the property described above by virtue of being appointed by the Court of King’s Bench of Alberta (the “Court”) pursuant to an Order of the Court Action No. 2203 17033 (the “Order”) granted on November 20, 2023, by the Honorable Associate Chief Mr. Justice M.E. Burns of the Court of King’s Bench of Alberta. A copy of the Order is available by contacting the undersigned or by visiting the undersigned’s website at: <https://www.bdo.ca/en-ca/extranets/2396610AB>
3. The undersigned has made attempts to contact the directors of the property to arrange a time take possession or control of the property. On November 24, 2023, the Receiver attended at the property and took possession. The books and records of the Company have been requested via a letter sent to the director of 239.
4. The following information relates to the receivership:

- (a) Addresses: (business address):

10734 108 Street NW
Edmonton, AB T5H 3A5

- (b) Estimated amount owed to each creditor who holds a registered security interest on the property described above:

Creditor	Description of Security	Amount Owed
Bank of Montreal	Mortgage & General Security Agreement	\$967,753

- (c) The list of other known creditor(s) and the amount owing is summarized in the table below.

Creditor Name	Amount owing
Canada Revenue Agency	\$1
Minister of Finance - Alberta	1
City of Edmonton	<u>22,732</u>
Total	<u>\$22,734</u>

(d) At this time, the intended plan of action of the Receiver, to the extent that such a plan has been determined, is as follows:

- Hire a proper manager to collect rent, fill vacancies, and deal with tenants;
- Obtain an inspection of the property for any maintenance needed;
- Obtain appraisals of the assets; and
- Prepare a report to Court with respect to recommending the marketing and sale of the properties.

(e) Contact person for Receiver:

Daniel Pintaric
Tel: (780) 733-2389
Email: dpintaric@bdo.ca

or

Jacob Furneaux
Tel: (780) 669-7388
Email: jfurneaux@bdo.ca

Dated at the City of Edmonton in the Province of Alberta, this 29th day of November 2023.

BDO Canada Limited
Licensed Insolvency Trustees
In its Capacity as Court-Appointed Receiver of
2396610 Alberta Inc. and not in its personal capacity
Per:



David Lewis, CA, CPA, CIRP, LIT
920, 10130 103 Street NW
Edmonton, AB T5J 3N9
Phone: (780) 424-3434 Fax: (780) 424-3222

EXHIBIT 3

**To the Receiver's First Report to Court
Dated February 7, 2024**

BDO Canada Limited
Statement of Receipts and Disbursements For
2396610 Alberta Ltd.
For the period of November 20, 2023 to February 7, 2024

Receipts

Receiver's certificate	\$	50,000
Rent		6,672
Revenue from laundry machines		367
Interest income		-
		<hr/> 57,039

Disbursements

Insurance	\$	7,189
Repairs and maintenance		6,920
Site clean up		3,750
Appraisal		3,186
Change of locks		2,522
Utilities		1,243
Property management		755
GST paid		688
Official receiver fee		75
		<hr/> 26,328

Funds held in trust	<hr/> <hr/>	<hr/> <hr/> \$ 30,712
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