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COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	ROYAL BANK OF CANADA	
DEFENDENT	SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION AND SEAMA SHALCHI-MOGHADDAM	
DOCUMENT	FIRST REPORT OF THE RECEIVER IN THE MATTER OF THE RECEIVERSHIP OF SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION	
FILED	October 17, 2022	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Counsel DLA Piper LLP Suite 1000, Livingston Place West, 250 2nd Street SW Calgary, AB T2P 0C1 Telephone: 403-698-8782 Facsimile: 403 697 6600 Email: carole.hunter@ca.dlapiper.com Attention: Carole Hunter Receiver 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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SCHEDULES

Schedule 1	Notice and Statement of Receiver dated September 12, 2022
Schedule 2	Listing Agreement with Henry Schein Tier Three Brokerage Ltd.
Schedule 3	Receiver's Interim Statement of Receipts and Disbursements for the Period Ended October 15, 2022

INTRODUCTION AND BACKGROUND

1. On September 2, 2022 (the “Filing Date”), MNP Ltd. was appointed as the Receiver (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) of Seama Shalchi-Moghaddam Professional Corporation (the “**Company**”) pursuant to an Order (the “**Order**”) pronounced by the Court of King’s Bench of Alberta (the “**Court**”).
2. The Company was incorporated in the Province of Alberta on February 23, 2018 to operate a dental office known as Douglasdale Dental (“**Douglasdale Dental**”). Douglasdale Dental provided various services including consultations, teeth cleaning, Invisalign, dentures, fillings, and other dental services. Dr. Seama Shalchi-Moghaddam (“**S. Shalchi-Moghaddam**”) was the sole dentist practicing at Douglasdale Dental. S. Shalchi-Moghaddam was unwilling to continue to provide dental services at Douglasdale Dental during the receivership proceedings. As such, the Company’s operations ceased on the Filing Date.
3. The Property is further described in the Notice and Statement of the Receiver dated September 12, 2022, a copy of which is attached hereto as “Schedule 1”. The Property includes two condominiums located at Suites 304 and 306, 11420 – 27th Street SE Calgary, Alberta (collectively, the “Condo Units”). The Condo Units are legally described as:
 - 3.1. Condominium Plan 1411261, Unit 52 and 81 undivided one ten thousandth shares in the common property excepting thereout all mines and minerals; and
 - 3.2. Condominium Plan 1611439, Unit 88 and 68 undivided one ten thousandth shares in the common property excepting thereout all mines and minerals.
4. The Receivership Order was granted pursuant to an application by Royal Bank of Canada (“**RBC**”), which at the Filing Date was owed approximately \$1.6 million by the Company pursuant to various credit facilities (the “**RBC Loans**”). The RBC Loans are secured by a general security agreement against the Property, an assignment of a life insurance policy held by S. Shalchi-Moghaddam and collateral mortgages over the Condo Units (the “**RBC Security**”).
5. Copies of the relevant documents relating to these proceedings are available on the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/ssmpc> (the “**Receiver’s Website**”).

NOTICE TO READER

6. In preparing this report and making comments herein, the Receiver has relied upon, certain unaudited, draft or internal financial information, including the Company’s 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.

7. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of this report. Any use which any party makes of this report or any reliance or decision that may be made based on this report is the sole responsibility of such party.
8. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

9. This report constitutes the First Report of the Receiver (the “**First Report**”). The First Report is being filed in support of the Receiver’s application to this Honourable Court returnable on October 25, 2022 (the “**October 25 Hearing**”) requesting the following relief:
 - 9.1. Approving the Receiver entering into a listing agreement (the “**HS Agreement**”) with Henry Schein Tier Three Brokerage Ltd. (“**Henry Schein**”) to market the Property as further described herein;
 - 9.2. Approving the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals; and
 - 9.3. Sealing the Receiver’s First Confidential Report dated October 17, 2022 (the “**Confidential Report**”).

ACTIVITIES OF THE RECEIVER

10. The Receiver’s activities since the Filing Date are summarized below:
 - 10.1. Taking possession of the Company’s books and records and arranging for backups of the relevant electronic records;
 - 10.2. Contacting the Company’s banking institution and requesting that the Company’s account be set to deposit only and all funds be remitted to the Receiver;

- 10.3. Terminating the Company's four employees (the "**Employees**") and working with ADP Canada to obtain the required information to prepare records of employment and assist the Employees in submitting claims under the Wage Earners Protection Plan ("**WEPP**");
- 10.4. Communicating with the Alberta Dental Association and College (the "**College**") and S. Shalchi Moghaddam regarding various patient communications and issuing various patient communications as required;
- 10.5. Issuing a request for proposals to list the Property and establishing an electronic data room related to same;
- 10.6. Arranging for the appraisal of Douglasdale Dental, which is currently underway;
- 10.7. Negotiating the HS Agreement to market the Property, which will be executed subject to Court approval;
- 10.8. Arranging for adequate insurance coverage for the Property (the "**Insurance**");
- 10.9. Opening a trust account in the name of the Receiver;
- 10.10. Requesting that DLA Piper LLP, the Receiver's legal counsel, complete a review of the RBC Security;
- 10.11. Preparing and issuing a Notice and Statement of Receiver pursuant to subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* ("**BIA**"), a copy of which is attached hereto as "Schedule 1";
- 10.12. Setting up and maintaining the Receiver's Website; and
- 10.13. Providing updates to RBC and responding to various creditor/ stakeholder inquiries.

THE HS AGREEMENT

11. On September 10, 2022, the Receiver issued a request for listing proposals to solicit proposals to enter into an agreement to market Douglasdale Dental as a turn-key operation or to submit an auction proposal for the Property. The deadline for the proposals was originally set as September 20, 2022 but was extended to September 23, 2022 (the "**Deadline**"). Only one proposal from Henry Schein (the "**HS Proposal**") was received by the Deadline. Following the Deadline the Receiver received three additional proposals from Regal Auctions Ltd., Heaps & Doyle and ROI Corporation (collectively with the HS Proposal, the "**Proposals**"). A summary of the key terms of the Proposals is attached as "Schedule 1" to the Confidential Report.
12. Upon reviewing the Proposals, the Receiver engaged in further discussions with Henry Schein and negotiated the HS Agreement), a copy of which is attached hereto as "Schedule 2".
13. The Receiver notes as follows with respect to the HS Agreement:

- 13.1. Henry Schein has recommended marketing the facility, equipment and patient charts to existing dental practice owners looking for new space, to dentists who do not currently own a practice, as a satellite location for existing or potential multi-site owners or as a start-up location for a dentist who would otherwise build out a brand-new office space.
 - 13.2. Henry Schein's marketing efforts will include an email blast to approximately 1,200 dentists interested in Alberta practices, an email blast to the Henry Schein customer base in Alberta, a classified e-advertisement and, if required, direct mail delivery to dental practices in the vicinity to determine if they would be interested in acquiring patient charts separately from assets. The Condo Units may be brokered through CBRE Canada in collaboration with Henry Schein.
 - 13.3. The marketing process contemplated in the HS Agreement is anticipated to take approximately 6-8 weeks. In the Receiver's view, this will provide for sufficient market exposure but also ensure the timely completion of the receivership proceedings; and
 - 13.4. The HS Agreement contemplates that commission of 4% will be payable on the purchase price allocated to the Condo Units and on the first \$1.0 million of the purchase price for the remaining Property and commission of 3% will be payable on any amount in excess of \$1.0 million allocated to the Property excluding the Condo Units.
14. The Receiver is supportive of the HS Agreement based on the following:
 - 14.1. Henry Schein is an established brokerage with significant experience in marketing dental practices within Canada. In addition, Henry Schein has completed a detailed review of the dental practice and assets;
 - 14.2. The Receiver is of the view that the sale process and commission structure proposed by Henry Schein is reasonable and will provide for sufficient market exposure within a reasonable period of time such that the value of the Property will be maximized; and
 - 14.3. RBC, the Company's primary secured creditor, has indicated that it is supportive of HS Agreement.

SEALING OF THE CONFIDENTIAL REPORT

15. The Confidential Report contains further details regarding the Proposals. At the October 25 Hearing, the Receiver is seeking to seal the Confidential Report until a sale closes in respect of the Property or until a further Order of this Honourable Court. The Receiver is of the view that the disclosure of the details of the Proposals would be detrimental to the marketing efforts for the Property. There are no reasonable alternative measures to sealing this information. The Receiver is of the view that, if the requested Sealing Order is not granted, creditor recoveries may be reduced in the anticipated marketing process.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

16. Attached as “Schedule 3” is an Interim Statement of Receipts and Disbursements for the period ended October 15, 2022 (the “**Interim R&D**”). As reflected in the Interim R&D, as at October 15, 2022, approximately \$41,800 was being held in trust by the Receiver.
17. The Interim R&D reflects total receipts of approximately \$48,600 that include the following:
 - 17.1. Approximately \$27,000 that was held in the Company’s bank account with CIBC (the “CIBC Account”) on the Filing Date; and
 - 17.2. Accounts receivable totaling approximately \$21,600 that have been collected from insurance providers.
18. The Interim R&D reflects total disbursements of approximately \$6,800 that include the following:
 - 18.1. Approximately \$3,200 for 2022 property taxes;
 - 18.2. Approximately \$2,600 for condominium fees for the period ended October 31, 2022; and
 - 18.3. Approximately \$1,000 for insurance coverage for the period ended December 31, 2022.

CREDITORS

19. As noted above, approximately \$1.6 million was outstanding pursuant to the RBC Loans at the Filing Date. DLA Piper completed an independent review of the RBC Security and determined that the RBC Security is, subject to the usual and customary assumptions and qualifications, valid and enforceable against the Company.
20. The Receiver is not aware of any outstanding amounts due to Canada Revenue Agency for payroll source deductions or GST.
21. As noted above, the Employees were terminated as a result of the Order. The Receiver is still working to determine the amount of any corresponding claims for unpaid compensation. There will be a claim by Service Canada for the amounts payable to Employees pursuant to WEPP, which will be granted a super-priority to a maximum of \$2,000 per eligible employee over the Company’s current assets pursuant to Section 81.4(1) of the *BIA*.
22. In addition to the RBC Claim, the Company listed additional ordinary unsecured creditors with claims totaling approximately \$77,700.

RECOMMENDATION AND CONCLUSION

23. The First Report has been prepared to provide the Court with information on the following relief sought by the Receiver at the October 25 Hearing:

23.1. Approving the HS Agreement;

23.2. Approving the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals; and

23.3. Sealing the Confidential Report.

24. The Receiver is recommending approval of the HS Agreement for the reasons outlined herein.

All of which is respectfully submitted this 17th day of October 2022.

MNP Ltd., in its sole capacity as Receiver Seama Shalchi-Moghaddam Professional Corporation and not in its personal capacity

Per: _____



Vanessa Allen, CIRP, LIT
Senior Vice President

SCHEDULES

SCHEDULE 1

FORM 87

NOTICE AND STATEMENT OF RECEIVER

Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*

**IN THE MATTER OF THE RECEIVERSHIP OF
SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**

of the City of Calgary, in the Province of Alberta

THE RECEIVER GIVES NOTICE AND DECLARES THAT:

On September 2, 2022 (the “Filing Date”), MNP Ltd. was appointed as the Receiver (the “Receiver”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Property”) of Seama Shalchi-Moghaddam Professional Corporation (the “Company”). pursuant to an Order (the “Order”) pronounced by the Court of King’s Bench of Alberta. A copy of the Receivership Order can be found on the Receiver’s website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/ssmpc> (the “Receiver’s Website”).

BACKGROUND

The Company was incorporated in the province of Alberta on February 23, 2018 to operate a dental office known as Douglasdale Dental, which was located at 304, 11420 27th Street SE in Calgary, Alberta (“Douglasdale Dental”). Douglasdale Dental provided various services including consultations, teeth cleaning, Invisalign, dentures, fillings, and other dental services. Dr. Seama Shalchi-Moghaddam was the sole dentist practicing at Douglasdale Dental. The Company’s operations ceased on the Filing Date.

ASSETS

The Property includes two condominiums located at Suites 304 (1125 square feet) and 306 (162 square feet), 11420 – 27th Street SE Calgary, Alberta (collectively, the “Condo Units”). The Condo Units are legally described as:

- Condominium Plan 1411261, Unit 52 and 81 undivided one ten thousandth shares in the common property excepting thereout all mines and minerals; and
- Condominium Plan 1611439, Unit 88 and 68 undivided one ten thousandth shares in the common property excepting thereout all mines and minerals.

Douglasdale Dental operated out of the Condo Units, which are separated into four equipped operatories, a staff room, a waiting area and reception desk, a storage room, two consultation rooms and an office.

In addition to the Condo Units, the Company held the following Property on the Filing Date:

- Cash held in financial institutions totaling approximately \$27,600;
- Accounts receivable totaling approximately \$57,200;
- Office furniture and equipment and computer equipment with a net book value of approximately \$7,200; and
- Dental equipment with a net book value of approximately \$114,000.

CREDITORS

The Receivership Order was granted pursuant to an application by Royal Bank of Canada (“RBC”), which at the Filing Date was owed approximately \$1.6 million by the Company pursuant to various credit facilities (the “RBC Loans”). The RBC Loans are secured by a general security agreement against the Property, an assignment of a life insurance policy held by S. Shalchi-Moghaddam and collateral mortgages over the Condo Units (the RBC Security”). The Receiver has requested an independent legal opinion with respect to the validity and enforceability of the RBC Security, which is currently underway.

The Receiver is not aware of any outstanding amounts due to Canada Revenue Agency for payroll source deductions or GST.

The Company had four employees, who were terminated as a result of the Order. The Receiver is still working to determine the amount of any corresponding claims for unpaid compensation. There will be a claim by Service Canada for the amounts payable to former employees pursuant to the Wage Earners’ Protection Plan (“WEPP”), which will be granted a super-priority over the Company’s current assets pursuant to Section 81.4(1) of the *Bankruptcy and Insolvency Act*.

In addition to the RBC Claim, the Company listed additional ordinary unsecured creditors with claims totalling approximately \$77,800.

PLAN OF ACTION

The Receiver has issued a request for proposals to various brokers and intends to market the dental practice as a turn-key operation.

The contact person for the Receiver is as follows:

MNP Ltd., Receiver of Seama Shalchi-Moghaddam Professional Corporation
1500, 640 – 5th Avenue SW
Calgary, AB T2P 3G4
Attention: Jacqueline Shellon
Telephone: 587-702-5959
Email: Jacqueline.Shellon@mnp.ca

This notice is provided for information purposes only. The Receiver has not yet implemented a process to deal with creditors' claims and, as such, no further action is required by creditors at this time. Further information with respect to the receivership proceedings will be posted to the Receiver's Website as it becomes available.

Dated at Calgary, Alberta this 12th day of September 2022.

MNP Ltd., in its capacity as the Receiver for Seama
Shalchi-Moghaddam Professional Corporation Corp.
and not in its personal or corporate capacity



Vanessa Allen, CIRP, LIT
Senior Vice President

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Secured	Royal Bank of Canada		jocelyn.beriault@rbc.com	1,597,160.27
Unsecured	Align Technology Inc.		midatlanticcollections@aligntech.com	443.10
	Business Development Bank of Canada - Calgary	Krystal Lozada	Fax: (403) 292-4116 krystal.lozada@bdc.ca	75,025.00
	CRA - Tax - Pacific		800434383 Fax: (833) 697-2389	1.00
	Hansamed Limited			67.05
	Style 153 Dental Lab			2,184.47
	Synca			61.95
	WCB Workers Compensation Board of Alberta	Collection Department	Fax: (780) 498-7999 employer.account.services@wcb.ab.ca	1.00

SCHEDULE 2

**Authority to Offer for Sale Dental Practice or Facility
Listing Agreement:**

This listing is exclusive between :

BROKERAGE: Tier Three Brokerage Ltd., 186 Robert Speck Parkway, Suite 200, Mississauga, Ontario, L4Z 3G1 (the "Listing Brokerage") and **SELLER(S):** MNP Ltd. in its capacity as Receiver and Manager of Seama Shalchi-Moghaddam Professional Corporation and not in its personal capacity (the "Seller")

In consideration of the Listing Brokerage listing for sale the dental practice and premises known as Douglasdale Dental (the "Practice"), located at Suites 304 and 306, 11420 – 27th Street SE, Calgary, Alberta (the "Premises"), the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent, **commencing** at 12:01 a.m. on the 12th day of October, 2022 **until** 11:59 p.m. on the 31st day of January, 2023 (the "Listing Period"). Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage, in accordance with the *Real Estate Act*, of Alberta 2000, CR-5 if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.

to offer the Practice and Premises **for sale** at a price of:

_____ (Cdn \$ _____)

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Practice.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the sale of the Practice or agreement to pay commission to any individual or organization including, but not limited to, other real estate or dental practice brokerages, for the sale of the Practice.

- DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Listing Agreement ("Authority" or "Agreement"), "Seller" includes vendor and a "Buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. The "Practice" shall be deemed to include any part thereof or interest therein. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced or shown the Practice shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced or shown the Practice.
- COMMISSION:** In consideration of the Listing Brokerage listing the Practice and Premises for sale, the Seller agrees to pay the Listing Brokerage **a commission of 4.0% of the first \$1.0 million of the selling price and 3.0% of any amount in excess of \$1.0 million of the selling price of the Practice and 4.0% of the selling price of the Premises**, for any accepted offer to purchase the Practice from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement or such other terms and conditions as the Seller may accept.

The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on the Seller's behalf within 30 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the Practice from any source whatsoever during the Listing Period or shown the Practice during the Listing Period. If, however, the offer for the purchase of the Practice is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Practice. For greater certainty, the commission shall not be payable by the Seller if the Court of King's Bench of Alberta declines to approve an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf.

Any deposit in respect of any agreement where the transaction has been completed shall be held in trust by the Seller's legal counsel and will first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit becomes forfeited, awarded, directed or released to the Seller, the Seller then agrees to pay to the Listing Brokerage to retain as agreed compensation for services rendered, twenty-five (25%) per cent of the said deposit (but not to exceed the commission payable had a sale been consummated). The balance of the deposit will be released to the Seller.

All amounts set out as commission are to be paid plus applicable federal and provincial sales taxes on such commission.

3. **REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller further acknowledges that the Listing Brokerage may be listing other practices that may be similar to the Seller's Practice and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest.

The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Practice.

4. **LEGAL REPRESENTATION:** The Seller acknowledges that they have, or will, engage properly qualified legal representation skilled in the drafting and interpretation of dental practice asset or share sale agreements. The Seller further acknowledges that the Brokerage is not skilled in the drafting or interpretation of these agreements. The Seller will not hold the Listing Brokerage responsible for any loss or damage resulting from the wording of such agreements.

The Seller acknowledges that they have, or will, engage properly qualified legal representation to advise them on all employment law issues relating to current or past employees of the Practice. The Seller further acknowledges that the Brokerage is not properly qualified to advise on any employment law issues. The Seller will not hold the Listing Brokerage responsible for any loss or damage resulting from employment issues.

5. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If the Seller fails to advise the Listing Brokerage of any enquiry during the Listing Period and said enquiry results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period

after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.

- 6. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Practice during reasonable hours that will not be disruptive to the business operations within the Practice. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Practice during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or willful act.
- 7. **WARRANTIES:** The Practice is being offered for sale on an "as is, where is" basis with no representations or warranties in respect of such Practice. Any transaction will be subject to the approval of the Court of King's Bench of Alberta.

The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Practice for sale and that the Seller has informed the Listing Brokerage of any known third party interests or claims on the Practice such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Practice, which may affect the sale of the Practice.

- 8. **INDEMNIFICATION:** The Seller will not hold the Listing Brokerage responsible for any loss or damage to the Practice or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or willful misconduct. The Seller agrees to indemnify and save harmless the Listing Brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement. The Seller agrees to indemnify and save harmless the Listing Brokerage from any liability, claim, loss, cost, damage or injury as a result of the Practice being affected by any c o n t a m i n a n t s or environmental problems.
- 9. **USE AND DISTRIBUTION OF INFORMATION:** Subject to compliance with all applicable law, the Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Practice including, but not limited to: listing and advertising the Practice using any medium including the Internet; disclosing Practice information to prospective buyers, and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller expressly permits the Brokerage to disclose all of the information contained in the practice appraisal to prospective purchasers.
- 10. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 11. **ELECTRONIC COMMUNICATION:** This Listing Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PRACTICE ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PRACTICE ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

_____ DATE: _____
(Authorized to bind the Listing Brokerage) (Name of Person Signing)

THIS AUTHORITY HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE

SIGNED UNDER SEAL AND HAVE RECEIVED A TRUE COPY OF THIS AGREEMENT. Any representations made by the Seller contained herein or in the development of the Practice appraisal document are true to the best of my knowledge, information and belief.



Signed, sealed and delivered I have hereunto set my hand and seal:

Name of Seller(s)

_____ * DATE: _____
(Signature of Seller/Authorized Signing Officer)

_____ * DATE: _____
(Signature of Seller/Authorized Signing Officer)

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Working with Tier Three Brokerage Ltd.

As dental practice brokers, our activities are governed in the Province of Alberta by the Real Estate Act 2000, CR-5, which applies to real estate transactions.

Real estate brokerages are governed by the legal concept of “agency.” An agent is legally obligated to look after the best interests of the person he or she represents. The agent must be loyal to that person. A real estate brokerage may be your agent – if you have clearly established an agency relationship with that brokerage through a written representation agreement. But often, you may assume such an obligation exists when it does not.

1. Seller representation ← Tier Three’s role with the Seller

When a real estate brokerage represents a seller, it must do what is best for the seller of a property. A written contract, called a listing agreement, creates an agency relationship between the seller and the brokerage and establishes seller representation. It also explains services the brokerage will provide, establishes a fee arrangement for the broker’s services and specifies what obligations a seller may have.

A seller’s agent must tell the seller anything known about a buyer. For instance, if a seller’s agent knows a buyer is willing to offer more for a property, that information must be shared with the seller. Confidences a seller shares with a seller’s agent must be kept confidential from potential buyers and others. Although confidential information about the seller cannot be discussed, a buyer working with a seller’s agent can expect fair and honest service from the seller’s agent and disclosure of pertinent information about the property.

2. Buyer representation

A real estate brokerage representing a buyer must do what is best for the buyer. A written contract, called a buyer representation agreement, creates an agency relationship between the buyer and the brokerage, and establishes buyer representation. It also explains services the brokerage will provide, establishes a fee arrangement for the broker’s services and specifies what obligations a buyer may have.

Typically, buyers will be obliged to work exclusively with that brokerage for a period of time. Confidences a buyer shares with the buyer’s agent must be kept confidential. Although confidential information about the buyer cannot be disclosed, a seller working with a buyer’s agent can expect to be treated fairly and honestly.

3. Multiple representation

Occasionally a real estate brokerage will represent both the buyer and the seller. The buyer and seller must consent to this arrangement in writing. Under this multiple representation arrangement, the brokerage must do what is best for both the buyer and the seller.

Since the brokerage’s loyalty is divided between the buyer and the seller who have conflicting

interests, it is absolutely essential that a multiple representation relationship be properly documented. Representation agreements specifically describe the rights and duties of everyone involved and any limitations to those rights and duties.

4. Customer service ← Tier Three's role with the Buyer

A real estate brokerage may provide services to buyers and sellers without creating buyer or seller representation. This is called "customer service." Under this arrangement, the brokerage has the ethical duty to deal fairly, honestly and with integrity; the legal duty to exercise due care when answering questions and providing information; and the legal duty to avoid misrepresentation, but is not obligated to do what is best for the buyer.

This relationship can be set out in a buyer or seller customer service agreement. Real estate negotiations are often complex and a brokerage may be providing representation and/or customer service to more than one seller or buyer.

The brokerage will disclose these relationships to each buyer and seller.

Who's working for you?

It is important that you understand who the broker is working for. For example, both the seller and the buyer may have their own agent which means they each have a broker who is representing them. Or, some buyers choose to contact the seller's agent directly. Under this arrangement the broker is representing the seller, and must do what is best for the seller, but may provide many valuable customer services to the buyer.

A broker working with a buyer may even be a "sub-agent" of the seller. Under sub-agency, both the listing brokerage and the co-operating brokerage must do what is best for the seller even though the sub-agent may provide many valuable customer services to the buyer.

If the brokerage represents both the seller and the buyer, this is multiple representation.

Industry Professional Standards of Conduct

It is important that the people understand the relationship they have with Tier Three Brokerage Ltd. There are numerous requirements and obligations for representation and customer service included in the Industry Professional Standards of Conduct which is administered by the Real Estate Council of Alberta. The standards require brokers to follow a particular set of behaviours and activities with regard to client information protection, service agreements, and their own personal conduct. You will find the full Professional Standards of Conduct and other useful information at www.reca.ca.

**Written Direction Regarding
LOIs Received and "Bully" Offers/LOIs**

I acknowledge that Tier Three Brokerage will receive Letters of Intent (LOIs) for the sale of Douglasdale Dental on a date to [redacted] established in consultation with the Seller (LOI Due Date).

Upon [redacted] receipt of all of the Letters of Intent Tier Three will summarize and present these to me within one business day of the LOI Due Date (Presentation Date).

Should any LOIs be received by Tier Three prior to the LOI Due Date, I hereby direct Tier Three to retain these, and hold off on presenting these, until the agreed upon Presentation Date.

Should any of the LOIs received expire prior to the scheduled Presentation Date (sometimes known as a "Bully Offer"), I hereby direct Tier Three to Inform the submitter/potential purchaser that the LOI will not be considered prior to the date upon which all LOIs are due, and will not be provided to me (Vendor) until the scheduled Presentation Date.

Should any LOIs be received by Tier Three after the scheduled LOI Due Date, I hereby direct Tier Three to inform me of said LOI up until such time as a particular LOI is signed back (at which point exclusivity is provided to the potential purchaser).

I acknowledge that at any time I may direct Tier Three to alter my instructions/direction with regards to the collection and presentation of LOIs received, by providing new written direction.

(Authorized to bind the Listing Brokerage) DATE: _____ _____
(Name of Person Signing)

Signed, sealed and delivered I have hereunto set my hand and seal:

Name of Seller(s)

(Signature of Seller/Authorized Signing Officer) □ DATE: _____

(Signature of Seller/Authorized Signing Officer) □ DATE: _____

SCHEDULE 3

**Seama Shalchi-Moghaddam Professional Corporation ("SSM PC") o/a
Douglasdale Dental
Interim Statement of Receipts and Disbursements
For the Period Ended October 15, 2022**

		<u>Notes</u>
Receipts:		
Cash held in financial institutions	\$ 26,943	1
Accounts receivable	<u>21,639</u>	2
Total receipts:	<u>48,582</u>	
Disbursements:		
Property taxes	3,195	3
Condominium fees	2,552	4
Insurance	955	5
Miscellaneous disbursements	73	
GST Paid	<u>1</u>	
Total disbursements:	<u>6,776</u>	
Excess of receipts over disbursements:	<u><u>\$ 41,806</u></u>	

Notes - general:

1. On September 2, 2022, the Court of Queen's Bench of Alberta (as it was known as the time) granted an Order appointing MNP Ltd. as Receiver over all of the current and future assets, undertakings and property of SSM PC.

Notes - specific:

1. Represents the amount held in SSM PC's bank account at CIBC at the date of receivership.
2. Represents amounts collected from insurance providers.
3. Represents property taxes payable for 2022 for the two condominium units located at suites 304 and 306, 11420 – 27th Street SE Calgary, Alberta.
4. Represents condominium fees payable for the period ended October 31, 2022.
5. Represents a payment to CDSPI to continue insurance coverage until December 31, 2022.