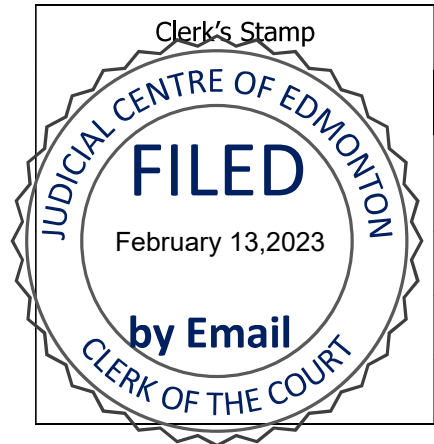


COURT FILE NO. 2203 19336
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON



PLAINTIFFS MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.
DEFENDANTS 2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE

DOCUMENT **APPLICATION BY THE RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 West Chambers 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Ryan Trainer Telephone: 780-482-9153 Fax: 780-733-9790 Email: ryan.trainer@mross.com File No. 20225092
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NOTICE TO THE RESPONDENT: THE SERVICE LIST (ATTACHED AS SCHEDULE "A")

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

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

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

Date:	February 21, 2023
Time:	2:00 p.m.
Where:	Law Courts Building, Edmonton, Alberta (Virtual via Webex)
Before Whom:	The Honourable Justice G.S. Dunlop (Booked on the Commercial List)

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

Remedy claimed or sought:

1. MNP Ltd. in its capacity as Receiver (the "**Receiver**") of 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") (collectively the "**Companies**") seeks the following Orders:
 - (a) An Order abridging the time for service of notice of this Application, if necessary;
 - (b) An Order substantially in the form attached to this Application as **Schedule "B"** approving the activities, conduct, and actions of the Receiver as outlined in the Receiver's First Report to the Court dated February 10, 2023 (the "**First Report**");
 - (c) An Order authorizing the Receiver to assign the Companies into bankruptcy pursuant to s. 49 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**");
 - (d) An Order compelling Henok Kassaye ("**Kassaye**"), the sole director of the Companies, to provide the Receiver with the following information:
 - (i) a summary of any amounts paid directly to Kassaye or related parties during the 2022 calendar year by the Companies;
 - (ii) the Companies bank statements for ATB accounts 00270163478 and 00270176678 (collectively the "**Accounts**") from the date the account was opened to December 20, 2022, along with an accounting or explanation for each transaction;
 - (iii) an explanation and any supporting correspondence to-date with EPCOR regarding the power and water utility bill (Account #34452751) for the property municipally described 10053 Jasper Ave, Edmonton, Alberta ("**Jasper Ave**");
 - (iv) the floorplans or drawings, furniture and/or asset listing for Jasper Ave;
 - (v) the Building Construction Assessment Report, Environmental Site Assessment Report, floorplans or drawings and Real Property Report for the property municipally described as 10507 Saskatchewan Drive NW, Edmonton, Alberta ("**Sask Drive**");
 - (vi) an explanation of whether Turnip Homes Ltd. is seeking to remain in the Saskatchewan Drive property;
 - (vii) an explanation or timeline on when the Companies will be getting Fawkes Doughnuts, a current tenant of Sask Drive, into their leased space in the Saddlery Building;
 - (viii) the Building Construction Assessment Report for the property municipally described as 10315 109 Street NW, Edmonton, Alberta;
 - (ix) the Real Property Report for the property municipally described as 10503 81 Avenue NW, Edmonton, Alberta;
 - (x) an explanation of whether NEXT Architecture Inc. and Streamline Fire Protection are creditors of the Companies with an explanation as to how they are creditors (the "**Outstanding Information**"); and

- (e) Such further and other relief as counsel for the Receiver may advise and this Honourable Court may permit.

Grounds for making this application:

2. The Receiver was appointed over all the current and future assets, undertakings and properties of every nature and kind whatsoever of the Companies pursuant to an order dated December 13, 2022, of the Honourable Mr. Justice J.T. Neilson of the Court of King's Bench of Alberta (the "**Receivership Order**").
3. The First Report sets out the activities, conduct, and actions of the Receiver since its appointment on December 13, 2022, all of which are reasonable and appropriate in the circumstances.
4. Clause 3(s) of the Receivership Order permits the Receiver to assign the Companies into bankruptcy with prior court approval.
5. Upon reviewing the Companies' books and records, the Receiver identified various unknown transactions in excess of \$600,000.00 dating back to February 23, 2022.
6. Given the one-year reviewable transaction period pursuant to section 95 and 96 of the BIA, and the significant value of these transactions, the Receiver believes it is in the best interest of all creditors to assign the Companies into bankruptcy in order to utilize the investigatory powers of the BIA, and to preserve certain rights a trustee may have to challenge transactions that may diminish the value of the estate.
7. Upon its appointment, the Receiver sent Kassaye and his legal counsel a request for the Outstanding Information which is more particularized in the First Report. There have been sustained efforts made by the Receiver and its counsel to obtain the Outstanding Information but to-date it has not been provided. The Outstanding Information is necessary to allow the Receiver to carry out its obligations.
8. The Receiver hereby requests this Honourable Court grant an Order to compel Kassaye to provide the Outstanding Information Outstanding Payments to the Receiver within 20 days.

Material or evidence to be relied on:

9. The First Report dated February 10, 2023, filed.
10. The Receivership Order, granted December 13, 2022.
11. The inherent jurisdiction of this Honourable Court to control its own process.
12. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

13. Rules 1.3, 1.4, 5.1, 6.3, 6.9, 11.27, 11.29, and 13.5 of the *Alberta Rules of Court*.
14. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

15. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.
16. 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:

17. None.

How the application is proposed to be heard or considered:

18. Affidavit evidence and oral argument made via Webex.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant 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"

IN THE MATTER OF THE RECEIVERSHIP OF 2399430 ALBERTA LTD and 2399449 ALBERTA LTD.

SERVICE LIST (Updated on February 10, 2023)

NAME, ADDRESS, EMAIL ADDRESS, TELEPHONE AND FAX NUMBER	COUNSEL FOR (OR ON BEHALF OF)
MNP Ltd. Receiver 10235 101 St NW, Suite 1300 Edmonton, AB T5J 0A1 Email: Kristin.Gray@mnp.ca	MNP Ltd.
Dentons Canada LLP 2500 Stantec Tower, 10220 - 103 Avenue NW Edmonton, AB T5J 0K4 Canada Email: nicholas.williams@dentons.com	Mike Priestner Real Estate Inc. and MPRE GP Dev Inc.
MCLENNAN ROSS LLP 600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Email: ryan.trainer@mross.com	MNP Ltd.
MLT Aikins LLP 10235 101 St NW Suite 2200 Edmonton, AB T5J 3G1 Email: mderendube@mltaikins.com	2399430 Alberta Ltd., 2399449 Alberta Ltd., Turnip Homes Inc., Henok Kassaye
Receiver General of Canada c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey, BC V3T 5E1 Email: george.body@justice.gc.ca	George Body
BLAKELY & DUSHENSKI #201, 10225 - 100 AVENUE EDMONTON, AB T5J0A1 Email: bdushenski@bdcounsel.ca	Bretton Whervin, Anthony Colon, and Nikitas Christodoulakis

<p>Korr Design Inc. 101, 1807-22nd Avenue SW Calgary, AB T2T 0S1 Email: kasey@korrdesigninc.com</p>	
<p>Gala Construction Ltd. 7920 119 Street NW Edmonton, AB T6E 2E5</p>	
<p>Muve Realty Attn: John Rota Royal LePage ArTeam Realty #203, 14101 West Block Drive NW Edmonton, AB T5N 1L5 Email: john@muveteam.com</p>	
<p>1856121 Alberta Ltd. 100-17420 Stony Plain RD NW Edmonton, AB T5S 1K6</p>	
<p>YMCA of Northern Alberta Association Services Bill Rees YMCA 10315 109 Street, Edmonton AB T5J 1N3 Ruth Menegozzo, CPA, CA Email: ruth.menegozzo@ymcanab.ca Ken Muggeridge Email: Ken.Muggeridge@ymcanab.ca</p>	

Schedule "B"

COURT FILE NO. 2203 19336

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

Clerk's Stamp

PLAINTIFFS MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.

DEFENDANTS 2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McLENNAN ROSS LLP
600 West Chambers
12220 Stony Plain Road
Edmonton, AB T5N 3Y3

Lawyer: Ryan Trainer,
Telephone: 780-482-9153
Fax: 780-733-9790
Email: ryan.trainer@mross.com
File No.: 20225092

DATE ON WHICH ORDER WAS PRONOUNCED: February 21, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice G.S. Dunlop

UPON THE APPLICATION of MNP Ltd. in its capacity as Court-appointed Receiver (the "**Receiver**") of the 2399430 Alberta Ltd. and 2399449 Alberta Ltd.; **AND UPON HAVING READ** the Application, the Receivership Order granted December 13, 2022, and the Receiver's First Report to the Court dated February 10, 2023 (the "**First Report**"), filed; **AND UPON HEARING** the submissions of counsel for the Receiver and all other interested parties;

IT IS HEREBY ORDERED THAT:

1. Service of the application and materials in support thereof are deemed good and sufficient on all interested parties and the time for service is abridged to the time actually given.
2. The Receiver's activities, conduct and actions as set out in the First Report are ratified and approved.

3. The Receiver is authorized to assign 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") (collectively the "**Companies**") into bankruptcy pursuant to section 49 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
4. The Companies and Henok Kassaye ("**Kassaye**") are required to provide the Receiver with the following information within 20 business days of the date of this Order:
 - (a) a summary of any amounts paid directly to Kassaye or related parties during the 2022 calendar year by the Companies;
 - (b) the Companies bank statements for ATB accounts 00270163478 and 00270176678 (collectively the "**Accounts**") from the date the account was opened to December 20, 2022, along with an accounting or explanation for each transaction;
 - (c) an explanation and any supporting correspondence to-date with EPCOR regarding the power and water utility bill (Account #34452751) for the property municipally described 10053 Jasper Avenue NW, Edmonton, Alberta ("**Jasper Ave**");
 - (d) the floorplans or drawings, furniture and/or asset listing for Jasper Ave;
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 - (f) an explanation of whether Turnip Homes Ltd. is seeking to remain in the Sask Drive property;
 - (g) an explanation or timeline on when the Companies will be getting Fawkes Doughnuts, a current tenant of Sask Drive, into their leased space in the Saddlery Building;
 - (h) the Building Construction Assessment Report for the property municipally described as 10315 109 Street NW, Edmonton, Alberta;
 - (i) the Real Property Report for the property municipally described as 10503 81 Avenue NW, Edmonton, Alberta; and
 - (j) an explanation of whether NEXT Architecture Inc. and Streamline Fire Protection are creditors of the Companies with an explanation as to how they are creditors.
5. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and

- (iv) Posting a copy of this Order on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd>.

The Honourable Mr. Justice G.S. Dunlop
Justice of the Court of King's Bench of Alberta