

COURT FILE NUMBER 1801-01297
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS HSBC BANK CANADA
RESPONDENTS ADVANTAGE PRODUCTS INC. and JAMES WEBER
DOCUMENT **FIRST REPORT OF THE RECEIVER**

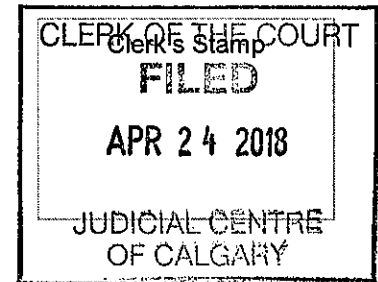
APRIL 24, 2018

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ALVAREZ & MARSAL

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INTRODUCTION

1. Effective February 7, 2018 (the “**Receivership Date**”), pursuant to an order of the Honourable Justice A.D. Macleod (the “**Receivership Order**”), Alvarez & Marsal Canada Inc. was appointed as receiver (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the “**Property**”) of Advantage Products Inc. (the “**Company**” and/or “**API**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and sections 13(2) of the *Judicature Act*, R.S.A. 2000 c.J-2 and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 in the within action (the “**Receivership Proceedings**”).
2. The Receivership Order authorizes the Receiver, among other things, to manage, operate and carry on the business of API and to take possession and control of the property of API and any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of the Court.
3. The purpose of this first report of the Receiver (the “**First Report**” or “**this Report**”) is to provide this Honourable Court with information in respect of the following:
 - a) a brief overview and background of the Company;
 - b) the initial activities of the Receiver since the Receivership Date;
 - c) a summary of the conduct and behaviour of Mr. Jim Weber, President and part owner of the Company in these proceedings;
 - d) the security opinion conducted by the Receiver’s independent counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”) with respect to the security granted to HSBC Bank Canada (“**HSBC**”);
 - e) the process initiated by the Receiver (“**Invitation for Offers**”) to solicit offers for the purchase of certain of the Property out of the normal course of business;

- f) the execution of an Auction and Liquidation Services Agreement (the “**Auction Agreement**”) by the Receiver and Century Services Inc. (“**Century**”) dated April 18, 2018 and the Receiver’s application for an Approval and Vesting Order with respect to the Auction Agreement (the “**Vesting Order**”);
 - g) the Receiver’s application for the sealing of the Appendices “D”, “G” and “H” to this Report (the “**Sealing Order**”);
 - h) the cash flow results for the period from February 7, 2018 to April 16, 2018;
 - i) the approval of the proposed interim distribution of funds recovered by the Receiver to HSBC;
 - j) the approval of the Receiver and Fasken’s fees and expenditures in the Receivership Proceedings;
 - k) the approval by this Honourable Court of a proposed Claims Process Order in the within the Receivership Proceedings; and
 - l) the ongoing activities and the Receiver’s future course of action.
4. Capitalized words or terms not defined or ascribed a meaning in this Report are as defined in the Receivership Order.
5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this First Report, the Receiver has relied upon information obtained during the Receivership Proceedings, unaudited financial information from the Company’s accounting system, physical records held by the Company and discussions with previous employees of API. The Receiver has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Receiver’s assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND AND OVERVIEW

Location

7. API is a corporation registered to carry on business in the Province of Alberta and is privately-owned by 6 shareholders, where Mr. Jim Weber owns 49.57% of the voting shares of the Company. API's head office is located in Didsbury, Alberta and its principal address is 11-31264 Highway 2A, T0M 0W0. The Company specialized in the design and manufacturing of oilfield tools. API sold globally, with its tools being used in oilfield applications in Canada, Australia, Columbia and the United States
8. As discussed in the affidavit of Mr. Cameron Bailey affirmed January 30, 2018 (the "**January 30th Bailey Affidavit**"), the financial difficulties of API started in October 2016, when the Company entered into a Forbearance Agreement with HSBC, its secured creditor. The Company defaulted under its loan agreement with HSBC by failing to maintain various ratio covenants of debt to value and reporting requirement covenants. With various controllers resigning, no financial statements being produced and/or provided to HSBC since June 2017, HSBC was concerned about the operations of API and the eventual repayment of its loan to API. As a result, HSBC filed an application with the Court to appoint the Receiver to take possession and control of the Company.
9. Further background on the Property and the Company's operations is contained in the materials filed in support of and relating to the Receivership Order. These documents and other relevant information has been posted by the Receiver on its website at: www.alvarezandmarsal.com/advantage (the "**Receiver's Website**").

INITIAL ACTIVITIES OF THE RECEIVER

Custody, Control and Securing the Property

10. Since the Receivership Date, the Receiver's initial activities have included the following:
 - a) completing and selling certain inventory and work in progress ordered by customers prior to and after the Receivership Date during the ordinary course of business and outside the normal course of business, as discussed further below;

- b) attend the manufacturing facility of API which includes the Company's head office located and is located in Didsbury, Alberta to meet with and serve the directors/owners with the Receivership Order;
- c) changing the locks, security pass codes (where applicable) to the API premises and restricting computer access, external data access and codes as appropriate and generally securing and safeguarding the Property of API;
- d) confirming all known corporate bank accounts and providing the respective bank representatives with notices to freeze all accounts and remit net balances to the Receiver;
- e) opening Receiver's trust accounts;
- f) re-directing all mail for the Company to the office of the Receiver;
- g) retaining and providing instructions to Fasken in respect of the Receivership Proceedings;
- h) seeking RCMP assistance on several occasions with respect to Mr. Weber actions as against the Receiver, in particular, resulting in Mr. Weber being arrested and physically removed from API's premises on the day the Receiver took possession and control of the premises as a result of his harassing and threatening behaviour;
- i) attendance in court seeking various restraining orders (as discussed in greater detail below) against Mr. Weber, because of his multiple threats and harassments of the Receiver, its contractors, and employees during the Receivership Proceedings;
- j) conducting an initial meeting of available employees on February 7, 2018 to explain the powers and duties of the Receiver, its role as an Officer of the Court, their rights under the Wage Earner Protection Program ("**WEPP**");
- k) engaging independent contractors to assist the Receiver in the Receivership Proceedings, as required;

- l) completing an inventory of equipment at the API location and creating a current equipment listing that did not previously exist;
- m) engaging an appraisal company to evaluate the property held and located on the Company's premise;
- n) reconciling and invoicing existing customers with respect to outstanding and update accounts receivable collection;
- o) fulfilling and completing manufacturing orders with interested purchasers in the normal course of API's business operations;
- p) notifying the Company's insurance provider of the Receivership Order and making arrangement for continuation of the Corporate Insurance Policy and adding the Receiver as a named insured (beneficiary) and loss payee;
- q) reviewing of records and determining ownership of the equipment, vehicles and other assets located on API premises;
- r) compiling a list of the equipment and inventory and seeking proposals from interested parties for the purchase or auction of API's assets.
- s) contacting all financing/leasing agents with respect to certain leased vehicles by API;
- t) arranging for a GST and payroll source deductions audit with the Canada Revenue Agency ("**CRA**");
- u) completing a scientific, research and education tax claim ("**SRED Claim**") on behalf of API, and with the assistance of the Receiver's contractors, in an attempt to recover potential tax refunds owed to the Company;
- v) receiving and evaluating 30-day good claims; and
- w) undertaking day to day management of operations of the company, including contractor supervision and monitoring cash flow to ensure timely payment of trade creditors for services rendered and approved by the Receiver;

Canada Revenue Agency (Potential Priority Claims)

11. Based on the Receiver's review of API's books and records, the Receiver determined that the Company had not filed any GST returns for the past 8 consecutive months prior to the Receivership Date and had not paid any source deductions to CRA since November 2017.
12. The Receiver contacted the CRA and requested that an audit of the API GST and source deduction accounts be completed. On April 12, 2018, the CRA auditors met with representatives of the Receiver to go over the pre-receivership GST and source deductions accounts. Based on CRA's preliminary review, it appears API owes between \$90,000 to \$100,000 to CRA, consisting of a pre-receivership GST balance of approximately \$25,000 and unpaid source deductions of approximately \$70,000.
13. The Receiver anticipates receiving CRA's final audit results with respect to API's pre-receivership GST and source deductions in the coming weeks.

Statutory Mailing by Receiver

14. The Receiver mailed the notices required by sections 245 and 246 of the BIA to API's known creditors and the Office of the Superintendent of Bankruptcy on February 16, 2018 (the "**Receiver's Notice**"). A copy of the Receiver's Notice can be found on the Receiver's Website.

Wage Earner Protection Program & s.81.4 (1) BIA Priority Claims

15. The Receiver prepared and delivered the required information package with respect to WEPP. The former employees of API were also provided a proof of claim form as well as their final T4. The Receiver has received approximately \$8,750 in WEPP claims, of which approximately \$ 3,700 relates to a super-priority claim that the Receiver will be required to pay to Service Canada.

Books and Records

16. As at the Receivership Date, the Company's books and records were not up to date and the Company did not have an active controller employed to maintain the accounting records. The Receiver understands that the Company had several

controllers “come and go” over the past year, which appears to have had significant impact with respect to the completeness and accuracy of the books and records.

17. Summarized in the table below, is the estimated net book value of API as at February 7, 2018:

Advantage Products Inc. - In Receivership February 7, 2018	
	Est. Book Value
<u>Assets</u>	
Accounts Receivable	890,270
Inventory	497,549
Property, Plant & Equipment	636,682
Antique and recreational vehicles	-
Patents and intangibles	Unknown
	<hr/> 2,024,501
<u>Liabilities</u>	
HSBC operating loan	693,000
Other Financing loans	92,598
GST and source deductions	100,000
Accounts payables and accrued liabilities	683,089
	<hr/> 1,568,687

18. The figures presented above are based on the books and records of API at the Receivership Date and realizable values may differ significantly than the estimated book value. These figures are unaudited and have not otherwise been verified.

Ownership of Assets

19. During the Receivership Proceedings, the Receiver identified 49 various antique and recreational vehicles and motorcycles on the Company's premises (“**Vehicles**”) that were either:
- a) owned by API totaling 19 Vehicles;
 - b) “assumed owned” by API (due to a lack of documentation) totaling 28 Vehicles;
- and

- c) leased by Mr. Weber totaling 2 Vehicles. One of the leased vehicles (that was only 2 months into the lease) was picked up by the leasing company (Langley Chrysler in British Columbia) from the API premise and other leased car still remain on the API premise.
20. The Receiver was able to determine which of the Vehicles were owned, “assumed owned” or were leased by Mr. Weber by reviewing the Company records and registration documents, bank records, and other information. Since the “assumed owned” vehicles were stored at the API premises, the Receiver has taken the position that (along with numerous other API owned vehicles) these particular vehicles are owned by API. The Receiver has also identified 3 vehicles which are not owned by API and have been returned to their owners. To ensure that the Receiver did not inadvertently take possession of or sell any assets that may belong personally to Mr. Weber personally, Fasken delivered a letter dated March 13, 2018 (the “**March 13th Letter**”) by email to Mr. Weber advising Mr. Weber of the Receiver’s intention to sell seek approval from the Court to sell all, or substantially all, of the assets found at the API premises on the Receivership Date and asking Mr. Weber to provide any information that would establish his ownership of any of these assets. A copy of the March 13th Letter is attached as **Appendix “A”**.
 21. Fasken requested a response to the March 13th Letter by March 28, 2018. To date, neither the Receiver, nor its counsel, has received a substantive response to the March 13th Letter. The only response received by Fasken was a voice message from Mr. Weber as discussed further below.
 22. Certain family members of Mr. Weber contacted the Receiver during the Receivership Proceedings and advised they would be willing to assist the Receiver in identifying and handling of Mr. Weber’s personal assets located at the API premise. As a result of these efforts, certain assets have been identified as owned by Mr. Weber and the Receiver has arranged to isolate these assets in the API premise. The Receiver will arrange to put them into storage in due course as Mr. Weber is not permitted to attend the API because of the restraining order against him, as discussed further below.
 23. The Receiver continues to reconcile the books and records of API, with the assistance of its contract accountant. Based on its preliminary investigation, the Receiver

believes that API's outstanding liabilities are significantly understated and should a claims procedure order be granted by this Honourable Court, as discussed further below, the Receiver anticipates that the Company's indebtedness to its creditors will be significantly greater than what is recorded in its financial statement.

24. The expected realizations from the Property should be sufficient to repay the costs incurred under the Receiver's Charge, certain priority payables and the first secured creditor, HSBC, in full. However, this is contingent upon the sale of all or substantially all of the Property. If all, or substantially all, of the Property is sold by the Receiver, the Receiver believes that unsecured creditors will be paid a portion, but not all, of the amounts owed to them.

SALE OF ASSETS DURING THE ORDINARY COURSE OF BUSINESS

25. Pursuant to the Receivership Order, the Receiver was granted the authority to sell any or all of the assets and undertakings of API during the ordinary course of business without the approval of the Court (the "**Ordinary Course Exemption**") and out of the ordinary course of business without approval of the Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000 (the "**Value Exemption**").
26. Pursuant to an Agreement dated March 12, 2018 (the "**Premium Transaction**") entered into by the Receiver and Premium Artificial Lift Systems Ltd. ("**Premium**"), the Receiver sold to Premium certain assets owned by API for an aggregate amount of \$425,583.27. The Receiver did not seek the approval of the Court with respect to the Premium Transaction because the majority of the assets were sold under the Ordinary Course Exemption, while the remaining assets were sold under the Value Exemption.

LICENSING AGREEMENT

27. Pursuant to a Patent License Agreement (the "**License Agreement**") dated January 16, 2014 entered into by James Weber, Lynn Tessier, and John Doyle (former principals of API) as licensors (the "**Licensors**") and API as licensee, API obtained the exclusive licence to utilize certain Torqstopper technology worldwide (the "**License**"). The License Agreement provides, among others, that in consideration for being granted the license, API would pay the Licensors certain royalty fees. The Licensors

and API also entered into an Indemnity Agreement dated January 16, 2014, pursuant to which, among others, API agreed to indemnify the Licensors with respect to litigation commenced by API in respect of the rights granted to it under the License Agreement.

28. The Receiver has been contacted by counsel for John Doyle with respect to royalty payments owned by API to Mr. Doyle pursuant to the License Agreement and an arbitration between Mr. Doyle and API with respect to legal fees incurred Mr. Doyle in his litigation with API.
29. The Receiver intends to honour any royalty payments that became payable to Mr. Doyle as a result of Receivers' use of the License pursuant to the License Agreement on or after the Receivership Date.
30. With respect Mr. Doyle's claim for royalty payments that became payable by API to Mr. Doyle (or other Licensors) prior to the Receivership Date, the Receiver intends to address such claims through the claims procedure process proposed in this Report.
31. There are four (4) patents (the "**API Patents**") that are owned by API and a License Agreement allowing API to manufacture various drilling parts for sale utilizing patents not owned by API. The Receiver believes there may be some value in the API Patents and the License Agreement, based on interest it has received from other parties, but has not been able to establish a realization value at this time. The Receiver will be reviewing various opportunities to maximize realizations on the API Patents and License Agreement (as the last remaining assets in the estate) in due course.

CONDUCT OF JAMES WEBER AND RESTRAINING ORDERS

Overview

32. As set out in more detail in the Affidavit of Orest Konowalchuk sworn February 12 (the "**First Konowalchuk Affidavit**"), 2018, the Supplemental Affidavit of Orest Konowalchuk sworn February 15, 2018 (the "**Second Konowalchuk Affidavit**"), and the Second Supplemental Affidavit of Orest Konowalchuk sworn February 23, 2018 (the "**Third Konowalchuk Affidavit**"), the conduct of Mr. Weber towards the employees of Alvarez has been uncooperative, threatening, and aggressive.

Initial Contact with Mr. Weber

33. One day after the Receivership Date, on February 8, 2018, when the Mr. Orest Konowalchuk, Mr. Bryan Krol, and Mr. David Williams of Alvarez re-attended at premises of API, Mr. Weber: (i) used his smart phone to allegedly video record everything that the Receiver did and said; (ii) instructed a shareholder and a former employee of Advantage to keep the Receiver in sight at all times and to follow them if they left the boardroom; (iii) refused to leave the API premises; and (iv) questioned the validity of the Receivership Order and asked that Konowalchuk sign the Receivership Order. Mr. Weber engaged in this conduct despite being offered a filed copy of the Receivership Order and an explanation with respect to the implications thereof.

Threatening Conduct and Restraining Order

34. On February 9 and 10 of 2018, Mr. Weber sent several threatening text messages to Mr. Krol and Mr. Konowalchuk, the details of which are included in the First Konowalchuk Affidavit. As a result of this conduct, on February 12, 2018, the Receiver sought and obtained from the Court a two-week restraining order against Mr. Weber (the "**First Restraining Order**"). The First Restraining Order prevented Mr. Weber from communicating with Mr. Konowalchuk and Mr. Krol and provided that he could not be within a certain proximity of their personal residence and/or the API premise.
35. On February 13 and 15 of 2018, Mr. Weber sent several threatening text messages to Mr. Krol and Mr. Konowalchuk, the details of which are included in the First Konowalchuk Affidavit.
36. As a result, the Receiver decided to apply for an extended Restraining Order. After several failed attempts to serve Mr. Weber, who was actively avoiding service, Receiver sought and obtained a substitutional service order dated February 16, 2018 (the "**Substitutional Order**").
37. On February 17, 2018 Mr. Weber left a harassing voicemail for Tim Reid of Alvarez, the details of which are included in the Third Konowalchuk Affidavit.

The Second Restraining Order

38. On February 26, 2018, the Receiver sought and obtained a further Restraining Order (the "**Second Restraining Order**") as against Mr. Weber that is in effect until November 26, 2018. The scope of the Second Restraining Order was expanded to have Mr. Weber not be in contact with any of the Receiver's employees (A&M employees) and any contractors it has hired in relation to the API receivership, as a result of Mr. Weber's continued threatening, harassing and inappropriate behaviour. At the application for the Second Restraining Order, Mr. Weber appeared and, ultimately had to be escorted from the courtroom by the Sheriff. A copy of the Court transcript respecting the application for the Second Restraining Order is attached as **Appendix "B"** to this Report.
39. Since the granting of the Second Restraining Order, the Receiver has not had any direct contact with Mr. Weber. However, Mr. Weber has left several harassing and threatening voicemails and an email with Mr. Lysak of Fasken. Transcriptions of the voicemails and a copy of the email (the "**Fasken Weber Communications**") are attached as **Appendix "C"** to this Report.

Stolen Vehicles

40. On or around February 23, 2018, the RCMP advised the Receiver that it listed two vehicles owned by API (a black 2015 Dodge Ram 1500 Rebel truck and a black 2011 Cadillac Coup Deville) as stolen in the Police Data Base (the "**Stolen Vehicles**"). The Stolen Vehicles have since been recovered by the RCMP and returned to the Receiver after they were found in the possession of Mr. Weber. The RCMP advised the Receiver that the Stolen Vehicles were recovered when Mr. Weber was driving these vehicles on two separate occasions and, in both instances, Mr. Weber was arrested.

THE SALES PROCESS

Invitation For Offer Process

41. Pursuant to section 3(k) of the Receivership Order, the Receiver is empowered and authorized to market the Property, including advertising and soliciting offers in respect of the Property or any parts thereof, and negotiating such terms and conditions for the sale of the Property as the Receiver in its discretion may deem appropriate.

42. Given the uncertainty as to potential recoveries to priority and secured creditors in the Receivership Proceedings, the Receiver determined that it was appropriate to seek proposals (“**Invitation for Offers**”) from interested auctioning companies for the marketing and auctioning of the Company’s Property in an attempt to maximize realizations for all creditors and stakeholders in the estate.
43. The Receiver did consider conducting a “going-concern” sale of API; however, this type of sale generally necessitates a continuing operation with accurate and reliable books and records. In addition, given that there: (i) was no owner (Mr. Weber) and senior management cooperation; (ii) was uncertainty of the continuation of API’s former employees in future operations; (iii) is insurance risk (no long tail liability insurance in place); (iv) may be some restrictions in the Receiver’s ability to sell the License Agreement in the Receivership Proceedings; and (v) is currently no ability to immediately fund the operations to cover operating costs, professional fees and other expenses, the Receiver did not believe it would have been appropriate nor efficient to sell API as a going-concern.
44. The Receiver also had an appraisal conducted on the Auction Assets. A copy of the Appraisal is attached as **Confidential Appendix “D”** to this Report.
45. During the week of February 19th, the Receiver contacted and/or received interest from five reputable auctioning companies that specialized in the equipment API owned and in antique/recreational vehicles. The Receiver invited these parties to attend the API premises to review the Property. Four out of the five auctioning companies accepted the Receiver’s invite to visit and inspect the Property (the “**Interested Parties**”).
46. On March 13, 2018, the Receiver sent an information package (the “**Information Package**”) to the Interested Parties that provided a listing of all the Property (including leased equipment and vehicles) that would be included in the sales process (the “**Auction Assets**”) and a standard “offer form” for the Interested Parties to submit their offer on (the “**Proposal Offer**”). The Information Package is attached hereto as **Appendix “E”**. The main terms and conditions of the Information Package are summarized below:

- a) description of the process including viewing Auction Assets, the format for proposals and a deadline of March 16, 2018 to submit the Proposal Offer to the Receiver (“**Initial Bid Deadline**”);
- b) description of the Auction Assets;
- c) identifying leased assets not to be included in the Proposal Offer;
- d) general terms and conditions including receipt of a 10% deposit, a Court approval condition, and that the Auction Assets would be provided on an “as is, where is” basis with no representations or warranties expressed or implied as to title, condition or fitness for use; and
- e) if a Proposal Offer is accepted, party submitting that Proposal Offer (the “**Successful Bidder**”) would enter into a definitive agreement with the Receiver that is subject to Court approval;

Proposals Received to Date

47. In total, the Receiver received four Proposal Offers from the Interested Parties for the Auction Assets by the Initial Bid Deadline.
48. Based on these Proposal Offers, two of the four Proposal Offers were considered competitive and the Receiver afforded an opportunity for these two bidders to “sharpen their pencils” and resubmit their Proposal Offers by March 22, 2018 (the “**Final Bid Deadline**”), if they chose to do so. The two parties amended their Proposal Offers and submitted them to the Receiver by the Final Bid Deadline.

Offer Accepted Subject to Court Approval and Summary of Offers Received

49. After review, analysis and clarification of certain terms of offers and related matters, the Receiver, with the concurrence of HSBC, accepted, subject to the Court’s approval, the Proposal Offer of Century (the “**Century Offer**”).
50. Century and the Receiver then negotiated and executed an Auction and Liquidation Services Agreement dated April 23, 2018 (the “**Auction Agreement**”). A copy of the redacted Auction Agreement (the “**Auction Agreement**”) is attached as **Appendix “F”** and an un-redacted version in **Confidential Appendix “G”**.

51. Attached as **Confidential Appendix “H”** is a summary and analysis of the Proposal Offers received in the sales process.
52. The Receiver has provided notice of the application to approve the Auction Agreement to all parties on the current service list of parties expressing an interest in these proceedings as well as on all parties listed as secured creditors from a current search respecting the Company conducted with the Alberta Personal Property Registry.
53. The Receiver further advises that there are approximately 44 unsecured creditors with debt totalling approximately \$683,000 who were provided notice of the Receivership, through the Receiver’s Notice.

Confidential Appendices and Temporary Sealing Order

54. The Confidential Appendices D, G, and H contain confidential information of a commercial nature which, if disclosed to third parties prior to the closing of the sale could materially jeopardize the sale or if the sale does not close could materially jeopardize the value that could subsequently be obtained. Accordingly, the Receiver is respectfully of the view that it is appropriate that this Honourable Court grant a Sealing Order in relation to the Confidential Appendices D, G and H.

Receiver’s Recommendations

55. The Receiver believes that the Auction Agreement should be approved by the Court given:
 - a) the Purchase Price set out in the Auction was the highest and best offer received by the Receiver;
 - b) the Purchase Price is consistent with the appraisal the Receiver obtained, and this process has adequately established the forced sale value of the Auction Assets;
 - c) the Purchase Price is to be paid in cash;
 - d) a non-refundable deposit equal to 10% of the Purchase Price was provided to the Receiver;

- e) the Auction Agreement contains "as is where is" provisions and has no closing conditions other than Court approval;
- f) the Receiver is specifically authorized to market and sell property pursuant to the Receivership Order (subject to Court approval);
- g) the acceptance of the Auction Agreement is commercially reasonable and provides the highest net realization to the estate, with a sizeable non-refundable deposit, and reduces the risk and cost to the estate;
- h) Century is a reputable auctioning firm in Canada, in particular Alberta, understands the Auction Assets very well and is likely best position to maximize realization on the Auction Assets, under the circumstances; and
- i) HSBC, as the senior secured creditor, is supportive of the sale.

56. Accordingly, the Receiver is applying to this Honourable Court to approve the Auction Agreement and for the vesting of the Auction Assets to the on the terms discussed further below.

RECEIPTS AND DISBURSEMENTS – FEBRUARY 7, 2018 TO APRIL 16, 2018

57. The following is a statement of the Receiver's receipts and disbursements ("R&D") of the Company during the Reporting Period:

Advantage Products Inc.	
Interim Statement of Receipts & Disbursements	
CAD\$, unaudited (\$000's)	
February 7 to April 16, 2018	Feb.7 to Apr 16/18
Opening cash balance	\$ 338,852
Receiver's Certificate (borrowings)	-
Receipts	
AR Collection (pre-receivership receivables)	560,563
Receipts from product sales (post-receivership)	446,457
Total receipts collected	\$ 1,007,020
Disbursements	
Operating Costs	75,117
General & Administrative Costs	67,257
Net GST Payable	3,498
Professional Fees	
Receiver (A&M)	\$ 184,899
Receiver's Counsel (Fasken)	69,115
Total disbursements	\$ 399,885
Ending cash balance	\$ 945,987

58. There was \$338,852 of opening cash available as at the Receivership Date. The Receiver froze API's operating bank accounts and other bank accounts on the Receivership Date and opened a new Receiver's trust bank account.
59. There were no borrowings under Receiver's certificates during the Reporting Period. The Receiver is authorized to borrow \$100,000 pursuant to the Receivership Order.
60. The Receiver has collected approximately \$560,000 relating to products sold prior to the receivership date, with an additional \$446,000 collected for products sold and completed in the Receivership Proceedings. The Receiver ensured that all products sold to customers in the Receivership Proceedings an "as is, where is" basis, with no representations or warranties on the performance or title of the products sold.

61. The Receiver has disbursed approximately \$400,000, which primarily relates to:
 - a) Operating Costs of approximately \$75,000 relating to:
 - i. onsite security guards of approximately \$22,000 to protect the Property and premise of the Company during the initial weeks of the Receivership Proceedings;
 - ii. occupancy rent paid to the landlord for the API premises of approximately \$47,000; and
 - iii. utilities of \$5,000;
 - b) General & administrative costs of approximately \$67,000 relating to:
 - i. independent contractor fees and costs of approximately \$36,500;
 - ii. corporate insurance premium payments of \$16,000;
 - iii. Appraisal fees and other cost of \$14,500; and
 - c) Professional fees and costs of approximately \$254,000 incurred by the Receiver and Fasken up to and including March 31, 2018, broken down as follows:
 - i. Receiver's fees and costs of approximately \$185,000; and
 - ii. Receiver's counsels fees and costs of approximately \$70,000
62. The Receiver is in receipt of a non-refundable deposit (as discussed in Confidential Appendix H to this Report) that has not been reflected in the above R&D schedule.
63. Total cash on hand held by the Receiver as at April 16, 2018 is approximately \$946,000.

PROPOSED CLAIMS PROCEDURE PROCESS

Overview

64. As previously discussed, the Receiver anticipates there will be funds available for distributions to unsecured creditors, provided that this Honourable Court approves the Auction Agreement.
65. The Receiver has prepared a proposed Claims Procedure Order (the "**Proposed Claims Procedure Order**") seeking approval for establishing a claims procedure

process and claims bar date (the “**Proposed Claims Procedure Process**”) by this Honourable Court.

66. The Proposed Claims Procedure Process set out in the Proposed Claims Procedure Order is aimed at establishing the amount of claims against API as at the Receivership Date (the “**Claims**”).
67. The realization process is substantially complete and, other than API Patents and License Agreement, there are no further assets to sell. As a result, the Receiver believes that the next logical step in order to be able to distribute any remaining proceeds from the realization of the Auction Assets is to seek approval of the Proposed Claims Procedure Order to identify all of the proven creditors of API.
68. The Receiver has been advised by one of API’s largest unsecured creditors that it is supportive of either a bankruptcy process or the Receiver obtaining a Proposed Claims Procedure Order if there are potential realizations available to unsecured creditors.

Proposed Claims Process

69. The Proposed Claims Procedure Process is as summarized as follows:
 - a) within 5 business days of the date the Proposed Claims Procedure Order is granted (the “**Claims Order Date**”), the Receiver will post on the Receiver’s website a Notice to Creditor, a Proof of Claim Form and an instruction letter (collectively, the “**Proof of Claims Package**”), and the Proposed Claims Procedure Order;
 - b) within 10 business days of the Claims Order Date, the Receiver will:
 - i. send a Proof of Claims Package to each known or possible creditor who had or may have had a Claim as at the Receivership Date; and
 - ii. cause the Notice to Creditor to be advertised in two newspapers, specifically, the *Calgary Herald* and the *Globe & Mail*;
 - c) any entity that wishes to assert a claim must deliver a Proof of Claim to the Receiver by no later than May 31, 2018 (the “**Claims Bar Date**”). Any Creditor that does not file its Claim with the Receiver on or before the Claims Bar Date will

have its Claim forever barred and extinguished, unless otherwise ordered by the Court and not be entitled to any further notice of these proceedings or to any distribution in the Receivership Proceedings;

- d) before the Claims Bar Date, the Receiver will review all Proofs of Claim and shall accept, revise or reject each Claim;
- e) if the Receiver intends to revise or reject a Claim the Receiver will notify the entity making that claim (a "**Claimant**") of such revision or rejection and the reasons therefore, by sending a Notice of Revision or Disallowance to the Claimant by no later than June 15, 2018;
- f) where the Receiver does not send a Notice of Revision or Disallowance to a Claimant by such date, the Receiver shall be deemed to have accepted such Claimant's Claim in the amount set out in that Claimant's Proof of Claim.
- g) any Claimant who intends to dispute a Notice of Revision or Disallowance they have received shall:
 - i. deliver a completed Notice of Dispute to the Receiver by the later of July 2, 2018 or such other date as may be agreed to by the Receiver; and
 - ii. within 10 days of delivery of the Notice of Dispute, file and serve on counsel for the Receiver a Notice of Application with supporting affidavit materials seeking to determine the validity of that portion of the Claimant's Claim that was disallowed by the Receiver,
- h) if a Claimant that receives a Notice of Revision or Disallowance does not deliver a completed Notice of Dispute or file and serve the Notice of Application and supporting affidavit(s) in accordance with the Proposed Claims Procedure Process, such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

Receiver's comments regarding the Proposed Claims Procedure Process

70. The Receiver is of the view that the Proposed Claims Procedure Process will provide Creditors with sufficient and timely notification to allow them to review the Proof of

Claim Document Package and allow Creditors to submit their Proofs of Claim prior to the Claims Bar Date.

71. The Receiver believes that the period of time for a Creditor to file a Dispute Notice is reasonable in the circumstances.
72. The Receiver believes it is appropriate to commence a Claim Procedure Process at this time.

SECURITY OPINION

73. The Receiver's counsel performed a review of the HSBC security and has determined that HSBC's security is valid and enforceable against API. Furthermore, based upon its review of relevant search with the Alberta Personal Property Registry, the Receivers' counsel has advised that it appears that HSBC's security constitutes a first priority charge against the Property.
74. All parties who have made registrations against the Alberta Personal Property Registry have been served with the Application.

PROPOSED INTERIM DISTRIBUTION

75. Pursuant to paragraph 12 of the Receivership Order, the monies collected during the Receivership Proceedings shall be held by the Receiver to be paid or distributed in accordance with the terms of the Receivership Order or any order of this Court.
76. If the Century Offer is approved by this Court and the auction contemplated by it is conducted then, upon filing the Receiver's Certificate, the Receiver believes, and recommends to the Court, that it is appropriate under the circumstances that this Honourable Court approve a Distribution to HSBC in an amount equal to all indebtedness owed by the Company to HSBC, which totals approximately \$700,000. Notwithstanding, the proposed Vesting Order requires that the monies payable to the Receiver under the Auction Agreement from the Asset Sales shall stand in the place and stead of the Assets and these monies shall not be distributed without further order of the Court.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND COSTS

77. The Receiver seeks approval from this Honourable Court of its, and those of its legal counsel's fees and disbursements from the Receivership Date to March 31, 2018 (the "**Interim Taxation Period**"), pursuant to paragraph 18 of the Receivership Order.
78. The total fees and disbursements of A&M, in its capacity as the court-appointed Receiver of API, during the Interim Taxation Period aggregate \$184,899 (excluding GST). A summary of the Receiver's fees and disbursements are attached as **Appendix "I"** to this Report.
79. The total fees and disbursements of Fasken, the Receiver's independent legal counsel during the Interim Taxation Period aggregate \$69,115 (excluding GST). A summary of Fasken's fees and disbursements are attached as **Appendix "J"** to this Report.
80. The Receiver and Fasken's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be brought to the Receiver's application before this Honourable Court set for April 26, 2018 and made available to the Court at its direction, if necessary.
81. The Receiver is respectfully of the view that its and its counsel's fees and costs are fair and reasonable under the circumstances and respectfully requests that this Honourable Court approve the accounts of the Receiver's and its counsel's during the Interim Taxation Period.

AMENDMENT OF RECEIVERSHIP ORDER

82. The Receiver respectfully requests that this Honourable Court amends paragraph 16 of the Receivership Order by adding the words:

"in the Receiver's possession or control at the time a claim is made"

at the conclusion of the first sentence thereof in order to further clarify that the limit of the Receiver's liability will be reduced as API's Property is realized upon and distributions are made to the creditors of Advantage.

RECEIVER'S ON GOING ACTIVITIES AND FUTURE COURSE OF ACTION

83. The Receiver's next steps include:
- a) working with Century to conduct the auction at the Company's premises as per the Auction Agreement, if approved by this Honourable Court;
 - b) continuing the collection efforts respecting outstanding accounts receivables;
 - c) conducting the claims process if the Proposed Claims Procedure Order is approved by this Honourable Court;
 - d) vacate the API premises;
 - e) work with CRA to finalize the audit of API's GST and source deductions; and
 - f) finalize the administration of the estate and obtain the discharge of the Receiver.

RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

84. The Receiver is of the view that it has made commercially reasonable efforts to obtain the highest realizations for the Auction Assets. The Auction Agreement is, in the opinion of the Receiver, fair and commercially reasonable.
85. The Receiver is satisfied that the interests of the API's financial stakeholders have been considered during the course of the Invitation for Offer process and the Receivership Proceedings.
86. The Receiver is of a view that the Invitation for Offer process was efficient, effective and that the integrity of the process has been maintained throughout.
87. The Receiver is satisfied that the Invitation for Offer process is inherently fair and has been conducted in a manner such that no parties to the process have experienced preferential or unfair treatment.
88. The Receiver recommends that this Honourable Court:
- a) approve the actions and activities of itself and Fasken as reported in this Report;

- b) approve the Century Offer, Auction Agreement and grant the Auction Approval and Vesting Order;
- c) grant the Sealing Order;
- d) grant the Proposed Claims Procedure Order;
- e) approve the Proposed Interim Distribution;
- f) approve Receiver's and Fasken's, professional fees and costs with respect to the Interim Taxation Period.

All of which is respectfully submitted this 24th day of April, 2018.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court Appointed Receiver
of Advantage Products Inc., and not in its personal
or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice-President



Bryan Krol
Manager

APPENDIX A

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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March 13, 2018
File No.: 303718.00003/20066

Travis P. Lysak
Direct +1 403 261 5501
tlysak@fasken.com

By Email

James Weber
jwbmw1951@gmail.com

Dear Mr. Weber:

Re: HSBC Bank Canada v Advantage Products Inc. (“Advantage”) and James Weber, Action 1801-01297

As you know, we are counsel for Alvarez and Marsal Canada Inc., the Court appointed receiver in the above noted action (the “Receiver”).

The Receiver will shortly be making an application to have a process approved with respect to the sale of all, or substantially all, of the property of Advantage.

If there is property located at the Advantage premises located at 64 Highway 2A, Didsbury, Alberta, TOM 0W0, or otherwise in the possession of the Receiver, which you believe is legally owned by you personally, you will need to advise our office, on behalf of the Receiver, of such ownership.

In this regard, we have enclosed herewith a Proof of Ownership Form for you to complete and swear before a Commissioner of Oaths in order to establish your ownership of any assets in the possession of the Receiver. The Proof of Ownership Form must be completed, sworn and emailed to our office, along with all supporting documentation, by on or before March 28, 2018.

Upon receipt of your Proof of Ownership Form, we will consult with the Receiver to review the Form and determine the validity of your ownership claim.

Failure to provide a Proof of Ownership Form with valid supporting documentation confirming your ownership of assets in the possession of the Receiver may result in the Receiver selling or disposing of such assets free of any right, title, or interest that you may have in them.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Travis P. Lysak

Enclosure

Proof of Ownership Form

(All notices or correspondence regarding this claim are to be forwarded to the following email address: tlysak@fasken.com)

I, James Weber, of the _____ (city, town or village) of _____ in the Province of _____,

DO HEREBY CERTIFY THAT:

1. I am the claimant.
2. I have knowledge of all the circumstances connected with the claim referred to below.
3. The property listed in the attached Schedule "A" (the "**Property**"), which is in possession of the Court Appointed receiver of Advantage Products Inc., Alvarez and Marsal Canada Inc. (the "**Receiver**"), is legally owned by me.
4. My ownership of the Property is established by virtue of the document(s) attached hereto as Schedule "B".
5. I am entitled to demand from the Receiver the return of the Property enumerated in these document(s).
6. I hereby demand that the Receiver return to me the Property enumerated in the document(s) within the 15 days after the emailing of this form to Fasken Martineau DuMoulin LLP at "tlysak@fasken.com".

SWORN (or SOLEMNLY DECLARED)

before me at _____

(city, town or village)

in the Province of _____,

on this ____ day of _____.

Commissioner of Oaths

Signature of Claimant

for the Province of _____.

Schedule "B"

Documents

Attached hereto are all documents serving as proof of the claim, giving:

- i. the grounds on which the claim is based, and
- ii. sufficient particulars to enable the property to be identified; - *if the particulars do not appear on the face of the documents, attach an additional statement setting them forth.*

APPENDIX B

Action No.: 1801-01297
E-File No.: CVQ18ADVANTAGEPRODUCTS
Appeal No.: _____

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

BETWEEN:

HSBC BANK OF CANADA

Plaintiff

and

ADVANTAGE PRODUCTS INC.
JAMES WEBER

Defendants

PROCEEDINGS

Calgary, Alberta
February 26, 2018

Transcript Management Services
Suite 1901-N, 601-5th Street SW
Calgary, Alberta T2P 5P7
Phone: (403) 403-7392 Fax: (403) 297-7034

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1 Proceedings taken in the Court of Queen's Bench of Alberta, Calgary Courts Centre,
2 Calgary, Alberta

3
4 February 26, 2018

Morning Session

5
6 The Honourable
7 Madam Justice Hunt McDonald

Court of Queen's Bench of Alberta

8
9 T.P. Lysak
10 (No Counsel)
11 R. Neale

For the Plaintiff
For the Defendants
Court Clerk

12
13 THE COURT:

And I would invite the people from Fasken to
14 come forward. I believe that's the only matter I have left. Is there anybody -- and that is
15 HSBC Bank of Canada and Advantage Products Inc. and James Weber. Thank you.

16
17 And, Mr. Weber, have a seat. You'll be able to respond once you've heard the
18 application.

19
20 MR. WEBER:

Thank you.

21
22 THE COURT:

Thanks.

23
24 **Submissions by Mr. Lysak**

25
26 MR. LYSAK:

Good morning, My Lady. My name --

27
28 THE COURT:

Good morning.

29
30 MR. LYSAK:

-- is Travis Lysak with Fasken Martineau.
31 We're counsel for the applicant this morning. Alvarez and Marsal Canada were the
32 Receiver of Advantage Products Inc., and this is an application for a -- an extension of a
33 restraining order granted two weeks ago by Madam Justice Pentelchuk. And before I get
34 going, and I think based on some comments earlier from you this morning, we had
35 attempted -- there's a number of documents that have been filed in this matter over the
36 last two weeks. We didn't believe that they would all be on the court file, and this
37 morning we delivered to your office all of those application materials. So I'd just like to
38 make sure that you've got --

39
40 THE COURT:

I received a package -- I didn't look at the ones I
41 received this morning, but I did read through the ones I received late Friday.

1
2 MR. LYSAK: Oh, we -- yeah.
3
4 THE COURT: Although the --
5
6 MR. LYSAK: We were originally told it Madam Justice Nixon
7 --
8
9 THE COURT: Yes.
10
11 MR. LYSAK: -- and so --
12
13 THE COURT: And she forwarded them to me, so I've read
14 those. So I have --
15
16 MR. LYSAK: They're --
17
18 THE COURT: If that's the same thing --
19
20 MR. LYSAK: They're all the same.
21
22 THE COURT: -- then I'm fine. In fact, I'll pass you down your
23 extra copy right now while --
24
25 MR. LYSAK: Thank you.
26
27 THE COURT: -- we're speaking about it. Thank you.
28
29 MR. LYSAK: So, My Lady, this -- just to give you some
30 background of why we're here, on February 7th, it was a Wednesday, a receivership order
31 was granted by Justice Macleod against Advanced Product Inc. Alvarez and Marcel and
32 Mr. Konowalchuk, who's in the courtroom here today, and a -- and another staff member
33 from Alvarez and Marsal named Bryan Krol attended the offices of Advantage in
34 Didsbury on that Wednesday. Mr. Weber was not at the office that day. They -- they were
35 initially refused access to the -- the premises, but called the RCMP. The -- the person in
36 the building, a Mr. Dhalli (phonetic), was explained that there's an order, and you have to
37 let Alvarez in. They then went in and changed the locks.
38
39 The next morning they returned, and Mr. Weber was in the office, and it was not a
40 pleasant meeting that they had with Mr. Weber, and ultimately that -- that exchange
41 ended with Mr. Weber -- them having to call the RCMP and Mr. Weber being handcuffed

1 and escorted out of the premises. So (INDISCERNIBLE) --

2
3 MR. WEBER: My house.

4
5 THE COURT: Sir, no comments till I ask you to speak. Thank
6 you.

7
8 MR. LYSAK: Now, Sir, this is -- My -- My Lady, this is a -- a
9 commercial premises, it's a leased premises. Alvarez and Marsal is paying the current
10 landlord occupancy rent at present.

11
12 So that would have been February 8th on a -- a Thursday. Now, on February 9th a series
13 of voice mails and text messages were left for Mr. Konowalchuk and Mr. Hunt
14 (phonetic), and if you've read -- or and Mr. Krol. And if you've read the affidavit, I don't
15 know that I need to repeat them verbatim, but you'll -- on February 9th Mr. Konowalchuk
16 was told in a voice mail, "You're going to need security at your house. Yes, I know where
17 you live, bitch." He was -- he then also texted Mr. Krol and said, "Still think you can't be
18 touched, bitch?" So that was on the Friday.

19
20 On the Saturday he e-mail -- he -- or voice mailed Mr. Konowalchuk and told him, "You
21 are so done, you little bitch." And "You should probably seek out a country that has no
22 extradition and pray I don't find you." So based on those communications, Mr.
23 Konowalchuk met with the Calgary Police Service over that weekend and was strongly
24 advised by the Calgary Police Service to seek a restraining order against Mr. Weber.

25
26 Our firm was returned -- retained that Sunday, and on Monday, February 12th, we
27 brought an ex parte application before Madam Justice Pentelchuk, and she granted a -- a
28 two-week restraining order which prevented Mr. Weber from attending either Mr. Krol or
29 Mr. Konowalchuk's homes, from attending the Alvarez and Marsal office in Calgary, and
30 from attending the Advantage office in Didsbury. And there was also the standard
31 language that he -- he can't communicate with them by e-mail, text, et cetera, et cetera.

32
33 On the Tuesday, the 13th, our firm retained Lormit Process Servers, and they attempted
34 to serve Mr. Weber with the order. They weren't successful on that -- on that Tuesday,
35 but the next day -- well, and -- and on that Tuesday as well Mr. Krol was also texted --
36 you know, verbally abused in a -- in a text and told he was in his shop.

37
38 That brings us to Wednesday. Our process server ultimately was able to speak to Mr.
39 Weber on the phone. Mr. Weber refused to meet him to take service of the documents,
40 and Mr. -- the process server did over the phone explain to him that he had to -- he was
41 there to serve him with a restraining order and -- and he attests in his affidavit of attempt

1 -- attempted service, that he verbally read the pertinent sections of that restraining order
2 to Mr. Weber over the phone. And now this is the Wednesday. And so by this time both
3 Mr. Konowalchuk and Mr. Krol have blocked Mr. Weber's number. So he's trying to
4 communicate with them through that phone that -- those messages aren't getting through.
5

6 So the next day, which would be Thursday, the 15th, and this is after the process server
7 had -- had verbally read him the terms of the order, Mr. Weber contacted Mr.
8 Konowalchuk from a different number that wasn't blocked and again hurled abuse at him.
9 In the meantime, our office was working now to get a substitutional service order, and on
10 that Friday we obtained a sub-service order. Because we knew he was texting from that
11 cell phone, we got a substitutional service order to serve him the restraining order and the
12 supporting affidavit via text, and there was an affidavit of service showing that that was
13 done on that Friday.
14

15 So over that weekend, which would be Saturday, the 17th, Mr. Weber then got a hold of a
16 different Alvarez and Marsal employee, a man who has nothing to do with this file at all -
17 his name is Tim Reid - and left him a voice mail, saying, "Why are you in my house, you
18 little cocksucker? Get the 'F' out of my house."
19

20 So that brings us to this week. And -- and during this week we've also learned from two
21 former Advantage employees that are now working as contractors with the Receiver in
22 helping to manage the receivership, that -- that he's harassed them via text, questioning
23 their loyalty, and that he's in their house (sic), et cetera, et cetera. So this has gone on this
24 week.
25

26 On last Thursday he contacted our office, and through that process he spoke with me. I
27 served with him all -- I gave him electronic copies of all the documents. He gave me an
28 e-mail that we could reach him at. That brings us here to today. And -- and in the
29 courtroom today my client has walked past him twice, and in the courtroom he's verbal --
30 verbally abused him twice, even here in the courtroom today.
31

32 So what we're seeking, My Lady, I mean, this behaviour is completely unacceptable.
33 This is not a -- the -- the Court-appointed Receiver and court officer does not -- it's not
34 part of their job description to -- to deal with this kind of stuff. There's no place for it
35 here. And what we're seeking is a restraining order much in line with -- the one that was
36 originally drafted and granted by Madam Justice Pentelchuk: (a) he's not permitted
37 within 200 meters of the premises of Mr. Krol or Mr. Konowalchuk's homes; (b) he's not
38 permitted near the Alvarez and Marsal offices here in Calgary; (c) he's not permitted near
39 the Advantage place of business in Didsbury.
40

41 But, also, given the communications that he had with some of the former employees and

1 with Mr. Reid, we've expanded on -- on the -- the paragraph with respect to harassing
2 texts, communications, et cetera, et cetera. We've -- what we're seeking is that he can't
3 communicate with Mr. Krol, Mr. Konowalchuk or anybody else from Alvarez and nor
4 communicate with the former employees who are now working as contractors for
5 Alvarez. At -- at the end of the day, My Lady, I would say these -- these terms aren't all
6 that onerous because all we're seeking is that Mr. Weber doesn't attend premises that he
7 no longer has any reason to attend and never had any reason to attend some of them, and
8 at this stage the people we're seeking him not to communicate with he no longer has a
9 reason to communicate with them as well. And we would just like to do our job as court
10 officer and implement the receivership order on the receivership.

11
12 Those are all my submissions, My Lady.

13
14 THE COURT: And, sir, I believe I've read in your documents
15 that at one point Mr. Weber attended at the RCMP offices and received a copy of the
16 restraining order? Is that right?

17
18 MR. LYSAK: That's right. When -- in -- in the process of
19 trying to obtain what we termed a substitutional service order and texted him that order
20 on the Friday the 16th, he --

21
22 THE COURT: Mmm hmm.

23
24 MR. LYSAK: -- also was given a copy of that order by the
25 RCMP that day.

26
27 THE COURT: Oh, (INDISCERNIBLE).

28
29 MR. LYSAK: Now, he wasn't -- the order says that -- to be
30 effective -- to be served, you would have to have the -- the -- not only the order but also
31 the affidavit supporting it, and the RCMP did not give him that, but he was texted it that
32 day, and e-mailed it by me the next week.

33
34 THE COURT: Thank you, Mr. Lysak.

35
36 And, Mr. Weber, if you'd like to respond, please, sir.

37
38 **Submissions by Mr. Weber**

39
40 MR. WEBER: Thank you. I'd like to present this to you.

41

1 THE COURT: What is that, sir?
2
3 MR. WEBER: This is "HSBC Corruption".
4
5 THE COURT: Sir, I don't --
6
7 MR. WEBER: I've got the --
8
9 THE COURT: -- receive --
10
11 MR. WEBER: -- dirtiest bank on the planet in my house.
12
13 THE COURT: Sir, I --
14
15 MR. WEBER: My house.
16
17 THE COURT: Sir, and you're talking about the Advantage
18 premises?
19
20 MR. WEBER: That's correct. That's also my residence, and it's
21 also the residence of one Robert Dhalli.
22
23 THE COURT: That's fine. And are those commercial premises
24 and do you have the --
25
26 MR. WEBER: They are --
27
28 THE COURT: -- permission of --
29
30 MR. WEBER: -- commercial and my residence when I'm --
31
32 THE COURT: And do --
33
34 MR. WEBER: -- in Alberta.
35
36 THE COURT: -- you have the -- the approval of your landlord
37 to live in the premises?
38
39 MR. WEBER: I do.
40
41 THE COURT: And do you have written --

1
2 MR. WEBER: And I don't --
3
4 THE COURT: -- permission --
5
6 MR. WEBER: -- need is permission because I rent the whole
7 place, I lease it.
8
9 THE COURT: But do you have written permission that you
10 can provide --
11
12 MR. WEBER: I don't --
13
14 THE COURT: -- this Court?
15
16 MR. WEBER: -- require written permission. He knows that --
17
18 THE COURT: Then --
19
20 MR. WEBER: -- I'm living there. As a matter of fact, he's
21 known for some time.
22
23 THE COURT: Stop sir. I don't receive written documentation
24 handed up to me. Anything that you care to respond to you must put in an affidavit, and if
25 you don't have an affidavit, I can't accept documents that you've got in your hands today.
26
27 MR. WEBER: So let me see if I understand here correctly.
28 Alvarez --
29
30 THE COURT: Sir, you will address this Court honourably and
31 with temperance, and if you aren't prepared to do that, I'll ask you to leave.
32
33 MR. WEBER: Let me see if I understand this, Madam Justice.
34
35 THE COURT: Thank you for that addition.
36
37 MR. WEBER: I have Alvarez and -- first of all, I have a
38 question.
39
40 THE COURT: I don't answer --
41

1 MR. WEBER: How do you petition --
2
3 THE COURT: -- questions.
4
5 MR. WEBER: -- a company that has --
6
7 THE COURT: Sir, I don't give --
8
9 MR. WEBER: -- over five million dollars in receivables --
10
11 THE COURT: Sir.
12
13 MR. WEBER: -- into bankruptcy?
14
15 THE COURT: I don't give advice off the bench. I'm not a
16 lawyer. I'm here as a judge to hear this on an adjudicative basis.
17
18 MR. WEBER: Hmpf. Would you like to descend down into the
19 arena?
20
21 THE COURT: Of course not. That's not my position nor my
22 place. If you would like to hire a lawyer --
23
24 MR. WEBER: I will --
25
26 THE COURT: -- to make --
27
28 MR. WEBER: -- never do that.
29
30 THE COURT: -- presentations to this Court and do it in a
31 respectful manner, I would -- I would encourage you to do that. You are allowed to be
32 self-represented, but at the same time you must act with dignity and respect.
33
34 MR. WEBER: And have I shown disrespect here today?
35
36 THE COURT: Yes, in the tone of your voice.
37
38 MR. WEBER: The tone of my voice. This is my normal
39 speaking voice. Should I --
40
41 THE COURT: Yes, but the --

1
2 MR. WEBER: -- apologize --
3
4 THE COURT: -- way --
5
6 MR. WEBER: -- for my normal --
7
8 THE COURT: No, you --
9
10 MR. WEBER: -- speaking voice?
11
12 THE COURT: -- shouldn't have to apologize for your normal
13 speaking voice, but the way that -- in which you approached this, I don't accept that.
14
15 MR. WEBER: Well, I don't accept people being in my house. I
16 have medications in my house. I don't appreciate to have -- to having three of my puppies
17 kicked out in the cold. I don't appreciate that very much either.
18
19 THE COURT: Well, then would you like the ability to get into
20 the premise to take any personal items out?
21
22 MR. WEBER: The ability? It's my house.
23
24 THE COURT: Sir, I asked you if you would like to -- this
25 (INDISCERNIBLE) -- this -- your company is in foreclosure. A receiver has been
26 appointed by the Court.
27
28 MR. WEBER: A fraudulent --
29
30 THE COURT: They have --
31
32 MR. WEBER: Fraudulent --
33
34 THE COURT: -- the entitlement --
35
36 MR. WEBER: -- receivership.
37
38 THE COURT: -- to be there, and if you don't care for that, then
39 you make a separate application. The one thing I can do today in granting a restraining
40 order is to allow you access into the premises to take out any personal items that you
41 have need for. But it would be with a RCMP officer in attendance.

1
2 MR. WEBER: So an RCMP officer. In the meantime, I have
3 thieves in my house taking everything that they possibly can, including one individual by
4 the name of David Williams (phonetic) drive -- driving my vehicle around in Didsbury.
5
6 THE COURT: Sir, I told you if you have an application to
7 make and you're unhappy, you make an --
8
9 MR. WEBER: I'd like the --
10
11 THE COURT: -- application --
12
13 MR. WEBER: -- affiant up on the witness so I can ask him
14 some questions.
15
16 THE COURT: Sir, that is not appropriate. You're not in charge
17 here today. This is Lysak's application on behalf of the firm that he was hired for. He is a
18 lawyer from Fasken, and if you would like to hire your own lawyer and fight this, you
19 may. But that's not what my business is today. My business is to determine whether an
20 amended restraining order should be granted.
21
22 MR. WEBER: So you're not going to hear anything that I have
23 to say?
24
25 THE COURT: No, unless it's appropriate and --
26
27 MR. WEBER: So --
28
29 THE COURT: -- within the bounds -- I'm not answering to
30 whatever your issue is with the receivership. That's something you would have to take up
31 with the bankruptcy trustee or whoever is appointed. That's not my duty here today.
32
33 MR. WEBER: Did I just hear Madam Justice say "us"?
34
35 THE COURT: No.
36
37 MR. WEBER: And -- no?
38
39 THE COURT: And I don't appreciate comments from you.
40 You could have a seat, sir. I'm not going to hear any response from you. You're
41 absolutely not in the ballpark in terms of what you're trying to address to me. I've asked

1
2 THE COURT: We'll just wait for this gentleman to leave.

3
4 MR. WEBER: I think you were a little prepared for this,
5 Ma'am.

6
7 MR. LYSAK: So, My Lady, what I'll first do is just pass up a
8 copy of the order and the -- a new blackline of the template that's available on the court
9 website. And I should also mention that we have expressed to Mr. Weber that, you know,
10 if he gives us a list of his personal effects, we are prepared -- I mean, we're Receiver only
11 over company assets, and we've tried to work with him to -- to obtain his goods, and,
12 obviously, we've -- we've gotten nowhere with him on that. So I just suppose that would
13 be left for another day. And we are working with some members of his family who --
14 who say there are family items at the premises.

15
16 **Decision**

17
18 THE COURT: And we are changing the order in that we are
19 allowing a substitutional service order that these documents be -- may be reserved served
20 upon -- served upon the respondent via e-mail at the e-mail address that you've indicated
21 in the order.

22
23 MR. LYSAK: That's correct. And to -- to text him pages of
24 these orders is very onerous and difficult, and now that I have an e-mail address for him
25 that he responds to, we'll do that (INDISCERNIBLE).

26
27
28 THE COURT: I've signed, sir.

29
30 MR. LYSAK: Thank you, My Lady. Sorry --

31
32 THE COURT: Thank you.

33
34 MR. LYSAK: -- for bringing this before you this morning.

35
36 THE COURT: Oh, part of the job.

37
38 PROCEEDINGS CONCLUDED

39
40
41

1 **Certificate of Record**

2
3 I, Rena Neale, certify this recording is a record made of the evidence of proceedings in Court
4 of Queen’s Bench, held in Courtroom 1002, at Calgary, Alberta, on the 26th day of
5 February, 2018, and that I was the court official in charge of the sound-recording
6 machine during the proceedings.
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1 **Certificate of Transcript**

2
3 I, Jeanne Rumary, certify that

4
5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the
6 best of my skill and ability and the foregoing pages are a complete and accurate
7 transcript of the contents of the record, and

8
9 (b) the Certificate of Record for these proceedings was included orally on the record and
10 is transcribed in this transcript.

11
12
13 AL-JO-1000-3663

14 **Jeanne**
15
16 **Rumary**

17 Digitally signed by Jeanne
18 Rumary
19 Date: 2018.04.05 18:45:49
20 -06'00'

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APPENDIX C

APPENDIX C

Voicemails left by James Weber to Travis Lysak of Fasken

1. Voicemail dated February 26, 2018:

- “Hey Lysak, you sack of shit! So you got another ringer in there, did ya? Ya motherfucker! That’s alright, you bitch. Do you know how many oil company offices there are in the building where your asshole friends are? I’m not done with you, you cocksuckers.”

2. Voicemail dated February 27, 2018:

- “Hey Lysak! How many judges does Fasken own? You are not my equal anywhere, you little prick. If we were in front of a jury, you motherfucker, you wouldn’t have gotten your own way. I knew what was gonna happen. As soon as that security guard walked in and set his dirty ass down beside me. And I told my little buddy that. Who also, by the way motherfucker, is a fellow martial artist. And even I wouldn’t mess with that boy. Talk to you later, bitch.”

3. Voicemail dated March 14, 2018:

- “Lysak, you little cocksucker! Do you really think that orders, restraining orders, from a piece of shit patronage appointed shit like MacDonald are going to save you? You little motherfucker. I see that you work with that cunt, Medhurst. You two are from the mold, you cocksucker. And I ain’t done with you, you little prick.”

Email sent by James Weber to Travis Lysak of Fasken

1. Email dated April 4, 2018:

Subject: Re: Application Materials

With prejudice

Mr. LYSAK

Advantage products inc is an Alberta company. Why are we in a federal court with the likes of the patronage appointed despot like MacDonald ?????

By this time you and your fellow thieves know that there is far more than the paltry amount owed to HSBC. Why are you still there????

Jim Weber

CONFIDENTIAL

APPENDIX D

APPENDIX E



**ADVANTAGE PRODUCTS INC. – IN RECEIVERSHIP
INVITATION FOR OFFERS
MARCH 13, 2018**

OVERVIEW

On February 7, 2018, the Court of Queen’s Bench of Alberta (the “Court”) granted an Order (the “Receivership Order”) pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (“BIA”) and sections 13(2) of the Judicature Act, R.S.A. 2000, cJ-2, and 65(7) of the Personal Property Security Act, R.S.A. 2000, c P-7, whereby Alvarez & Marsal Canada Inc. (“A&M”) was appointed receiver (the “Receiver”) of all of Advantage Products Inc.’s (“Advantage” or the “Company”) current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including proceeds thereof (the “Property”).

The Receiver is currently seeking offers on various Company assets (the “Assets”). To submit an offer on the Assets, please complete and submit a proposal form (the “Proposal Form”), a copy of which is attached hereto, in accordance with the below and the terms therein.

ADVANTAGE ASSETS

The Receiver understands that your firm has now visited the Advantage premise in Didsbury, AB and have reviewed the Assets. Attached is an updated fixed asset listing (the “Fixed Asset Listing”), which identifies Advantage’s various equipment and vehicles (both leased and owned) (“Core Assets”). The Receiver is seeking offers on these Core Assets and other office furniture and miscellaneous assets (“Miscellaneous Assets”) located at the Advantage premise that are not otherwise included in the Fixed Asset Listing. The Receiver understands that while the Miscellaneous Assets are not included in the Fixed Asset Listing, your firm has reviewed such Miscellaneous Assets in your visit to the Advantage premise.

Please note, the attached Fixed Asset Listing identifies certain vehicles that are listed under “Assumed Advantage Owned (located on Property)”. If it is determined that some or all of these particular assets are not owned by Advantage or the Receiver is otherwise unable to sell these particular assets, the Receiver also asks that your offer contemplates this scenario. In particular, please provide a value for each of these particular assets in this section and if it is determined that one of these items are not owned by Advantage, this would reduce the value of your offer accordingly. Again, the Receiver is assuming that these assets will be part of the overall Assets sold to the successful bidder.

The Fixed Asset Listing includes items that are highlighted in “yellow”. These are new Assets included to the schedule that your firm would likely not have seen on your visit that is included in the sales process. If you would like to arrange a time to visit these assets, please contact David Williams directly.

OFFER SUBMISSION

All offers must be submitted on the Proposal Form, along with any additional information you wish to include as part of the offer. Each offer must include a bank draft (or wire transfer) payable to ***Alvarez & Marsal Canada Inc., Receiver of Advantage Products Inc.*** representing 10% of the total amount of the highest valued proposal therein at the time the Proposal Form is submitted by the bidder. The 10% deposit will become non-refundable upon execution of a definitive agreement by the bidder and the Receiver (the “Definitive Agreement”) unless the transaction contemplated by the Definitive Agreement does not close as a result of an act or omission of the Receiver (including obtaining approval of the Court of Queen’s Bench of Alberta for the performance of the transactions contemplated in the Definitive Agreement). A copy of the Receiver’s wire banking information is attached to this email.

Leased Assets. The Proposal Form requires, for each Proposal therein, a separate entry to identify the value to be assigned to the leased assets (“Leased Assets”), which Leased Assets are included in the Fixed Asset Listing. In addition to identifying the total value assigned to the Leased Assets for each Proposal, the Receiver requests that you identify and/or provide an itemized schedule of value for each of the Leased Assets. Should your offer include a purchase price for the Leased Assets that exceed what is currently owed by Advantage on such assets, the Receiver may, in its sole discretion, consider selling these to the successful bidder. If you require payout statements on any of the Leased Assets, please ask the Receiver and we will provide such information.

Please note, the Receiver maintains the right to choose and accept any offer from any bidder in its sole discretion and is not required to accept the offer with the highest amount offered. The Receiver may also choose to reject all offers.

BID DEADLINE

As previously communicated to you, the Receiver requires that all proposals be submitted to the Receiver by ***Noon MDT on Friday, March 16, 2018.*** Proposals should be sent by or email or courier to the following:

Advantage Products Inc., by and through its court appointed Receiver, Alvarez & Marsal Canada Inc.,
and not in its personal or corporate capacity
C/o Orest Konowalchuk, Senior Vice President
Bryan Krol, Manager
Bow Valley Square IV
Suite 1110, 250-6th Avenue SW
Calgary, Alberta T2P 3H7

Contact information:

Orest Konowalchuk: okonowalchuk@alvarezandmarsal.com (403) 538-4736

Bryan Krol: bkrol@alvarezandmarsal.com (403) 538-7523



AS IS WHERE IS SALE, SUBJECT TO COURT APPROVAL

The “successful bidder” acknowledges that any sale of the Assets by the Receiver are on an “*as is where is*” basis and the Receiver makes no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of the Assets for any purpose. It is further agreed by the successful bidder that the implied conditions and warranties contained in the *Sale of Goods Act*, Revised Statutes of Alberta, Chapter S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected hereby and under any Definitive Agreement. The successful bidder confirms that it has completed to its satisfaction any due diligence and investigation in relation to the Assets and the purchase contemplated herein.

The purchase and sale of Assets requires, and the closing of the transactions contemplated herein remain subject to, approval of the Court. The Receiver is hopeful that if an acceptable offer is received, the Receiver will be seeking Court Approval by mid-April 2018.

Thank you once again for your interest in the Advantage Assets, and we look forward to receiving your offer on or before Noon MDT, Friday, March 16, 2018.

Should you have any questions, please do not hesitate to contact either Bryan Krol or Orest Konowalchuk of the Receiver.

David Williams, CPA
Associate
Alvarez & Marsal Canada ULC
Calgary, Alberta
Mobile: 587.894.2802
Office: 403.538.7536
Email: david.williams@alvarezandmarsal.com
www.alvarezandmarsal.com



Advantage Products Inc. - In Receivership
Fixed Asset Listing
March 13, 2018

Photo #	Year	Make	Model	Colour	Mileage (km)	License Plate	VIN	Location
Advantage Owned (with documentation)								
CARS & TRUCKS								
#2	1992	Buick	Roadmaster	Wood			1G4BR8377NW405603	Yard
#3	1996	Ford	F150	Brown		BDK - 425	1FTEF15Y3TLB97337	Yard
#7	2008	Ford	F150 Foose	Black	92,178		1FTPW12578KD59048	Main Buidling
#8	1978	Lincoln	Continental	Black	55,359		F8Y82A9295249	Main Buidling
#10	2008	Smart Car	Smart for two	Yellow	179,000		WMEEJ31X08K101394	Main Buidling
#11	1966	Chrysler	C 300 Sport	Brown	7,300		CM23G63238774	Main Buidling
#23	1965	Ford	Custom Cab	Blue/White	43,689	BXT - 3557	4991028L-229959A	Quonset Hut
#29	2002	Ford	F - 350	Gold Grey			1FTSW31F92EA17137	Yard
#30	1996	Cadillac	Fleetwood	White		BHS - 1260	1G6DW52P5TR710800	Yard
#74	1958	Ford	Ranchero	Blue	37,876		B8FX153671	Trailer/Yard
#20		Chevrolet	El Camino	Black	89,756		3GCW80H5GHS905840	Quonset Hut
TRAILERS								
#33	2018	Trailer	Double A	Grey			2DAGC7277JT019244	Yard
#34	2000	Trailer	Flatdeck	Black		T072-46	2N9FASC25YG017244	Yard
#35		DIAMOND C	Flatdeck	Black			4GUFU4023E1151947	Yard
#36		Trailer	Big Brute enclosed	Black		BIG BRUTE	4JCG044338B086273	Yard
#38	1998	Trailer	Enclosed	White		V277 - 75	2B9CTYC17W1023695	Yard
#39	2009	Trailer	Small Size	Black		Y435-02	4J6US10109B110669	Yard
#31		H&H Trailer	Flatdeck	Yellow		5MCO15	4J6EX24218B100827	Yard
MOTORCYCLES								
#44	2002	Harley Davidson	Yellow Roadglide	Yellow			1HD1FSW112Y660629	Main Buidling
CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS								
#57	2011	Dry Blast	Trinco 36/BP	Grey			68406 - 10	Main Buidling
#64		XLO	Surface Grinder	Green		141015	M69788	Main Buidling
#66	2011	XLO	VF2	White/Grey	2,751	VF - 2	1088154	Main Buidling
#67	2002	HAAS	VF3B	White/Grey	963	VF - 3	28971	Main Buidling
	2011	Masco	Jib Crane	Yellow				Main Buidling
#72		RDO Induction	R - 1200	Blue/White			12V - 10048	Main Buidling
MISCELLANEOUS								
#42		Toyota	2FBCA-25 forklift	Orange			12623	Main Buidling
	2011	ITR	Time Recorder ITR SP-250	SP-250			2737	Main Buidling
#82		Advantage	TorqDrive Motor Cabinets					Middle Buidling
#83		Advantage	TorqDrive Motors					Middle Buidling
Assumed Advantage Owned -(located on Property)								
CARS & TRUCKS								
#1	1996	Chevrolet	Dually	Black	17,740		2GCHC39N411690533	Yard
#17		Falco	Sport Coupe	Grey	15,931		8B10T100233	Quonset Hut
#18	1981	Jeep	CJ-5 Renegade	Black	36,432		J9F83ED014666	Quonset Hut
#15		Chevrolet	150 Wagon	Blue/White		BXX-1192		Main Buidling
#24	1992	Buick	Roadmaster	wood	81,672		1G4BR8376NW409609	Quonset Hut
#14	1979	Lincoln	Towncar	Silver	31,968		9Y825765963	Yard
#19		Chevrolet	El Camino	Silver	81,229		Not Available	Quonset Hut
#21		Olds Mobile	Royal Brougham	Grey	94,838		1G3BV69Y3F9115413	Quonset Hut
#22		Olds Mobile	Vista Cruiser W-31	Yellow			3K66U2M244944	Quonset Hut
#25	1981	Chevrolet	El Camino	Off White	19,202		IGCCW80H0BZ440122	Quonset Hut
#26	1969	Chevrolet	Caprice	White	72,745		1663901143243	Quonset Hut
#27		Olds Mobile	Cutlass	Blue	70,861		Not Available	Quonset Hut
	2000	Dodge	RAM 3500	BLUE	244,972		1B7MF3369YJ135856	Gil's Truck & Auto
PHYSICALLY DAMAGED VEHICLES & TRAILER								
#53	2010	GMC	Sierra	Silver			3GTP2UEA8BG211611	Yard
#54	2000	Lincoln	Lincoln	Silver		BRR - 7535	1LNHM83W51Y609136	Yard
#55		Chrysler	Buick	Red			4443702125337	Yard
#56		Trailer	Trailer	White		UDT - 551	Not Available	Yard
TRAILERS								
#37	2008	Toyhauler	Happy Camper Enclosed	Silver			5N8UJEZ208N065684	Yard
MOTORCYCLES								
#45		Harley Davidson	Black	Black			1HD1DDV192Y662485	Main Buidling
#46	2003	Triumph	Blue	Blue		L7 - 5075	SMT905JN04193489	Main Buidling
#47	2005	Honda	Big Ruckus	Orange	2,333		JH2MF092X5K000143	Quonset Hut
#48	1977	Honda	Trail 125	Red	1,559		CT125 - 1016354	Quonset Hut
#49		BMW	Red BMW	Red	1,283		10R010402	Quonset Hut
#50		BMW	GS 1200	Black		CG - 594	Not Available	Quonset Hut
#51		BMW	K 1200	Black			WB103800282U50775	Quonset Hut
#52		Ducati	900 Desmodue	Brown	31,898		ZDM1P4CLCRV001143	Quonset Hut
#76	1971	NORTON	750 Commando	Black	4		145938	Office
#86		Honda	CBX	Black/White			SCJS0XB*****00953	Yard
#77	1983	Honda	459720	Red	3,671		JH2JD0106DS303390	Main Buidling
CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS								
#58	2006	Bandsaw	AH1010JAY	Yellow			951200	Main Buidling
#59		Modern	Bandsaw	Blue/Slate			Not Available	Main Buidling
#60	2003	Modern	C6241X1000 Lathe	Blue			360124	Main Buidling

Advantage Products Inc. - In Receivership
Fixed Asset Listing
March 13, 2018

Photo #	Year	Make	Model	Colour	Mileage (km)	License Plate	VIN	Location
#62		Craftex	Belt Sander	Green		MT - 011	1104292	Main Buidling
#63		Baldor	Grinder	Silver		MT - 012	G10-164-2 F177	Main Buidling
#65		Modern	3VM Manual Milling	White/Blue		MT - 005	030721	Main Buidling
#68	2002	HAAS	ST40	White/Grey	18,127	ST - 30	3092856	Main Buidling
#69	2011	HAAS	VF4	White/Grey	5,838	VF - 4	1082404	Main Buidling
#70	2006	Strands	S-25	Blue/Grey		MT - 001	357816B	Main Buidling
#71		Kitigawa/Hyundai	HIT 18s	Blue/White			B-210A815B	Main Buidling
#73	2007	Diversi-Tech	"fred" fume extractor	Black			4040/2007	Main Buidling
	2014	Eastman Mfg	Phosphate Tank	Grey			9HS 47940 MR	Main Buidling
#79	2017	Quincy	Compressor (251CP80VCB)	Blue			UTY510456	Main Buidling
		Ingersoll Rand	Upright Air Compressor	White			2545K10-VP	Middle Buidling
		LeRoi	Screw Compressor	Grey			W50SSAH	Main Buidling
		Canwood Pro	Vertical Bandsaw	White			CWD10-600	Main Buidling
#80	2017	Baldor (2x)	Industrial Motor	Grey			F1604050475 & 7067	Main Buidling
MISCELLANEOUS								
#41		Toyota	7RFGU35 Forklift	Orange			61844	Main Buidling
#43	1996	Snowblower	FarmKing	Red			204016412	Yard
	2017	Honda	HRX217 Lawnmower	Red			MAGA - 1529453	Quonset Hut
#78	2017	Alpha	Big Dog Mower	Red			4617405563	Main Buidling
			Qonset Hut	White				Yard
			Rotary Lift	Red			CSH07B0081	Main Buidling
#85		Big Foot	Oakland 3000 Camper	White			2B9CHSTN5SV06004	Yard
#81		Snow King	Snowblower (317E643F515)	Red			1H21612-0085	Main Buidling
Advantage Owned (with documentation) - Leased								
CARS & TRUCKS								
#13	2013	Ford	Mustang	Yellow			1ZVB8P8CU3D521575	Main Buidling
#9	2016	Dodge	1500	Silver	23,970		1C6RR7NM6G5313691	Main Buidling
#6	2015	Dodge	1500	Black	62,622	RUC561	1C6RR7JMCFS771418	Main Buidling
CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS								
#61		AgieCut	Classic 2s	Green			388	Main Buidling

PROPOSAL FORM – ADVANTAGE PRODUCTS INC. - IN RECEIVERSHIP

To: Advantage Products Inc. (“**Advantage**”), by and through its court appointed receiver and manager, Alvarez and Marsal Canada Inc. (the “**Receiver**”), acting in its capacity as receiver, and not in its personal or corporate capacity

Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7

Attention: Orest Konowalchuk okonowalchuk@alvarezandmarsal.com and
Bryan Krol bkrol@alvarezandmarsal.com

1. _____
(Name of Party issuing Proposal) (the “**Bidder**”)

2. _____
(Address of Party)

3. _____ (Phone number) _____ (Email)

4. _____
(Person to be contacted)

5. The total amount hereby offered: Proposal A (Net Minimum Guarantee): \$ _____

a. Additional Conditions: _____

b. Value Assigned to Leased Vehicles: _____

6. The total amount hereby offered: Proposal B (Straight Commission) \$ _____

a. Additional Conditions: _____

b. Value Assigned to Leased Vehicles: _____

7. The total amount hereby offered: Proposal C (Outright Purchase): \$ _____

a. Additional Conditions: _____

b. Value Assigned to Leased Vehicles: _____

8. In the event more than one of the foregoing Proposals is submitted by the Bidder, the Receiver may accept any one Proposal from any Bidder in its sole discretion.
9. Each Proposal submitted by any bidder shall be referred to as a "**Bid**". The Receiver maintains the right to accept any Bid in its sole discretion and is not required to accept the Bid with the highest amount offered. The Receiver may choose to reject all Bids.
10. Enclosed is the Bidder's bank draft payable to Alvarez & Marsal Canada Inc., in its capacity as Receiver of Advantage as a deposit in the amount of \$_____, representing 10% of the total amount of the Bidder's highest valued Proposal submitted herein (the "**Deposit**").
11. If a Bid is accepted by the Receiver (the "**Accepted Proposal**"), the applicable Bidder will, in good faith, negotiate a binding definitive agreement (the "**Definitive Agreement**") with the Receiver which shall, unless the parties agree otherwise, include the following:
 - a. a purchase price in an amount equal to that contained in the Accepted Proposal, including an allocation of a portion of the purchase price to the value of the Leased Vehicles;
 - b. an allocation of the purchase price for each of the assets sold under the Definitive Agreement (the "**Assets**"), and a term to adjust the purchase price for any removal of Assets from the purchase and sale;
 - c. additional provisions incorporating the Additional Conditions set out in the Accepted Proposal;
 - d. a condition precedent that the performance of the Definitive Agreement will be subject to approval of the Court of Queen's Bench of Alberta (the "**Court Approval**");
 - e. a term that the Deposit will be non-refundable upon the execution of the Definitive Agreement by the Bidder and the Receiver unless the transaction contemplated by the Definitive Agreement does not close as a result of an act or omission of the Receiver (including obtaining Court Approval);
 - f. a term that the Assets shall be acquired by the Bidder on an "as is where is" basis;
 - g. a term that the Receiver will make no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of any Asset for any purpose or as to the title, ownership or merchantability of any Asset;
 - h. a term that the implied conditions and warranties contained in the Sale of Goods Act, R.S.A., c. S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected by the Definitive Agreement;
 - i. a representation by the Bidder that it has completed to its satisfaction any due diligence and investigation in relation to the Assets; and
 - j. such other terms that are customary in an agreement of the nature of the Definitive Agreement.

12. The Receiver requires that all Bids be submitted by e-mail to the Receiver by **Noon MDT on Friday, March 16, 2018**

DATED at _____ this _____ day of _____, 2018.

(Signature of Authorized Representative)

(Name and Position)

ACCEPTED:

**ADVANTAGE PRODUCTS INC., BY AND THROUGH
ITS COURT APPOINTED RECEIVER AND MANAGER,
ALVAREZ AND MARSAL CANADA INC., ACTING IN
ITS CAPACITY AS RECEIVER, AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

(Signature of Authorized Representative)

(Name and Position)

(Date)

APPENDIX F

REDACTED

THIS Auction and Liquidation Services Agreement dated for reference the 23rd day of April, 2018

MADE BETWEEN:

ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-appointed receiver of Advantage Products Inc. ("**Advantage**") and not in its corporate or personal capacity

(hereinafter referred to as the "**Receiver**")

OF THE FIRST PART

AND:

CENTURY SERVICES CORP.

(hereinafter referred to as the "**Auctioneer**")

OF THE SECOND PART

WHEREAS:

- A. Pursuant to an order (the "**Receivership Order**") of the Court of Queen's Bench of Alberta (the "**Court**") granted February 7, 2018 in Court File No. 1801-01297, Alvarez & Marsal Canada Inc. was appointed receiver of the assets, property and undertakings of Advantage (the "**Receiver**");
- B. The Auctioneer submitted a proposal to the Receiver dated March 22, 2018 to liquidate the assets of Advantage listed in **Schedule "A"** hereto (the "**Assets**"); and
- C. The Receiver wishes to retain the Auctioneer to sell the Assets, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Receiver and the Auctioneer agree as follows:

1. RETENTION OF THE AUCTIONEER

- 1.1 The Receiver hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run an auction (the "**Auction**") with respect to the Assets on the terms and conditions as set forth in this agreement.
- 1.2 The Receiver and the Auctioneer covenant and agree with each other to carry out their respective obligations under this Agreement, including without limitation the obligations as set forth in **Schedule "B"** to this Agreement.

1.3 The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of the Receiver or Advantage, unless otherwise specifically authorized and approved by the Receiver.

2. THE AUCTION

2.1 The Auctioneer has guaranteed and does hereby guarantee a net minimum payment to the Receiver of \$_____ subject to adjustment pursuant to section 2.6 of this Agreement, (the “NMG”) regardless of the amount of proceeds received from sale of the Assets pursuant to this Agreement.

2.2 The Auctioneer has paid to the Receiver a deposit in the amount of \$_____ the “Deposit”).

2.3 The Deposit shall be to be held by the Vendor as follows:

- (a) if the Auction does not occur by June 15, 2018 through: (i) any fault of the Receiver; or (ii) the Approval Order (as defined below) not being granted, the Deposit shall be returned by the Receiver to the Auctioneer; and
- (b) if the Auction is not held for any other reason, the Deposit shall be forfeited by the Auctioneer and the Receiver shall keep the Deposit, which shall not be a penalty and shall be a genuine pre-estimate of damages.

2.4 The Auctioneer shall have the right to charge the purchasers of the Assets a 15% buyer’s premium with respect to the sale of the Assets (the “Buyer’s Premium”). For greater clarity, the Buyer’s Premium shall be for the sole account of the Auctioneer and shall not be considered part of the Gross Sale Proceeds.

2.5 The proceeds of sale of the Assets, net of applicable taxes, and the Buyer’s Premium (together, the “Gross Sale Proceeds”), shall be paid and distributed by the Auctioneer as follows:

- (a) firstly, the Auctioneer shall pay the Receiver an amount equal to the NMG less the Deposit. If the Gross Sale Proceeds are insufficient to make this payment in full, the Auctioneer shall itself pay the deficiency to the Receiver;
- (b) secondly, the Auctioneer shall retain, for the Auctioneer’s sole and exclusive benefit in consideration for its services under this Agreement, the next \$_____ of the Gross Sale Proceeds; and
- (c) thirdly, any remaining Gross Sale Proceeds shall be paid to the Receiver.

2.6 If any of the Assets are removed from the Sales Process, the NMG shall be reduced by an amount equal to the value allocated to that Asset in Schedule “A” hereto.

2.7 If there is a dispute respecting the ownership of any of the Assets sold by the Auctioneer or any claims relating thereto, the Auctioneer may pay the proceeds in respect of such

Assets to the Court of Queen's Bench of Alberta and the Court may determine who is entitled to the proceeds.

- 2.8 The Auctioneer will provide a full report of all sales of the Assets and pay any amounts payable to the Receiver from the Gross Sale Proceeds within 15 business days following the applicable sale date by way of wire transfer to the account stipulated by the Receiver.

3. REPRESENTATIONS, WARRANTIES, AND COVENANTS WITH RESPECT TO THE ASSETS

- 3.1 The Receiver shall, promptly following approval of this Agreement by the Court of Queen's Bench of Alberta, deliver to the Auctioneer a copy of all pertinent documents that are in the possession of the Receiver relating to the Assets, including, without limitation, all documents of title, operating manuals, warranties, and all documents respecting registrations.
- 3.2 The Auctioneer shall have unrestricted, free use of the premises at which or upon which the Assets are located (a) from the effective date of the Agreement to and including the date of the auction to prepare for the auction and to hold the auction itself, and (b) sufficient time following the auction date to support load-out of the Assets.
- 3.3 The Receiver shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, access to the Assets from the date of court approval (or such date earlier as agreed to by the Receiver) until the date of the Auction for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the auctions, completing all sales, and removing the Assets upon their sale. The Auctioneer shall sell the Assets on an "as is, where is" basis and neither the Receiver, Advantage nor the Auctioneer shall make, vis-à-vis, any third party purchasers, any representations, conditions or warranties, and there are no representations, conditions or warranties. The Parties agree there are no terms or conditions whatsoever, whether expressed, implied, statutory or otherwise (including, without limitation, those under the *Sale of Goods Act* (Alberta) and the *International Sale of Goods Contracts Convention Act* (Canada)) with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of this Agreement.
- 3.4 The Auctioneer will have an inspection period to inspect the Assets prior to the Auction. The Auctioneer has conducted its own due diligence, independent inspection, and investigation respecting the Assets and is satisfied with the Assets in all respects. If any Asset due to deterioration of the condition of the Asset in between the time of the original inspection and the time of auction is deteriorated in condition from that at which it was appraised, there is an encumbrance or other defect in title, or is for any reason not available for auction shall, be removed from the auction, with the Proposal Price being reduced by the appraised value of the removed Asset; or with the consent of the Receiver (a) remain in the auction, with the Proposal Price being reduced to a revised appraised value in respect of such Asset; (b) refurbished by the Auctioneer with all refurbishing costs being deducted from the Proposal Price or (d) be dealt with in such manner as may be agreed upon by the Auctioneer and the Receiver.

- 3.5 The Receiver nominates and appoints the Auctioneer as its attorney to (i) deal with any creditors for the purpose of discharges and payouts of the Assets; and (ii) sign, execute, and deliver on Receiver's behalf all documents required to transfer title free and clear of any encumbrances.

4. COURT APPROVAL

- 4.1 This Agreement shall be subject to the condition precedent of approval by the Court of Queen's Bench of Alberta of (i) the Receiver entering into this Agreement and (ii) a Sale Approval and Vesting Order to be in a form acceptable to both parties hereto (the "**Approval Order**"). The Receiver will apply to the Court for the Approval Order by no later than April 30, 2018.
- 4.2 The Receiver will make its best efforts, but is not obligated, to obtain a Sealing Order respecting this Agreement when it applies to the Court of Queen's Bench of Alberta for the Approval Order.

5. DUTIES OF AUCTIONEER

- 5.1 Except as otherwise provided for in this Agreement, the Auctioneer shall at its own cost and expense:
- (a) provide commercially reasonable efforts to conduct the Auction in accordance with its terms and the terms of this Agreement;
 - (b) provide sufficient licensed auctioneers and other personnel as is generally required for the holding of the Auction;
 - (c) supervise the inspection of the Assets by potential purchasers prior to the Auction;
 - (d) prepare for, arrange, conduct and conclude an Onsite and Online Auction including, but not limited to, advertising, auction-related set-up, administrative services, collection of proceeds, banking, security/check out personnel, etc.;
 - (e) advertise and promote the Auction including the use of "ADVANTAGE PRODUCTS INC." and "ALVAREZ & MARSAL CANADA INC" in advertising the Auction. The Auctioneer shall seek the prior consent of the Receiver to the form and content of all advertising and such consent shall not to be unreasonably withheld;
 - (f) detail, organize, catalogue, inventory, tag and lot the Assets for the Auction;
 - (g) provide administrative services relating to the transfer of ownership of Assets to purchasers such that title to the Assets can be conveyed to the purchasers; however, title to the Assets shall at all times remain with Advantage until sold and conveyed to the purchasers; and

- (h) allow representatives of the Receiver to be present at the Auction and to have access to all of the Auctioneer's records concerning the sale of the Assets; and

6. PROVIDE THE ACCOUNTING DESCRIBED IN SECTION 2 OF SCHEDULE "B" HERETO. ADDITIONAL REPRESENTATIONS, WARRANTIES AND CONDITIONS

7.1 The Receiver represents and warrants to the Auctioneer that, subject to the approval of the Court of Queen's Bench described in Section 4.1 hereof, the Receiver has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement.

7.2 The Auctioneer represents, warrants and acknowledges to the Receiver that:

- (a) the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of Alberta;
- (b) the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
- (d) the Auctioneer will, prior to conducting any sales pursuant to this agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any sale of any Assets by the Auctioneer pursuant to this agreement, in all applicable jurisdictions; and
- (e) the Auctioneer has not jointly elected with the Receiver pursuant to section 177(1.3) of the *Excise Tax Act* (Canada) and

6.1 THE AUCTIONEER HOLDS ALL REQUIRED PERMITS AND LICENSES REQUIRED TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT.

7.3 The representations, warranties and covenants of the Auctioneer set forth in this agreement will survive completion of the transactions contemplated by this Agreement.

7. MISCELLANEOUS

7.1 All references to currency in this Agreement and in the schedules hereto are to lawful currency of Canada.

7.2 If the doing of any act pursuant to this Agreement falls on a day on a bank holiday or weekend, then the time for the doing of such act shall be deemed to be the next day that is not a bank holiday or weekend.

- 7.3 Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by facsimile or by electronic mail to the addresses and/or email addresses set forth as follows:

The Receiver: Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Email: okonowalchuk@alvarezandmarsal.com

The Auctioneer: Century Services Corp.
2nd Floor, 734- 42 Ave SE,
Calgary, AB T2G 5N9
Email: jcarlson@centuryservices.com

A party may from time to time change its address for service or its facsimile number for service by giving written notice of such change to the other party.

- 7.4 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.
- 7.5 This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral.
- 7.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
- 7.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 7.8 All stipulations in this Agreement as to time are strictly of the essence.
- 7.9 This Agreement shall be governed by the laws in effect in the Province of Alberta and the parties hereby attorn to the jurisdiction of the Courts of that Province.
- 7.10 This Agreement may be executed in counterparts by the parties hereto, and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.
- 7.11 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 7.12 Either party shall have the right to terminate the Agreement and the Deposit shall be fully refundable to the Auctioneer, if any of the following occur: (a) the Approval Order is not granted by the Court on or before April 30, 2018; (b) a force majeure event occurs and

lasts longer than 90 days; (c) the Assets are reduced in value to an amount below the amount of the Deposit; or (d) the Receiver fails to obtain or provide access to the Assets and the premises within or upon which the Assets are located for any period of time that might be reasonably considered to impact the Auctioneer's ability to deal with the Assets and conduct the auction.

EXECUTED at Calgary, Alberta, this 23 day of April, 2018.

ALVAREZ & MARSAL CANADA INC., in its capacity as the Court appointed Receiver of Advantage Products Inc.

Per: 

Name: Orest Konowalchuk, CPA, CA CIRP,
LIT

Title: Senior Vice President

CENTURY SERVICES CORP.

Per: 

Name: Bevan May

Title: Director

SCHEDULE "A"
THE ASSETS AND VALUE ALLOCATION

SEE ATTACHED

**Advantage Products Inc. - In Receivership
Auction Agreement - Listing of Assets Schedule**

SCHEDULE A

Year	Make	Item	VIN or S/N
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Advantage Owned (with documentation)

CARS & TRUCKS

1992	Buick	Roadmaster	1G4BR8377NW405603
1996	Ford	F150	1FTEF15Y3TL897337
2008	Ford	F150 Foose	1FTPW12578KD59048
1978	Lincoln	Continental	F8Y82A9295249
2008	Smart Car	Smart for two	WMEEJ31X08K101394
1966	Chrysler	C 300 Sport	CM29G63238774
1965	Ford	F-100 Custom Cab	4991028L229959A
2002	Ford	F - 350 Lariat	1FTSW31F92EA17137
1996	Cadillac	Fleetwood	1G6DW52P5TR710800
1987	Chevrolet	El Camino	3GCW80H5GH5905840

TRAILERS

2018	Trailer	Double A	2DAGC7277JT019244
2000	Norberts	Flatdeck	2N9FASC25YG017244
2014	DIAMOND C	Flatdeck	4GUFU4023E1151947
2017	Trailer	Big Brute enclosed	4JCG044338B086273
1998	Trailer	Single Axle Enclosed	2B9CTYC17W1023695
2009	Trailer	Small Size	4J6US10109B110669
	H&H Trailer	Flatdeck	4J6EX24218B100827

MOTORCYCLES

2002	Harley Davidson	Yellow Roadglide	1HD1FSW112Y660629
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CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS

2011	Dry Blast	Trinco 36/BP	68406 - 10
	XLO	Surface Grinder	M69788
2011	HAAS	VF2	1088154
2002	HAAS	VF3B	28971
2011	Masco	Jib Crane	
	RDO Induction	R - 1200	12V - 10048

MISCELLANEOUS

2011	Toyota	2FBCA-25 forklift	12623
	ITR	Time Recorder ITR SP-250	2737
	Advantage	TorqDrive Motor Cabinets	
	Advantage	TorqDrive Motors	

Assumed Advantage Owned (located on property)

CARS & TRUCKS

2001	Chevrolet	Silverado	2GCHC39N411690533
	Falcon	Sport Coupe	8B10T100233
1981	Jeep	CJ-5 Renegade	J9F83ED014666
1956	Chevrolet	150 Wagon	000A560014876
1992	Buick	Roadmaster	1G4BR8376NW409609
1979	Lincoln	Towncar	8Y82A929524
1972	Chevrolet	El Camino	
	Olds Mobile	Royal Brougham	1G3BV69Y3F9115413
	Olds Mobile	Vista Cruiser W-31	3K66U2M244944
1981	Chevrolet	El Camino	1G6CCW80H0BZ440122
1969	Chevrolet	Caprice	1663901143243
	Olds Mobile	Cutlass	Not Available
2000	Dodge	RAM 3500	1B7MF3369YJ135856
1958	Ford	Ranchero coupe/utility pickup vehicle	1G4BR8377NW405603

PHYSICALLY DAMAGED VEHICLES & TRAILER

2010	GMC	Sierra	3GTP2UEA88G211611
2000	Lincoln	Lincoln	1LNHM83W51Y609136
	Chrysler	Buick	4443702125337
	Trailer	Trailer	Not Available

TRAILERS

2008	Toyhauler	Happy Camper Enclosed	5N8UJEZ208N065684
???	???	tandem axle flatdeck trailer	

MOTORCYCLES

	Harley Davidson	Fatboy	1HD1DDV192Y662485
2003	Triumph	"America" motorcycle	SMT905JN04J193489
2005	Honda	Big Ruckus	JH2MF092X5K000143
1977	Honda	Trail 125	CT125 - 1018354
	BMW	Red BMW	10R010402
	BMW	GS 1200	Not Available
	BMW	K 1200	WB103800282U50775

**Advantage Products Inc. - In Receivership
Auction Agreement - Listing of Assets Schedule**

SCHEDULE A

Year	Make	Item	VIN or S/N
	Ducati	900 Desmodue	ZDM1PC4LCRV001143
1971	NORTON	750 Commando	145938
	Honda	CBX	SCJS0XB*****00953
1983	Honda	459720	JH2D0106DS303390

CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS

2006	Tiawan	AH1010JAY	951200
	Modern	UE-916A-CSA Bandsaw	Not Available
2003	Modern	C6241X1000 Lathe	360124
	Craftex	Belt Sander	1104292
	Baldor	Grinder	G10-164-2 F177
	Modern	3VM Manual Milling	030721
2002	HAAS	ST40	3092856
2011	HAAS	VF4	1082404
2006	Strands	S-25	357816B
	Kitigawa/Hyundai	HIT 13s	B-210A815B
2007	Diversi-Tech	"fred" fume extractor	4040/2007
2014	Eastman Mfg	Phosphate Tank	9HS 47940 MR
2017	Quinci	Compressor (251CP80VCB)	UTY510456
	Ingersoll Rand	Upright Air Compressor	2545K10-VP
	LeRoi	Screw Compressor	W50SSAH
	Canwood Pro	Vertical Bandsaw	CWD10-600

MISCELLANEOUS

	Toyota	7RFGU35 Forklift	61844
2017	Honda	HRX217 Lawnmower	MAGA - 1529453
	Norseman	Qonset Hut	
		Rotary Lift	CSH0780081
	Big Foot	Oakland 3000 Camper	2B9CHSTN5SV06004
	Snow King	Snowblower (317E643F515)	1H21612-0085
		Contents of office including but not limited to single pedestal desk, 2 task chairs, 2 side chairs, pedestal, bookcases, side table, Bose stereo, MSI laptop, HP flatscreen monitor, assorted decorative artwork, etc.	SCHEDULE "A" #1
		Westward 155-pc mechanics tool set	SCHEDULE "A" #2
		Crossbow and air rifles	SCHEDULE "A" #3
		Lot of assorted electronics including but not limited to Focal "Utopia" hifi headphones, Asus "Zenwear 3" android watch, dash cams, digital cameras, etc.	SCHEDULE "A" #4
		Reception desk, task chair, 2 side chairs	SCHEDULE "A" #5
		HP desktop computer	SCHEDULE "A" #6
		Nortel telephone system	SCHEDULE "A" #7
		Contents of office including but not limited to modular desk system, task chair, side chair, cork board, 2-drawer vertical file cabinet, desktop computer, flatscreen monitor, etc.	SCHEDULE "A" #8
		Contents of office including but not limited to double pedestal desk, 3 task chairs, 2-drawer lateral file cabinet, Brother printer, desktop computer, 2 flatscreen monitors, storage cabinet, 2 bookcases, assorted art, etc.	SCHEDULE "A" #9
		Contents of office including but not limited to single pedestal desk, task chair, storage cabinet, bookcase, printer table, Brother printer, Super desktop computer, 2 flatscreen monitors, side chair, etc.	SCHEDULE "A" #10
		Panasonic bluetooth speaker	SCHEDULE "A" #11
		Iskew Journey framed print, m. fatt canvas print, kalum t. dan canvas print	SCHEDULE "A" #12
		Shimano Vilano bicycle	SCHEDULE "A" #13
		Velec R48P electric bicycle	SCHEDULE "A" #15
		11 soapstone carvings, 3 leather baskets, buddah foundtain, glass fish, chinese kung fu statue	SCHEDULE "A" #16
		Wooden coffee table	SCHEDULE "A" #17
		Lot of "Day One" canvas, "Heiltsuk Bear" framed prin, native shadowbox with arrow	SCHEDULE "A" #18
		Contents of file room including but not limited to Xerox "Workcenter 6655" color multifunction printer, 3 lateral 5-drawer file cabinets, lateral 2-drawer file cabinet, Swingline shredder, Canon "Pixma" printer, etc.	SCHEDULE "A" #19
		Lot of advantage products display stands	SCHEDULE "A" #20
		Contents of file room, including xerox workcentre, color printer, cabinets, shredder, pixma printer	SCHEDULE "A" #21
		Lot of "Winter Save" framed pring, AH Soon "1908" framed print, "The Duke" framed print	SCHEDULE "A" #22
		Contents of office including but not limited to U-shaped desk, 4 task chairs, side chairs, assorted printers, bookcase, 2 fire extinguishers, etc.	SCHEDULE "A" #23
		Boardroom table and (5) task chairs	SCHEDULE "A" #24
		water cooler, storage cabinet, mobile table and electric table	SCHEDULE "A" #25
		Turbo "vado" electric bicycle	SCHEDULE "A" #26
		AV equipment including 1gb home theatre computer	SCHEDULE "A" #27

**Advantage Products Inc. - In Receivership
Auction Agreement - Listing of Assets Schedule**

SCHEDULE A

Year	Make	Item	VIN or S/N
		The Open Roads Legends diecast scale model display case and model cars	SCHEDULE "A" #28
		Miele all-in-one built in coffee machine	SCHEDULE "A" #29
		Ornate chinese horse print	SCHEDULE "A" #30
		Lot of Breville Keurig machine and storage cabinet	SCHEDULE "A" #31
		Contents of lunchroom including but not limited to table, 5 chairs, microwave, refrigerator, panini press, rice cooker, dishwasher, individual blender, etc.	SCHEDULE "A" #32
		Contents of room including but not limited to Galaxy security system with 11 cameras, 2 flatscreen monitors, switches, APC backup, etc.	SCHEDULE "A" #33
		Contents of room including 15 assorted framed prints, 3 task chairs and table	SCHEDULE "A" #34
		Lot of 2 Devialet "Phantom Gold" wireless speakers with stands and electric heater	SCHEDULE "A" #35
		Contents of bedroom including queen bed headboard and frame, Sealy mattress, night stand, 2 dressers, storage units, etc.	SCHEDULE "A" #36
		Lot of Metal work bench with assorted tooling, Mastercraft 5-drawer tool cabinet, Mitutoyo digital calipers, thread repair kits, block gauge sets, etc.	SCHEDULE "A" #37
		Mobile quartz surface table	SCHEDULE "A" #38
		Lot of mobile workbench with assorted tooling	SCHEDULE "A" #41
		Wiseworth "4E60B" 5hp horizontal air compressor	SCHEDULE "A" #42
		Lot of metal shelving unit with assorted tooling, inserts, grease guns, etc.	SCHEDULE "A" #43
		Lot of Mastercraft 6-drawer roll away tool cabinet with assorted cutting inserts	SCHEDULE "A" #44
		Portable Rockwell hardness tester	SCHEDULE "A" #49
		Lot of 3 assorted 3-jaw chucks	SCHEDULE "A" #50
		Lot of Sony sound system with 5-Master digital amp and speakers	SCHEDULE "A" #52
		Metal scrap bin	SCHEDULE "A" #53
		Mobile self tipping forklift metal scrap bin	SCHEDULE "A" #54
		Lot of 2 mobile work benches	SCHEDULE "A" #55
		Self tipping forklift metal scrap bin	SCHEDULE "A" #56
		Mastercraft 5-drawer roll away tool cabinet + assorted drill bits	SCHEDULE "A" #61
		Work bench	SCHEDULE "A" #62
		Lot of 4 assorted task chairs	SCHEDULE "A" #63
		Lot of metal work table and 2 mobile parts baskets	SCHEDULE "A" #67
		(5) Sections EZ-Rect shelving	SCHEDULE "A" #68
		Metal work bench. Ridgid chain vice. Irwin vice. Metal shear.	SCHEDULE "A" #69
		Lot of Mastercraft 13-drawer roll away tool cabinet with 7-drawer top chest and contents including but not limited to socket sets, files, hammers, allen keys, screwdrivers, etc.	SCHEDULE "A" #70
		Section pallet racking	SCHEDULE "A" #71
	Just-Rite	flammable storage cabinet	SCHEDULE "A" #72
		Lot of 2 shelving units, work bench, time clock, first aid kits, cleaning supplies, garbage cans, etc.	SCHEDULE "A" #78
		Lot of assorted size plastic parts bins throughout	SCHEDULE "A" #79
		Lot of hand and power tools throughout shop	SCHEDULE "A" #81
		(2) Hose reels	SCHEDULE "A" #84
		Set of 4 Toyo "Proxes FX4" 245/50R16 tires with Centerline rims	SCHEDULE "A" #85
		Set of 4 Hankook 275/60R20 tires	SCHEDULE "A" #86
		Set of 4 Michelin 275/40R20 tires with MKW rims	SCHEDULE "A" #87
		Set of 4 Wrangle SR-A 275/60R20 tires with Ram rims	SCHEDULE "A" #88
		Set of 4 Platinum 20x8.5 rims	SCHEDULE "A" #89
		Set of 4 Toyo Proxes ST 305/40R22 tires	SCHEDULE "A" #90
		Lot of approximately 40 used tires, 20 rims, 2 crossover tool boxes, 2 side tool boxes, parts baskets, automobile accessories, 6' aluminum step ladders, patio furniture, camping chairs, etc.	SCHEDULE "A" #91
		Lot of Stanley socket set, Mastercraft socket set, Mastercraft pneumatic ratchet and Mastercraft pneumatic impact	SCHEDULE "A" #92
		Set of 4 Touring 235/70R15 tires	SCHEDULE "A" #93
	Champion	3000w portable gas generator	SCHEDULE "A" #95
	Dewalt	10" chop saw on milwakee stand	SCHEDULE "A" #96
		Lot of 2 aluminum extension ladders	SCHEDULE "A" #97
		Lot of pallet racking including but not limited to 5 uprights, 30 crossbeams and wire decking	SCHEDULE "A" #98
		Esab "Migmaster 250" mig welder	SCHEDULE "A" #101
		Miller "Syncrowave 200" welding power source	SCHEDULE "A" #102
		Lot of 6' fiberglass/aluminum step ladder and 2 sawhorses	SCHEDULE "A" #103
		Lot of assorted furniture, automobile accessories, work platforms, etc.	SCHEDULE "A" #105
	Shur-lift	hydraulic press	SCHEDULE "A" #106
		Lot of 2 propane BBQs.	SCHEDULE "A" #107
	Delta	table saw	SCHEDULE "A" #111
	Campbell Hausefield	portable air compressor	SCHEDULE "A" #113

**Advantage Products Inc. - In Receivership
Auction Agreement - Listing of Assets Schedule**

SCHEDULE A

Year	Make	Item	VIN or S/N
		Lot of Schumacher battery booster/charger and Mastercraft "Nautilus" charger	SCHEDULE "A" #114
		Snap-On 10-drawer roll away tool cabinet	SCHEDULE "A" #115
		Forklift man basket	SCHEDULE "A" #116
		(18) Sections pallet racking	SCHEDULE "A" #117
		CNC Enhancements "300" auto bar	SCHEDULE "A" #119
		Combination metal brake, shear and roll	SCHEDULE "A" #120
		Shop built test bench	SCHEDULE "A" #121
		12' fiberglass/aluminum step ladder	SCHEDULE "A" #122
		Lot of approximately 32 assorted parts baskets	SCHEDULE "A" #123
		(2) B&W fifth wheel hitches	SCHEDULE "A" #124
		Lot of 2 mobile shop cabinets and contents, 6.5hp shop vac, Dirt Devil stick vacuum, stereo system, speakers, etc.	SCHEDULE "A" #125
	Diamond	2600psi pressure washer	SCHEDULE "A" #127
	SS Inc.	5,500lbs capacity pallet jack	SCHEDULE "A" #128
		Digital pallet scale	SCHEDULE "A" #129
		2015 NWP Industries LP 59BBL tank	SCHEDULE "A" #130
		Single lever cantilever rack	SCHEDULE "A" #131
		Force parts washer	SCHEDULE "A" #132
		(2) SS Inc. metal banding carts	SCHEDULE "A" #134
		Lot of propane BBQ, 8' aluminum step ladder, aluminum extension ladder, magnetic sweep, brooms, shovels, etc.	SCHEDULE "A" #135
	Airtek	vertical air compressor	SCHEDULE "A" #138
	Windsor	carpet cleaner	SCHEDULE "A" #139
		Lot of 2 slip tanks and Graco electric pump	SCHEDULE "A" #140
		Lot of work bench with Torin 5" vice, mobile shop cart, portable air tank, shop vac, etc.	SCHEDULE "A" #141
	Comet	"180CH" arc welder	SCHEDULE "A" #142
	Ryobi	chop saw	SCHEDULE "A" #143
	Eagle	"C7180*V1-MS" 7.5hp vertical air compressor	SCHEDULE "A" #144
		Metal racking	SCHEDULE "A" #145
		Potter & Rayfield "WV Auto Stop" winder	SCHEDULE "A" #147
		Fluke "435" power quality analyzer	SCHEDULE "A" #148
		Lot of work bench, Craftsman 22-drawer tool cabinet with 12-drawer top chest, Waterloo tool chest, Kobalt tool chest, assorted parts bins, combination wrenches, socket sets, allen keys, pipe wrenches, clamps, etc.	SCHEDULE "A" #149
		Lot of metal shop bench with vice and overhead light	SCHEDULE "A" #150
		Lot of Bosch cordless sawzall, jigsaw, drill, and impact and Dewalt cordless drills	SCHEDULE "A" #151
	Omegasonics	table top cleaning ultrasonic cleaning	SCHEDULE "A" #152
		Lot of 2 wooden work tables and single pedestal desk	SCHEDULE "A" #153
		(5) Sections pallet racking	SCHEDULE "A" #154
		Lot of assorted electrical wiring and parts	SCHEDULE "A" #155
	Baumalight	"QC-100" PTO generator	SCHEDULE "A" #156
		Mobile crane frame	SCHEDULE "A" #157
		Torqgen test engine	SCHEDULE "A" #158
	Samsung	"WV60M9900AV-DVE60M9900V" 5.8cu ft electric flex washer and 7.5cu ft electric dryer Set	SCHEDULE "A" #159
		Lot of mobile shop cart with assorted hand tools, Jet digital torque wrench and Mastercraft 250' lbs torque wrench	SCHEDULE "A" #160
		Lot of 8' fiberglass/aluminum step ladder and 2 metal shelving units	SCHEDULE "A" #161
		(2) 20' sea containers	SCHEDULE "A" #163
	Still	"EK-11" 2,400lbs capacity electric reach lift	SCHEDULE "A" #108
		Forklift bucket attachment	SCHEDULE "A" #203
	Curtis	snow blade attachment	SCHEDULE "A" #204
		Forklift fork attachment	SCHEDULE "A" #205
		Forklift pockets bucket attachment	SCHEDULE "A" #206

Advantage Owned (with documentation) - Leased

CARS & TRUCKS

2013	Ford	Mustang	1ZV88P8CU3D521575
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CNC MACHINES AND OTHER MACHINERY FOR OPERATIONS

	AgieCut	Classic 2s	388
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SCHEDULE "B"
THE RECEIVER'S AND AUCTIONEER'S RESPONSIBILITIES

The following sets out the Receiver's and Auctioneer's respective responsibilities with respect to the disposition of the Assets. The parties acknowledge and agree that:

General

1. The Auctioneer is acting only in its capacity as an independent contractor dealing with the Receiver and is otherwise not the Receiver's employee or assign, nor is it assuming the legal responsibilities, duties or obligations of the Receiver or of a "Secured Party" including but not limited to as set out in Section 17 and Part 5 of the *Personal Property Security Act* (Alberta).
2. The Auctioneer will carry out the Auction in an orderly and professional manner, in accordance with industry practices. The Auctioneer shall, promptly following the Auction, provide the Receiver with a detailed written accounting in respect of the sales and the Gross Sale Proceeds in a form satisfactory to the Receiver acting reasonably.
3. The Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable:
 - (a) lease payments to third parties under any leases of the Assets;
 - (b) any environmental costs or Contaminants;
 - (c) any legal costs associated with dealing with liens against the Assets; and,
 - (d) any product warranties, conditions, or liabilities, including without limitation those set forth in the *Sale of Goods Act* (Alberta) and the *International Sale of Goods Contracts Convention Act* (Canada).
4. The Receiver shall be responsible for the following costs:
 - (a) merchant charges related to monies received from bank card payments or any other payments where extra charges are applied to payee's account; and
 - (b) all costs associated with the occupancy of the premises, including without limitation, rent, occupancy costs, maintenance, property taxes, utilities (including power, sewage, water, heat, clean up and waste and recycling), business tax up to the date to support load-out and subject to any adjustments required due to events outside Century's control; and

- (c) detail and repair costs to the Assets as agreed upon between the Receiver and the Auctioneer.
5. The Auctioneer shall not be responsible for disposal or proper treatment of any hazardous materials related to the Assets, as defined by municipal, provincial or federal legislation.
 6. Neither party shall be obligated to perform its obligations under this Agreement upon the occurrence of an event of *force majeure* which shall include, but not be limited to, acts of God, riots, civil disturbances, strikes, lock-outs, acts of war, terrorism, insurrection or any other event obstructing performance which is beyond the party's reasonable control.
 7. Where any purchaser fails to close in accordance with the Auction Terms and Conditions, the Auctioneer will make commercially reasonable efforts to pursue such purchaser for recoupment. The subject Asset(s) may be auctioned at the next reasonable opportunity or sold to the next soliciting purchaser offering a reasonable purchase price for the Asset as determined by the Auctioneer in its sole discretion.

Taxes

8. The Auctioneer shall collect, and promptly pay to the applicable authority and confirm such payment to the Receiver, all social services tax, provincial sales tax (if applicable), goods and services tax and any other tax resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets.
9. The Auctioneer shall indemnify and hold the Receiver harmless from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which the Receiver may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the buyers premium described in Section 2.4 of this Agreement).

Insurance

10. The Auctioneer will maintain insurance, and will provide to the Receiver proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming the Receiver as beneficiary of such insurance, providing for coverage of \$5,000,000 commercial general liability insurance and otherwise in a form satisfactory to the Receiver acting reasonably.
11. Proceeds received on any insurance claim in respect of any insured Assets that otherwise would have been sold during the Auction shall be considered Gross Sale Proceeds.

Environmental

12. For the purposes of this Schedule "B", "Contaminants" means any substance or thing or mixture of them which alone, or in combination, or in concentrations, are flammable, corrosive, reactive or toxic or which might cause adverse effects or be deemed

detrimental to living things or to the environment, including, but not limited to, any pollutant, contaminant, toxic or hazardous substance, such as, by way of example, urea formaldehyde, asbestos, polychlorinated biphenyl, pesticides, or any other substance with which the removal, manufacture, preparation, generation, use, maintenance, storage, transfer, handling or ownership is subject to any laws, rules or regulations.

Liability

13. The Auctioneer shall not be liable for any costs, claims, actions and proceedings (in each case whether known, unknown, threatened or actual), damages, liabilities, Contaminants and expenses (including without limitation all legal fees on a solicitor-client basis, each a "Claim"), in respect of (a) any damage to the Assets, or any one of them, caused by shipping or transport or storage; (b) failure to maintain the Assets or any one of them; (c) any errors or omissions with respect to set-up, marketing, cataloguing and/or description of the Assets or any one of them; or (d) use or failure to use any forum or venue in connection with the sale of the Assets; (e) improvident realization; (f) abandonment of the Assets or any one of them.
14. In no event shall the aggregate liability of the Auctioneer under this Agreement, whether in contract, tort, statute or any other legal theory or principle for any Claim in any way relating to this Agreement, exceed the NMG.
15. In no event will either party be liable to the other for any indirect, special, punitive, exemplary, consequential damages, loss of profit, economic loss, loss of opportunity, loss of reputation, loss of use, anticipated savings on costs, or environmental damage where such damages are considered indirect or consequential whether in contract, tort, statute or any other legal theory or principle.

CONFIDENTIAL

APPENDIX G

CONFIDENTIAL

APPENDIX H

APPENDIX I

Advantage Products Inc. - In Receivership**APPENDIX I**

Summary of Receiver's Fees and Disbursements ("2018 Billings")

February 7, 2018 to March 31, 2018

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	February 28, 2018	\$ 112,135.00	\$ 2,003.58	\$ 114,138.58	\$ 5,706.93	\$ 119,845.51
2	March 31, 2018	67,992.50	2,767.54	70,760.04	3,538.00	74,298.04
TOTAL		\$ 180,127.50	\$ 4,771.12	\$ 184,898.62	\$ 9,244.93	\$ 194,143.55

APPENDIX J

Advantage Products Inc. - In Receivership

APPENDIX J

Summary of the Receiver's counsel (Fasken) Fees and Disbursements ("2018 Billings")
February 7, 2018 to March 31, 2018

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	February 28, 2018	\$ 43,965.50	\$ 78.80	\$ 44,044.30	\$ 2,199.98	\$ 46,244.28
2	March 31, 2018	24,507.50	562.90	\$ 25,070.40	1,245.78	\$ 26,316.18
TOTAL		\$ 68,473.00	\$ 641.70	\$ 69,114.70	\$ 3,445.76	\$ 72,560.46