

CLERK OF THE COURT
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Clerk's Stamp: APR 03 2018

JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER 1701-04943

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF
1508686 ALBERTA LTD., PAUL LACKAN
CONSULTING INC., AND PMBRK HOLDINGS LTD.

PLAINTIFF **BANK OF MONTREAL**

RESPONDENT **1508686 ALBERTA LTD., PAUL LACKAN
CONSULTING INC., PMBRK HOLDINGS LTD., PAUL
LACKAN and MELANIE LACKAN, also known as
MELANIE OSTROSKY**

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT **DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Derek M. Pontin/John Regush
Ph. (403) 268-6301-7086 Fx. (403) 268-3100
File No.: 123233-1472**

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.
You have the right to state your side of this matter before the Judge.
To do so, you must be in Court when the application is heard as shown below:

Date April 12, 2018

Time 3:00 p.m.

Where Calgary Courts Centre
601 – 5th Street SW
Calgary AB, T2P 5P7

Before Whom The Honourable Justice C.M. Jones

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. An Order, in substantially the form attached hereto as Schedule "A":
 - (a) deeming service of notice of this application and supporting materials to be good and sufficient and ordering that no other person is required to have been served with notice of this application and abridging time for service of this application to that actually given;
 - (b) approving and ratifying the activities and accounts of Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as receiver and manager of 1508686 Alberta Ltd., Paul Lackan Consulting Inc., and PMBRK Holdings Ltd. (the "**Debtors**"), as set out in the Second Report of Deloitte Restructuring Inc. as the court-appointed receiver and manager of the Debtors dated March 26, 2018 (the "**Second Report**") and in all of its other reports filed herein;
 - (c) approving and ratifying the Receiver's Combined Actual and Estimated Statement of Receipts and Disbursements for the period from June 23, 2017 to March 26, 2018 (the "**Final SRD**");
 - (d) approving the professional fees and disbursements of the Receiver as set out herein;
 - (e) approving the payment of the GST Refund (as defined in the Second Report), if any, to the Bank of Montreal ("**BMO**") as a partial repayment of the Receiver's Borrowings;
 - (f) ordering that, after providing notice to any currently listed directors of the Debtors, the Receiver may destroy any books and records of the Debtors it holds; and
 - (g) ordering the discharge of the Receiver after disbursement of all funds held and concluding administrative matters with respect to the filing of a final GST return, submission of a final statutory report of the Office of the Superintendent of Bankruptcy pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "**BIA**"), and performing a final reconciliation of the Receiver's estate bank account.
2. Such further and other relief as may be sought and this Honourable Court deems just and appropriate.

Grounds for making this application:

3. On application of BMO, an order was granted on June 23, 2017 appointing the Receiver as receiver and manager of the Debtors.
4. The Debtors were involved in the operation of a pharmacy operation.
5. Subsequent to the date of its appointment, the Receiver continued operations of the pharmacy business while simultaneously marketing the pharmacy assets for sale.
6. These efforts culminated in the Receiver obtaining an Approval and Vesting Order providing for the sale of the assets of 1508686 Alberta Ltd. ("**150**") on August 18, 2017 (the "**Sale Transaction**").
7. The Receiver's activities after being appointed and leading up to the Sale Transaction are detailed in the First Report of the Receiver, dated August 11, 2017 and the Confidential Supplement to the First Report of the Receiver dated August 11, 2017 (the "**First Report**").
8. The Sale Transaction has closed.
9. The activities of the Receiver subsequent to the closing of the Sale Transaction are detailed in the Second Report. In summary, the Receiver has, among other things:
 - (a) continued to operate the pharmacy business until the closing of the Sale Transaction on August 23, 2017 pursuant to the Vesting Order;
 - (b) dealt with various closing matters;
 - (c) notified McKesson Canada Corporation and the Alberta College of Pharmacists of the sale of the pharmacy and co-ordinated the transfer of contracts and licenses to facilitate a safe and timely transition of operations to the purchaser;
 - (d) attended to various employee matters and related records of employment, T4 records, and Wage Earner Protection Program claims;
 - (e) dealt with GST matters in the pursuant of a post-receivership GST refund (the "**GST Refund**");
 - (f) corresponded with various parties regarding the receiverships; and
 - (g) drafted the Second Report and Final SRD.
10. The Receiver has substantially completed the administration of the Debtors' estates, with the exception of:
 - (a) resolution of a discrepancy regarding the 2017 source deductions;
 - (b) pursuit of the GST Refund and distribution of the GST Refund, if obtained; and
 - (c) filing of administrative reporting with the Office of the Superintendent of Bankruptcy.

11. With respect to the distribution of the GST Refund, as described in the First Report and Second Report, the Receiver obtained borrowings from BMO in the amount of \$25,000.00, which have not been repaid to date (the "**Receiver's Borrowings**").
12. There are no claims against the assets of the Debtors in priority to BMO's claim for repayment of the Receiver's Borrowings. Further, it is not expected that the GST Refund will exceed the amount of the Receiver's Borrowings. Accordingly, to the extent the GST Refund is obtained, the Receiver seeks approval to apply the GST Refund to repayment of the Receiver's Borrowings.
13. In light of the foregoing, it is appropriate that the Receiver seek its discharge as receiver and manager of the Debtors.

Material or evidence to be relied on:

14. The Second Report, filed.
15. The pleadings and proceedings in this matter.
16. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

17. *Alberta Rules of Court*, Alta Reg 124/2010.
18. *Bankruptcy and Insolvency General Rules*, CRC c 368.
19. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

20. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.
21. *Judicature Act*, RSA 2000 c J-2.
22. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

23. None.

How the Application is proposed to be heard or considered:

24. In person, before the Presiding Justice of the Commercial List.

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 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 the affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

Schedule "A"

Clerk's stamp:

COURT FILE NUMBER 1701-04943

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF 1508686 ALBERTA LTD., PAUL LACKAN CONSULTING INC., AND PMBRK HOLDINGS LTD.

PLAINTIFF **BANK OF MONTREAL**

RESPONDENT **1508686 ALBERTA LTD., PAUL LACKAN CONSULTING INC., PMBRK HOLDINGS LTD., PAUL LACKAN and MELANIE LACKAN, also known as MELANIE OSTROSKY**

DOCUMENT **ORDER FOR FINAL DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, APPROVAL OF RECEIVER'S ACTIVITIES AND DISCHARGE OF RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Derek M. Pontin/John Regush
Ph. (403) 268-6301-7086 Fx. (403) 268-3100
File No.: 123233-1472

DATE ON WHICH THIS ORDER WAS PRONOUNCED: April 12, 2018

LOCATION WHERE THIS ORDER WAS PRONOUNCED: Calgary Courts Centre, Calgary, Alberta

NAME OF THE JUDGE WHO MADE THIS ORDER: The Honourable Justice C.M. Jones

UPON THE APPLICATION of the Bank of Montreal ("**BMO**") for an Order for the final distribution of proceeds, approval of the activities of Deloitte Restructuring Inc., Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property, and assets of 1508686 Alberta Ltd., Paul Lackan Consulting Inc., and PMBRK Holdings Ltd. (the "**Debtors**") an Order for the final

distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver AND UPON hearing read the First Report of the Receiver, dated August 11, 2017 and the Confidential Supplement to the First Report of the Receiver dated August 11, 2017 and the Second Report of the Receiver dated March 26, 2018 (the "**Receiver's Report**"); AND UPON hearing counsel for BMO, counsel for the Debtor and such other parties as may be present in person or by counsel; AND UPON being satisfied that it is appropriate to do so, IT IS HEREBY ORDERED THAT:

UPON THE APPLICATION of Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of 1508686 Alberta Ltd., Paul Lackan Consulting Inc., and PMBRK Holdings Ltd. (the "Debtors") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver; AND UPON hearing read the Receiver's Second Report dated March 26, 2018 (the "**Second Report**"); AND UPON hearing counsel for the Receiver, and counsel for other interested parties who may be present; AND UPON being satisfied that it is appropriate to do so, IT IS ORDERED THAT:

Interpretation

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Second Report.

Service of Application

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

Accounts

3. The Receiver's accounts for fees and disbursements, as described in the Second Report, are hereby approved without the necessity of a formal passing of its accounts.

Activities, Final Distribution and Discharge

4. The Receiver's activities as set out in the Second Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Second Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to make a final distribution of the GST Refund to Bank of Montreal.
6. The Receiver shall send a notice to each person listed as a director of the Debtors at the Alberta Corporate Registry indicating that they may contact the Receiver to obtain the books and records of any Debtor held by the Receiver, provided that a director may only obtain the books and records of a Debtor if that person is a director of the Debtor. If there are no directors of a Debtor listed at the Alberta Corporate Registry, or if no director of a Debtor responds to the Receiver within 30 days after the date notice is sent, the Receiver shall destroy any books and records related to the Debtor it has in its possession.

7. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
8. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
9. Upon the Receiver filing with the Clerk of the Court a Receiver's Certificate confirming that all matters set out in paragraphs 5 and 6 of this Order have been completed, the submission of a final statutory report of the Office of the Superintendent of Bankruptcy pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3, and performing a final reconciliation of the Receiver's estate bank account, then the Receiver shall be discharged as Receiver of the Debtors, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

Service of Discharge Order

10. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
11. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.