



Deloitte Restructuring Inc.
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Moncton NB E1C 1E6
Canada

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www.deloitte.ca

December 30, 2015

TO THE CREDITORS OF Kelson Apartments Ltd.

Sir/Madam:

Subject: Kelson Apartments Ltd. ("Kelson") – in bankruptcy

Please be advised that on December 22, 2015, Kelson was placed in bankruptcy by way of a Bankruptcy Order and Deloitte Restructuring Inc. was appointed as the Trustee.

Please find enclosed the following documents for your files:

1. Statement of Affairs (Form 78);
2. Bankruptcy Order dated December 22, 2015;
3. Notice of First Meeting of Creditors (Form 68); and
4. Proof of Claim/Proxy (Form 31/36)

We trust you will find the above and enclosed to be in order. If you have any questions please contact Jean Goguen at 506.874.0600 or via email at jgoguen@deloitte.ca.

Sincerely,

DELOITTE RESTRUCTURING INC.

Acting in its capacity as
Trustee in Bankruptcy of Kelson Apartments Ltd.
and not in its personal capacity

Per:

Jean Goguen, CPA, CMA, CIRP
Vice President

Enclosures

Court No.: NB21712
Estate No.: 51-125874

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE BANKRUPTCY OF KELSON APARTMENTS LTD.

BANKRUPTCY ORDER

UPON the application of the National Bank of Canada, a Canadian Chartered Bank having its head office at 600 De La Gauchetière Street West, 26th Floor, Montreal, Québec, a creditor of KELSON APARTMENTS LTD., a body corporate lately carrying on business and having its registered office at Lake Utopia, in the County of Charlotte, in the Province of New Brunswick;

AND UPON being satisfied of service on KELSON APARTMENTS LTD., of the Application for Bankruptcy Order, Affidavit of verification and in support of the Application and Notice of Hearing;

AND UPON KELSON APARTMENTS LTD., not appearing at the hearing of the application on the 22th day of December, 2015;

AND UPON being satisfied that KELSON APARTMENTS LTD. has committed an act of bankruptcy, namely, failing to meet its obligations generally as they become due;

1. It is ordered that KELSON APARTMENTS LTD. is adjudged bankrupt and a Bankruptcy Order is hereby made against KELSON APARTMENTS LTD.
2. It is further ordered that Deloitte Restructuring Inc., a body corporate under the laws of Canada, maintaining an office at the City of Saint John, in the Province of New Brunswick, is appointed as Trustee of KELSON APARTMENTS LTD.

DATED at Fredericton, New Brunswick, this 22nd day of December, 2015.



A handwritten signature in black ink, appearing to read "Caroline Lafontaine".

Caroline Lafontaine
Deputy Registrar of Bankruptcy



Industry Canada

Industrie Canada

Office of the Superintendent
of Bankruptcy CanadaBureau du surintendant
des faillites Canada

District of NEW BRUNSWICK
 Division No. 02 - Fredericton
 Court No. 21712
 Estate No. 51-125875

In the Matter of the Bankruptcy of:
 Kelson Apartments Ltd.

Debtor

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE INC

Trustee

ORDINARY ADMINISTRATION

Security: \$0

Date of Bankruptcy: December 22, 2015

Meeting of Creditors: January 12, 2016, 11:00
 Brunswick House
 44 Chipman Hill, 7th floor
 Saint John, NEW BRUNSWICK

Chair: Trustee

Designated Person: John Franklin Kelson

CERTIFICATE OF FILING OF A BANKRUPTCY ORDER - Section 43

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

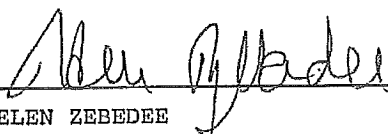
- the aforementioned trustee, filed for my endorsement, a bankruptcy order appointing the trustee under section 43(9) of the Bankruptcy and Insolvency Act, Trustee of the Estate of the aforementioned Debtor;
- provisions for the avoidance of certain settlements and preferences where applicable, begin before the initial bankruptcy event date and end on the date of bankruptcy, both dates included.

The designated person is required:

- to perform all duties imposed upon a bankrupt by the Bankruptcy and Insolvency Act and in particular, attend the first meeting of creditors and upon request appear before the Official Receiver for examination.

The said trustee is required:

- to serve upon the designated person, a copy of the bankruptcy order bearing the Official Receiver's endorsement and where applicable a notice of examination;
- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable to call in the prescribed manner, a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the Official Receiver.


 HELEN ZEBEDEE

Date: December 24, 2015

Official Receiver

Maritime Centre, 1505 Barrington Street, 16th Floor, Halifax, NOVA SCOTIA, B3J
 3K5, 877/376-9902

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 68
Notice of Bankruptcy, First Meeting of Creditors
(Subsection 102(1) of the Act)

Original Amended

Take notice that:

1. A bankruptcy order was made against Kelson Apartments Ltd. on the 22nd day of December 2015, and the undersigned, Deloitte Restructuring Inc., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 12th day of January 2016, at 11:00 AM, at the office of Saint John, at 44 Chipman Hill, Brunswick House, 7th Floor, Saint John, NB, E2L 4R9.
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at the City of St. John's in the Province of Newfoundland and Labrador, this 29th day of December 2015.

Deloitte Restructuring Inc. - Trustee

44 Chipman Hill, Brunswick House, 7th Floor
Saint John NB E2L 4R9
Phone: (506) 632-1080

District of: New Brunswick
 Division No. 02 - Fredericton
 Court No. NB21712
 Estate No. 51-125874

Original Amended

Form 78
 Statement of Affairs (Business Bankruptcy) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)
 In the matter of the bankruptcy of
 Kelson Apartments Ltd.
 of the Town of Utopia, in the Province of New Brunswick

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 22nd day of December 2015. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" 2.00	1. Inventory 0.00
Balance of secured claims as per list "B" 255,378.45	2. Trade fixtures, etc. 0.00
Total unsecured creditors 255,380.45	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" 620,939.14	Good 0.00
3. Preferred creditors as per list "C" 0.00	Doubtful 0.00
4. Contingent, trust claims or other liabilities as per list "D"	Bad 0.00
estimated to be reclaimable for 0.00	Estimated to produce 0.00
Total liabilities 876,319.59	4. Bills of exchange, promissory note, etc., as per list "F" 0.00
Surplus NIL	5. Deposits in financial institutions 0.00
	6. Cash 0.00
	7. Livestock 0.00
	8. Machinery, equipment and plant 0.00
	9. Real property or immovable as per list "G" 633,500.00
	10. Furniture 0.00
	11. RRSPs, RRIFs, life insurance, etc. 0.00
	12. Securities (shares, bonds, debentures, etc.) 0.00
	13. Interests under wills 0.00
	14. Vehicles 0.00
	15. Other property, as per list "H" 0.00
	If bankrupt is a corporation, add:
	Amount of subscribed capital 0.00
	Amount paid on capital 0.00
	Balance subscribed and unpaid 0.00
	Estimated to produce 0.00
	Total assets 633,500.00
	Deficiency 242,819.59

I, John Franklin Kelson, of the Town of Utopia in the Province of New Brunswick, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 30th day of December 2015 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of _____ in the Province of New Brunswick, on this 30th day of December 2015.

 John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 - Continued

List "A"
Unsecured Creditors

Kelson Apartments Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	CRA - Nova Scotia Tax Services Office - Halifax	PO Box 638 Halifax NS B3J 2T5	1.00	0.00	1.00
2	National Bank of Canada	71 King Street Saint John NB E2L 1G5	0.00	95,029.67	95,029.67
3	National Bank of Canada	735 Main Street, Unit 301 Moncton NB E1C 1E5	0.00	107,346.92	107,346.92
4	National Bank of Canada	735 Main Street, Unit 301 Moncton NB E1C 1E5	0.00	53,001.86	53,001.86
5	NB Power Attn: Marguerite Armstrong	515 King St, PO Box 2000 Fredericton NB E3B 4X1	1.00	0.00	1.00
Total:			2.00	255,378.45	255,380.45

Date

John Franklin Kelson

District of: New Brunswick
 Division No. 02 - Fredericton
 Court No. NB21712
 Estate No. 51-125874

FORM 78 – Continued

List "B"
 Secured Creditors

Kelson Apartments Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	National Bank of Canada	71 King Street Saint John NB E2L 1G5	311,029.67	Real Property or Immovable - Building and Land - Upper Letang - 221 Main Street	30-Dec-2015	216,000.00		95,029.67
2	National Bank of Canada	735 Main Street, Unit 301 Moncton NB E1C 1E5	310,346.92	Real Property or Immovable - Building and Land - Upper Letang - 226 Main Street	30-Dec-2015	203,000.00		107,346.92
3	National Bank of Canada	735 Main Street, Unit 301 Moncton NB E1C 1E5	137,938.14	Real Property or Immovable - Building and Land - Utopia - 514 Route 785	30-Dec-2015	137,938.14		
4	National Bank of Canada	735 Main Street, Unit 301 Moncton NB E1C 1E5	117,001.86	Real Property or Immovable - Building and Land - Utopia - 549 Route 785	30-Dec-2015	64,000.00		53,001.86
5	New Brunswick Department of Finance - Tax Attn: Matthew Raiche	Revenue & Taxation Division, Tax Accounting & Refunds PO Box 3000 Fredericton NB E3B 5G5	1.00	Real Property or Immovable - Building and Land - Utopia - 514 Route 785	30-Dec-2015	1.00	12,560.86	
Total:			876,317.59			620,939.14	12,560.86	255,378.45

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 - Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Kelson Apartments Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 - Continued

List "D"
Contingent or Other Liabilities

Kelson Apartments Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			Total:	0.00	0.00	

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 -- Continued

List "E"
Debts Due to the Bankrupt
Kelson Apartments Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
			Total:	0.00 0.00 0.00			0.00	

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 - Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Kelson Apartments Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

Date

John Franklin Kelson

District of: New Brunswick
 Division No. 02 - Fredericton
 Court No. NB21712
 Estate No. 51-125874

FORM 78 – Continued

List "G"
 Real Property or Immovables Owned by Bankrupt
 Kelson Apartments Ltd.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Building and Land - Upper Letang - 221 Main Street			216,000.00	National Bank of Canada 71 King Street Saint John NB E2L 1G5 311,029.67	0.00
Building and Land - Upper Letang - 226 Main Street	Owner		203,000.00	National Bank of Canada 735 Main Street, Unit 301 Moncton NB E1C 1E5 310,346.92	0.00
Building and Land - Utopia - 514 Route 785			150,500.00	National Bank of Canada 735 Main Street, Unit 301 Moncton NB E1C 1E5 137,938.14 New Brunswick Department of Finance - Tax Revenue & Taxation Division, Tax Accounting & Refunds PO Box 3000 Fredericton NB E3B 5G5 1.00	12,560.86
Building and Land - Utopia - 549 Route 785			64,000.00	National Bank of Canada 735 Main Street, Unit 301 Moncton NB E1C 1E5 117,001.86	0.00
Total:			633,500.00		12,560.86

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 78 -- Concluded

List "H"
Property

Kelson Apartments Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
			Total:	0.00

Date

John Franklin Kelson

District of: New Brunswick
Division No. 02 - Fredericton
Court No. NB21712
Estate No. 51-125874

FORM 31 / 36
Proof of Claim / Proxy

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the bankruptcy of Kelson Apartments Ltd. of the Town of Utopia in the Province of New Brunswick and the claim of _____, creditor.

I, _____, of the city of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another proxyholder in his or her place.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____ do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the 22nd day of December 2015, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

Deloitte Restructuring Inc. - Trustee

5 Springdale Street, Suite 1000
St. John's NL A1E 0E4
Phone: (709) 576-8480 Fax: (709) 758-5238

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.