

COURT FILE NUMBER	QBG 1076 of 2021
COURT	COURT OF QUEEN'S BENCH OF SASKATCHEWAN IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	SASKATOON
IN THE MATTER OF THE DIVISION I PROPOSAL OF	CANADIAN DEVELOPMENT STRATEGIES INC., 1143402 ALBERTA LTD., CROSSROADS ONE INC., 1216699 ALBERTA LTD., OAK AND ASH FARM LTD., 2061778 ALBERTA LTD., LORI RUNZER AND DEAN RUNZER
DOCUMENT	SUPPLEMENT OT THE FIFTH REPORT OF THE PROPOSAL TRUSTEE, MNP LTD., DATED July 7, 2022
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	W Law LLP Attention: Mike Russell Suite 300, 110 21 st St. E Saskatoon, SK S7K 0B6 Phone: 306.244.2242 Counsel to the Proposal Trustee, MNP Ltd.

Introduction and Purpose of the Report

1. Canadian Development Strategies Inc. ("**CDSI**"), 1143402 Alberta Ltd. ("**114**"), Crossroads One Inc. ("**Crossroads**"), 1216699 Alberta Ltd. ("**121**"), Oak and Ash Farm Ltd. ("**Oak and Ash**"), and 2061778 Alberta Ltd. ("**206**") (collectively referred to as the "**FireSong Group**") each filed a Notice of Intention to Make a Proposal ("**NOI**") on September 29, 2021, and MNP Ltd. consented to act as proposal Trustee. The Trustee issued a copy of the NOI to all known creditors on October 1, 2021.
2. Lori and Dean Runzer (the "**Runzers**"), both of whom are directors and shareholders of the FireSong Group (hereinafter referred to in this capacity as "**Management**"), also filed NOIs in their personal capacities on September 30, 2021, and MNP Ltd. consented to act as proposal Trustee for each. The Trustee issued a copy of the NOI to all known creditors on October 1, 2021.
3. This is the Supplement to the Trustee's Fifth Report to Court (the "**Supplemental Report**") and it should be read in conjunction with the Trustee's Fifth Report to Court dated June 30, 2022 (the "**Fifth Report**").
4. Capitalized terms not defined in the Supplemental Report are as defined in the Fifth Report.
5. The Trustee has prepared the Supplemental Report in order to provide the Court with its findings on the review of the Trust Declaration Documents as well as an update with respect to reconvening of the FMCs in respect of each of the Proposals.

Review of Trust Declaration

6. The Trustee's counsel has completed its review of the Trust Declaration Documents which has yielded the following results:

- a. the Trust Declaration appears to create a valid "bare" or "express" trust, but without knowledge of additional circumstances, such as what actions 114 may have taken in respect of the Cranbrook Property, it is impossible to know whether there may exist facts that could support or refute the "certainties" of trust which are vital to any creation of a trust; and,
 - b. no conclusions have been reached regarding whether and to what extent 114 has any financial interest in the property due to the lack of information made available by the FireSong Group and/or Benjamin Runzer.
7. Based on the information set out above, the Trustee's counsel has further opined that unless and until the matter of financial interest has been adequately addressed by the FireSong Group and/or Benjamin Runzer, it would be appropriate for the Trustee to maintain the Trustee's Charge on title to the Cranbrook Property and hold the balance (if any) of the Pioneer Financing in trust until further order of the Court in order to protect the interests of the creditors of the FireSong Group.

Professional Fees

8. As set out in the December Order, the professional fees associated with the Trust Declaration review form a priority charge over the Cranbrook Property and the proceeds of the Pioneer Financing.
9. As of the date of the Supplemental Report, the professional fees expended regarding the Trust Declaration review total \$5,901.00 (inclusive of GST) in relation to the fees incurred by the Trustee and \$18,265.69 (inclusive of GST) in relation to the fees and disbursements incurred by the Trustee's Counsel.
10. A copy of the Trustee's invoice referred to in paragraph 9 is attached as **Schedule "A"**.
11. A copy of the Trustee's counsel's invoice referred to in paragraph 9 is attached as **Schedule "B"**.


Other Matters

12. As noted in the Fifth Report, the Trustee has been unable to reconvene the FMCs for each of Proposals given the failure of the FireSong Group to adequately address issues raised in the Proposals or, alternatively, provide the Trustee with amended proposals.
13. The Trustee intends to reconvene the FMCs within the next thirty (30) days for the sole purposes of seeking direction from the creditor bodies, including whether and when to reconvene the FMCs for the purposes of tabulating votes and to seek the appointment of inspectors, should creditors wish to act in this capacity.

All of which is respectfully submitted on this 7th day of July 2022.

MNP Ltd.

In its capacity as Trustee in the Division I Proposal of
**Canadian Development Strategies Inc., 1143402 Alberta Ltd., Oak and Ash Farms Ltd.,
2061778 Alberta Ltd., Lori Runzer and Dean Runzer**
and not in its personal capacity


Per: Karen Aylward, CIRP, Licensed Insolvency Trustee
Vice President

SCHEDULE "A"

Invoice



Invoice Number : 10499856

Client Number : 0920156

Invoice Date : Jul 7 2022

Invoice Terms : Due Upon Receipt

Canadian Development Strategies Inc.
438 Estate Dr
Sherwood Park, AB T8B 1L8

For Professional Services Rendered :

Fees Related to Trust Declaration Review	5,620.00
Goods & Services Tax :	<u>281.00</u>
Total (CAD) :	<u>5,901.00</u>

GST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We
sincerely appreciate your trust in us.

Licensed Insolvency Trustees
10235 101ST N.W., SUITE 1600; EDMONTON AB; T5J 3G1
P: (780) 451-4406 F: (780) 454-1908 www.MNPDebt.ca

Date	Description	Units	Amount	Notes
18-Apr-2022	Karen Aylward	1.00	490.00	email to counsel and debtor re reconvened meeting status/prepare billing for trustee's report and associated Cranbrook review/update report for filing/returned creditor call
09-Jun-2022	Karen Aylward	1.00	520.00	email form/to L Runzer/email from and to M Russell Re ben Runzer transaction and correspondence with creditor. /call with counsel
07-Jul-2022	Karen Aylward	1.50	780.00	draft supplemental report to court
06/07/2022	Karen Aylward	0.50	260.00	call with M Russel
03/06/2022	Karen Aylward	3.00	2,340.00	Summary of charges throughout: general requests for information on Runzer property/review information supplied by fire song/review documents in support of trust/multiple discussions with counsel
04/06/2022	Eric Sirrs	1.00	710.00	meeting with KA and Counsel on trust dec issues
Accrual	Karen Aylward	1.00	520.00	Prep for and attend court application on trust and mortgage issue
	Total	9.00	5,620.00	

SCHEDULE "B"



Suite 300
110 - 21st Street East, Saskatoon, SK S7K 0B6
T: 306.244.2242
E: info@wlaw.com
W: wlaw.com

SUMMARY
PLEASE REMIT WITH PAYMENT

07/07/22

MNP Ltd.
Suite 1300, 10235 101st N. W.
Edmonton, AB
Canada T5J 3G1

Invoice No.: 137505

Re: In the Matter of the Proposal of Runzer
Our File: 46151. 2- MJR

For professional services rendered up to and including 07/07/22:

Fees	\$14,937.50
Non-taxable Disbursements	96.43
Taxable Disbursements	1,434.26
GST on Fees and Taxable Disbursements	818.60
PST on Fees and Taxable Disbursements	978.90
Total Invoice Amount	<u>\$18,265.69</u>
Balance Forward from Previous Invoice(s) plus Interest	<u>31,971.42</u>
TOTAL AMOUNT NOW DUE	<u><u>\$50,237.11</u></u>

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

INTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED

PAYMENTS MAY BE MADE BY VISA, MASTER CARD, INTERAC, ETRANSFER OR CHEQUE MADE PAYABLE TO W LAW LLP
OUR GST REGISTRATION NUMBER IS 121614010RT0001

DATE	LAWYER	DESCRIPTION	RATE/ HOUR	TIME	VALUE
21/12/21	MMT	Consultation with Mike Russell - review Order Winding up Trust and Vesting Trust Property in Beneficiary	500.00	0.50	250.00
21/12/21	MJR	Multiple telephone attendance on Proposal Trustee and counsel to debtors; reviewing reports of the Proposal Trustee; reviewing, revising, commenting and advising regarding draft order for December 22 hearing; multiple email correspondence to Proposal Trustee and counsel to debtors	625.00	4.50	2,812.50
13/03/22	MJR	Reviewing and revising Hoeller Mortgage Report; correspondence from/to MNP	625.00	0.60	375.00
22/04/22	MJR	Correspondence from/to K. Aylward; telephone attendance on J. Lee, Q.C.	625.00	0.30	187.50
17/05/22	MJR	Correspondence to Bridgehouse Law; correspondence from/to K. Aylward; telephone attendance on K. Aylward; reviewing various matters regarding December Order	625.00	2.70	1,687.50
19/05/22	MJR	Correspondence from K. Aylward; letter to MLT Aikins LLP	625.00	0.50	312.50
24/05/22	MJR	Reviewing multiple correspondence from MLT Aikins; reviewing documents submitted regarding December Order	625.00	0.30	187.50
01/06/22	MJR	Correspondence from/to K. Aylward	625.00	0.20	125.00
13/06/22	MJR	Telephone attendance on K. Aylward; giving instructions to service matters; correspondence to D. Nowak; correspondence to Bridgehouse Law LLP	625.00	0.70	437.50
15/06/22	MJR	Telephone attendance on B. La Borie; telephone attendance on D. Nowak; correspondence to D. Nowak regarding December Order matters	625.00	1.40	875.00
20/06/22	MJR	Telephone attendance on K. Aylward regarding December Order matters	625.00	0.30	187.50
21/06/22	MJR	Reviewing draft Report of the Proposal Trustee; correspondence to Bridgehouse Law regarding December Order matters	625.00	3.00	1,875.00
30/06/22	MJR	Drafting and revising application materials; revising Fifth Report of the Trustee; multiple correspondence from/to MNP Ltd.; correspondence to MLT Aikins LLP - all regarding December Order matters	625.00	5.70	3,562.50
05/07/22	MJR	Reviewing revised Trust Opinion of Bridgehouse Law LLP; multiple correspondence with MNP and Bridgehouse Law LLP; considering application materials	625.00	0.50	312.50
05/07/22	MJR	Reviewing and revising Supplementary Report of the Proposal Trustee; attending to service and filing matters	625.00	0.80	500.00

DATE	LAWYER	DESCRIPTION	RATE/ HOUR	TIME	VALUE
05/07/22	MJR	Estimated time for preparing for Chambers on December 22 Order matters; estimated time for attending Chambers (Elson J.) for December 22 Order matters	625.00	2.00	1,250.00
OUR FEE			\$14,937.50		
Plus 5.00% GST			746.88		
Plus 6.00% PST			<u>896.25</u>		
TOTAL FEES PLUS TAX(ES)					\$16,580.63
NON-TAXABLE DISBURSEMENTS					
		PST Payable and Fees and Taxable Disbursements	<u>96.43</u>		
TOTAL NON-TAXABLE DISBURSEMENTS					96.43
TAXABLE DISBURSEMENTS					
06/07/22		Miscellaneous Costs - GST and PST Re: Runzer Opinion Cheque No. 95961 For Ref 20895 issued to Bridgehouse LLP Registered Mail	1,377.50		
			<u>56.76</u>		
TOTAL TAXABLE DISBURSEMENTS					1,434.26
Plus 5.00% GST on Taxable Disbursements					71.72
Plus 6.00% PST on Taxable Disbursements					<u>82.65</u>
TOTAL INVOICE AMOUNT					\$18,265.69
Balance Forward from Previous Invoice(s) plus Interest					<u>31,971.42</u>
TOTAL AMOUNT NOW DUE					<u><u>\$50,237.11</u></u>

W LAW LLP

MJR Legal Prof. Corp.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

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PAYMENTS MAY BE MADE BY VISA, MASTER CARD, INTERAC, ETRANSFER OR CHEQUE MADE PAYABLE TO W LAW LLP
OUR GST REGISTRATION NUMBER IS 121614010RT0001