

Clerk's stamp:



COURT FILE NUMBER B203 418608

ESTATE NO. 24-2418608

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT THE BOWRA GROUP INC. IN ITS CAPACITY AS THE PROPOSAL TRUSTEE IN THE DIVISION I PROPOSAL OF SUMO SUMO LTD.

PROCEEDING IN THE MATTER OF THE PROPOSAL OF SUMO SUMO LTD. UNDER DIVISION I OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3

DOCUMENT **APPLICATION TO APPROVE THE DIVISION I PROPOSAL OF SUMO SUMO LTD., PURSUANT TO SECTION 58 AND 60(5) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MILLER THOMSON LLP  
Barristers and Solicitors  
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Lawyer's Name: Patrick Harnett

Lawyer's Email: pharnett@millerthomson.com

File No.: 204646.7

**NOTICE TO RESPONDENT(S)**

This application is made against you. You are a respondent.  
You have the right to state your side of this matter before the justice.

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

Date: **Monday, November 26, 2018**

Time: **2:00 PM**

Where: **Edmonton Law Courts  
1A Sir Winston Churchill Square  
Edmonton, Alberta**

Before Whom: **The Honourable Justice K.P. Feehan on the Commercial List**

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

**Remedy claimed or sought:**

1. An order substantially in the form attached hereto as Schedule "A":
  - (a) abridging the time for service of notice of this Application to the time actually given and an Order deeming service upon the parties served as good and sufficient if needed;
  - (b) approving the Division I Proposal of Sumo Sumo Ltd. ("**Sumo Sumo**") in accordance with section 58 and 60(5) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**");
  - (c) directing the Clerk of the Court of Queen's Bench of Alberta to release to The Bowra Group Inc., in its capacity as the Proposal Trustee of Sumo Sumo (the "**Proposal Trustee**") garnished funds held in Court of Queen's Bench Action No. 1703 04617, for use in accordance the terms of the approved proposal;
2. Such further and other relief as this Honourable Court deems just.

**Grounds for making this application:**

3. On September 6, 2018, the Proposal Trustee consented to act as Trustee for the Notice of Intention to Make a Proposal (the "**NOI**") for Sumo Sumo.
4. On October 3, 2018, the Proposal Trustee filed a Proposal for Sumo Sumo (the "**Proposal**"), pursuant to Division I of the *BIA*.
5. On October 19, 2018, a meeting of creditors was held to vote on the Proposal. The Proposal was amended at the meeting of creditors:
  - (a) to make the Proposal to Sumo Sumo's creditors, generally, rather than to classes of Sumo Sumo's creditors; and
  - (b) to increase the funds paid out over the duration of the Proposal to ensure it provided for the same percentage of recovery as the original terms of the Proposal.
6. The Proposal was passed with the requisite majority required by section 54(2)(d) of the *BIA*.
7. After the conclusion October 19, 2018 meeting of the creditors, and approval of the Amended Proposal, the Canada Revenue Agency ("**CRA**") contacted the Proposal Trustee and advised of higher than anticipated amounts of GST and payroll claims totaling:
  - (a) unremitted payroll source deductions in the amount of \$140,054.05, comprising the principal amount of \$114,302.88 and penalties and interest in the amount of \$25,751.17 (the "**CRA Payroll Arrears**");
  - (b) GST in the amount of \$71,704.08.
8. The Canada Revenue Agency ("**CRA**") has advised the Proposal Trustee that if the \$54,301.49 paid into Court in Queen's Bench Action No. 1703 04617 (the "**Garnished Funds**") are directed to the CRA in respect of the CRA Payroll Arrears, further arrangements can be made to address repayment of the balance of the CRA Payroll Arrears within the 6-month period mandated under the *BIA*.

9. The CRA otherwise approves of the Amended Proposal.
10. The Garnished Funds are subject to the Amended Proposal, as the funds were not distributed out of the Court prior to the filing of the NOI.
11. The requirements of the *BIA* have been satisfied. Specifically:
  - (a) the terms of the Proposal are reasonable;
  - (b) the terms of the Proposal are calculated to benefit the general body of creditors of Sumo Sumo;
  - (c) the Proposal is made in good faith; and
  - (d) The formalities of the *BIA* have been complied with and the terms required by the *BIA* to be included in the Proposal are in the Proposal.

**Material or evidence to be relied on:**

12. The Proposal Trustee's First Report, dated October 3, 2018;
13. The Proposal Trustee's Second Report, dated October 26, 2018;
14. The Proposal of Sumo Sumo Ltd., as amended;
15. Bench Brief of the Proposal Trustee, to be filed;
16. Such further and other material as legal counsel for the Trustee may advise and this Honourable Court may permit.

**Applicable rules:**

17. *Alberta Rules of Court*, rr. 6.3, 13.5(2); and
18. Such further and other rules as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and the regulations thereunder; and
20. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

21. None.

**How the application is proposed to be heard or considered:**

22. In person before the presiding Justice on the Commercial List.

**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 at the 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.

**SCHEDULE "A"**

Clerk's stamp:

COURT FILE NUMBER	24-2418608
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	THE BOWRA GROUP INC. IN ITS CAPACITY AS THE PROPOSAL TRUSTEE IN THE DIVISION I PROPOSAL OF SUMO SUMO LTD.
PROCEEDING	IN THE MATTER OF THE PROPOSAL OF SUMO SUMO LTD. UNDER DIVISION I OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, c B-3
DOCUMENT	<b><u>ORDER APPROVING PROPOSAL AND DIRECTING PAYMENT OF FUNDS TO PROPOSAL TRUSTEE</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866  Lawyer's Name: Patrick Harnett Lawyer's Email: pharnett@millerthomson.com File No.: 204646.7

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**DATE ON WHICH ORDER WAS PRONOUNCED:**

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:**

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UPON the application of The Bowra Group Inc. (the "**Proposal Trustee**") in its capacity as Proposal Trustee of Sumo Sumo Ltd. ("**Sumo Sumo**");

AND UPON NOTING that the meeting of the creditors in the Division I proposal of Sumo Sumo (the "**Proposal**") was held on October 19, 2018 (the "**Meeting of the Creditors**"), and that the amended Proposal tendered at the Meeting of the Creditors was accepted by the requisite majority of Sumo Sumo's creditors;

AND UPON HEARING READ the Report of the Trustee on the Proposal pursuant to section 58(d) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 as amended ("**BIA**");

AND UPON HEARING the submissions of counsel for Sumo Sumo and the Proposal Trustee;

AND UPON it appearing that the terms of the Proposal are reasonable and are calculated to benefit the general body of creditors;

AND UPON noting that the Trustee has reported there are no facts mentioned in section 173 of the *BIA* which may be proved against Sumo Sumo;

AND UPON NOTING that the Clerk of the Court holds the sum of \$54,301.49 paid into Court in Queen's Bench Action No. 1703 04617 (the "**Garnished Funds**") which are subject to the Proposal;

AND UPON hearing representations from counsel for various creditors of Sumo Sumo, if present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of notice of this Application on the creditors of Sumo Sumo is deemed good and sufficient in accordance with the provisions of section 6 of the *BIA* Rules.
2. Unless otherwise defined herein, any capitalized terms used in this Order shall have the same meaning as assigned to them under the Proposal.

**Approval of the Proposal**

3. The dissemination of the Proposal and the Report to Creditors in respect of the Proposal was duly effected in accordance with the provisions of the *BIA*.
4. Proper notice of the Meeting of the Creditors was given to the creditors in accordance with the provisions of the *BIA*.
5. The Meeting of the Creditors was convened and held pursuant to the provisions of the *BIA*.
6. The Proposal was approved by the creditors representing a majority in number and two-thirds in value present and voting either in person or by proxy at the meeting of creditors.
7. The terms of the Proposal are reasonable and calculated to benefit the general body of creditors.
8. The Proposal is hereby approved and the Proposal is and shall be binding upon Sumo Sumo and all creditors affected by the Proposal.
9. Service of this Order need only be effected on those proven creditors who were served with notice of this application by regular mail at their last known address as reflected in the records of Sumo Sumo.

**Payment of Garnished Funds to the Proposal Trustee**

10. The Clerk of the Court is hereby directed to immediately pay to The Bowra Group Inc. the Garnished Funds in the amount of \$54,301.49, less any distribution fee levied by the Clerk of the Court.

11. The Bowra Group Inc. is entitled to disburse the Garnished Funds in accordance with Proposal and as it deems fit.

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Justice of the Court of Queen's Bench of  
Alberta