



Clerk's stamp:

COURT FILE NUMBER BK-25-2868952 / BK-25-2868957 / BK-25-2868949 C70753
 COURT COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY jg
 JUDICIAL CENTRE CALGARY
 DOCUMENT **APPLICATION FOR BANKRUPTCY ORDER**
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 Dentons Canada LLP
 Bankers Court
 15th Floor, 850 - 2nd Street S.W.
 Calgary, Alberta T2P 0R8
 Attn: Afshan Naveed
 Ph. (403) 268-7015 Fx. (403) 268-3100
 File No.: 571709-75

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Registrar.

To do so, you must be in Court when the application is heard as shown below:

Date	July 25, 2023
Time	<u>2.00PM</u>
Where	Calgary Courts Centre
Before Whom	Presiding Registrar in Bankruptcy Chambers

To appear by video:<https://www.albertacourts.ca/qb/court-operations-schedules/scheduling>**Calgary Masters Chambers (MC1) - Virtual Courtroom 55 (CCC QB)****To appear by telephone:**

Dial in Number: 780-851-3573

Access code: 962 778 718

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Affidavit of AJIBOLA (AJ) OMO-LOTO (the "**Omo-Loto Affidavit**").
2. The Applicant, Connect First Credit Union, a credit union with offices located in Calgary, Alberta and elsewhere in Alberta ("**Connect First**"), seeks an Order:
 - (a) declaring that service of notice of this application and the supporting materials is good and sufficient, if necessary;
 - (b) adjudging the respondents, Sugarbud Craft Grower Corp. ("**Sugarbud**"), Trichome Holdings Corp. ("**Trichome**") and 1800905 Alberta Ltd. ("**1800**", collectively with Sugarbud, Trichome the "**Debtors**"), bankrupt;
 - (c) granting a bankruptcy order in respect of all of the undertaking, property and assets of the Debtors;

- (d) appointing Alvarez & Marsal Canada Inc. as trustee in bankruptcy of all of the undertaking, property and assets of the Debtors;
- (e) granting the costs of and incidental to this application to Connect First on a solicitor and client, full indemnity basis; and
- (f) such further and other relief as this Honourable Court may deem just and appropriate.

Grounds for making this application:

Background

- 3. The Debtors have previously commenced proceedings (the "**NOI Proceedings**") under Part III of the *Bankruptcy and Insolvency Act RSC 1985, c B-3*, as amended (the "**BIA**") which were consolidated into Estate No. 25-2868952 and thereafter taken up and continued under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36 in Alberta Court of Kings Bench Action No. 2201-11655 (the "**CCAA Proceedings**"), pursuant to Initial Order and an Amended and Restated Initial Order of the Honourable Justice J.J. Gill on October 18, 2022.
- 4. The Debtors are justly and truly indebted to Connect First in an amount exceeding \$1,000.
- 5. More particularly, Connect First advanced funds to Sugarbud pursuant to various loan and security documents and on or about September 22, 2022, Connect First issued demands and notices to enforce security pursuant to section 244 of the BIA in respect of the outstanding indebtedness of the Debtors (the "**Demand**").
- 6. The Demand resulted in the NOI Proceeding and thereafter the CCAA Proceedings. As part of the CCAA Proceedings, the Debtors assets were marketed for sale (the "**SISP**").
- 7. The SISP concluded without any acceptable offer from a third party and Connect First purchased certain of the Debtors assets pursuant to an Approval and Vesting Order, granted by the Honourable Justice C.J. Feasby on May 9, 2023 (the "**AVO**").
- 8. The CCAA Proceedings were terminated on or around May 19, 2023 following the filing of the Monitors Certificate.

Debts Outstanding

- 9. Following the granting of the AVO and the conclusion of the CCAA proceedings, the Debtors were justly and truly indebted to Connect First in the amount of \$7,744,758.29.
- 10. The Debtors are justly and truly indebted to a number of secured and unsecured creditors, including the Canada Revenue Agency.
- 11. Connect First is a secured creditor of the Debtors, and in the event of a bankruptcy order against the Debtors, Connect First will provide an estimate of the value to the extent of Connect First's security against those parties.
- 12. Debtors, within the six months preceding the date of the filing of this Application, have committed an act of bankruptcy by ceasing to meet their liabilities generally as they became due. The Debtors have failed to pay any or all of the outstanding indebtedness to Connect First, as set out above, which exceeds one thousand dollars.
- 13. Alvarez & Marsal Canada Inc. of the City of Calgary, in the Province of Alberta, is a person qualified to act as Trustee of the property of the Debtors and has agreed to act as such and is acceptable to Connect First.

Material or evidence to be relied on:

14. The pleadings and proceedings in the within Action;
15. The Affidavit of Ajibola (AJ) Omo-Loto; and
16. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

17. *Alberta Rules of Court*, Alta Reg 124/2010.
18. *Bankruptcy and Insolvency General Rules*, CRC c 368.
19. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

20. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
21. Such further Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

None.

How the application is proposed to be heard or considered:

22. Orally before the presiding Registrar in Bankruptcy Chambers.


DATED at the City of Calgary, in the Province of Alberta, July 4, 2023.

Signed by the applicant in my presence

Ajibola (AJ) Omo-Loto

Witness:

Name:


NEIL ZACHER

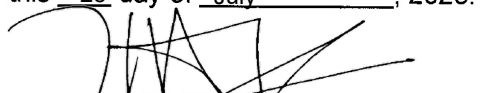
Per:



Ajibola (AJ) Omo-Loto, Manager, Special
Loans & Collections

ISSUED at the City of Calgary, in the Province of Alberta,

this 25 day of July, 2023.


Registrar of Bankruptcy

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.