

**FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORP., MICHAEL DAVE  
MANAGEMENT LTD. 52 DENTAL CORPORATION AND 52 WELLNESS CENTRE INC. – IN  
RECEIVERSHIP**

**INTERIM REPORT OF THE RECEIVER**

**ESTATE NOS. 24-116245, 24-116246, 24-116247, 25-095329 AND 25-095330**

*Subsection 246(2) of the Bankruptcy and Insolvency Act*

**BACKGROUND**

On August 23, 2022, the Court of King’s Bench of Alberta, known as the Court of Queen’s Bench of Alberta (the “**Court**”) at the time, granted an Interim Receivership Order (the “**Interim Receivership Order**”) appointing MNP Ltd. as Interim Receiver over all of the current and future assets, undertakings and property of Faissal Mouhamad Professional Corporation (“**FMPC**”), Delta Dental Corp. (“**DDC**”) and 52 Dental Corporation (“**52 Dental**”, and together with FMPC and DDC, the “**Interim Receivership Companies**”).

The Interim Receivership Order was granted pursuant to an application (the “**RBC Application**”) by Royal Bank of Canada (“**RBC**”). The RBC Application sought the appointment of a Receiver and Manager. The Interim Receivership Order was granted following the adjournment of the RBC Application from August 23, 2022, to a hearing on September 14, 2022 (the “**September 14 Hearing**”). In advance of the September 14 Hearing, the RBC Application was expanded to include the appointment of a Receiver and Manager over the current and future assets, undertakings, and property of 52 Wellness Centre Inc. (“**52 Wellness**”) and Michael Dave Management Ltd. (“**MDML**”). Collectively, the Interim Receivership Companies, 52 Wellness and MDML will be referred to as the “**Companies**”. The RBC Application was heard on September 14, 2022, and on September 16, 2022, the Court granted an Order (the “**Receivership Order**”) appointing MNP Ltd. as receiver and manager (the “**Receiver**”) of all of the current and future assets, undertakings and property of the Companies.

A copy of the Interim Receivership Order, the Receivership Order as well as other publicly available documents in these proceedings can be found on the Receiver’s website at:

<https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc>.

## BACKGROUND

The Companies are summarized as follows:

<b>Corporate entity</b>	<b>Directors/ Officers</b>	<b>Description of Operations</b>
Faissal Mouhamad Professional Corporation o/a Delta Dental Delta Dental Corp.	F. Mouhamad is the sole director and shareholder F. Ahmed is the sole director and shareholder	Operated a dental clinic under the name “Delta Dental” (“ <b>Delta Clinic</b> ”). Had no independent operations; previously managed Delta Dental on behalf of FMPC; however, no corresponding agreement was in place.
52 Dental Corporation	F. Ahmed is the sole director and shareholder	Operated a dental clinic under the name “52 Dental” (“ <b>52 Clinic</b> ”).
52 Wellness Centre Inc.	F. Mouhamad is the sole director and shareholder	Owned a building located at 3505 52nd Street SE, Calgary, Alberta (the “ <b>52 Building</b> ”). The 52 Building houses 52 Dental and other commercial tenants.
Michael Dave Management Ltd.	F. Mouhamad is the sole director and shareholder	Owned a building located at 7151 50th Avenue in Red Deer, Alberta (the “ <b>Delta Building</b> ”) that houses Delta Dental.

## ASSETS

As noted above, the key assets in the receivership proceedings included two operating dental clinics being the Delta Clinic and the 52 Clinic and two real properties, one being the 52 Building and one being the Delta Building. The Delta Clinic and the Delta Building will collectively be referred to as the “**Delta Property**”.

The sales of the 52 Clinic, the 52 Building and the Delta Property were all approved pursuant to Orders granted by the Court on January 11, 2023, and the corresponding sales have been completed.

## INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

The Receiver’s Interim Statements of Receipts and Disbursements for each of the Companies, each for the period ended September 16, 2023, are attached hereto.

## NEXT STEPS

On May 8, 2023, the Court granted an Order (52 Wellness Fee Allocation, Final Distributions and Discharge) discharging the Receiver in respect of 52 Wellness, subject only to the Receiver completing some administrative tasks and filing its discharge certificate. The Receiver is currently working with CRA to complete a GST audit for 52 Wellness following which the administration of the receivership will be complete.

A claims process was underway for the Companies, excluding 52 Wellness (the “**Claims Process**”). The Receiver will be making an application for advice and direction (the “**Advice and Direction Application**”) to address various unresolved matters related to the Claims Process including the priority of selected secured claims against FMPC & DDC and 52 Dental and the final determination of selected claims that

were disallowed by the Receiver. Assuming these matters can be conclusively determined at the Advice and Direction Application, the Receiver anticipates seeking approval to make final distributions in each estate and obtain their discharge.

Prepared as at September 16, 2023. Dated at Calgary, Alberta this 30<sup>th</sup> day of January 2024.

**MNP Ltd.**, in its capacity as the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., 52 Dental Corporation, 52 Wellness Centre Inc. and Michael Dave Management Ltd. and not in its personal or corporate capacity



Vanessa Allen, CIRP, LIT  
Senior Vice President

**Faissal Mouhamad Professional Corporation ("FMPC") and Delta Dental Corp. ("DDC")**  
**Interim Statement of Receipts and Disbursements**  
**For the Period from August 23, 2022 to September 16, 2023**

		<b>Notes</b>
Sale of assets	\$ 2,345,571	1
Accounts receivable	765,915	2
Cash held in financial institutions	90,177	3
Receiver's certificate	50,000	4
Miscellaneous receipts	28,649	
GST collected	250	
<b>Total receipts:</b>	<b>3,280,562</b>	
 <b>Disbursements:</b>		
Contractor fees	642,882	5
Receiver's fees and disbursements	321,006	6
Receiver's legal fees and disbursements	167,824	7
Operating expenses	100,462	8
Commission	92,600	9
Repayment of receiver's borrowings	50,990	4
Rent expense	44,761	10
Payroll	40,618	11
Interim Receiver's fees and disbursements	38,813	12
GST Paid	37,179	
Reimbursement of funds paid in error	10,789	
Utilities	9,141	
Property taxes	8,097	
Appraisals	6,495	
Interim Receiver's legal fees and disbursements	6,064	12
Insurance	4,034	
Miscellaneous expenses	3,951	
Patient refunds	2,919	
<b>Total disbursements:</b>	<b>1,588,624</b>	
 <b>Net available cash:</b>	 <b>\$ 1,691,938</b>	

**Notes - general:**

1. On August 23, 2022, the Court of King's Bench of Alberta (the "Court") granted an Interim Receivership Order appointing MNP Ltd. as Interim Receiver over all of the current and future assets, undertakings and property of FMPC o/a Delta Dental and Delta Dental Corp. (the "Property"). On September 16, 2022 (the "Receivership Date"), the Court granted a further Order (the "Receivership Order") appointing MNP Ltd. as Receiver and Manager over the Property. The Interim Statement of Receipts and Disbursements above includes the Interim Receivership and the Receivership period.

**Notes - specific:**

1. Represents the net sale proceeds from the sale of a dental practice known as Delta Dental (the "Delta Clinic"), which operated out of premises located at 7151 50 Avenue in Red Deer, Alberta (the "Delta Building"). The Sale of the Delta Clinic was approved by the Court pursuant to an Order granted on January 11, 2023 and closed on March 10, 2023.
2. Represents amounts collected from patients and their insurance providers.
3. Represents amounts collected from FMPC's account with Royal Bank of Canada and DDC's account with Scotiabank (the "DDC Account") since the date of interim receivership. The amount collected from the DDC Account is net of payroll \$67,317 that was paid directly from the DDC Account.
4. Pursuant to the Receivership Order, borrowings of \$50,000 were advanced to the Receiver. These borrowings, including applicable interest were repaid on March 13, 2023.
5. Represents payments to dentists, hygienists and contractors.
6. Represents the professional fees and disbursements of the Receiver for the period ended August 31, 2023.
7. Represents the professional fees and disbursements of the Receiver's legal counsel, McMillan LLP, for the period ended August 31, 2023.
8. Operating expenses include various dental supplies and patient labs.

**Faissal Mouhamad Professional Corporation ("FMPC") and Delta Dental  
Corp. ("DDC")  
Interim Statement of Receipts and Disbursements  
For the Period from August 23, 2022 to September 16, 2023**

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9. Represents the amount payable to Tier Three Brokerage Ltd. a division of Henry Schein for commission on the sale of the Delta Clinic.
10. Represents per-diem rent payable for the post-receivership period, based on an opinion on the market lease rate prepared by Newmark Knight Frank Canada Ltd. Operating expenses were paid directly by Delta Dental over the course of the receivership.
11. Represents payroll prior to the Receivership Date, including the required Canada Revenue Agency payroll source deduction remittances as well as eligible overtime incentives.
12. Represents professional fees and disbursements of the Interim Receiver and their legal counsel, McMillan LLP, prior to the Receivership Date.

**Michael Dave Management Ltd. ("MDML")  
Receiver's Interim Statement of Receipts and Disbursements  
For the Period From September 16, 2022 to September 16, 2023**

		<u>Notes</u>
<b>Receipts:</b>		
Sale of assets	\$ 1,421,845	1
Rent collected	44,761	2
Miscellaneous receipts	15,080	3
Cash held in financial institutions	3,588	4
GST collected	2,238	
<b>Total receipts:</b>	<b>1,487,511</b>	
<b>Disbursements:</b>		
Distribution to secured lender	1,000,000	5
Receiver's fees and disbursements	158,851	6
Receiver's legal fees and disbursements	95,380	7
Commission	56,000	8
GST Paid	15,745	
Insurance	8,534	
Appraisal	5,000	
Miscellaneous disbursements	73	
<b>Total disbursements:</b>	<b>1,339,583</b>	
<b>Net available cash:</b>	<b>\$ 147,928</b>	

**Notes - general:**

1. On September 16, 2022, the Court of King's Bench of Alberta (the "Court") granted a Receivership Order appointing MNP Ltd. as Receiver and Manager over all of the current and future assets, undertakings and property of MDML.

**Notes - specific:**

1. Represents the net sale proceeds from the sale of a building located at 7151 50 Avenue in Red Deer, Alberta, which houses a dental practice known as Delta Dental (the "Delta Building"). The Sale of the Delta Building was approved by the Court pursuant to an Order granted on January 11, 2023 and closed on March 10, 2023.
2. Represents per-diem rent payable for the post-receivership period, based on an opinion on the market lease rate prepared by Newmark Knight Frank Canada Ltd. Operating expenses were paid directly by Delta Dental over the course of the receivership.
3. Represents interest and the refunds of unused insurance premiums.
4. Represents the amount collected from MDML's account with TD Bank.
5. Represents a distribution to Solar Star Holdings Inc. and 1245233 Alberta Ltd., which was approved by the Court pursuant to an Order granted on January 11, 2023.
6. Represents the professional fees and disbursements of the Receiver for the period ended August 31, 2023.
7. Represents the professional fees and disbursements of the Receiver's legal counsel, McMillan LLP, for the period ended August 31, 2023.
8. Represents the amount payable to CBRE Limited for commission on the sale of the Delta Building.

**52 Dental Corporation ("52 Dental")**  
**Interim Statement of Receipts and Disbursements**  
**For the Period From August 23, 2022 to September 16, 2023**

		<b>Notes</b>
<b>Receipts:</b>		
Sale of assets	\$ 822,714	1
Accounts receivable	270,948	2
Cash held in financial institutions	91,944	3
Miscellaneous receipts	18,486	
<b>Total receipts:</b>	<b>1,204,093</b>	
<b>Disbursements:</b>		
Contractor fees	226,985	4
Receiver's fees and disbursements	185,070	5
Payroll	71,334	6
Rent expense	62,187	7
Operating expenses	52,334	8
Receiver's legal fees and disbursements	50,539	9
Commission	32,000	10
Interim Receiver's fees and disbursements	31,756	11
GST Paid	19,541	
Insurance	7,517	
Interim Receiver's legal fees and disbursements	6,064	11
Appraisal fees	5,595	
Miscellaneous disbursements	3,131	
Patient refunds	769	
<b>Total disbursements:</b>	<b>754,822</b>	
<b>Net available cash:</b>	<b>\$ 449,270</b>	12
<b>Less:</b>		
Funds held in trust	417,000	13
<b>Net funds available</b>	<b>\$ 32,270</b>	

**Notes - general:**

1. On August 23, 2022, the Court of King's Bench of Alberta (the "Court") granted an Interim Receivership Order appointing MNP Ltd. as Interim Receiver over all of the current and future assets, undertakings and property of 52 Dental (the "Property"). On September 16, 2022 (the "Receivership Date"), the Court granted a further Order appointing MNP Ltd. as Receiver and Manager over the Property. The Interim Statement of Receipts and Disbursements above includes the Interim Receivership and the Receivership period.

**Notes - specific:**

1. Represents the net sale proceeds from the sale of a dental practice known as 52 Dental (the "52 Clinic"), which operated out of premises located at 3505 52 Street SE in Calgary, Alberta (the "52 Building"). The Sale of the 52 Clinic was approved by the Court pursuant to an Order granted on January 11, 2023 (the "January 11 Order") and closed on February 24, 2023.
2. Represents amounts collected from patients and their insurance providers.
3. Represents amounts collected from 52 Dental's account with Scotiabank (the "52 Account") since the date of the interim receivership.
4. Represents payments to dentists and hygienists who are retained on a contract basis.
5. Represents the professional fees and disbursements of the Receiver for the period ended April 30, 2023.

**52 Dental Corporation ("52 Dental")**  
**Interim Statement of Receipts and Disbursements**  
**For the Period From August 23, 2022 to September 16, 2023**

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6. Represents payroll, including the required Canada Revenue Agency payroll source deduction remittances as well as eligible overtime incentives during the interim receivership.
7. Represents per-diem rent payable for the post-receivership period, based on an opinion on the market lease rate prepared by Newmark Knight Frank Canada Ltd.
8. Operating expenses include various dental supplies and patient labs.
9. Represents the professional fees and disbursements of the Receiver's legal counsel, McMillan LLP, for the period ended April 30, 2023.
10. Represents the amount payable to Tier Three Brokerage Ltd. a division of Henry Schein for commission on the sale of the 52 Clinic.
11. Represents professional fees and disbursements of the Interim Receiver and their legal counsel, McMillan LLP, prior to the Receivership Date.
12. In addition to the amount reflected above, selected accounts receivable continue to be collected into the 52 Account, which is set to deposit only.
13. Represents the amount held in trust pursuant to the January 11 Order.



**52 Wellness Centre Inc. ("52 Wellness")**  
**Receiver's Interim Statement of Receipts and Disbursements**  
**For the Period From September 16, 2022 to September 16, 2023**

		<u>Notes</u>
<b>Receipts:</b>		
Sale of assets	\$ 1,912,687	1
Rent collected	105,299	2
GST collected	4,257	
Miscellaneous receipts	8,310	
<b>Total receipts:</b>	<b>2,030,552</b>	
<b>Disbursements:</b>		
Distribution to The Bank of Nova Scotia	1,692,797	3
Receiver's fees and disbursements	133,924	4
Receiver's legal fees and disbursements	71,941	5
Commission	58,050	6
Utilities	22,889	
GST paid	17,485	
Operating expenses	13,072	
Appraisal	4,000	
Distribution to Canada Revenue Agency	2,679	3
Property management	2,172	
Miscellaneous disbursements	415	
<b>Total disbursements:</b>	<b>2,019,423</b>	
<b>Net available cash:</b>	<b>\$ 11,129</b>	

**Notes - general:**

1. On September 16, 2022, the Court of King's Bench of Alberta (the "Court") granted a Receivership Order appointing MNP Ltd. as Receiver and Manager over all of the current and future assets, undertakings and property of 52 Wellness.

**Notes - specific:**

1. Represents the net sale proceeds from the sale of a building located at 3505 52 Street SE in Calgary, Alberta (the "52 Building"), which houses four commercial tenants. The Sale of the 52 Building was approved by the Court pursuant to an Order granted on January 11, 2023.
2. Represents rent paid to the Receiver by tenants of the 52 Building. Veranova Properties ("Veranova") was providing property management services for the 52 Building. Some tenants paid rent directly to Veranova, who remitted the net balance after payment of property taxes and operating expenses to the Receiver. Includes per-diem rent payable from 52 Dental, who occupies unit 100, for the post-receivership period, which was calculated based on an opinion on the market lease rate prepared by Newmark Knight Frank Canada Ltd.
3. Represents distributions to secured lenders, as approved pursuant to Orders granted by the Court on January 11, 2023 and May 8, 2023.
4. Represents the professional fees and disbursements of the Receiver to complete the administration of the receivership.

**52 Wellness Centre Inc. ("52 Wellness")**  
**Receiver's Interim Statement of Receipts and Disbursements**  
**For the Period From September 16, 2022 to September 16, 2023**

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5. Represents the professional fees and disbursements of the Receiver's legal counsel, McMillan LLP to complete the administration of the receivership.
6. Represents the amount payable to NAI Commercial Real Estate Inc. for commission on the sale of the 52 Building.