

- (a) if necessary, an order abridging the time for service of this Application and deeming service of this Application, together with all supporting materials, to be good and sufficient;
 - (b) a denial of the extension of the 30-day stay period (the “**Stay Period**”) in these proceedings (the “**Stay Period**”) provided for in section 50.4(8) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (“**BIA**”), which proceedings were commenced pursuant to a Notice of Intention to Make a Proposal (the “**NOI**”) filed by VOG Calgary App Developer Inc. (“**VOG**”) on November 29, 2023;
 - (c) a determination that VOG has failed to satisfy the requirements of section 50.4(9) of the BIA necessary to obtain an extension of the Stay Period;
 - (d) that the Stay Period be terminated forthwith pursuant to section 50.4(11) of the BIA, on the terms set out in the draft Order attached as **Schedule “B”**; or
 - (e) in the alternative, a declaration that section 69 of the BIA no longer operates in respect of the Lender, pursuant to section 69.4 of the BIA, on the terms set out in the draft Order attached as **Schedule “C”**.
2. In addition, the Lender seeks an Order substantially in the form attached hereto as **Schedule “D”** for, among other things, the following relief:
- (a) appointing MNP Ltd. (“**MNP**”) as the receiver and manager, without security (the “**Receiver**”) over all of the property, assets, and undertakings of VOG;
 - (b) granting costs of this Application on a solicitor-client full indemnity basis; and
 - (c) such further and other relief as counsel may advise and this Honourable Court may deem just.

GROUNDS FOR MAKING THIS APPLICATION:

Background

3. The relevant factual and procedural background to this Application is set out in the Affidavit of Matt Toner sworn on December 19, 2023 (the “**Toner Affidavit**”).

4. Shred and Leonite are related through a common shareholder. The majority shareholder of Shred is a significant shareholder of Leonite's manager.
5. Pursuant to a loan agreement dated October 21, 2022 (the "**Facilities Agreement**"), Shred Capital advanced, as lender, to VOG, certain financing facilities.
6. Under the Facilities Agreement, VOG was entitled to request advances from Shred Capital, the quantum of which was based upon the anticipated amount of tax refund VOG expected to receive (the "**Refunds**") from the Canada Revenue Agency (the "**CRA**").
7. As part of the Facilities Agreement, VOG was to instruct the CRA to direct all tax credit proceeds into a designated bank account at National Bank of Canada (the "**Designated Account**") and VOG was to grant Shred with third party access to the Designated Account.
8. VOG initially agreed and arranged for the Designated Account to be accessible to Shred Consulting.
9. Advances made by Shred Capital to VOG were to be repaid from the Refunds. No other funds were to be deposited into the Designated Account other than the Refunds and the Refunds were only to be used to repay Shred Capital.
10. The Facilities Agreement was secured by a security interest in favour of Shred Capital over all of its present and after acquired personal property of VOG.
11. On June 15, 2023, Shred Consulting and VOG entered into a Master Services Agreement (the "**MSA**") and a Statement of Work (the "**June SOW**" and together with the MSA, the "**Consulting Agreements**").
12. As consideration, VOG was obliged to pay to Shred Consulting the fees and expenses specified in the June SOW in exchange for consulting and advisory services including, but not limited to, in respect to refundable tax credits and related accounting services, venture services, grant and government award programs application services, and C-suite/operations services.
13. On November 14, 2022, VOG issued to Leonite, a secured Promissory Note pursuant to which VOG promised to pay Leonite the principal sum of up to \$1,111,111.11 or such further and other amount as advanced by Leonite (the "**Promissory Note**").

14. Under the Promissory Note, VOG, among other things, was prohibited from incurring any indebtedness that was senior to or *pari passu* with (in priority of payment and performance) to the obligations of VOG to Leonite.
15. As security for the obligations of VOG under the Promissory Note, VOG granted to Leonite a security interest in all of VOG's present and after acquired property pursuant to a General Security Agreement (the "**GSA**").

(the Facilities Agreement, GSA, and Promissory Note are collectively referred to herein as the "**Loan Agreements**").
16. In August 2023, VOG provided the Lender with draft financial information for the year ending July 31, 2023 (the "**Financial Information**"), that referenced no bank indebtedness and no short-term debt.
17. On September 27, 2023, VOG contacted the Lender to communicate that VOG was having financial challenges.
18. Through October and November 2023, the Lender worked with VOG to better understand VOG's financial challenges and attempted to provide support to VOG in controlling expenses and to secure a lender to factor receivables.

Events of Default

19. VOG committed various acts of default under the Loan Agreements including, but not limited to, the following:
 - a) VOG is insolvent in that it is not able to pay its obligations as they generally become due;
 - b) VOG, by its own admission, has outstanding obligations to 2M7 Financial in the approximate sum of \$130,000.00;
 - c) VOG, by its own admission, has outstanding superior priority obligations to CRA in the approximate sum of \$450,000.00;
 - d) VOG increased indebtedness owing to Royal Bank of Canada in excess of prescribed tolerances; and
 - e) VOG, by its own admission, has incurred subordinate secured debt to On Deck Capital Canada, Inc. in the approximate sum of \$250,000.00.

(the “**Triggering Defaults**”).

20. As a result of the Triggering Defaults, on November 20, 2023, the Lender (via legal counsel) issued a notice to VOG in which the Lender advised that VOG was in default of its obligations under the Loan Agreements and the Consulting Agreements (the “**Demand**”). Enclosed with the Demand were Notices of Intention to Enforce Security pursuant to s. 244 of the BIA (the “**Notice**”). The Demand requested that VOG cure its default by November 30, 2023.
21. VOG did not cure its defaults by November 30, 2023, or at all, and all of the security granted by VOG in connection with the Loan Agreements and Consulting Agreements became immediately enforceable in accordance with the terms of the Loan Agreements.
22. As of November 20, 2023, pursuant to the Facilities Agreement and the Consulting Agreements, the sum of \$712,187.76 CAD (excluding legal costs to date) was owing to Shred (the “**Shred Indebtedness**”).
23. As of November 20, 2023, pursuant to the Promissory Note, the sum of \$1,325,167.00 USD (excluding legal costs to date) was owing to Leonite (the “**Leonite Indebtedness**”).

(the Shred Indebtedness and the Leonite Indebtedness are collectively referred to herein as the “**Current Indebtedness**”)

Further Breaches and Bad Faith Action of VOG

24. On November 27, 2023, the Lender discovered the following:
 - (a) that VOG had terminated Shred’s third-party access to the Designated Account pursuant to which the Refunds were to be deposited contrary to the terms of the Facilities Agreement; and
 - (b) the Refunds received by VOG and deposited in the Designated Account (the “**November Tax Credit**”) were taken out by VOG and moved to a different bank account with the Royal Bank of Canada (the “**RBC Account**”). Neither Shred nor Leonite had or have access to the RBC Account.
25. On November 27, 2023, the Lender (via legal counsel) provided notice to VOG of the above further breach and bad faith actions of VOG.

NOI

26. On November 29, 2023, VOG filed the NOI.
27. In a Notice to Creditors of Notice of Intention to Make a Proposal dated November 29, 2023 (the “**Creditors’ Package**”) Shred Capital and Leonite have been listed as secured creditors by VOG with a combined claim amount of \$1,857,902.00 (the “**Listed Indebtedness**”).
28. The Listed Indebtedness represents roughly 57% of VOG’s total listed debt which is specified in the Creditors’ Package to be \$3,258,438.00.
29. The Lender disputes the Listed Indebtedness and takes the position that the Current Indebtedness is the actual amount owed to the Lender by VOG.
30. The Listed Indebtedness and the Current Indebtedness make the Lender the majority debt holder and thereby the determinative vote for any proposal that might be advanced by VOG.
31. The Lender has been advised that VOG’s Proposal Trustee (the “**Proposal Trustee**”) has yet to initiate a Proof of Claim process.

Post NOI Concerns

32. After VOG filed the NOI, the Royal Bank of Canada successfully swept almost \$400,000.00 from the RBC Account.
33. The swept funds represented amounts from the November Tax Credit that were to be held in the Designated Account and subject to the security of Shred Capital but instead were improperly deposited into the RBC Account by VOG.
34. VOG has acknowledged that it has “very little in terms of physical assets” and that its assets lie “in its client relationships, employees, ongoing projects, contracts, and brand recognition”.
35. The Lender is skeptical that VOG has much in the way of substantive projects and/or contracts moving forward in light of the fact that it is behind on its wage and payroll obligations, and as a result has temporarily laid-off a number of its employees.
36. VOG appears to be using the Lender’s security by way of the “Alberta SRED Credit” in the sum of \$380,000.00 to fund its operations, further diluting the Lender’s security.
37. The Proposal Trustee has advised the Lender that VOG’s cash flow “materially relies on” VOG’s “ability to control its credit risk exposure and collect all receivables from customers”.

38. The Proposal Trustee has also advised that there is potential for the Alberta SRED Credit, a potential large source of recovery for creditors, to be eroded, thereby reducing recovery to creditors.
39. The Proposal Trustee has acknowledged that any negative impact in the cash flows would impact the Lender's security position as the first secured and material lender to VOG and that it would be challenging for the Proposal Trustee to monitor for any material adverse change in the cash.
40. VOG and its management have lost all confidence of the Lender and, as a result, the Lender will not accept any proposal put forth by VOG.
41. VOG is in breach of a myriad of terms of the following agreements:
 - (a) Facilities Agreement;
 - (b) MSA;
 - (c) June SOW;
 - (d) GSA; and
 - (e) Promissory Note.
42. VOG has not acted, and is not acting, in good faith or with due diligence.
43. VOG will not be able to make a viable proposal before the expiration of the Stay Period, extended or otherwise, that will be accepted by the Lender.
44. As a result, VOG will be unable to satisfy its obligations under section 50.4(9) of the BIA and is not entitled to an extension of the Stay Period.
45. The Lender will be materially prejudiced if the Stay Period is not immediately terminated.
46. Equitable grounds exist that warrant the granting of the order to lift the stay of proceedings.

The Appointment of a Receiver is Just and Convenient

47. In light of the foregoing, the appointment of a Receiver in respect of the property of VOG is just and convenient, and indeed necessary, given that, among other things:
 - (a) Shred Capital and Leonite are senior secured lenders of VOG, and have contractual rights to appoint a Receiver;

- (b) VOG is insolvent in that it has ceased paying current obligations in the ordinary course of business as they generally become due;
- (c) the Lender has lost confidence in the management of VOG to protect the Lender's secured position;
- (d) a Receiver is necessary to prevent further loss and prejudice to the Lender;
- (e) the appointment of the Receiver will be the most effective and efficient way to realize on the value of its security, minimize the costs associated with that process, and protect the interests of stakeholders; and
- (f) MNP is a licensed insolvency trustee, with considerable expertise in such matters, and has consented to act as Receiver.

48. Such further or other grounds as counsel may advise and this Honourable Court may permit.

MATERIAL OR EVIDENCE TO BE RELIED ON:

- 49. Statement of Claim, to be filed.
- 50. The Toner Affidavit.
- 51. The Consent to Act as Receiver of MNP, to be filed.
- 52. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

APPLICABLE RULES:

- 53. *Alberta Rules of Court*, AR 124/2010.
- 54. *Bankruptcy and Insolvency General Rules*, CRC, c 368.
- 55. Such further and other rules as counsel may advise and this Honourable Court may permit.

APPLICABLE ACTS AND REGULATIONS:

- 56. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
- 57. *Business Corporations Act*, RSA 2000, c.B-9.
- 58. *Law of Property Act*, RSA 2000, c L-7.

59. *Judicature Act, RSA 2000, c J-2.*

60. *Personal Property Security Act, RSA 2000, c.P-7.*

61. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

ANY IRREGULARITY COMPLAINED OF OR OBJECTION RELIED ON:

62. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

63. Before the Honourable Justice Whitling, in Commercial Chambers, via WebEx video conference.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 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 applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

SERVICE LIST

(See attached)

SERVICE LIST

COURT FILE NUMBER **25-3015956/B301-015956**

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANTS SHRED CONSULTING LTD., SHRED CAPITAL LTD.,
AND LEONITE FUND I, LP

RESPONDENT VOG CALGARY APP DEVELOPER INC.

NAME	RECIPIENT STATUS	SENT BY
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Miles Davison LLP 900, 517 – 10 Avenue SW Calgary, AB T2R 0A8 Attention: Daniel Jukes djukes@milesdavison.com	Counsel to VOG Calgary APP Developer Inc.	Email

NAME	RECIPIENT STATUS	SENT BY
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<p>Matrix Solutions Inc. 600, 214 - 11 Avenue SW Calgary, AB T2R 0K1</p> <p>Attention: Angela Gosselin agosselin@matrix-solutions.com</p>	Creditor	Email
<p>2M7 Financial 64 Signet Drive North York, ON M9L 2Y4</p> <p>Attention: 2M7 HUDI.K@2m7.ca</p>	Creditor	Email
<p>Alberta Innovates 3608 – 33 Street NW Calgary, AB T2L 2A6</p> <p>Attention: Shirley Sin Shirley.Sin@albertainnovates.ca</p>		Email
<p>Business Development Bank of Canada (BDC) 5, Place Villee Marie, Ground Floor Montreal, QC H3B 2G2</p> <p>Attention: Eibi Likcani Eibi.LIKCANI@bdc.ca</p>		Email

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Porsche Financial Services Canada Unit 150, 165 Yorkland Blvd Toronto, ON M2J 4R2 absecparties@avssystems.ca	Secured Party	Email / Courier
Canada Revenue Agency – Pacific Insolvency Intake 9755 King George Boulevard Surrey, BC V3T 5E1	Creditor	Courier

SCHEDULE "B"

FORM OF ORDER TERMINATING NOTICE OF INTENTION TO MAKE A PROPOSAL STAY PERIOD

(See attached)

2. Pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended* (“**BIA**”), the Borrower has failed to satisfy all three elements required to obtain an extension of the thirty (30) day period referred to in section 50.4(8) of the BIA which commenced on November 29, 2023 in respect of this Action (the “**Stay Period**”).
3. Pursuant to section 50.4(11) of the BIA, the Stay Period is hereby terminated and subsections 50.4(8)(a) to (c) shall apply to the Borrower as if the Stay Period had expired as of the date hereof.
4. The Lender is hereby granted leave to proceed with their claim against the Borrower.

Justice of the Court of King's Bench of Alberta

SCHEDULE "C"

FORM OF ORDER LIFTING STAY OF PROCEEDINGS

(See attached)

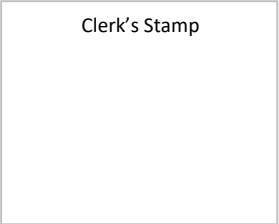
COURT FILE NUMBER **25-3015956/B301-015956**

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLANTIFFS SHRED CONSULTING LTD., SHRED CAPITAL LTD.,
AND LEONITE FUND I, LP

DEFENDANTS VOG CALGARY APP DEVELOPER INC.



DOCUMENT **FORM OF ORDER LIFTING STAY OF
PROCEEDINGS**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Kevin E. Barr/ Farrukh Ahmad
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DATE ON WHICH ORDER WAS PRONOUNCED: **DECEMBER 20, 2023**

LOCATION OF HEARING: **EDMONTON, ALBERTA**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **THE HONOURABLE JUSTICE WHITLING**

UPON the Application of Shred Consulting Ltd. (“**Shred Consulting**”), Shred Capital Ltd. (“**Shred Capital**”), and Leonite Fund I, LP. (“**Leonite**” and, together with Shred Consulting and Shred Capital, the “**Lender**”), in respect of VOG Calgary App Developer Inc. (the “**Borrower**”); **AND UPON** having read the Application, the Affidavit of Matt Toner, the Affidavit of Vince O’Gorman, and the Affidavit of Service; **AND UPON** hearing counsel for the Lender, the Borrower, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of this Application is abridged to the time actually given and service of the Application and supporting materials as described in the Service Affidavits is hereby deemed to be good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

2. Pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended* (“**BIA**”), the Borrower has failed to satisfy all three elements required to obtain an extension of the thirty (30) day period referred to in section 50.4(8) of the BIA which commenced on November 29, 2023 in respect of this Action.
3. Pursuant to section 69.4 of the BIA, the Stay of Proceedings pursuant to section 69 of the BIA shall no longer operate in respect of this Action as against the Lender.
4. The Lender is hereby granted leave to proceed with their claim against the Borrower.

Justice of the Court of King's Bench of Alberta

SCHEDULE "D"

FORM OF RECEIVERSHIP ORDER

(See attached)

COURT FILE NUMBER **25-3015956/B301-015956**

COURT COURT OF KING’S BENCH OF ALBERTA

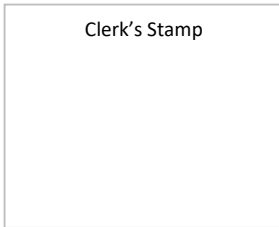
JUDICIAL CENTRE EDMONTON

PLANTIFFS SHRED CONSULTING LTD., SHRED CAPITAL LTD.,
AND LEONITE FUND I, LP

DEFENDANTS VOG CALGARY APP DEVELOPER INC.

DOCUMENT **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND
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DATE ON WHICH ORDER WAS PRONOUNCED: **DECEMBER 20, 2023**

LOCATION OF HEARING: **EDMONTON, ALBERTA**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **THE HONOURABLE JUSTICE WHITLING**

UPON the Application of Shred Consulting Ltd. (“**Shred Consulting**”), Shred Capital Ltd. (“**Shred Capital**”), and Leonite Fund I, LP. (“**Leonite**” and, together with Shred Consulting and Shred Capital, the “**Lender**”), in respect of VOG Calgary App Developer Inc. (the “**Debtor**”); **AND UPON** having read the Application, the Affidavit of Matt Toner, the Affidavit of Vince O’Gorman, and the Affidavit of Service; **AND UPON** reading the consent of MNP Ltd. (“**MNP**”) to act as receiver and manager (the “**Receiver**”); **AND UPON** hearing counsel for the Lender, the Debtor, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and any other service is hereby dispensed with.

APPOINTMENT

1. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”), and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7, 49(1) of the *Law of Property Act*, RSA 2000, c L-7, MNP is hereby appointed Receiver, without security, of all of the Debtor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - a. to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property which shall also include the Receiver’s ability to abandon, dispose of, or otherwise release any interest in any of the Property;
 - b. to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - c. to manage, operate and carry on the business of the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor in respect of the Property;

- d. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, property managers, maintenance staff, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order.
- e. to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Property or any part or parts thereof;
- f. to receive and collect all monies and accounts now owed or hereafter owing to the Debtor, relating to the Property, and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor in relation to such amounts;
- g. to settle, extend or compromise any indebtedness owing to or by the Debtor in respect of the Property;
- h. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- i. to undertake environmental or workers' health and safety assessments of the Property;
- j. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property, or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- k. to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- l. to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- i. without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
- ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required;

- m. to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- n. to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- o. to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver hereunder and not in its personal capacity;
- p. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor in respect of the Property;

- q. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- r. to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- s. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATIONS TO THE RECEIVER

- 3. (i) The Debtor, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver’s request.
- 4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Property, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to

solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE PROPERTY

7. No Proceeding against or in respect of the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body’s investigation in respect of the Property or an action, suit or proceeding that is taken in respect of the Property by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties

or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

8. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with the written consent of the Receiver or leave of this Court, provided, however, that nothing in this Order shall:
 - a. empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - b. prevent the filing of any registration to preserve or perfect a security interest;
 - c. prevent the registration of a claim for lien; or
9. exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Property where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in respect of the Property, except with the written consent of the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

12. All persons having:

- a. statutory or regulatory mandates for the supply of goods and/or services in respect of the Property; or
- b. oral or written agreements or arrangements with the Debtor in respect of the Property, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Property,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required for the Property or exercising any other remedy provided under such agreements or arrangements. The Receiver, in managing the Property or otherwise performing its powers and duties hereunder, shall be entitled to the continued use of the Debtor's premises, telephone numbers, facsimile numbers, internet addresses and domain names of the Debtor, as it relates to the Property, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

- 13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

- 14. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as

the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall be entitled to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATIONS ON ENVIRONMENTAL LIABILITIES

16. Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - a. before the Receiver’s appointment; or
 - b. after the Receiver’s appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.
17. Nothing in paragraph 16 exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that paragraph.
18. Notwithstanding anything in any federal or provincial law, but subject to paragraph 16 hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - a. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order

is in effect when the Receiver is appointed, or during the period of the stay referred to in sub-paragraph b below, the Receiver:

- i. complies with the order, or
 - ii. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- b. during the period of a stay of the order granted, on application made within the time specified in the order referred to in sub-paragraph a above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
- i. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - ii. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- c. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

19. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000 as security for their professional fees and disbursements incurred at the normal rates and charges

of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
27. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

28. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

29. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
30. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
32. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

33. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
34. The Plaintiffs shall have their costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiffs' security or, if not so provided by the Plaintiffs' security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis.
35. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

36. The Receiver shall establish and maintain a website in respect of these proceedings at <https://mnpdebt.ca/en/corporate/corporate-engagements/sap> (the "Receiver's Website") and shall post there as soon as practicable:
 - a. all materials prescribed by statute or regulation to be made publicly available; and
 - b. all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
37. 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 or otherwise served with notice of these proceedings;
 - ii. any other parties attending or represented at the application for this Order; and
 - b. posting a copy of this Order on the Receiver's Website,

and service on any other person is hereby dispensed with.

38. 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

APPROVED AS TO ORDER GRANTED:

BORDEN LADNER GERVAIS LLP

Per: _____
Counsel for the Receiver, MNP Ltd.

Per: _____
Kevin E. Barr
Counsel for the Applicants,
Shred Consulting Ltd., Shred Capital Ltd.,
and Leonite Fund I, LP.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **MNP Ltd.**, the receiver and manager (the "**Receiver**") of certain property of VOG Calgary App Developer Inc., appointed by Order of the Court of King's Bench of Alberta (the "**Court**") dated the [●] day of [●], 2023 (the "**Order**") made in action number [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$[●], being part of the total principal sum of \$[●] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the [●] day of each month] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the day of ,2023

MNP LTD., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title: