

COURT FILE NUMBER 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 (INTERIM DISTRIBUTION)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McLENNAN ROSS LLP
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12220 Stony Plain Road
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Lawyer: Ryan Trainer
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File No.: 20230841



NOTICE TO RESPONDENTS: 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: **July 26, 2023**

Time: **2:00 p.m.**

Where: **Law Courts, 1A Sir Winston Churchill Square, Edmonton, AB T5J 0R2**

Before Whom: **The Honourable Mr. Justice N.J. Whitling, by Webex**

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 abridging time for service, if necessary.
2. An Order substantially in the form attached hereto as **Schedule "B"** approving:
 - a. MNP Ltd. ("**MNP**") as receiver and manager (the "**Receiver**") of 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") to make an interim distribution (the "**Interim Distribution**") of the sale proceeds of the real and personal property owned by 239 Alberta (the "**Assets**") collected by the Receiver following completion of the transaction approved by the Approval and Vesting Order dated May 1, 2023 (the "**Approval and Vesting Order**"), as described in the Receiver's Third Report to the Court dated July 17, 2023 (the "**Third Report**") and directing the Receiver to take all steps reasonably required to carry out the Interim Distribution;

- b. the Receiver's accounts for fees and disbursements and that of its legal counsel McLennan Ross LLP, as set out in the Receiver's Third Report and the Affidavit of Kristin Gray dated July 17, 2023 (the "**Fee Affidavit**"), without the necessity of a formal passing of its accounts;
 - c. the cost allocation proposed by the Receiver in the Third Report; and
 - d. the Receiver's activities, conduct and actions as set out in the Third Report.
3. An Amending Order substantially in the form attached hereto as **Schedule "C"** extending the sealing of the confidential appendices (the "**Confidential Appendices**") to the Receiver's Second Report to the Court dated (the "**Second Report**"), until February 1, 2024.
 4. An Order granting such other and further relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for making this application:

5. Pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, s. 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, and s. 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, MNP was appointed, without security, as receiver and manager of 430 Alberta and 449 Alberta (collectively the "**Debtors**") and all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively the "**Property**").
6. On May 1, 2023, an Approval and Vesting Order was granted, approving the sale of the Assets. The transaction contemplated by the Approval and Vesting Order has now closed and the Receiver is in receipt of the sale proceeds.
7. The Receiver recommends an interim distribution be made to Mike Priestner Real Estate Inc. in partial satisfaction of the indebtedness owing to it.
8. The Approval and Vesting Order allocated \$100,000 as the value of the personal property of 430 Alberta. The Receiver proposes to pay that sum into the bankruptcy estate for distribution to 430 Alberta's unsecured creditors.
9. The Third Report sets out the activities of the Receiver since the Second Report, all of which are reasonable and appropriate in the circumstances.
10. It is appropriate in the circumstances for the Receiver to seek an allocation and approval of its fees and that of its counsel, McLennan Ross LLP.
11. A Restricted Court Access Order was granted on May 1, 2023 (the "**Sealing Order**") for the purpose of protecting commercially sensitive information disclosed in connection with the application for the granting of the Approval and Vesting Order. The Confidential Appendices, contain confidential information of a commercially sensitive nature as it relates to the sales process, marketing, and pricing. It is fair and just in the circumstances to extend the temporary restriction of public access to the Confidential Appendices until February 1, 2024.
12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

13. This notice of Application, filed.
14. Restricted Court Access Order, filed May 2, 2023.
15. Unfiled Confidential Appendices to the Second Report.
16. Third Report dated July 17, 2023.
17. Fee Affidavit of Kristin Gray sworn July 17, 2023.
18. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

19. *Alberta Rules of Court* rules 1.3, 1.4, 6.3(1), 6.9(1), 6.28, 6.29, 6.30, 6.31, 6.32, 11.27, 11.29 and 13.25.
20. Such further and other statutes and rules as counsel may advise.

Applicable Acts and Regulations:

21. *Judicature Act*, R.S.A. 2000, c. J-2, as amended, specifically section 8.
22. *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3.
23. *Law of Property Act*, RSA 2000, c. P-7 24.
24. *Personal Property Security Act*, RSA 2000, c. P-7.
25. 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:

26. None.

How the application is proposed to be heard or considered:

27. By Webex hearing, before the Honourable Mr. Justice N.J. Whitling.

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 Applicants 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 give evidence in response to the application, you must reply by filing an Affidavit or other evidence with the Court and serving a copy of that Affidavit or other evidence on the Applicants a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

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

SERVICE LIST (Updated on June 12, 2023)

NAME, ADDRESS, EMAIL ADDRESS, TELEPHONE AND FAX NUMBER	COUNSEL FOR (OR ON BEHALF OF)
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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>McLeod Law LLP Manulife Place 500, 707-5 Street SW Calgary, AB T2P 1V8</p> <p>Email: scchimuk@mcleod-law.com</p>	<p>Korr Design Inc.</p>
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<p>Muve Realty Attn: John Rota Royal LePage ArTeam Realty #203, 14101 West Block Drive NW Edmonton, AB T5N 1L5</p> <p>Email: john@muveteam.com</p>	
<p>Stillman LLP #100, 17420 Stony Plain Road Edmonton, AB T5S 1K6</p> <p>Erin N. Vanderveen Email: evanderveen@stillmanllp.com</p>	<p>1856121 Alberta Ltd.</p>
<p>YMCA of Northern Alberta Association Services Bill Rees YMCA 10315 109 Street, Edmonton AB T5J 1N3</p> <p>Ruth Menegozzo, CPA, CA Email: ruth.menegozzo@ymcanab.ca</p> <p>Ken Muggeridge Email: Ken.Muggeridge@ymcanab.ca</p>	
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<p>Burnet, Duckworth & Palmer LLP 2400, 525 8th Avenue SW Calgary, AB T2P 1G1</p> <p>Ryan Algar</p>	<p>Kastel Holdings</p>

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Certified Demolition Inc. c/o Registered Office 2700-10155 102 Street NW Edmonton, AB T5J 4G8	
2426258 Alberta Ltd. c/o Registered Office 314-222 Baseline Road Box 93 Sherwood Park, AB T8H 1S8 Email: cory@redlinebuilding.ca	
Avala Equities Residential Ltd. c/o Marcus and Millichap #1820, 10175 101 Street NW Edmonton, AB T5J 0H3 Casey McClelland Email: casey.mcclelland@marcusmillichap.com	
Union Bank Holdings Inc. 102 10446 122 St NW Edmonton, AB T5N 1M3 David Hawreluk Email: hawrelukd@bennettjones.com	

SCHEDULE "B"

COURT FILE NUMBER 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 KASSYE

DOCUMENT **ORDER (INTERIM DISTRIBUTION AND APPROVAL OF RECEIVER'S FEES AND ACTIVITIES)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MCLENNAN ROSS LLP
#600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4

Lawyer: Ryan Trainer
Telephone: (780) 482-9153
Email: ryan.trainer@mross.com
File No.: 20230841

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: July 26, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice N.J. Whiting

UPON THE APPLICATION by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") (collectively the "**Debtors**") for an Order approving an interim distribution, the activities of the Receiver and the fees and disbursements of the Receiver and its legal counsel; **AND UPON HAVING READ** the Application, the Receivership Order dated December 13, 2022 (the "**Receivership Order**"), the Receiver's Third Report to the Court dated July 17, 2023, the Affidavit of Kristin Gray sworn July 17, 2023 (the "**Fee Affidavit**"), and the Affidavit of Service; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver and all other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

INTERIM DISTRIBUTION

2. The Receiver is authorized and directed to make the following distributions without further Order:
 - a. \$4,316,728 to Mike Priestner Real Estate Inc.; and
 - b. \$89,969 to MNP Ltd., Licensed Insolvency Trustee of 2399430 Alberta Ltd. ("**430 Alberta**") to be distributed to unsecured creditors in the bankruptcy of 430 Alberta.

APPROVAL OF RECEIVER'S FEES AND FEE ALLOCATION

3. The Receiver's accounts for fees and disbursements, as set out in the Receiver's Third Report and the Fee Affidavit are fair and reasonable and are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Receiver's legal counsel McLennan Ross LLP, for its fees and disbursements, as set out in the Receiver's Third Report and the Fee Affidavit are fair and reasonable and are hereby approved without the necessity of a formal assessment of its accounts.
5. The cost allocation set out in the Receiver's Third Report is fair and reasonable and is hereby approved.

APPROVAL OF RECEIVER'S ACTIVITIES

6. The Receiver's activities as set out in the Receiver's Third Report filed herein and the Statement of Receipts and Disbursements as attached to the Receiver's Third Report, are hereby ratified and approved.

MISCELLANEOUS

7. 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;
 - iv. the Purchaser or the Purchaser's solicitors; and

(b) 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>

and service on any other person is hereby dispensed with.

8. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta