District of:

Alberta

Division No.

02

Court No.

1801-14339

# FORM 87 Notice and Statement of the Receiver (Subsections 245(1) and 246(1) of the Act)

# In the Matter of the Receivership of 1851018 Alberta Ltd. of the City of Edmonton, in the Province of Alberta

The receiver gives notice and declares that:

1. On the 13<sup>th</sup> day of November, 2018, Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Court of Queen's Bench of Alberta as the interim receiver (the "**Receiver**") of all current and future assets, undertakings, and properties of every nature and kind whatsoever (the "**Property**") of 1851018 Alberta Ltd. (the "**Debtors**" or "185") situated upon or relating to the Property that is described below:

	185
Description	(*)
Accounts receivable	Unknown
Inventory	Unknown
Prepaid expenses	Unknown
Taxes recoverable	Unknown
Notes receivable	Unknown
Amounts and loans due from related parties	Unknown
Property, plant and equipment	Unknown
Other assets	Unknown
Total	Unknown

- (\*) The Principal and Director of 185, Mr. Harpreet Singh, has not yet provided the Receiver with any of the books and records of 185.
- 2. Deloitte became the Receiver by virtue of an order (the "Receivership Order") of the Honorable Justice C.S. Anderson of the Court of Queen's Bench of Alberta, which is attached to this Notice as Schedule "A". Terms of the Receivership Order were not finalized until November 22, 2018 at which time the Receivership Order was filed with the Court and provided to the Receiver.
- 3. The Receiver took possession and control of the known real property of 185 located in Nisku Industrial Park, Nisku, Alberta on November 13, 2018. Upon obtaining the filed Receivership Order, the Receiver has requested of Mr. Singh's legal counsel to confirm the location of any additional 185 assets and to provide the books and records of 185 to the Receiver.
- 4. The following information relates to the receivership:
  - (a) Mailing Addresses:

102, 9333 - 47 Street NW, Edmonton, AB T6B2R7

(b) Principal line of business: Real estate development

(c) Location of business:

102, 9333 – 47 Street NW, Edmonton, AB T6B2R7

(d) Amounts owed to each creditor who holds security on the Property described above include the following:

Romspen Investment Corporation

\$10,687,536

- (e) A list of unsecured creditors is attached to this Notice as Schedule "B".
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is to secure and manage the Property.
- (g) Contact person for the Receiver:

Naomi McGregor Deloitte Restructuring Inc. Suite 700,  $850-2^{\rm nd}$  Street SW Calgary, AB T2P 0R8

Phone: 403-503-1423

Email: naomcgregor@deloitte.ca

Dated at the City of Calgary in the Province of Alberta, this 27th day of November, 2018.

# DELOITTE RESTRUCTURING INC.

Solely in its capacity as Interim Receiver of the Property (as defined herein), and not in its personal capacity.

Robert I. Taylor, FCPA, FCA, CIRP, LIT, CFE

Senior Vice-President

700 Bankers Court, 850 - 2nd Street SW

Calgary AB T2P 0R8

Phone: (403) 267-0501 Fax: (403) 718-3681

SCHEDULE "A" RECEIVERSHIP ORDER COURT FILE NUMBER

1801-14339

COURT

**COURT OF QUEEN'S BENCH OF ALBERTA** 

JUDICIAL CENTRE

**CALGARY** 

APPLICANT

ROMSPEN INVESTMENT CORPORATION

**RESPONDENTS** 

1851018 ALBERTA LTD, and HARPREET SINGH

DOCUMENT

INTERIM RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF

PARTY FILING THIS DOCUMENT

BORDEN LADNER GERVAIS LLP 1900, 520 Third Avenue S.W.

Calgary, Alberta T2P 0R3

Phone:

Attention: Kevin E. Barr

Fax:

403-232-9786 403-266-1395

Email:

kbarr@blg.com

File No.:

443063-000009

I hereby certify this to be a true copy of

the original.

dated this day of

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:

November 13, 2018

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Justice C.S. Anderson

LOCATION OF HEARING:

Calgary, Alberta

UPON the application of Romspen Investment Corporation ("Rompsen") in respect of 1851018 Alberta Ltd. (the "Debtor") and Harpreet Singh ("Singh"); AND UPON having read the Notice of Application, the Affidavit of Mary Gianfriddo sworn November 9, 2018 (filed), the Affidavit of Mary Gianfriddo sworn November 12, 2018 (unfiled), the Affidavit of Sanjit Singh (unfiled) and the Affidavit of Singh sworn November 12, 2018 (filed); AND UPON hearing counsel for Romspen and counsel for the Respondents;

#### IT IS HEREBY ORDERED AND DECLARED THAT:

#### **SERVICE**

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

#### APPOINTMENT

2. Pursuant to section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2 and 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, Deloitte is hereby appointed Interim 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**

- 3. The Receiver is hereby empowered and authorized to act at once in respect of the protection and preservation 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:
  - 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;
  - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, 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 Debtor, 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;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel 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 Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (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 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 Debtor, 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;
- (j) 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;
- (k) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (1) 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;
- (m) 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;
- to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

 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 (as defined below), including the Debtor, and without interference from any other Person.

#### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its 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 dependant on maintaining possession) to the Receiver upon the Receiver's written request.
- 5. 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 Debtor, 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 5 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.

6. 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

7. 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 DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall 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 8. Nothing in this Order shall authorize the Receiver to defend or settle the within action unless otherwise directed by this Court. The parties shall be at liberty to continue the within action in the ordinary course.

#### NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### NO INTERFERENCE WITH THE RECEIVER

10. No Person shall 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, without written consent of the Receiver or leave of this Court. Singh, during the currency of this Order, shall not exercise any powers as a director or officer of the Debtor without the prior written consent of the Receiver or leave of the Court. Singh shall not bind or attempt to bind the Debtor to any liabilities without the consent of the Receiver or leave of the Court.

#### **CONTINUATION OF SERVICES**

All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, 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 Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal 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

12. 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 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**

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, 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.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

- 14. (a) 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:
  - (i) before the Receiver's appointment; or
  - (ii) 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.

- (b) Nothing in sub-paragraph Error! Reference source not found. exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph Error! Reference source not found. 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,
  - (i) 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 clause (ii) below, the Receiver:
    - A. complies with the order, or
    - B. 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;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) 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,
    - A. 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
    - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
  - (iii) 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

15. 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**

- 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 and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred 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, 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.
- 17. The Receiver and its legal counsel shall pass their accounts from time to time.
- 18: 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**

19. 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 \$200,000.00 (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, 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.

- 20. 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.
- 21. 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.
- 22. 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.

### **ALLOCATION**

23. 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**

- 24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 25. 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.

- 26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor pursuant to section 243 of the BIA.
- 27. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.
- 28. 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.
- 29. Costs of this application shall be determined in accordance with the terms of the Mortgage and the Security as those terms are defined in Affidavit of Mary Gianfriddo sworn November 9, 2018.
- 30. Any interested party may apply to this Court to vary or amend this Order on not less than 4 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.
- 31. This Order shall expire 60 days after the day on which it was granted unless otherwise ordered by this Court.

## **FILING**

- 32. The Receiver shall establish and maintain a website in respect of these proceedings at www.deloitte.ca and shall post there as soon as practicable:
  - (a) all materials prescribed by statue or regulation to be made publically 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.

Justice of the Court of Queen's Bench of Alberta

# APPROVED AS TO ORDER GRANTED:

HAJDUK GIBBS LLP

Omar Abdulhak

Counsel for 1851018 Alberta Ltd. and

Harpreet Singh

# SCHEDULE "A"

# RECEIVER CERTIFICATE

CERT	IFICATE NO.	,		<del></del>			
AMO	UNT	\$					
1.	the assets, un of Queen's Insolvency (o (the "Order") holder of this	ndertaking Bench of collectively ) made in s certificat n of \$	gs and propo Alberta ar y, the "Cou action num te (the "Len	erties of 1851018  nd Court of Que  rt") dated the  bers  der") the principa	the interim received Alberta Ltd. apposen's Bench of A day of, has received al sum of \$eceiver is authoriginal and approximately and approximately approximate	ointed by Order o Alberta in Bankr d as such Receive ,, being part o	f the Court ruptcy and 
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5.	charges rank	ing or pur n other th	porting to ranan the hold	ank in priority to	s been terminate this certificate sha cate without the p	all be issued by th	ne Recelvei
6.					o as to permit th norized by any fu		

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	, 20					
		DELOITTE RESTRUCTURING INC., solely in its capacity as Interim Receiver of the Property (as defined in the Order), and not in its personal capacity					
		Per: Name: Title:					

SCHEDULE "B" UNSECURED CREDITORS

# Schedule B – Unsecured creditors

# **Unsecured Creditors**

Canada Revenue Agency	\$ Unknown
Employees	Unknown
Rockhard Contractors Inc.	Unknown
Invistec Consulting Ltd.	150,643.51
Town of Nisku	Unknown
County of Leduc	Unknown
Total Unsecured Creditors	\$ 150,643.51