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**COURT**

COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE OF**

CALGARY

**APPLICANT:**

GURPREET LAIL-DHALIWAL AND JASPREET LAIL

COM  
May 20 2022

**RESPONDENT(S):**

MURAD TEJPAN and MAHMOOD TEJPAN

**DOCUMENT**

**FIRST REPORT OF ALVAREZ & MARSAL CANADA  
INC., IN ITS CAPACITY AS REFEREE**

**May 5, 2022**

**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
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File 99766/18

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## INTRODUCTION

1. On November 19, 2021, the Court of Queen's Bench of Alberta (the "**Court**") granted an order (the "**Referee Order**") in this action made effective at 12:00 pm on November 26, 2021. The Referee Order appointed Alvarez & Marsal Canada Inc. as referee (the "**Referee**"), pursuant to section 218(c) of the *Business Corporations Act*, RSA 2000 B-9 (the "**ABCA**") and Rules 6.44 to 6.46 of the *Alberta Rules of Court*, Alta Reg 124/2010 (the "**Rules**") without security, of all of 1178929 Alberta Ltd.'s ("**117AB**" or the "**Debtor**") current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**").
2. The Referee Order empowers and authorizes, but does not obligate, the Referee to, among other things:
  - a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - b) 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;
  - c) run a claims process to be designed and executed by the Referee; and
  - d) make any determination required to verify a claim and to determine the distribution, if any, to a creditor for its proportionate share of the Property.

## PURPOSE OF THE REPORT

3. The purpose of this first report of the Referee (the "**Report**") is to provide this Honourable Court with information in respect of the following matters:
  - a) the activities of the Referee since its appointment;
  - b) the Referee's design, execution and results of the claims process (the "**Claims Process**");
  - c) the Referee's final statement of receipts and disbursements to April 30, 2022;

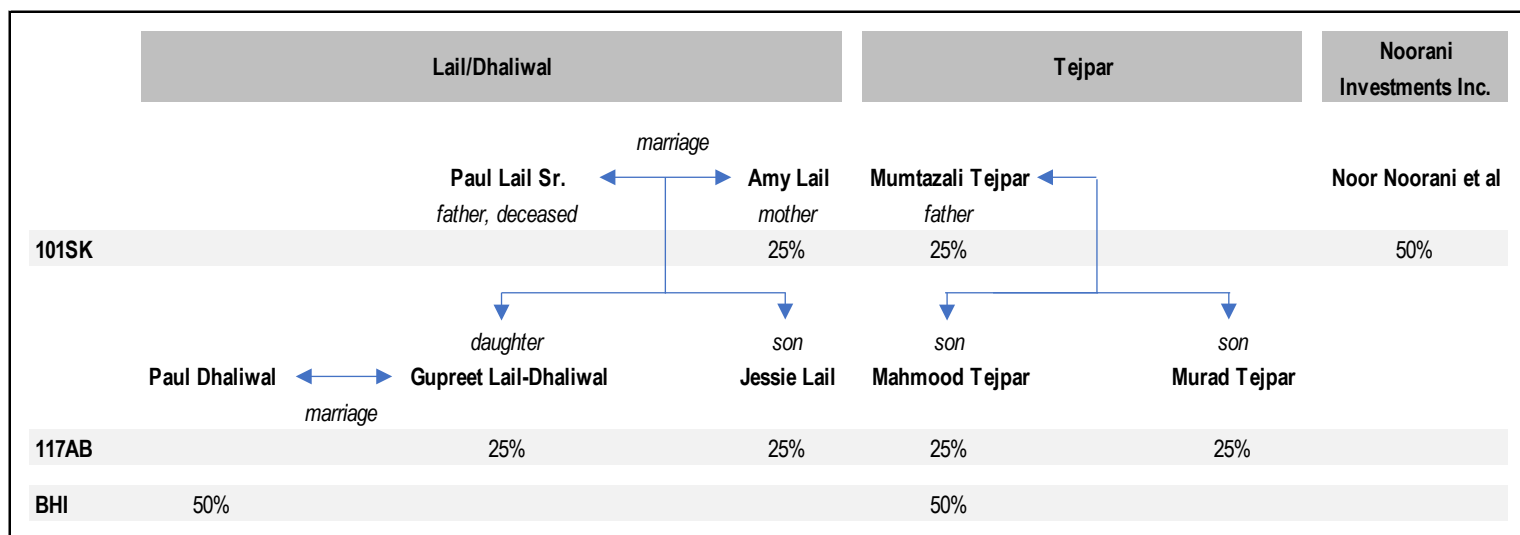
- d) the Referee's determination and proposal for a distribution to creditors of the Debtor (the "**Proposed Distribution**");
  - e) the Referee's request for approval of its actions, activities and conduct;
  - f) the Referee's request for approval of its fees and disbursements and those of the Referee's independent counsel, Blake, Cassels & Graydon LLP (the "**Referee's Counsel**");
  - g) the Referee's request for discharge; and
  - h) the Referee's observations and recommendations with respect to the above.
4. Unless otherwise set forth herein, capitalized words or terms not defined or ascribed a meaning in this Report are as defined or ascribed the meaning set out in the Referee Order.
5. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE AND DISCLAIMER**

6. In preparing this Report, the Referee has relied upon: (i) the representations of certain management and other key stakeholders of 117AB; and (ii) financial and other information contained in the Debtor's books and records, which were produced and maintained principally by the Debtor.
7. While the Referee has reviewed certain financial information in respect of the Debtor for reasonableness, the Referee has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Debtor's financial information that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Referee expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Future oriented financial information relied upon in this Report is based on the Referee's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

## BACKGROUND

8. The Debtor was incorporated on June 27, 2005 for the purposes of purchasing land for development. A related party, Bellagio Homes Inc. (“**BHI**”) was incorporated on July 12, 2007, to carry out the construction of housing developments on the acquired land.
9. The Debtor advanced funds to 101103086 Saskatchewan Ltd. (“**101SK**”) to purchase land in Saskatchewan in May 2007, for development by the Debtor.
10. The parties who have been involved in this matter and who have submitted claims against the Debtor against the Property are as follows:
  - a) Mahmood Tejpar;
  - b) Murad Tejpar;
  - c) Mumtazali Tejpar;
  - d) Gurpreet Lail-Dhaliwal;
  - e) Pawan (Paul) Dhaliwal;
  - f) Jaspreet (Jessie) Lail;
  - g) Amarjit (Amy) Lail;
  - h) the Estate of Harpal (Paul) Lail;
  - i) Noorani Investments Inc.;
  - j) Karim Kaba; and
  - k) Salim Lalani.
11. The ownership of 117AB, BHI and 101SK, is demonstrated in the following table, along with the relevant relationships of the owners.



12. Further background regarding the Debtor and its financial circumstances is contained in the materials filed in respect of the Referee Order. These documents and other relevant information, including all publicly available information pertaining to the Referee Proceedings, have been posted on the Referee's website at [www.alvarezandmarsal.com/117AB](http://www.alvarezandmarsal.com/117AB).

#### ACTIVITIES OF THE REFEREE UPON APPOINTMENT

13. The Referee's activities with respect to the Debtor have included, but are not limited to, the following:
- collecting the remaining proceeds from the sale of 20 Acres and Morgan's Rise (as defined below);
  - collecting the remaining cash in possession of the Debtor;
  - reviewing the books and records of the Debtor to determine the completeness of the creditor listing;
  - designing the Claims Process, which included canvassing all known creditors for their input in the design, as described further below;
  - advertising the details of the Claims Process in the Calgary Herald on December 20, 2021;
  - implementing the Claims Process, as described further below;

- g) responding to enquiries and communicating with creditors on the status and findings of the Referee with respect to the Claims Process; and
  - h) updating the Referee's final statement of receipts and disbursements.
- 14. Upon appointment, the Referee contacted Cameron Hone LLP to collect the remaining proceeds from the sales of certain Property formerly owned by the Debtor being:
  - a) 34165 Township Road 240A ("**20 Acres**") in the amount of \$268,098.92; and
  - b) 204 Morgan's Way ("**Morgan's Rise**") in the amount of \$239,925.90.
- 15. The Referee contacted ConnectFirst Credit Union and collected the remaining cash in the open accounts of the Debtor in the amount of \$8,189.49.
- 16. The Referee undertook a review of the books and records of 117AB for counterparties who had previous transactions with 117AB and compiled a list of potential creditors in order to mail to those parties the details of the Claims Process.

## CLAIMS PROCESS

- 17. A copy of the Claims Process is attached as Appendix 'A'. Any capitalized words or terms not defined or ascribed a meaning in this section are as defined or ascribed the meaning set out in the Claims Process.

### Design & Notice

- 18. The Claims Process was designed by the Referee and the Referee's Counsel to solicit Claims against the Debtor for the purpose of determining Claimant's entitlement to a distribution from the Property or its proceeds. The design, including the forms and notice periods, were based off claims processes typically utilized and applied in insolvency proceedings that this Court is familiar with.
- 19. The Claims Process was provided to all known potential Claimants or their counsel in draft form on December 8, 2021, for comment.

20. The Referee incorporated applicable comments received from various potential Claimants and their counsel.
21. Based on the review of the books and records of the Debtor, the Claims Process was distributed to 55 potential creditors on December 20, 2021. Also on December 20, 2021, the Referee advertised the details of the Claims Process in the Calgary Herald.
22. Outside of the known Claimants present or represented at the application for the Referee Order, no other party filed a proof of claim with the Referee.

#### Execution

23. Any potential Claimant that intended to assert a Claim was to file a Proof of Claim with the Referee on or before 5:00 p.m. (Mountain Time) on January 31, 2022 (the "**Claims Submission Deadline**"), unless accepted by the Referee in writing thereafter.
24. The Referee received Claims from nine creditors of the Debtor. The Referee reviewed each of the Claims and the support provided. The Referee made enquiries and requests for further documentation and support for all or a portion of the Claims of some Claimants, which, if so provided, was reviewed and considered by the Referee.
25. The financial information reviewed covered the time period from May 2005 through November 2021. Given the age and state of the financial information provided, the Referee, assessed all financial information in respect of the Claims to the best of its availability, balancing the economic feasibility and the reasonability of the Claims submitted for the Referee's review.

#### Results

26. The Referee sent notice of their initial findings ("**Notice to Claimants – Initial Findings**") to each of the Claimants on March 16, 2022.
27. A copy of the Notice to Claimants – Initial Findings is attached as Appendix 'B'.



28. Based on the records and financial information reviewed and provided to date, the Referee proposed to revise the Claims submitted to the amounts as set out below. This has resulted in the proposed distribution percentages (the “**Proposed Percentages**”) to be allocated *pro rata* from the Property remaining in the Debtor's estate as follows:

1178929 Alberta Ltd. Summary of Claimants & Claims <i>unaudited, CAD</i>		
Claimants	Proposed Revision	Pro Rata Percentage
Mahmood & Murad Tejpar	831,559.22	47.41963%
Gurpreet Lail	171,438.20	9.77626%
Jaspri (Jessie) Lail	65,270.88	3.72207%
Amarjit (Amy) Lail	29,857.72	1.70264%
Estate of Harpal (Paul) Lail	12,562.58	0.71638%
Bellagio Homes Inc.	241,428.57	13.76746%
Noorani Investments Inc.	201,091.85	11.46726%
Karim Kaba	99,736.57	5.68747%
Salim Lalani	100,672.43	5.74084%
	<b>1,753,618.02</b>	<b>100.00000%</b>

### Barring of Claims

29. As noted above, the Referee distributed the Claims Process to all known potential Claimants as set out in the Debtor's books and records.
30. The Referee also advertised the details of the Claims Process in the Calgary Herald.
31. Paragraph 15 of the Claims Process provided that Claimants that do not file a Proof of Claim before the Claims Submission Deadline will be recommended to have any such Claim they may have forever barred, estopped and extinguished.
32. In accordance with the Claims Process, the Referee is recommending an Order to forever bar, estop and enjoin any other claim outside of those considered in the Proposed Percentages from asserting or enforcing any such Claim against the Debtor, and that such Claimant not to be permitted to participate in any distribution of proceeds from the estate of the Debtor.

### Allegations Against Directors

33. In certain actions before this Court, including this action, the Referee has been made aware of allegations made against the Directors of the Debtor as it relates to, among other things, their fiduciary duties.
34. The Referee has reviewed the Claims and determined there were indeed management fees, consulting fees and commissions paid to the Directors and other related parties of the Debtor. However, based on the records provided, the Referee was unable to determine that any of these management fees, consulting fees or commissions were outside the normal course of business or were otherwise improper.
35. The Referee is aware that Noorani Investments Inc., Karim Kaba and Salim Lalani (the "**Third Party Investors**") allege that they were advised that they were only stakeholders in the 20 Acres property.
36. While the Referee does not have any direct knowledge of the representations made to the Third Party Investors when the 20 Acres property was purchased, the funds were provided to the Debtor, not to a separate special purpose entity for the 20 Acres property.
37. The Referee has accepted the Third Party Investors' Claims as against 117AB in the Claims Process. No records were provided to the Referee from the Third Party Investors to support the Third Party Investors having any priority Claims in the 20 Acres property or its proceeds of sale.
38. The Referee is aware that many affidavits have been filed with respect to the Debtor (within these proceedings and other Court proceedings) and that there is conflicting evidence from the Third Party Investors and the Directors. The Referee is not in a position to assess any actions or claims the Third Party Investors may have against the Directors personally, nor does the Referee have the authority under the Referee Order to do so, as such actions do not pertain to Claims against the Property or its proceeds.

## Costs

39. In performing its duties as Referee, the Referee has no reason to recommend an allocation of its costs (including professional fees) incurred in any manner other than on a *pro rata* basis to the Claimants.

## **FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS**

40. The Referee's final statement of receipts and disbursements incurred to May 5, 2022 (the "**Final R&D**") is outlined below.

1178929 Alberta Ltd.				
Statement of Receipts & Disbursements				
	for the	November 19, 2021	May 6, 2022 to	
\$CAD	period from	to May 5, 2022	Discharge	Total
Receipts				
Remaining Proceeds from sale of:				
34165 Township Road 240A ("20 Acres")		268,098.92	-	268,098.92
204 Morgan's Way ("Morgan's Rise")		239,925.90	-	239,925.90
Cash, ConnectFirst		8,189.49	-	8,189.49
Interest		72.15	-	72.15
Total Receipts		516,286.46	-	516,286.46
Disbursements				
			Estimates	
Referee - Fees and expenses		65,252.24	10,500.00	75,752.24
Referee - Counsel's fees and expenses		27,647.20	5,250.00	32,897.20
Other Disbursements		55.00	-	55.00
Total Disbursements		92,954.44	15,750.00	108,704.44
Opening Cash		-	423,332.02	-
Net Cash Flow		423,332.02	(15,750.00)	407,582.02
Closing Cash		423,332.02	407,582.02	407,582.02

41. Receipts collected were \$516,286.46, which primarily related to:
- a) the collection of remaining proceeds from 20 Acres in the amount of \$268,098.92 and from Morgan's Rise in the amount of \$239,925.90; and
  - b) the collection of remaining cash from ConnectFirst Credit Union in the amount of \$8,189.49.

42. Disbursements paid as at the date of this Report are \$92,954.44, which primarily relate to professional fees and costs incurred by the Referee and the Referee's Counsel for the billing period through April 30, 2022.
43. Total available cash on hand with the Referee as at May 5, 2022 is \$423,332.02.

## **PROPOSED DISTRIBUTIONS**

44. The Referee anticipates making two distributions being: (i) a distribution of the cash on hand, less the Holdback (defined below); and (ii) a distribution of the 101SK Receivable (defined below).
45. The Referee anticipates that it will require approximately \$15,750.00 (the "**Holdback**") to conclude its mandate if the application is granted. The Holdback would be used for bringing this application, costs required for making distributions, attending to any final outstanding Claimant matters, paying professional fees and expenses, and other administration items until the Referee's discharge. As provided in the Notice to Claimants – Initial Findings, the actual fees and expenses of the Referee may vary from the Referee's estimates depending on what additional steps may be required from the Referee, including with respect to collecting the 101SK Receivable.
46. For the first distribution, the Referee estimates it will have approximately \$407,582.02 available for distribution from the cash on hand, after the Holdback (the "**Cash Distribution**"). The Referee intends to make the Cash Distribution to the Claimants based on the Claimant's *pro rata* share of their respective Proposed Percentages (the "**Proposed Cash Distribution**").
47. The Referee understands that there is a receivable from 101SK in the amount of \$163,522.74 (the "**101SK Receivable**").
48. For the second distribution, the Referee understands the 101SK Property was recently sold, and funds in the 101SK Receivable is currently held in trust with a lawyer in Saskatchewan and will be transferred to the Referee for distribution.

49. Upon collecting the 101SK Receivable, the Referee intends to make a cash distribution of the remaining amounts of the 101SK Receivable to the Claimants based on the Claimant's *pro rata* share of their respective Proposed Percentages (the “**Proposed 101SK Distribution**”).
50. Any balance of funds held by the Referee from the Holdback will be distributed to the Claimants in conjunction with the Proposed 101SK Distribution.

#### **APPROVAL OF PROFESSIONAL FEES AND EXPENSES**

51. The Referee seeks approval from this Honourable Court of the respective professional fees and disbursements of the Referee and the Referee's Counsel for the period from July 22, 2021 to April 30, 2022 (the “**Final Taxation Period**”), pursuant to paragraph 17 of the Referee Order.
52. Professional fees and disbursements of the Referee during the Final Taxation Period total \$62,144.99 (excluding GST). Professional fees and disbursements of the Referee’s Counsel during the Final Taxation Period total \$26,330.75 (excluding GST). A summary of the professional fees and disbursements of the Referee and the Referee’s Counsel is attached as Appendix ‘C’. Copies of the detailed invoices of the Referee and the Referee's Counsel will be made available to the Court at its request of the Court.
53. The Referee notes that its professional fees and disbursements and those of the Referee's Counsel are below the amounts secured by the Referee's Charge in the Referee Order.
54. The Referee respectfully submits that its professional fees and disbursements and those of the Referee’s Counsel are fair and reasonable in the circumstances and respectfully requests that this Honourable Court approve the professional fees and disbursements of the Referee and the Referee’s Counsel.
55. The Referee and its legal counsel anticipate rendering invoices for their respective fees and disbursements for services rendered from May 1, 2022 to the date of discharge up to the amount of the Holdback.

56. The fees of the Referee and the Referee's Counsel are estimated to be approximately \$15,750.00 before GST (the “**Forecast Fees and Costs**”). The Referee respectfully requests that this Honourable Court approve the Forecast Fees and Costs for the Referee to have sufficient funds to conclude its mandate without the need for a further order of this Honourable Court.

### **REFEREE’S DISCHARGE**

57. Upon 30 days expiration of the making of this Order, the Referee intends to make the Proposed Cash Distribution.
58. Prior to completing its administration, the Referee intends to:
- a) collect the 101SK Receivable;
  - b) make the Proposed 101SK Distribution; and
  - c) pay the final invoices of the Referee and the Referee's Counsel.
59. Should collection of the 101SK Receivable occur in short order, the Referee will make the Proposed Cash Distribution and the Proposed 101SK Distribution as a single issuance, which will save on costs.
60. After the Referee has completed these activities outlined above, it intends to file a discharge certificate confirming its duties and responsibilities under the Referee Order and all other orders made in these proceedings are completed.

### **REFEREE’S RECOMMENDATIONS**

61. The Referee respectfully requests an order from this Honourable Court:
- a) barring any Claims against the Debtor that were not submitted in accordance with the Claims Process from participating in the Proposed Cash Distribution and Proposed 101SK Distribution;
  - b) approving the Proposed Cash Distribution and Proposed 101SK Distribution;
  - c) approving the Final R&D;

- d) approving the actions, activities and conduct of the Referee and the Referee's Counsel in these proceedings as set out in this Report;
- e) approving the fees and costs of the Referee and the Referee's Counsel for the Final Taxation Period and the Forecast Fees and Costs; and
- f) discharging the Referee upon the Referee filing a certificate with the Court confirming that the administration of the Referee's mandate has been completed in the manner identified in this Report.

All of which is respectfully submitted this 5<sup>th</sup> day of May, 2022.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Referee of  
1178929 Alberta Ltd. and  
not in its personal or corporate capacity**



Cassie Riglin, CPA, CA, CIRP, LIT  
Senior Vice President



Duncan MacRae, CPA, CA, CIRP, LIT  
Vice President

## APPENDIX A



**COURT FILE NUMBER** 2001 - 09142  
**COURT** COURT OF QUEEN'S BENCH OF ALBERTA  
**JUDICIAL CENTRE OF** CALGARY  
**APPLICANT:** GURPREET LAIL-DHALIWAL AND JASPREET LAIL  
**RESPONDENT(S):** MURAD TEJPAN and MAHMOOD TEJPAN

**DOCUMENT**

**CLAIMS PROCESS**

**December 15, 2021**

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File: 99766/18

On November 19, 2021, the Court of Queen's Bench of Alberta (the "**Court**"), granted an order (the "**Referee Order**") in this action made effective at 12:00 pm November 26, 2021, appointing Alvarez & Marsal Canada Inc. as referee (the "**Referee**") in respect of 1178929 Alberta Ltd. (the "**Debtor**"), pursuant to section 218(c) of the *Business Corporations Act*, RSA 2000 B-9 (the "**ABCA**") and Rules 6.44 to 6.46 of the *Alberta Rules of Court*, Alta Reg 124/2010 (the "**Rules**").

Pursuant to section 3(i) of the Referee Order, the Referee is authorized to design, run and execute a claims process (this "**Claims Process**").

This Claims Process has been designed by the Referee to solicit Claims (as defined below) against the Debtor for the purpose of determining Claimant's (as defined below) entitlement to a distribution from the Property.

## DEFINITIONS AND INTERPRETATION

1. Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Referee Order.
2. For the purposes of this Claims Process, the following terms shall have the following meanings:
  - (a) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Calgary, Alberta.
  - (b) **"Case Website"** means the URL <http://www.alvarezandmarsal.com/117AB> established by the Referee to post all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Referee, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
  - (c) **"Claim"** means any right or claim of any Person against the Debtor, howsoever arising, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Debtor in existence, and any interest accrued thereon or costs payable in respect thereof, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Referee Order and any other claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the date of the Referee Order, including for greater certainty any equity claim and any claim against the Debtor.
  - (d) **"Claimant"** means any Person having or asserting a Claim.
  - (e) **"Claims Package"** means the document package which shall be disseminated by the Referee to any potential Claimants in accordance with the terms of this Claims

Process and shall consist of a copy of the Notice to Claimants, the Proof of Claim, and such other materials as the Referee may consider appropriate.

- (f) **"Director"** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Debtor, in such capacity.
  - (g) **"Dispute Notice"** means the form substantially in the form attached as Schedule "E" hereto.
  - (h) **"Notice to Claimants"** means the notice for publication by the Referee substantially in the form attached as Schedule "A" hereto.
  - (i) **"Notice of Revision or Disallowance"** means the form substantially in the form attached as Schedule "D" hereto, advising a Person that the Referee has revised or disallowed all or part of its Proof of Claim and providing the reasons for the revision or disallowance.
  - (j) **"Officers"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Debtor.
  - (k) **"Person"** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity.
  - (l) **"Proof of Claim"** means the proof of claim referred to herein to be filed by Claimants in respect of Claims, substantially in the form attached as Schedule "B" hereto, which shall include all supporting documentation in respect of such Claim.
3. All references as to time herein shall mean local time in Calgary, Alberta, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein, and any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.

4. All references to the word "including" shall mean "including without limitation", all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

## **GENERAL PROVISIONS**

5. The Referee will use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder, including Proofs of Claim, are completed and executed and the time in which they are submitted, and may, where the Referee is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Process, including in respect of the completion, execution and time of delivery of such forms.

## **REFEREE'S ROLE**

6. In addition to its prescribed rights, duties, responsibilities and obligations under the Referee Order and any other orders of the Court in these proceedings, the Referee will implement the Claims Process set out herein and take such other actions and fulfill such other roles as are incidental thereto.
7. The Referee (i) shall have all of the protections given to it by the Referee Order and any other orders of the Court in these proceedings, as an officer of the Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of the Claims Process, other than in respect of its gross negligence or wilful misconduct; (iii) shall be entitled to rely on the books and records of the Debtor and any information provided by the Debtor, its Directors, Officers and shareholders, and the Claimants, all without independent investigation; (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and (v) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to the Referee Order and this Claims Process from the Debtor, its Directors, Officers and shareholders, and the Claimants, including, without limitation, making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Process.
8. The Debtor and its current and former shareholders, Officers, Directors, employees, agents and representatives shall fully cooperate with the Referee in the exercise of its powers and discharge of its duties and obligations under the Referee Order and this Claims Process.

## NOTICE TO CLAIMANTS

9. As soon as practicable after receiving the books and records of the Debtor, the Referee will cause a Claims Package to be sent to:
  - (a) each party that appeared at the hearing for the Referee Order or has requested a Claims Package; and
  - (b) all known potential Claimants, as evidenced by the books and records of the Debtor at their respective last known addresses as recorded in the Debtor's books and records.
10. As soon as practicable after receiving the books and records of the Debtor, the Referee will publish a notice of the Claims Process in the Calgary Herald. The Newspaper Advertisement will be substantially in the form attached as Schedule "C" hereto.
11. As soon as practicable after receiving the books and records of the Debtor, the Referee will cause the Claims Package to be posted to the Case Website.
12. To the extent any Claimant requests documents or information relating to this Claims Process, or the Debtor or the Referee become aware of any further Claims, the Referee shall forthwith send such Claimant a Claims Package, direct such Claimant to the documents posted on the Case Website, or otherwise respond to the request for documents or information as the Referee may consider appropriate in the circumstances.
13. The Referee may, from time to time, make minor non-substantive changes to the Claims Package forms as the Referee, in its sole discretion, may consider necessary or desirable.

## FILING OF PROOFS OF CLAIMS

14. Any Claimant that intends to assert a Claim shall file a Proof of Claim with the Referee on or before prior to 5:00 p.m. (Mountain Time) on January 31, 2022 (the "**Claims Submission Deadline**"). For the avoidance of doubt, a Proof of Claim must be filed by every Claimant in respect of every Claim, regardless of whether or not a legal proceeding in respect of such Claim has been previously commenced
15. Any Claimant that does not file a Proof of Claim so that such Proof of Claim is received by the Referee on or before the Claims Submission Deadline, or such later date as the Referee may agree to in writing or the Court may otherwise direct:

- (a) may not be entitled to receive further notice with respect to the Claims Process and related proceedings; and
- (b) will, in the Referee's Report (as defined below) to the Court, be recommended to have any Claim such Claimant may subsequently assert against the Debtor, be forever barred, estopped and enjoined from being asserted against the Debtor, and that any such Claim or Claims be forever extinguished.

## **ADJUDICATION OF CLAIMS**

- 16. The Referee shall review all Proofs of Claim received on or before the Claims Submission Deadline and shall accept, revise or disallow each Claim.
- 17. The Referee may consult and discuss any Proofs of Claim received as may be necessary with the respective Claimant and with the Debtor and its Officers, Directors and shareholders.
- 18. If the Referee disagrees with the amount, status, or priority of a Claim as set out in a Proof of Claim, the Referee will send a Notice of Revision or Disallowance to the Claimant.
- 19. In making a determination to issue a Notice of Revision or Disallowance, the Referee may engage such advisors, experts or other third parties, and consult with the respective Claimant and with the Debtor and its Officers, Directors and shareholders, to determine the validity, enforceability and value of a Claim.
- 20. Any Claimant that intends to dispute a Notice of Revision or Disallowance must deliver a Dispute Notice no later than 15 days from the date the Notice of Revision or Disallowance was received or such later date as the Referee may agree to in writing or as otherwise ordered by the Court.
- 21. If a Claimant does not deliver a Dispute Notice in accordance with the preceding paragraph, the Claim shall be deemed by the Referee as accepted at the amount set forth in the Notice of Revision or Disallowance.
- 22. The Referee may discuss any Dispute Notice with its advisors, the respective Claimant and with the Debtor and its Officers, Directors and shareholders.
- 23. The Referee may attempt to consensually resolve any Dispute Notice as the case may be with a Claimant. If same cannot be resolved, the Referee will advise as such in its report to

the Court and its reasons for the Referee's determination or recommendation as to the value and priority of such Claim for distribution purposes, as the case may be.

## **TRANSFER OF CLAIMS**

24. If, after the effective date of the Referee Order, the holder of a Claim transfers or assigns the whole or part of such Claim to another Person, the Referee shall not be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Referee in writing and thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Process prior to receipt and acknowledgement by the Referee of satisfactory evidence of such transfer or assignment.

## **REPORTING**

25. Upon completion of its investigation, the Referee will complete a report pursuant to section 6.46 of the *Rules* (the "**Referee's Report**").
26. The Referee's Report shall provide the Court with:
- (a) the Referee's views, findings, determinations and recommendations as to the validity, value and priority of Claims submitted for distribution purposes;
  - (b) the Referee's recommendation for an Order to forever bar, estop and enjoin any Claim filed after the Claims Submission Deadline (unless accepted by the Referee in writing) from asserting or enforcing any such Claim against the Debtor, and such Claimant not to be permitted to participate in any distribution of proceeds from the estate of the Debtor;
  - (c) the details of any unresolved Claims; and
  - (d) any views, findings and reasons the Referee may have formed on the apportionment of the costs (including professional fees) incurred for the completion of the Referee's duties pursuant to the Referee Order.

## **SERVICE AND NOTICE**

27. The Referee may serve and deliver or cause to be served and delivered the Claims Package, and any letters, notices or other documents to Claimants or any other interested Person by forwarding true copies thereof by ordinary mail, registered mail, courier, personal delivery, facsimile transmission or e-mail to such Persons or their counsel at the physical or electronic address, as applicable, last shown on the books and records of the Debtor or set out in such Claimant's Proof of Claim, if one has been filed with the Referee.
28. Any such service and delivery of documents in this Claims Process shall be deemed to have been received: (i) if sent by ordinary or registered mail, on the fifth Business Day after mailing within Canada, and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or e-mail by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.
29. Any notice or communication required to be provided or delivered by a Claimant to the Referee under this Claims Process shall be in writing in substantially the form, if any, provided for in this Claims Process and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or e-mail addressed to:

### TO THE REFEREE

#### **ALVAREZ & MARSAL CANADA INC.**

Bow Valley Square IV  
Suite 1110, 250 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 3H7  
Attention: Duncan MacRae

E-mail: [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)

30. If, during any period during which notices or other communications are being given pursuant to this Claims Process, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail or registered mail and then not received shall not, absent an order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or e-mail in accordance with this Claims Process.



## MISCELLANEOUS

31. The Referee may from time to time apply to the Court to extend the time for any action which the Referee is required to take if reasonably required to carry out its duties and obligations pursuant to this Claims Process and for advice and directions concerning the discharge of its powers and duties under the Referee Order.
32. Nothing in this Claims Process shall prejudice, limit, bar, extinguish or otherwise affect (i) any right or claim of any Person against any other Person other than the Debtor or otherwise, and (ii) any right or claim of the Debtor, or any other Person in response to such right or claim.

All of which is respectfully posted to the Case Website this 15<sup>th</sup> day of December, 2021.

**ALVAREZ & MARSAL CANADA INC.,**  
in its capacity as Referee of the Debtor and not in  
its personal or corporate capacity



Cassie Riglin, CPA, CA, CIRP, LIT  
Senior Vice President



Duncan MacRae, CPA, CA, CIRP, LIT  
Vice President

**SCHEDULE A**

**NOTICE TO CLAIMANTS**

**(Claims Process)**

On November 19, 2021, the Court of Queen's Bench of Alberta (the "**Court**"), granted an order in Action No. 2001-09142 (the "**Referee Order**") made effective at 12:00 pm November 26, 2021, appointing Alvarez & Marsal Canada Inc. as referee (the "**Referee**") in respect of 1178929 Alberta Ltd. (the "**Debtor**"), pursuant to section 218(c) of the *Business Corporations Act*, RSA 2000 B-9 and Rules 6.44 to 6.46 of the *Alberta Rules of Court*, Alta Reg 124/2010.

Pursuant to section 3(i) of the Referee Order, the Referee is authorized to design, run and execute the enclosed claims process (the "**Claims Process**") for the purpose of determining the Claims (as defined in the Claims Process) against the Debtor.

Any claimant having a Claim against the Debtor of any nature whatsoever, including an unsecured, secured, proprietary, contingent or unliquidated Claim is required to file, in the manner set out in this Notice to Claimants, a Proof of Claim in the prescribed form (which has been provided to you with this Notice to Claimants) with the Referee in order to participate in any distribution there may be of the estate of the Debtor.

A copy of the prescribed Proof of Claim form is enclosed and can also be obtained at <http://www.alvarezandmarsal.com/117AB>.

Any claimant who chooses to file a Proof of Claim is required to provide whatever documentation they may have to support their Claim against the Debtor, such as records of advances, contracts, invoices, bills of lading, and shipping receipts, in the appropriate currency under which their Claim arose.

**All Proof of Claim forms, together with the required supporting documentation, must be sent to Alvarez & Marsal Canada Inc. to the attention of Duncan MacRae by e-mail ([dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)), prepaid registered mail, or by courier to Bow Valley Square 4, Suite 1110, 250 6<sup>th</sup> Ave SW, Calgary, AB, T2P 3H7 on or before 5:00 pm Mountain Time on January 31, 2022 ("Claims Submission Deadline").**

**All Claims received by the Referee or, in the case of mailing, postmarked, after the Claims Submission Deadline may be rejected by the Referee.**

With respect to all Claims, the Referee will in turn provide to the claimant a notice in writing as to whether their Claim is accepted, revised or disallow, in whole or in part, and indicating the reason for pursuant to a Notice of Revision or Disallowance.

Where a claimant objects to a Notice of Revision or Disallowance, the claimant shall notify the Referee of its objection in writing (the "**Dispute Notice**") no later than 15 days from the date the Notice of Revision or Disallowance was received or such later date as the Referee may agree to in writing or as otherwise ordered by the Court.

The Referee will attempt to consensually resolve disputes with respect to any Claim. If the dispute cannot be resolved the Referee will advise as such in its report to the Court and its reasons for the Referee's determination or recommendation of the value and priority of such Claim for distribution purposes, as the case may be.

**A claimant that does not provide to the Referee a Dispute Notice to a Notice of Revision or Disallowance issued by the Referee may be deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.**

Dated at \_\_\_\_\_ (city), \_\_\_\_\_ (province), this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**ALVAREZ & MARSAL CANADA INC.**, in its  
capacity as Court-appointed Referee of the  
Debtor and not in its personal or corporate  
capacity

Per: \_\_\_\_\_

**SCHEDULE B**

**PROOF OF CLAIM**

**(Claims Process)**

*All notices or correspondence regarding this claim must be forwarded to the following address:*

**TO THE REFEREE**

**ALVAREZ & MARSAL CANADA INC.**

Bow Valley Square IV  
Suite 1110, 250 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 3H7  
Attention: Duncan MacRae

E-mail: [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)

In the matter of the Court-appointed referee proceedings of **1178929 Alberta Ltd.** of Calgary, Alberta and the claim of \_\_\_\_\_, claimant.

I, \_\_\_\_\_ (*name of claimant or representative of the claimant*), of \_\_\_\_\_ (*city and province*), do hereby certify:

1. That I am a claimant of the above-named debtor (or that I am \_\_\_\_\_) (*state position or title*) of \_\_\_\_\_ (*name of claimant or representative of the claimant*)).

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

3. That the debtor is indebted to the claimant in the sum of \$\_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (*The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.*)

4. Complete appropriate category:

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I do not hold any assets of the debtor as security; and

B. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security,  
particulars of which are as follows:

*(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents)*

Dated at \_\_\_\_\_ (city), \_\_\_\_\_ (province), this \_\_\_\_\_  
day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Claimant

Telephone No.:

\_\_\_\_\_

E-mail address:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

## CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the proof of claim form in a complete and accurate manner.

### General

- The **signature of a witness** is required.
- The document **must be signed** by the individual completing the declaration.
- **Provide the complete address** where all notices or correspondence are to be forwarded along with your phone number, mailing address and e-mail address.
- After completion, please submit your proof of claim to Alvarez & Marsal Canada Inc. either by registered mail, courier, or email, using the contact information provided below:
  - E-mail: [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)
  - Registered Mail/Courier: Suite 1110 250 6th Avenue SW, Calgary, AB, T2P 3H7
- A claimant who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.

### Paragraph (1)

- Claimant must state full and complete legal name of the individual, company or firm.
- If the individual completing the proof of claim is a representative of the claimant, the individual's position or title must be identified.

### Paragraph (3)

- The amount owing must be set out in paragraph 3.
- A **detailed statement of account** must be attached to the proof of claim and marked "Schedule A" and must show the date, number and amount of all the advances, invoices, charges, credits or payments. The amount on the statement of account must correspond to the amount indicated on the proof of claim.

### Paragraph (4)

- **Paragraph A** applies to the ordinary unsecured claims.
- **Paragraph B** applies to secured claims. Please indicate the dollar value of the security and attach copies of the security documents. In addition, please attach copies of the security registration, where appropriate.

**SCHEDULE C**

**NEWSPAPER ADVERTISEMENT**

**NOTICE TO CLAIMANTS OF 1178929 ALBERTA LTD.**

**NOTICE IS HEREBY GIVEN THAT**, pursuant to an order of the Court of Queen's Bench of Alberta effective November 26, 2021 (the "**Referee Order**"). Any person who believes that they have a claim against **1178929 Alberta Ltd.**, whether liquidated, contingent or otherwise, must send a Proof of Claim to the Referee to be received **by 5:00 p.m. (Mountain Time) on January 31, 2022 (the "Claims Submission Deadline")**.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS SUBMISSION DEADLINE MAY BE DISALLOWED AND ANY SUCH CLAIMANT MAY NOT BE ENTITLED TO A DISTRIBUTION OF 1178929 ALBERTA LTD.'S ESTATE.

For further details regarding the claims process being run in respect of 1178929 Alberta Ltd., a copy the Referee Order and the respective Proof of Claim package, please visit <http://www.alvarezandmarsal.com/117AB>.

**SCHEDULE D**  
**NOTICE OF REVISION OR DISALLOWANCE**  
**(Claims Process)**

Claim Reference Number:

\_\_\_\_\_

Name of Claimant:

\_\_\_\_\_

Capitalized terms not otherwise defined in this Notice of Revision or Disallowance have the meaning ascribed to them in the Claims Process. All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to the Referee Order, Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Referee of 1178929 Alberta Ltd., and not in its personal or corporate capacity, hereby gives you notice that it has reviewed your Proof of Claim and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Referee Order, your Claim will be allowed as follows:

	Amount Per Proof of Claim	Amount Allowed by Referee
Unsecured Claim	_____	_____
Secured Claim	_____	_____

REASON(S) FOR THE REVISION OR DISALLOWANCE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## **SERVICE OF DISPUTE NOTICES**

If you intend to dispute this Notice of Revision or Disallowance, you must within **fifteen (15) days from the date you received (or are deemed to have received) this Notice of Revision or Disallowance** deliver to the Referee a Dispute Notice (in the form enclosed) either by prepaid registered mail, courier or electronic mail to the address below.

### TO THE REFEREE

#### **ALVAREZ & MARSAL CANADA INC.**

Bow Valley Square IV  
Suite 1110, 250 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 3H7  
Attention: Duncan MacRae  
E-mail: [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)

**IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN FIFTEEN (15) DAYS OF THE DATE YOU RECEIVED (OR ARE DEEMED TO HAVE RECEIVED) THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.**

Dated at \_\_\_\_\_ (city), \_\_\_\_\_ (province), this \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_\_.

**ALVAREZ & MARSAL CANADA INC.,** in its  
capacity as Court-appointed Referee of the  
Debtor and not in its personal or corporate  
capacity

Per: \_\_\_\_\_

**SCHEDULE E**  
**DISPUTE NOTICE**  
**(Claims Process)**

Claim Reference Number:

\_\_\_\_\_

Particulars of Claimant:

*Full Legal Name of Claimant (include trade name, if different):*

\_\_\_\_\_ (the "Claimant").

*Full Mailing Address of the Claimant:*

\_\_\_\_\_

*Other Contact Information of the Claimant:*

Telephone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

2. Particulars of original Claimant from whom you acquired the Claim, if applicable:

*Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.*

Yes: ☐ No: ☐

*Full Legal Name of original Claimant(s):* \_\_\_\_\_

3. Dispute of Revision or Disallowance of Claim :

The Claimant hereby disagrees with the value or priority of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Per Referee	Amount Claimed by Claimant
Unsecured Claim	_____	_____
Secured Claim	_____	_____

REASON(S) FOR THE DISPUTE (*You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.*):

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## SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within fifteen (15) days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Referee this Dispute Notice either by prepaid registered mail, courier, or electronic mail to the following address. Dispute Notices shall be deemed to be received in accordance with the timelines set out in the Claims Process.

### TO THE REFEREE

#### **ALVAREZ & MARSAL CANADA INC.**

Bow Valley Square IV

Suite 1110, 250 6<sup>th</sup> Avenue SW

Calgary, AB T2P 3H7

Attention: Duncan MacRae

E-mail: [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)

Dated at \_\_\_\_\_ (city), \_\_\_\_\_ (province), this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Claimant

## **APPENDIX B**



## **NOTICE TO CLAIMANTS**

### **(Claims Process Initial Findings)**

On November 19, 2021, the Court of Queen's Bench of Alberta (the "**Court**") granted an order in Action No. 2001-09142 (the "**Referee Order**") made effective at 12:00 pm November 26, 2021. The Referee Order appointed Alvarez & Marsal Canada Inc. as referee (the "**Referee**") in respect of 1178929 Alberta Ltd. (the "**Debtor**"), pursuant to section 218(c) of the *Business Corporations Act*, RSA 2000 B-9 and Rules 6.44 to 6.46 of the *Alberta Rules of Court*, Alta Reg 124/2010.

Pursuant to section 3(i) of the Referee Order, the Referee, in consultation with the known Claimants, designed and ran a claims process (the "**Claims Process**") for the purpose of determining the validity of Claims against the Debtor. With respect to all Claims, in an effort to reduce costs, the Referee has yet to provide to the Claimants formal notice in writing as to whether their Claim is accepted, revised or disallow, in whole or in part, and indicating the reasons pursuant to a Notice of Revision or Disallowance.

### **Interpretation**

Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Claims Process or Referee Order.

### **Disclaimer**

In preparing this Notice to Claimants (Claims Process Initial Findings) (the "**Initial Findings Notice**"), the Referee has relied upon the financial and other information contained in the Debtor's books and records, which were produced and maintained principally by the Directors of the Debtor.

While the Referee has reviewed certain financial information in respect of the Debtor for reasonableness, the Referee has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Debtor's financial information that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook. Accordingly, the Referee expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Future oriented financial information relied upon in this notice is based on the Referee's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

## Receipts & Disbursements

The receipts of the estate include the remaining proceeds of sale of 20 Acres and Morgan's Rise, each as defined in the chart below, as well as cash in the Debtor's ConnectFirst bank account.

1178929 Alberta Ltd.						Table 1
Statement of Receipts & Disbursements						
unaudited, CAD						
\$CAD	for the period from	November 19, 2021 to	Consensual Resolution		No Consensual Resolution	
		February 28, 2022	March 1, 2022 to Discharge	Total	March 1, 2022 to Discharge	Total
<b>Receipts</b>						
Remaining Proceeds from sale of:						
	34165 Township Road 240A ("20 Acres")	268,098.92	-	268,098.92	-	268,098.92
	204 Morgan's Way ("Morgan's Rise")	239,925.90	-	239,925.90	-	239,925.90
	Cash, ConnectFirst	8,189.49	-	8,189.49	-	8,189.49
<b>Total Receipts</b>		<b>516,214.31</b>	<b>-</b>	<b>516,214.31</b>	<b>-</b>	<b>516,214.31</b>
<b>Disbursements</b>						
		<i>Estimates</i>		<i>Estimates</i>		
	Referee - Fees and expenses	54,517.04	10,000.00	64,517.04	40,000.00	94,517.04
	Referee - Counsel's fees and expenses	14,026.60	5,000.00	19,026.60	20,000.00	34,026.60
	Other Disbursements	55.00	-	55.00	-	55.00
<b>Total Disbursements</b>		<b>68,598.64</b>	<b>15,000.00</b>	<b>83,598.64</b>	<b>60,000.00</b>	<b>128,598.64</b>
<b>Opening Cash</b>		-	447,615.67	-	447,615.67	-
<b>Net Cash Flow</b>		447,615.67	(15,000.00)	432,615.67	(60,000.00)	387,615.67
<b>Closing Cash</b>		<b>447,615.67</b>	<b>432,615.67</b>	<b>432,615.67</b>	<b>387,615.67</b>	<b>387,615.67</b>

The disbursements of the estate include the fees and expenses of the Referee and their independent legal counsel incurred to date, as well as an estimate of the fees for the Referee to complete its appointment. As discussed further below, the Referee is providing this Initial Findings Notice in an attempt to disclose and initiate discussion among the Claimants and the Referee to try and achieve consensus among the Claimants as to the proposed distribution of the estate of the Debtor. The Referee is hopeful that in doing so it will reduce the need for the Referee and its counsel to incur further fees and expenses for the Debtor's estate.

If there is no consensus on the Proposed Distribution (defined below), the Referee will attempt to consensually resolve disputes with respect to any Claim. The Referee will ultimately provide to the Court a report of any consensus reached with respect to any Claims and its views, findings and recommendations with respect to any unresolved Claims.

The future fees and expenses of the Referee and their independent legal counsel included in this notice are estimates only, based on the Referee's assumptions regarding future events. Actual fees and expenses may vary from these estimates and the variations may be material.

## Summary of Claims Process

The Referee has received Claims from nine creditors of the Debtor. The Referee has reviewed each of the Claims and the support that was provided. The Referee has made enquiries and requests for further documentation and support for all or a portion of the Claims of some Claimants, which, if so provided, has been reviewed and considered by the Referee.

The financial information reviewed covers the time period from May 2005 through November 2021. Given the age and state of the financial information provided, the Referee, assessed all financial information in respect of the Claims to the best of its availability, balancing the economic feasibility and the reasonability of the Claims submitted for the Referee's review.

As discussed above, in an effort to reduce costs, the Referee has yet to provide any Claimants with a Notice of Revision or Disallowance, as applicable. Please be advised, based on the records and financial information reviewed and provided to date, the Referee proposes to revise the Claims as set out in Table 2 below, resulting in the proposed percentages (the "**Proposed Percentage**") of distributions to be allocated *pro rata* from the funds remaining in the Debtor's estate:

1178929 Alberta Ltd.		Table 2
Summary of Claimants & Claims		
<i>unaudited, CAD</i>		
Claimants	Proposed Revision	Pro Rata Percentage
Mahmood & Murad Tejpar	831,559.22	47.41963%
Gurpreet Lail	171,438.20	9.77626%
Jasprit (Jessie) Lail	65,270.88	3.72207%
Amarjit (Amy) Lail	29,857.72	1.70264%
Estate of Harpal (Paul) Lail	12,562.58	0.71638%
Bellagio Homes Inc.	241,428.57	13.76746%
Noorani Investments Inc.	201,091.85	11.46726%
Karim Kaba	99,736.57	5.68747%
Salim Lalani	100,672.43	5.74084%
	<u>1,753,618.02</u>	<u>100.00000%</u>



## Proposed Distributions

The Referee estimates that there will be \$432,615.67 in available funds in the Debtor's estate assuming the Claimants agree to the Proposed Percentages. In addition, the Referee understands that there is an outstanding receivable from 10110308 Saskatchewan Ltd. ("**101SK**"), which the Referee has quantified as having a value of \$163,522.74 for the estate. Based on the Claims received and the financial information made available to the Referee, the Proposed Percentages would result in the *pro rata* distributions as set out in Table 3:

Claimants	<i>Pro Rata</i> Percentage	Estimated Available Cash	101SK Receivable	Total <i>Pro Rata</i> Consideration
Mahmood & Murad Tejpar	47.41963%	\$ 205,144.76	\$ 77,541.90	\$ 282,686.66
Gurpreet Lail	9.77626%	42,293.62	15,986.40	58,280.02
Jasprit (Jessie) Lail	3.72207%	16,102.25	6,086.43	22,188.68
Amarjit (Amy) Lail	1.70264%	7,365.87	2,784.19	10,150.06
Estate of Harpal (Paul) Lail	0.71638%	3,099.18	1,171.44	4,270.62
Bellagio Homes Inc.	13.76746%	59,560.17	22,512.92	82,073.09
Noorani Investments Inc.	11.46726%	49,609.14	18,751.57	68,360.71
Karim Kaba	5.68747%	24,604.90	9,300.31	33,905.21
Salim Lalani	5.74084%	24,835.78	9,387.58	34,223.36
	<b>100.00000%</b>	<b>\$ 432,615.67</b>	<b>\$ 163,522.74</b>	<b>\$ 596,138.41</b>

The Referee understands that the 101SK receivable is illiquid and would propose that the Claimants with an affiliation to 101SK receive a promissory note from 101SK as consideration for the receivable.

The Referee understands that all of the Claimants, with the exception of Mr. Karim Kaba and Mr. Salim Lalani, are affiliated with 101SK. To provide some finality to the distribution of the Debtor's assets, the Referee would propose that those parties directly affiliated to 101SK assume Mr. Karim Kaba and Mr. Salim Lalani's proportionate percentage of the 101SK receivable, and correspondingly reduce the cash portion of their distribution as proposed in Table 4 below (the "**Proposed Allocation of 101SK Receivable**"):

1178929 Alberta Ltd.						Table 4
Proposed 101SK Receivable Allocation						
unaudited, CAD						
Claimants	Initial 101SK Receivable	Non-Related Party Assignor	Percentage	Non-Related Party Assignee	Revised 101SK Receivable	
Mahmood & Murad Tejpar	\$ 77,541.90	\$ -	25.0%	\$ 4,671.97	\$ 82,213.87	
Amarjit (Amy) Lail	2,784.19	-	25.0%	4,671.97	7,456.16	
Noorani Investments Inc.	18,751.57	-	50.0%	9,343.95	28,095.52	
Karim Kaba	9,300.31	(9,300.31)		-	-	
Salim Lalani	9,387.58	(9,387.58)		-	-	
	<b>\$ 117,765.55</b>	<b>\$ (18,687.89)</b>	<b>100.0%</b>	<b>\$ 18,687.89</b>	<b>\$ 117,765.55</b>	

In the event there is agreement amongst the Claimants to the Proposed Percentages and Proposed Allocation of the 101SK Receivable, the Referee would recommend the following cash distribution to the Claimants ("**Proposed Distribution**") as follows:

1178929 Alberta Ltd.								Table 5
Proposed Distribution								
unaudited, CAD								
Claimants	Initial Cash Consideration	Proposed Reallocation	Proposed Cash Distribution	Initial 101SK Receivable	Proposed Reallocation	Proposed 101SK Promissory Note	Total	
Mahmood & Murad Tejpar	\$ 205,144.76	\$ (4,671.97)	\$ 200,472.79	\$ 77,541.90	\$ 4,671.97	\$ 82,213.87	\$ 282,686.66	
Gurpreet Lail	42,293.62	-	42,293.62	15,986.40	-	15,986.40	58,280.02	
Jaspri (Jessie) Lail	16,102.25	-	16,102.25	6,086.43	-	6,086.43	22,188.68	
Amarjit (Amy) Lail	7,365.87	(4,671.97)	2,693.90	2,784.19	4,671.97	7,456.16	10,150.06	
Estate of Harpal (Paul) Lail	3,099.18	-	3,099.18	1,171.44	-	1,171.44	4,270.62	
Bellagio Homes Inc.	59,560.17	-	59,560.17	22,512.92	-	22,512.92	82,073.09	
Noorani Investments Inc.	49,609.14	(9,343.95)	40,265.20	18,751.57	9,343.95	28,095.52	68,360.71	
Karim Kaba	24,604.90	9,300.31	33,905.21	9,300.31	(9,300.31)	-	33,905.21	
Salim Lalani	24,835.78	9,387.58	34,223.36	9,387.58	(9,387.58)	-	34,223.36	
	<b>\$ 432,615.67</b>	<b>\$ -</b>	<b>\$ 432,615.67</b>	<b>\$ 163,522.74</b>	<b>\$ -</b>	<b>\$ 163,522.74</b>	<b>\$ 596,138.41</b>	

The Referee is willing to discuss the Claims and the Referee's findings for the Proposed Distribution with the Claimants once they have had a chance to consider the same.

### Claims Process Resolution

In the event no consensus is reached between the Referee and the Claimants on the Proposed Distribution, the Referee will issue Notices of Revision or Disallowance, as applicable, in accordance with the Claims Process.

The Referee and the Claimants may follow the Adjudication of Claims process set out in the Claims Process as may be required. The Adjudication of Claims process is anticipated to result in additional fees and expenses of the Referee and its counsel in excess of the estimates set out in Table 1, which will reduce the funds available in the Debtor's estate for distribution.

### **Allegations Against Directors**

The Referee is aware of allegations made against the Directors of the Debtor as it relates to, among other things, their fiduciary duties.


The Referee has reviewed the Claims and determined there were indeed management fees, consulting fees and commissions paid to the Directors and other related parties of the Debtor. However, based on the records provided, the Referee was unable to determine that any of these management fees, consulting fees or commissions were outside the normal course of business.

The Referee is aware that Noorani Investments Inc., Mr. Karim Kaba and Mr. Salim Lalani (the "**Third Party Investors**") allege that they were advised that they were the only stakeholders in the 20 Acres property. While the Referee does not have any direct knowledge of the representations made to the Third Party Investors when the 20 Acres property was purchased, the funds were provided to the Debtor, not to a separate special purpose entity for the 20 Acre property. No records were provided to the Referee to support the Third Party Investors Claims to having an interest in the 20 Acre property.

The Referee is aware that many affidavits have been filed with respect to the Debtor (within these proceedings and other Court proceedings) and that there is conflicting evidence from the Third Party Investors and the Directors. The Referee is not in a position to assess any actions or claims the Third Party Investors may have against the Directors, nor does the Referee have the authority under the Referee Order to do so, as such actions do not pertain to Claims against the Property.

Dated at Calgary, Alberta this 16<sup>th</sup> day of March, 2022.

**ALVAREZ & MARSAL CANADA INC.**, in its capacity as Court-appointed Referee of the Debtor and not in its personal or corporate capacity

Per:   
Cassie Riglin, CPA, CA, CIRP, LIT  
Senior Vice President

## APPENDIX C

### Final Taxation Period

	Invoice	Period	Fees	Discount	Disbursements	Subtotal	GST	Total
Alvarez & Marsal Canada Inc.	1	November 19, 2021 to December 31, 2021	18,615.50	-	274.99	18,890.49	944.52	19,835.01
Alvarez & Marsal Canada Inc.	2	January 1, 2022 to January 31, 2022	4,920.00	-	925.00	5,845.00	292.25	6,137.25
Alvarez & Marsal Canada Inc.	3	February 1, 2022 to February 28, 2022	27,110.50	-	75.00	27,185.50	1,359.28	28,544.78
Alvarez & Marsal Canada Inc.	4	March 1, 2022 to March 31, 2022	5,837.00	-	-	5,837.00	291.85	6,128.85
Alvarez & Marsal Canada Inc.	5	April 1, 2022 to April 30, 2022	4,387.00	-	-	4,387.00	219.35	4,606.35
			<b>\$ 60,870.00</b>	<b>\$ -</b>	<b>\$ 1,274.99</b>	<b>\$ 62,144.99</b>	<b>\$ 3,107.25</b>	<b>\$ 65,252.24</b>
Blake, Cassels & Graydon LLP	2284314	July 22, 2021 to November 30, 2021	12,590.00	(6,157.50)	244.25	6,676.75	333.74	7,010.49
Blake, Cassels & Graydon LLP	2288640	December 1, 2021 to December 31, 2021	4,900.00	(490.00)	16.00	4,426.00	221.30	4,647.30
Blake, Cassels & Graydon LLP	2295088	January 1, 2022 to January 31, 2022	1,057.50	-	-	1,057.50	52.88	1,110.38
Blake, Cassels & Graydon LLP	2300503	February 1, 2022 to February 28, 2022	1,198.50	-	-	1,198.50	59.93	1,258.43
Blake, Cassels & Graydon LLP	2305797	March 1, 2022 to March 31, 2022	5,499.00	-	-	5,499.00	274.95	5,773.95
Blake, Cassels & Graydon LLP	2310565	April 1, 2022 to April 30, 2022	7,473.00	-	-	7,473.00	373.65	7,846.65
			<b>\$ 32,718.00</b>	<b>\$ (6,647.50)</b>	<b>\$ 260.25</b>	<b>\$ 26,330.75</b>	<b>\$ 1,316.45</b>	<b>\$ 27,647.20</b>

### Forecast Fees and Costs

	Invoice	Period	Fees	Discount	Disbursements	Subtotal	GST	Total
Alvarez & Marsal Canada Inc.		May 1, 2022 to discharge	10,000.00	-	-	10,000.00	500.00	10,500.00
			<b>\$ 10,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000.00</b>	<b>\$ 500.00</b>	<b>\$ 10,500.00</b>
Blake, Cassels & Graydon LLP		May 1, 2022 to discharge	5,000.00	-	-	5,000.00	250.00	5,250.00
			<b>\$ 5,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000.00</b>	<b>\$ 250.00</b>	<b>\$ 5,250.00</b>