

COURT FILE NO.	2203-12557	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
PLAINTIFF	ROYAL BANK OF CANADA	
DEFENDENTS	FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD AND FETOUN AHMAD also known as FETOUN AHMED	
DOCUMENT	SUPPLEMENT TO THE FIFTH REPORT OF THE RECEIVER AND MANAGER OF FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORP. MICHAEL DAVE MANAGEMENT LTD., 52 DENTAL CORPORATION, 52 WELLNESS CENTRE INC. AND 985842 ALBERTA LTD.	
DATED	February 13, 2023	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Counsel McMillan LLP Suite 1700, 421 7th Avenue SW Calgary, AB T2P 4K9 Telephone: 403-215-2752/ 403-355-3326 Facsimile: 403-531-4720 Email: adam.maerov@mcmillan.ca; kourtney.rylands@mcmillan.ca Attention: Adam Maerov and Kourtney Rylands Receiver and Manager MNP Ltd. Suite 1500, 640 5th Avenue SW Calgary, AB T2P 3G4 Telephone: 403-477-9661 Facsimile: 403-269-8450 Email: vanessa.allen@mnp.ca Attention: Vanessa Allen	

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Schedule 1

Action search of the Court of King's Bench of Alberta for 985842 Alberta Ltd.

INTRODUCTION AND BACKGROUND

- 1 Pursuant to Orders granted by the Court of King's Bench of Alberta the "**Court**") on September 16, 2022 and September 29, 2022, MNP Ltd. was appointed as Receiver and Manager (the "**Receiver**") over all of the current and future assets, undertakings and property of Faissal Mouhamad Professional Corporation o/a Delta Dental, Delta Dental Corp., 52 Dental Corporation, 52 Wellness Centre Inc. ("**52 Wellness**"), Michael Dave Management Ltd. and 985842 Alberta Ltd. ("**985842**", and collectively, the "**Companies**").

NOTICE TO READER

2. In preparing this report and making comments herein, the Receiver has relied upon, certain unaudited, draft or internal financial information, including the Companies' books and records, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "**Standards**"). Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.
3. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

4. This report constitutes the Supplement to the Fifth Report of the Receiver (the "**Supplemental Report**"). The Supplemental Report is intended to be read in conjunction with the Fifth Report of the Receiver dated February 6, 2023 (the "**Fifth Report**"). The Fifth Report was prepared in support of the Receiver's application (the "**Claims Process Application**") to this Honourable Court returnable at a hearing on February 14, 2023 (the "**February 14 Hearing**") requesting, among other relief, approval of a claims process (the "**Claims Process**") in respect of the Companies, excluding 52 Wellness (the "**CP Companies**").
5. The Receiver understands that 1193770 Alberta Ltd. ("**1193770**") intends to oppose the Claims Process Application as it relates to 985842 and to bring its own application returnable at the February 14 Hearing (the "**1193770 Application**"). The Supplemental Report has been prepared to respond to statements contained in the Affidavit of Jure Jovica sworn on February 9, 2023 (the "**Jovica**").

Affidavit) and to provide the Court with additional information related to the 1193770 Application. The following relief is being sought pursuant to the 1193770 Application:

5.1. An Order directing the Receiver to:

- 5.1.1. After closing the sale of the commercial unit located at 5207 Power Center Boulevard in Drayton Valley, Alberta (the **"DV Unit"**), finalize its cost allocation in respect of 985842 and the DV Unit (the **"985842 Costs"**);
- 5.1.2. Provide an accounting of the 985842 Costs to Duncan Craig LLP (**"Duncan Craig"**), legal counsel for 1193770;
- 5.1.3. Provide the net sale proceeds after deduction of the 985842 Costs (the **"DV Unit Proceeds"**) to Duncan Craig; and
- 5.1.4. Such further and other directions to the Receiver as may be appropriate in the circumstances.

5.2. An Order directing legal counsel for 1193770 to hold the DV Unit Proceeds, pending either an agreement with Mahmoud Mohamad or further Order of the Court on notice to Mahmoud Mohamad for distribution of the DV Unit Proceeds;

5.3. Costs of the 1193770 Application; and

5.4. Such further and other relief as the Court considers appropriate in the circumstances.

THE CLAIMS PROCESS

6. The Receiver has reviewed the Jovica Affidavit and notes the following information, which is incorrectly represented in the Jovica Affidavit and/or requires clarification:

- 6.1. In addition to the DV Unit, 985842 has an additional asset, in the form of an investment in InvestPlus REIT (**"InvestPlus"**) which is listed as having a market value of approximately \$1.1 million (the **"Investment"**). While the value of the Investment is uncertain (it is the subject of ongoing litigation between Investplus and InvestPlus GP Ltd. as the plaintiffs and Mahmoud Mohamad, 985842 and Dr. Faissal Mouhamad as the defendants), it remains undetermined whether and to what extent it will yield value for the estate of 985842. The Receiver has requested additional information from InvestPlus REIT to further consider the value of the Investment.
- 6.2. 1193770 has a registered mortgage on the DV Unit (the **"1193770 Mortgage"**). The Claims Process excludes claims related to registered mortgages or charges on real property, including the DV Unit. As such, the 1193770 Mortgage is not part of the Claims Process.
- 6.3. McMillan LLP (**"McMillan"**), the Receiver's legal counsel, reviewed the 1193770 Mortgage and provided an independent legal opinion that the 1193770 Mortgage is valid and enforceable

(subject to the usual assumptions and qualifications). As such, the Receiver does not require 1193770 to submit any additional information at this time related to the 1193770 Mortgage.

- 6.4. Mahmoud Mohamad registered a certificate of *lis pendens* (the “CLP”) before the 1193770 Mortgage was registered against the DV Unit. The Receiver has not yet reviewed the underlying claim supporting the CLP. For clarity, the CLP itself will also be reviewed outside of the Claims Process since it represents a registered charge on real property.
- 6.5. Jovica Property Management Ltd. and Solar Star Holdings Inc., which the Receiver understands are related to 1193770, and 1193770 have registrations at the Alberta Personal Property Registry related to various security agreements. To the extent that these entities wish to advance a claim against the personal property of 985842, they would need to file a claim in the Claims Process.
- 6.6. The Receiver notes that 985842 has a GST liability in the amount of approximately \$6,100 and the Receiver is in the process of filing outstanding returns for the period from August 1, 2021 to September 28, 2022, which could further increase this liability.
7. The Receiver notes the following benefits if the Claims Process is approved for 985842:
 - 7.1. As there are overlapping claims in the various receivership proceedings and, in some cases, uncertainty as to the ownership of personal property, the Receiver is of the view that the most efficient and cost-effective way to administer the receivership proceedings is to have the Claims Process encompass all of the CP Companies such that each creditor’s position can be evaluated in its entirety to the extent required to determine the appropriate distribution of the net proceeds in each estate. If the Claims Process is not approved for 985842 then individual creditors may have to bring separate applications to the Court to have their claims valued and determined.
 - 7.2. The Claims Process provides the opportunity for participating creditors to, upon request, review proofs of claim filed by other creditors providing them with a reasonable opportunity to examine the proof of claim and question the affiant as to any of the matters set out therein. Accordingly, the Claims Process provides transparency and an opportunity to assess competing claims in these complex and contentious proceedings.
 - 7.3. As noted in the Fifth Report, in the Receiver’s view, it is unlikely that any funds will be available for distribution to the unsecured creditors of the CP Companies. There is uncertainty, however, regarding the status of the various secured claims that may be advanced against the personal property of the respective CP Companies. As such, the Receiver has included the unsecured creditors in the Claims Process in order to avoid the requirement for a subsequent claims process if there all ultimately funds available for distribution to them. In the Receiver’s view, the incremental cost of including the unsecured creditors in the Claims Process will be

significantly less than the cost of seeking approval for and administering a subsequent claims process, should one be required.

- 7.4. In order to minimize costs, the Receiver will not review any proofs of claim submitted by unsecured creditors unless and until it determines that the assets in the relevant estate have sufficient value to support a distribution to the respective unsecured creditors.

THE 1193770 APPLICATION

8. The Receiver notes the following concerns related to the 1193770 Application:
 - 8.1. The Receiver is of the view that 1193770 has benefitted from the receivership proceedings to date. It may now unfairly prejudice other creditors if 1193770 takes possession of the DV Unit Proceeds prior to further assessment of the value of the Investment and the completion of the receivership proceedings.
 - 8.2. The Receiver is concerned that having Duncan Craig hold the DV Unit Proceeds may unfairly prejudice Mahmoud Mohamad or another creditor, who may wish to advance a claim in respect of the DV Unit Proceeds.
 - 8.3. Attached as “Schedule 1” is an action search from the Court for 985842 (the “**Action Search**”), which reflects numerous actions to which 985842 is a party. The Receiver understands that some of the other Companies are also parties to selected of these actions. The Receiver has not yet reviewed the underlying claims reflected in the Action Search but notes that there may be additional creditors who may wish to advance claims with respect to 985842 and the DV Unit Proceeds. In the Receiver’s view, any such claims can most effectively be addressed in the receivership proceedings.
9. The Receiver became aware that 1193770 had an objection to the Claims Process on February 8, 2023 and made several offers, both directly and through legal counsel, to arrange a call with 1193770 to discuss its concerns. As of the date of this report, 1193770 and its counsel have not accepted any of these offers.
10. Both Royal Bank of Canada and Mohamad Mohamad have indicated to the Receiver that they do not support the 1193770 Application. The Receiver is also advised that Mahmoud Mohamad may be objecting to the 1193770 Application.

CONCLUSION

11. The Supplemental Report has been prepared to provide the Court with additional information on the Claims Process and the 1193770 Application.

All of which is respectfully submitted this 13th day of February 2023.

MNP Ltd., in its capacity as Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corporation, 52 Dental Corporation, 52 Wellness Centre Inc., Michael Dave Management Ltd. and 985842 Alberta Ltd. and not in its personal or corporate capacity



Per: _____
Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

SCHEDULES

SCHEDULE 1

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

SEARCH : LAST/COMPANY NAME: 985842 ALBERTA LTD.
CRITERIA : FIRST NAME:
NAME TYPE: D JURISDICTION Q VS:

INITIAL:

COMPANY: Y

REPORT COMMENT :

SELECT ALL FILES : Y

SELECT BY FILE # : N STARTING: 79 ENDING: 23

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q1401 02945 STATEMENT CLAIM JUDGMENT	985842 ALBERTA LTD. 10APR2014	* VS. MAF-WORX CONCRETE SERVIC DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 08480 ORIG APP LAND TITLES	985842 ALBERTA LTD 25JAN2021	* VS. MOHAMAD, MAHMOUD ENDORSEMENT	
ACTION NO: Q2001 09035 STATEMENT CLAIM - DAMAGES	985842 ALBERTA LTD 11SEP2020	* VS. MOHAMAD, MAHMOUD STATEMENT OF DEFENCE	
ACTION NO: Q2001 11614 STATEMENT CLAIM - DAMAGES	985842 ALBERTA LTD 01DEC2020	* VS. INVESTPLUS GP LTD. STATEMENT OF DEFENCE	
ACTION NO: Q2101 00229 STATEMENT CLAIM - DAMAGES	985842 ALBERTA LTD. 24FEB2021	* VS. MOHAMAD, MAHMOUD STATEMENT OF DEFENCE	
ACTION NO: Q2101 09699 STATEMENT CLAIM - DAMAGES	985842 ALBERTA LTD 20SEP2021	* VS. INVESTPLUS REIT STATEMENT OF DEFENCE	INVESTPLUS GP LTD
ACTION NO: Q2110 00959 STATEMENT CLAIM JUDGMENT	985842 ALBERTA LTD 15NOV2022	* VS. EISSA, KHALED ORDER FOR JUDGMENT	MOHAMAD, YUSUF
ACTION NO: Q2101 15873 STATEMENT CLAIM - DAMAGES	985842 ALBERTA LTD.	* VS. MCIVOR URBAN DEVELOPMENT	MOHAMAD, MOHAMAD
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STARTING DOCUMENT

LAST STATUS DATE

LAST STATUS DESCRIPTION

PREVIOUS COURT

ACTION NO: Q2201 06421 985842 ALBERTA LTD
ST CLAIM BLDR LIEN & JUDG

* VS. MOHAMAD, MAHMOUD

ACTION NO: Q2203 12557 985842 ALBERTA LTD.
ST CLAIM FORECLOSE & JUDG 30SEP2022

* VS. ROYAL BANK OF CANADA
ORDER APPOINT RECEIVER

*****END OF REPORT*****