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COURT FILE NO. 1801-02034
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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June 23, 2022
Justice Mah

IN THE MATTER OF THE RECEIVERSHIP OF THE ESTATE OF FERLYN ROBERT JOHN CHMELYK, Deceased, 1848941 ALBERTA LTD., AECOR INC., RUHANI CONSTRUCTION INC., CEREZO DEVELOPMENTS INC., 1735560 ALBERTA LTD. 1735563 ALBERTA LTD. and 1751886 ALBERTA LTD.

DOCUMENT **REPORT OF HUDSON & COMPANY INSOLVENCY TRUSTEES LTD., RECEIVER OF THE ESTATE OF FERLYN ROBERT JOHN CHMELYK, Deceased, 1848941 ALBERTA LTD., AECOR INC., RUHANI CONSTRUCTION INC., CEREZO DEVELOPMENTS INC., 1735560 ALBERTA LTD., 1735563 ALBERTA LTD. and 1751886 ALBERTA LTD.**

DATED JUNE 7, 2022

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Receiver's Legal Counsel
CARON & PARTNERS LLP
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue, S.W.
Calgary, Alberta T2P 4K3
Attention: Dean Hutchison
Telephone: 403-770-4023
E-Mail: dhutchison@caronpartners.com

Receiver
HUDSON & COMPANY INSOLVENCY TRUSTEES LTD.
Suite 200, 625 – 11 Avenue S.W.
Calgary, Alberta T2R 0E1
Attention: Robert Price / Jeffrey Price
Telephone: 403-213-5407 / 403-850-7710
E-mail: rprice@hudsoninc.ca / jprice@hudsoninc.ca

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INTRODUCTION AND BACKGROUND

1. On February 8, 2018, the Court of Queen's Bench of Alberta (the "**Court**") granted a Receivership and Trustee Order (the "**Original Receivership Order**", a copy of which is attached hereto as **Appendix "A"**) appointing Hudson & Company Insolvency Trustees Inc. (the "**Receiver**"), as interim receiver and receiver and manager over all of the assets, undertakings and property of the Estate of Ferlyn Robert John Chmelyk (the "**Chmelyk Estate**"). The late Ferlyn Robert John Chmelyk ("**Mr. Chmelyk**"), was a businessperson and the assets of the Chmelyk Estate consisted primarily of shareholdings in various corporations. By an Amending Order granted by the Court on April 24, 2018 (the "**Amending Order**", a copy of which is attached hereto as **Appendix "B"**), the Original Receivership Order was amended to, among other things, appoint the Receiver as the receiver and manager over all of the assets, undertakings and property (collectively, the "**Property**") of the Chmelyk Estate, 1848941 Alberta Ltd. ("**184**"), Aecor Inc. ("**Aecor**"), Ruhani Construction Inc. ("**Ruhani**"), Cerezo Developments Inc. ("**Cerezo**"), 1735560 Alberta Ltd., 1735563 Alberta Ltd., and 1751885 Alberta Ltd. ("**175**").
2. The Original Receivership Order, as amended by the Amending Order, shall hereinafter be collectively referred to as the "**Receivership Order**". 184, Aecor, Ruhani, Cerezo, 1735560 Alberta Ltd., 1735563 Alberta Ltd. and 175 shall hereinafter be collectively referred to as the "**Corporations**".
3. Mr. Chmelyk died on July 21, 2017. He died intestate and had three surviving children. One of Mr. Chmelyk's surviving children, David Aidan Chmelyk, was the applicant who brought the application for the Original Receivership Order and the Amending Order with the assistance of legal counsel, Low, Glenn & Card LLP.
4. At the time of Mr. Chmelyk's death, he was the sole Director of each of the respective Corporations. The Alberta Corporate Registry search results for each of the respective Corporations are collectively attached hereto as **Appendix "C"**.
5. Following the granting of the Receivership Order, the Receiver took possession of the Property, which consisted primarily of the minute books of the Corporations, limited funds concerning the Chmelyk Estate that the Receiver received from legal counsel for Chmelyk Estate, Low, Glenn & Card LLP, and the limited books and records of the Chmelyk Estate and the Corporations. Since that time, the Receiver has undertaken a number of activities to safeguard the Property and determine the

assets and debts of the Chmelyk Estate and the Corporations, as further described herein.

REPORT RESTRICTONS AND LIMITATIONS

6. In preparing this report (the “**Receiver’s Report**”) and in making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Chmelyk Estate and the Corporations, books and records of the Chmelyk Estate and the Corporations, and information from other third-party sources (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the “**Standards**”). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Receiver’s Report.
7. The Receiver assumes no responsibility or liability for any loss of damage occasioned by any party as a result of the use of the Receiver’s Report. Any use, which any party makes of this report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.
8. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

9. The purpose of the Receiver's Report is to provide this Honourable Court with the Receiver's comments and information in respect of the activities of the Receiver since its appointment as Receiver, and to provide information in respect of an application by the Receiver for an Order seeking the following relief:
- i. Approving the actions of the Receiver in administering the receivership proceedings;
 - ii. Approving the Receiver's Statement of Receipts and Disbursements for the period February 8, 2018 to May 30, 2022 (the "**R&D Statement**"), which is attached hereto as **Appendix "D"**;
 - iii. Approving the Receiver's fees and disbursements for the period of January 3, 2018 to May 30, 2022 in the amount provided in the R&D Statement, plus an estimation to complete the receivership;
 - iv. Approving the Receiver's former legal counsel, MLT Aikins LLP, fees and disbursements for the period of April 1, 2018 to October 31, 2019, and the Receiver's current legal counsel, Caron & Partners LLP ("**Caron LLP**"), fees and disbursements for the period of November 1, 2019 to May 29, 2022, in the amount provided in the R&D Statement, plus an estimation of Caron LLP to complete the receivership;
 - v. Approving the payment to Mariner Mechanical Ltd., through its agent, Blue Moon (collectively, "**Mariner Mechanical**") for its claim against 184 (the "**Mariner Mechanical Claim**") in the amount provided in the R&D Statement;
 - vi. Approving the payment to Calla Jane Healey ("**Ms. Healey**") for her claim against the Chmelyk Estate (the "**Healey Claim**") in the amount provided in the R&D Statement;
 - vii. Approving the payment to the Alberta Securities Commission ("**ASC**") for its claim against the Chmelyk Estate (the "**ASC Claim**") in the amount provided in the R&D Statement;
 - viii. Approving the distribution of all remaining funds to Gordon Koop ("**Mr. Koop**") for his claim against the Chmelyk Estate (the "**Koop Claim**"); and

- ix. Approving the discharge of the Receiver subject to the Receiver filing a certificate confirming the completion of the Receiver's obligations (the "**Discharge Certificate**").

ACTIVITIES OF THE RECEIVER

10. Since its appointment, the Receiver has undertaken a number of activities including, but not limited to:

- i. Taking possession of the Property;
- ii. Attempting to locate the books and records of the Chmelyk Estate concerning Mr. Chmelyk's asset holdings and creditors;
- iii. Attempting to locate the books and records of the Corporations;
- iv. Securing the minute books of the Corporations;
- v. Settling matters with the Canada Revenue Agency ("**CRA**") regarding certain tax assessment appeals commenced by Mr. Chmelyk prior to his death (which is discussed in more detail below);
- vi. Collecting monies from the foreclosure sale of lands owned by 184 (which is discussed in more detail below);
- vii. Completing all required creditor notifications and responding to creditor/ stakeholder inquiries;
- viii. Reviewing and assessing the proofs of claims submitted by creditors of the Chmelyk Estate and the Corporations (which is discussed in more detail below);
- ix. Communicating with legal counsel;
- x. Communicating with creditors;
- xi. Communicating with representatives of the Chmelyk Estate;
- xii. Reviewing and considering possible tax issues for the Chmelyk Estate and the respective Corporations (which is discussed in more detail below); and
- xiii. Performing any other tasks attributable to the proceedings.

BOOKS & RECORDS AND ASSETS OF THE CHMEYLK ESTATE & CORPORATIONS

11. The Receiver was able to locate very limited books and records regarding the Chmelyk Estate and the Corporations. From the books and records the Receiver was able to locate, the Receiver determined that the assets of the Chmelyk Estate were limited to \$25,803.62 that had been held by legal counsel for the Chmelyk Estate, Low, Glenn & Card LLP (which monies were secured by the Receiver and

placed into an interest-bearing account), and shares Mr. Chmelyk held, either directly or indirectly through holding companies, in a number of corporations, namely the Corporations. Mr. Chmelyk was the sole director of the respective Corporations at the time of his death.

12. The Receiver was able to locate and obtain the minute books for the respective Corporations. Such minute books had very little to no information about the assets and debts of the respective Corporations.
13. From the limited information available to the Receiver, the Receiver was able to determine that the only asset of any significant value was certain lands of which 184 had been the registered owner, specifically lands municipally described as 316 – 3 Street S.E., Calgary, Alberta, and legally described as:

Plan C

Block 121

Those Portions of Lots 1 to 16 Inclusive Bounded as Follows:

Commencing at a Point in the Western Boundary at a Distance of 42.10 Feet Measured Northerly Thereon from the South West Corner of said Block 121 Thence on an Assumed Bearing of North Along the said Westerly Boundary, to a Point at a Distance of 109.88 Feet Measured Southerly thereon, from the North West Corner of the said Block 121, Thence South 89 Degrees 40 Minute East a Distance of 118.03 Feet, Thence North 0 Degrees 20 Minutes East, a Distance of 31.6 Feet More or Less, to the North Eastern Boundary of the said Block 121, Thence South Easterly along the said Notice Eastern Boundary, to the North West Corner of the Parcel on Plan 695FP, Thence Southerly along the Western Boundary to the South West Corner of the said Parcel, Thence Westerly in a Straight Line to the Point of Commencement,

Excepting:

That Portion of Lots 15 and 16 in Block 131 on Plan C Required for Roadway Within

Exportation Plan 8210790

Excepting Thereout All Mines and Minerals

(the “184 Lands”).

SETTLEMENT OF DISPUTE WITH CANADA REVENUE AGENCY

14. Prior to both Mr. Chmelyk’s death and the Receiver’s appointment, Mr. Chmelyk had appealed Notices of Assessment issued to him by CRA with respect to the tax periods of January 1, 2007 to December 31, 2007 and January 1, 2008 to December 31, 2008, to the Tax Court of Canada (collectively, the “Tax Appeal”). Due to the limited books and records regarding the Chmelyk Estate available to the Receiver, the Receiver had no ability to assess the validity of, or to properly pursue, the Tax Appeal. As a result, the Receiver, through its legal counsel, was able to negotiate an agreement with CRA, through CRA’s legal counsel, the Department of Justice, to have the Tax

Appeal discontinued. Attached hereto as **Appendix “E”** is a copy of the January 10, 2019 Letter from the Tax Court of Canada confirming that the Tax Appeal is deemed dismissed, together with a copy of the Notice of Discontinuance dated January 7, 2019 regarding the Tax Appeal with the consent of both counsel for the Receiver and counsel for CRA, the Department of Justice, endorsed thereon.

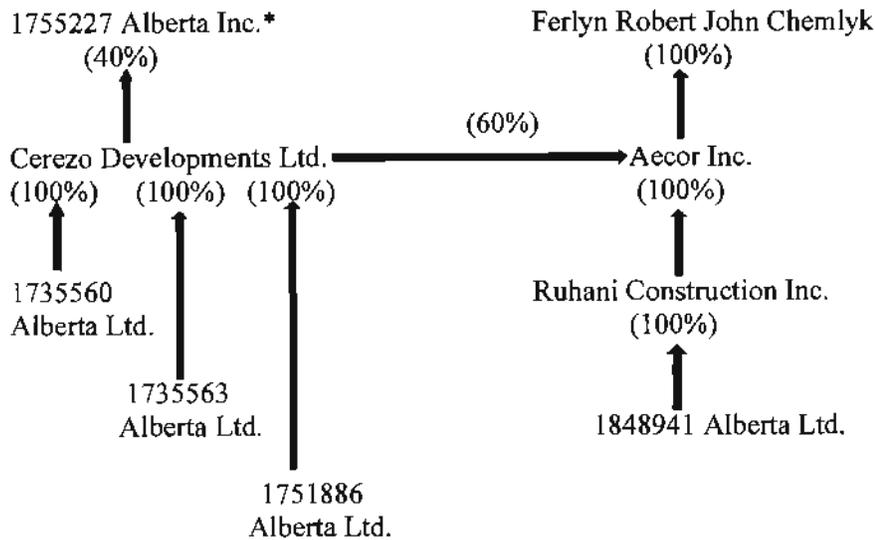
THE FORECLOSURE OF THE 184 LANDS

15. From the limited books and records available concerning 184, the Receiver determined that the 184 Lands had been purchased by 184 on or about December 18, 2014 for \$9,000,000, and that such purchase had been financed, in part, from financing provided by Atrium Mortgage Investment Corporation (“**Atrium**”), who held a registered mortgage against the 184 Lands in the principal amount of \$4,500,000.
16. Prior to the Receiver’s appointment, Atrium had commenced foreclosure proceedings concerning the 184 Lands regarding its mortgage, and the 184 Lands had been sold for a purchase price of \$6,300,000 pursuant to an Order Confirming Sale and Vesting Title granted by the Court in Court File Number 1701-06176 (the “**184 Lands Foreclosure Proceedings**”). Following the Receiver’s appointment, a dispute arose in the 184 Lands Foreclosure Proceedings with respect to: 1) the amount of commissions properly payable to Avison Young Real Estate Alberta Inc. (“**Avison Young**”) as the realtor involved in the judicial listing and sale of the 184 Lands; and 2) a deposit in the amount of \$200,000 (the “**Deposit**”) that had been provided to Avison Young by DLK Construction Management and Development Services Ltd., who had made an unsuccessful offer to purchase the 184 Lands.
17. The Receiver was able to amicably resolve matters with Avison Young with respect to the commissions payable to them regarding the Court approved sale of the 184 Lands in the 184 Lands Foreclosure Proceedings.
18. With respect to issues regarding the Deposit, by an Order granted in the 184 Foreclosure Proceedings on July 24, 2018 (the “**July 2018 Order**”, a copy of which is attached hereto as **Appendix “F”**), Avison Young was ordered to retain 50% of the Deposit and to pay the remaining 50% of the Deposit to the Receiver. The Receiver received 50% of the Deposit in accordance with the July 2018 Order and received further funds from the sale of the 184 Lands through the 184 Lands Foreclosure Proceeding, for a total of \$703,501.90. These monies were placed in an interest-bearing account by

the Receiver.

OWNERSHIP AND MANAGEMENT STRUCTURE OF THE CORPORATIONS

19. At the time of his death, Mr. Chmelyk was the sole director of each of the respective Corporations. The shareholding/ownership structure of the Corporations, based on the minute books as well as the Corporate Registry search results of the respective Corporations (which are attached as Appendix "C") is as follows:



(* 1755227 Alberta Inc., which company changed its name to Studio Developments Inc., is not one of the Corporations in receivership. An Alberta Corporate Registry Search for 1755227 Alberta Ltd./Studio Development Inc., which is attached hereto as **Appendix "G"**, indicates that Mr. Chmelyk was neither a shareholder nor director in this company, and that none of the respective Corporations were a shareholder in this company.)

20. As a result of the foregoing described ownership structure, any equity in 184 would flow firstly to Ruhani, then to Aecor, and ultimately to the Chmelyk Estate.

CREDITOR CLAIMS

21. Following the Receiver's appointment, the Receiver issued notices to all known creditors of the Chmelyk Estate and the Corporations based on the books and records and information available to the Receiver, in accordance with section 245(1) of the *Bankruptcy and Insolvency Act* (Canada). Such

notices to creditors included notices to CRA. The Receiver also issued Proof of Claims forms to all known creditors of the Chmelyk Estate and the Corporations. The Receiver received completed Proofs of Claims from the following creditors:

- a. The Marnier Mechanical Claim, made as an unsecured claim in the amount of \$6,882.31 by Marnier Mechanical against 184. Included with the Marnier Mechanical Claim was a Provincial Court of Alberta (Civil Division) Certificate of Judgment dated June 14, 2017 in the amount of \$6,882.31 granted in favour of Marnier Mechanical against 184. A complete copy of the Marnier Mechanical Claim, with supporting documents, is attached hereto as **Appendix “H”**.

- b. The Healey Claim, made as an unsecured claim in the amount of \$398,426.46 by Ms. Healey against the Chmelyk Estate. Ms. Healey was the former spouse of Mr. Chmelyk and is the mother of Mr. Chmelyk’s three (3) children. Included with the Healey Claim was a schedule indicating that the Healey Claim was for amounts with respect to:
 - i. \$42,952.00 for unpaid child support payable under section 3 of the *Federal Child Support Guidelines* pursuant to the *Divorce Act* (Canada), section 3.3 of a Separation Agreement made between Ms. Healey and Mr. Chmelyk dated March 26, 2013 (the “**Separation Agreement**”) and paragraph 3 of a Divorce Judgment and Corollary Relief Order granted August 27, 2013 in Court File Number 4801-156410 (the “**Divorce Judgment**”). The said \$42,952.00 amount was calculated at \$767.00 per month for a period of 56 months;

 - ii. \$16,678.46 for unpaid special or extraordinary child support expenses payable under section 7 of the *Federal Child Support Guidelines* pursuant to the *Divorce Act* (Canada), section 4.4 of the Separation Agreement and the Divorce Judgment; and

 - iii. \$338,796.00 in unpaid spousal support payable under the Separation Agreement and Divorce Judgment, consisting of \$50,796.00 (calculated at \$4,233.00 per month for the 12 months of April 2012 to April 2013 as per section 7.1 of the Separation Agreement) and \$288,000.00 (calculated at \$2,000.00 per month for the 144 months of April 2013 to April 2025 as per section 7.2 of the Separation Agreement and paragraph 5 of the Divorce Judgment).

A copy of the Separation Agreement and the Divorce Judgment were included as part of the

Healey Claim. A complete copy of the Healey Claim, with supporting documents, is attached hereto as **Appendix “I”**.

- c. The ASC Claim, made as an unsecured claim in the amount of \$163,683.73 by the ASC against the Chmelyk Estate. Included with the ASC Claim is a Certificate issued pursuant to sections 200 and 202 of the *Securities Act* (Alberta) by the Executive Director of the ASC dated June 20, 2017 and filed with the Court on June 22, 2017 in Court File Number 1701-0846 (the “**Certificate of Judgment**”) which provides that Mr. Chmelyk is required to pay an administrative penalty in the amount of \$75,000.00, plus costs in the amount of \$90,000.00, totaling \$165,000.00, pursuant to Decisions of the ASC dated February 2, 2017 and June 14, 2017 (collectively, the “**Decisions**”). Copies of the Decisions were included with the ASC Claim. A complete copy of the ASC Claim, with supporting documents, is attached hereto as **Appendix “J”**.
- d. The Koop Claim, which initially consisted of a Proof of Claim made as a secured claim in the amount of \$1,716,502.00 by Mr. Koop dated April 8, 2021 which did not indicate against whom the claim was being asserted. Mr. Koop then submitted two subsequent Proofs of Claim respectively dated April 13, 2021, one as a secured claim in the amount of \$1,000,000.00 against 184, and the other as a secured claim against the Chmelyk Estate in the amount of \$716,502.00. A complete copy of the Koop Claim, with the supporting documents, is attached as **Appendix “K”**.

22. The Receiver has reviewed each of the foregoing described claims, together with all supporting documentation, with the Receiver’s legal counsel, Caron LLP, and is of the view that:

- a. With respect to the Marnier Mechanical Claim, that it is a valid unsecured claim in the amount of \$6,882.31 against 184. The Receiver is of the view that such claim is valid since it is supported by a Certificate of Judgment in favour of Marnier Mechanical against 184 in the amount of the Mariner Mechanical Claim.
- b. With respect to the Healey Claim, that it is a valid preferred claim against the Chmelyk Estate to the sum of \$49,882.46, and a valid unsecured claim for the balance, being the sum of \$348,544.00. The Receiver is of this view because:
 - i. The Healey Claim is for debts and liabilities for alimony/spousal support, along with debts and liabilities arising under a judicial decision or agreement for support or maintenance of a former spouse of the late Mr. Chmelyk. Pursuant to sections

121(4), 136 (1)(d.1) and 178(1)(b) and (c) of the *Bankruptcy and Insolvency Act* (Canada), that portion of the Healey Claim for periodic amounts accrued in the year before the date of the receivership (such date being February 8, 2018), plus any lump sum amount that is payable, is a preferred claim. The Receiver calculates that the sum of \$24,000.00 for periodic (monthly at \$2,000.00 per month) alimony/spousal support obligations, plus \$9,204.00 for periodic (monthly at \$767.00 per month) child support obligations that accrued in the year before the receivership, together with the the lump sum amount of \$16,678.46 payable for special or extraordinary child support obligations, for a total of \$49,882.46, is a preferred portion of the Healey Claim; and

ii. Ms. Healey, upon the request of the Receiver, has provided the Receiver with documents to support all amounts of the Healey Claim to the Receiver's satisfaction.

c. With respect to the ASC Claim, that it is a valid unsecured claim in the amount of \$163,683.73 against the Chmelyk Estate. The Receiver is of the view that such claim is valid since it is supported by the Certificate of Judgment from the Court and the Decisions rendered by the ASC.

23. With respect to the Koop Claim, the Receiver, in consultation with its legal counsel, Caron LLP, determined that additional information and documentation was required from Mr. Koop to properly assess the Koop Claim. By letter of November 16, 2021 (the "**November 2021 Letter**") from the Receiver's legal counsel, Caron LLP, to Mr. Koop, the Receiver's legal counsel set out several requests for information and documentation from Mr. Koop, including clarification as to which debtors Mr. Koop was asserting claims, and requested copies of any loan or other agreements, such as any security agreements, mortgages, forbearance agreements and or joint venture agreements, between Mr. Koop with Mr. Chmelyk or any of the respective Corporations. A copy of the November 2021 Letter is attached as **Appendix "L"**.

24. In response to the November 2021 Letter, Mr. Koop sent the Receiver's legal counsel, Caron LLP, an e-mail of November 16, 2021 indicating that he would be resubmitting the documents previously submitted to the Receiver in support of his claim, and clarified that the two Proofs of Claims he had submitted dated April 13, 2021 were the ones he was pursuing. A copy of Mr. Koop's said November 16, 2021 e-mail is attached as **Appendix "M"**.

25. Following receipt of the said November 16, 2021 e-mail and resubmitted documents from Mr. Koop,

the Receiver again reviewed the said documents with its legal counsel. By letter of January 19, 2022 (the “**January 2022 Letter**”) from its legal counsel, Caron LLP, to Mr. Koop, the Receiver advised Mr. Koop that based on the information and documentation provided to date, it appeared that Mr. Koop did not make loans to Mr. Chmelyk or 184, but rather may have made equity type investments, akin to capital contributions, to Mr. Chmelyk that provided Mr. Koop with the opportunity to share in potential profits from investments with Mr. Chmelyk. The January 2022 Letter further noted that based on the information and documentation provided to the Receiver to date that:

- a. There is nothing to indicate that Mr. Koop made any loans to, or that he is a creditor of, 184, and nothing to indicate that Mr. Koop holds any security over the assets and property of 184; and
- b. There is nothing to indicate that Mr. Koop made any loans to the late Mr. Chmelyk, and nothing to indicate that Mr. Koop holds security over the assets and property of the Chmelyk Estate.

The January 2022 Letter still further indicated that Mr. Koop may have a claim against the Chmelyk Estate as an equity claimant, that the amount of any such equity claim was unclear, and that the Receiver required further information and documentation from Mr. Koop to evidence the exact amount he personally invested with the late Mr. Chmelyk. The January 2022 Letter invited Mr. Koop to provide such further information and documentation forthwith. A copy of the January 2022 Letter is attached as **Appendix “N”**.

26. Following the delivery of the January 2022 Letter to Mr. Koop, the Receiver’s legal counsel, Dean Hutchison of Caron LLP (“**Mr. Hutchison**”), had a telephone conversation with Mr. Koop. In such telephone conversation Mr. Koop advised that he did not have any additional information or documentation beyond what he had previously provided to the Receiver. Mr. Hutchison advised Mr. Koop that the Receiver would in that case be making a determination regarding the Koop Claim based on the information and documentation that Mr. Koop had provided, that the Receiver would be making an application to the Court for an Order approving the Receiver’s assessment of the Koop Claim (as well as the claims submitted by other creditors), and that Mr. Koop would be served with the Receiver’s Court materials with respect to such application and have an opportunity to make any submissions he may wish to make to the Court at the hearing of such application.
27. Following such telephone conversation, the Receiver once again reviewed, with its legal counsel, all of the information and documentation that Mr. Koop had submitted to it regarding the Koop Claim, and has come to the following determination:

- a. That there is no basis for any claim by Mr. Koop, in debt or equity, against 184 as there is no evidence of Mr. Koop having loaned any money to 184, or having delivered any goods or services for which he was not paid to 184, or having made any equity type investment or capital contribution in 184. There is also no evidence that Mr. Koop ever received, or was to receive, any shares in 184. Similarly, there is no evidence of Mr. Koop having been granted any security interests of any nature in the assets or property of 184. Accordingly, all portions of the Koop Claim as against 184 should be denied in the Receiver's view.
 - b. That there is no basis for any claim in debt by Mr. Koop as against the Chmelyk Estate as there is no evidence of Mr. Koop having loaned any money to the late Mr. Chmelyk; or having delivered any goods or services for which he was not paid, to the late Mr. Chmelyk. Similarly, there is no evidence of Mr. Koop having been granted any security interests of any nature in the assets or property of Mr. Chmelyk or the Chmelyk Estate. Accordingly, all portions of the Koop Claim as against the Chmelyk Estate in the nature of debt should be denied in the Receiver's view.
 - c. That Mr. Koop does appear to have a valid claim in equity as against the Chmelyk Estate as there is evidence that Mr. Koop made a series of equity type investments with the late Mr. Chmelyk in the form of capital contributions that were to enable Mr. Koop to share in possible profits made by the late Mr. Chmelyk in these investments. Accordingly, the Receiver is of the view that Mr. Koop does have a valid claim in equity against the Chmelyk Estate.
28. In terms of the quantum of such equity claim, the Receiver is of the view that the valid amount of the Koop Claim as against the Chmelyk Estate as an equity claim is \$943,655.60. Such quantum is based on the amounts to which there is proof of monies having been paid as investments to the late Mr. Chmelyk, or at the direction of Mr. Chmelyk, by Mr. Koop or for the benefit of Mr. Koop. The calculation for such \$943,655.60 sum is set out in the table attached hereto as **Appendix "O"** listing all the cheques, e-mail money transfers, account withdrawals and account transfers for such amounts that are decipherable from the documentation provided by Mr. Koop to the Receiver in support of the Koop Claim.
29. Pursuant to section 140.1 of the *Bankruptcy and Insolvency Act* (Canada), equity claims are postponed to the claims of all creditors that are non-equity claims (such as debt claims). Accordingly, any portion of the Koop Claim accepted as an equity claim against the Chmelyk Estate is postponed to the non-equity claims of other creditors of the Chmelyk Estate (such as the Healey Claim and the

ASC Claim.).

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS AND PROPOSED DISTRIBUTION TO CREDITORS

30. As described above, the Receiver has received \$25,803.62 from monies held by legal counsel for the Chmelyk Estate, Low, Glenn & Card LLP, and \$703,501.90 from deposits and proceeds of sale concerning the sale of the 184 Lands through the 184 Lands Foreclosure Proceedings. These monies have been placed in interest bearing accounts by the Receiver. As set out in the R&D Statement (which is attached as Appendix "D"), the total amount of receipts of the Receiver, inclusive of interest earned as of May 30, 2022, is \$735,536.66.
31. As further described above, the R&D Statement prepared by the Receiver (which is attached as Appendix "D"), includes the amounts of the professional fees and disbursements for both the Receiver and its legal counsel, including estimates for both the Receiver and its legal counsel, Caron LLP, to conclude this matter. The R&D Statement further includes proposed disbursements to creditors based on the Receiver's view of the validity, priority, and type of the creditor's claim, as well as to how 184's purchase of the 184 Lands appeared to have been financed based on the limited information and books and records available to the Receiver (as described below).
32. As described above and as set out in the R&D Statement, the Receiver proposes to make the following disbursements to creditors of the Chmelyk Estate and the Corporations:
- a. To Mariner Mechanical, the sum of \$6,882.31 in full satisfaction of the Marnier Mechanical Claim against 184;
 - b. To Ms. Healey, the sum of \$398,426.26 in full satisfaction of the Healey Claim against the Chmelyk Estate;
 - c. To the ASC, the sum of \$163,683.73 in full satisfaction of the ASC Claim against Chmelyk Estate; and
 - d. To Mr. Koop, the sum of \$58,883.70, being the balance of the distributable funds after payment of all disbursements as provided in the R&D Statement (in the amount of \$107,660.46) and payment of the respective claims of the other creditors as set out above.

TAX RETURN INFORMATION

33. As discussed above, the Receiver was able to locate only very limited books and records and financial information with respect to the Chmelyk Estate and each of the respective Corporations. Based on the limited information available, the Receiver determined that the 184 Lands were sold at a loss to 184 and therefore no taxes or capital gains were owing as a result of the sale of the 184 Lands through the 184 Lands Foreclosure Proceedings. As there were no known earnings concerning 184, the Receiver accordingly decided to not file a tax return with respect to 184. Similarly with respect to the Chmelyk Estate and the other respective Corporations, there was no information to indicate that either the Chmelyk Estate or any of the other respective Corporations had earned any income in the years leading to the receivership. There was insufficient information available to enable the Receiver to file any tax returns with respect to the Chmelyk Estate or any of the respective Corporations, and the Receiver accordingly did not file any returns.
34. Based on the limited financial information available concerning the Corporations and the Chmelyk Estate, it appears that the purchase of the 184 Lands by 184 for \$9,000,000 in December 2014 was done by way of mortgage financing from Atrium for approximately \$4,500,000, with the remaining approximately \$4,500,000 balance coming from monies provided to 184 from other sources. There is nothing in the minute books or other available books and records of the Corporations to indicate that the additional sources were by way of any shareholder or intercompany loans made to 184 from any of the other Corporations. The best the Receiver could determine from the limited books and records and financial information available, is that such additional monies were provided to 184 by the late Mr. Chmelyk in the form of a loan. Therefore, the monies available from the proceeds of the sale of the 184 Lands, after payment of 184's other known creditor (namely Marnier Mechanical with respect to the Mariner Mechanical Claim), are payable to the Chmelyk Estate as a creditor of 184 regarding the said loan made to it by 184, with such monies payable to the Chmelyk Estate available to distributions to its creditors. The Receiver has determined that that there are no tax consequences to 184 or the Chmelyk Estate with respect to this loan structure as: (i) 184 suffered a loss on the sale of the 184 Lands and did not appear to earn any income; and (ii) the monies payable to the Chmelyk Estate from 184 are not income, but repayment of debt.

PROFESSIONAL FEES OF THE RECEIVER AND ITS LEGAL COUNSEL

35. For the period of January 3, 2018 to May 30, 2022, the Receiver has incurred professional fees and disbursement of \$50,793.00, excluding Good and Services Taxes (“GST”). To finalize the receivership proceedings, the Receiver estimates an additional \$4,840.00 in professional fees and disbursements, excluding GST, to complete the administrative tasks identified below.
36. For the period of April 1, 2018 to October 31, 2019, the Receiver’s initial legal counsel, MLT Aikins LLP, incurred professional fees and disbursements of \$13,764.75, excluding GST, which have been paid by the Receiver. For the period of November 1, 2019 to May 29, 2022, the Receiver’s current legal counsel, Caron LLP, has incurred professional fees and disbursements of \$22,345.00, excluding GST. Caron LLP has advised the Receiver that an estimated \$8,000.00 for professional fees and disbursements, excluding GST, is estimated to attend to the discharge application and complete the receivership. The Receiver has reviewed the fees and disbursements of its legal counsel, including its estimates to conclude matters, and the Receiver is of the view that the fees are reasonable and appropriate in the circumstances.
37. The Receiver will make copies of its accounts, and the accounts of its legal counsel (subject to redaction for privilege) available to the Court or any interested person, upon request.
38. In accordance with paragraph 17 of the Initial Receivership Order, the professional fees of the Receiver and its legal counsel are incurred at their standard hourly rates of the professionals working on the receivership. The hourly rates of these professionals are reasonable based on the experience of the individuals involved and are competitive with other professional service firms in the marketplace.
39. The Receiver is seeking approval of the R&D Statement and the professional fees and disbursements of the Receiver and its legal counsel in the amounts set forth above.

DISCHARGE OF THE RECEIVER

40. There are certain administrative matters in these receivership proceedings that remain outstanding, which are:
 - a. Attending the Receiver’s discharge application;
 - b. Preparing and issuing the Receiver’s final report pursuant to section 246(3) of the *Bankruptcy and Insolvency Act* (Canada);

- c. Payment of the balance of the approved professional fees and disbursements of the Receiver and its legal counsel;
- d. Payment of the distributions to Marnier Mechanical, Ms. Healey and ASC in the amounts approved by this Honourable Court;
- e. Payment of any remaining receivership funds, up to the amount of his equitable claim as against the Chmelyk Estate as determined by this Honourable Court, to Mr. Koop;
- f. Any other matters incidental to the wind up of the administration of these receivership proceedings; and
- g. Executing the Discharge Certificate and filing same with this Honourable Court.

41. Upon completion of the above noted administrative matters, there is nothing anticipated by the Receiver that, in the Receiver's respectful view, should prevent this Honourable Court from granting the Receiver its discharge as the administration of the receivership of the Chmelyk Estate, 184, Accor, Ruhani, Cerezo, 1735560 Alberta Ltd., 1735563 Alberta Ltd., and 175 will be completed.

RECOMMENDATION AND CONCLUSION

42. Based upon the foregoing, the Receiver respectfully recommends that this Honorable Court grant an Order:
- i. Approving the actions of the Receiver in administering the receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;
 - ii. Approving the Receiver's Statement of Receipts and Disbursements for the period February 8, 2018 to May 30, 2022;
 - iii. Approving the Receiver's fees and disbursements in the amount of \$ 50,793.00, together with GST of \$2,539, and estimated costs of the Receiver to complete of \$4,840.00 plus GST;
 - iv. Approving the Receiver's former legal counsel, MLT Aikins LLP, fees and

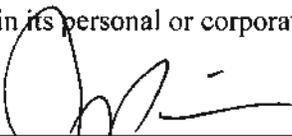
disbursements in the amount of \$13,764.75 and GST of \$688.26, and the Receiver's current legal counsel, Caron & Partners LLP, fees and disbursements in the amount of \$22,345.00 and GST of \$1,114.45, plus an estimated costs to complete for Caron & Partners LLP in the amount of \$8,000.00 plus GST;

- v. Approving the payment of the Mariner Mechanical Claim in the amount of \$6,882.31 to Mariner Mechanical;
- vi. Approving the payment of the Healey Claim in the amount of \$398,426.26 to Ms. Healey;
- vii. Approving the payment to the ASC Claim in the amount of \$163,683.72 to the ASC;
- viii. Approving the distribution of the remaining receivership funds, up to the amount of \$943,655.60 regarding the Koop Claim as against the Chmelyk Estate, to Mr. Koop; and
- ix. Approving the discharge of the Receiver upon the filing of the Discharge Certificate.

All of which is respectfully submitted this 7th day of June, 2022.

Hudson & Company Insolvency Trustees Ltd.

In its capacity as Receiver and Manager of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd., Aecor Inc., Ruhani Construction Inc, Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd., and 1751885 Alberta Ltd.,
and not in its personal or corporate capacity



Per: Jeffrey R. Price, CIRP
Senior Vice President

Appendix A

COURT FILE NUMBER 1801- 02034
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE RECEIVERSHIP AND
TRUSTEESHIP OF 1848941 ALBERTA LTD. and
THE ESTATE OF FERLYN ROBERT JOHN
CHMELYK

APPLICANTS 1848941 ALBERTA LTD. and THE ESTATE OF
FERLYN ROBERT JOHN CHMELYK

RESPONDENTS CANADA REVENUE AGENCY, ALBERTA
SECURITIES COMMISSION, CALLA CHMELYK,
CURTIS KRAMER, GORDON KOOP, DAVID
VOLPI, CRUCIATE GROUP, DEAN
WEGLEITNER, 1586668 ALBERTA LTD., JOHN
DOE and ABC CORPORATION LTD.

DOCUMENT RECEIVERSHIP AND TRUSTEE ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT LOW, GLENN & CARD LLP
Attention: Thomas F Glenn
Email: tfglenn@lgc-law.com
120, 3636 - 23 Street NE
Calgary, Alberta T2E 8Z5
Phone: 403.291.2532 / Fax: 403.291.2534
File No.: 03 9487 015 / Call Box: 1

I hereby certify this to be a true copy of
the original Order
dated this 9 day of Feb 2018
[Signature]
Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: Feb 8, 2018

NAME OF JUDGE WHO MADE THIS ORDER: Shirley Ann McWhorter

LOCATION OF HEARING: CALGARY, ALBERTA

UPON the application of DAVIS AIDAN CHMELYK in respect of THE ESTATE OF FERLYN ROBERT JOHN CHMELYK (the "Debtor"); AND UPON having read the Application, the Affidavit of Davis Aidan Chmelyk; and the Affidavit of Service of [if applicable], filed; AND UPON reading the consent of Hudson & Company Insolvency Trustees Ltd. to act as interim receiver and receiver and manager ("Receiver") of the Debtor, filed; AND UPON hearing counsel for Davis Aidan Chmelyk and the Estate of Ferlyn Robert John Chmelyk; 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 243(1) 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, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7, Hudson & Company Insolvency Trustees Inc. 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

3. 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;
 - (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 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 other 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (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 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.

- (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 \$40,000.00 provided that the aggregate consideration for all such transactions does not exceed \$80,000.00; 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*, R.S.A. 2000, c. P-7 shall not be required.

- (m) to apply for any vesting order or other 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;
- (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;
- (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 (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 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: (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 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor 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

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.

CONTINUATION OF SERVICES

11. 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 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

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 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 in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall 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.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (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 (a) 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 (a) 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

16. 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

17. 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) **[and 88]** of the BIA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. 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

20. 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 \$80,000.00 (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) and 88 of the BIA.

21. 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.
22. 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.
23. 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

24. 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.

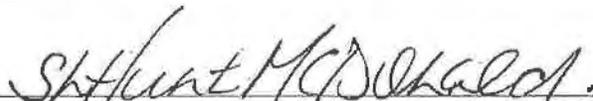
GENERAL

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

26. 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.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. 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.
29. 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.
30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
31. 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

32. This Order is issued and shall be filed in Court of Queen's Bench of Alberta (Surrogate matter) Action No.: 123973, and Court of Queen's Bench in Bankruptcy Action No.: 1701-06176, which actions are not consolidated. All further proceedings shall be taken in both actions unless otherwise ordered.
33. The Receiver shall establish and maintain a website in respect of these proceedings at bankruptcycalgary.com/corporate and shall post there as soon as practicable: ^{-files/}
- (a) all materials prescribed by statute 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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the _____ day of _____, _____ (the "Order") made in action numbers _____, _____, 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 \$ _____ which 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 Bank 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, 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 _____, 20____.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

Appendix B

CLERK OF THE COURT
FILED
JUN 01 2018
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER **1801-02034**
COURT **COURT OF QUEEN'S BENCH OF
ALBERTA**

JUDICIAL CENTRE **CALGARY**

**IN THE MATTER OF THE
RECEIVERSHIP AND
TRUSTEESHIP OF 1848941
ALBERTA LTD. and THE ESTATE
OF FERLYN ROBERT JOHN
CHMELYK**

APPLICANTS **1848941 ALBERTA LTD and THE
ESTATE OF FERLYN ROBERT
JOHN CHMELYK**

RESPONDENTS **CANADA REVENUE AGENCY,
ALBERTA SECURITIES
COMMISSION, CALLA CHMELYK,
CURTIS KRAMER, GORDON
KOOP, DAVID VOLPI, CRUCIATE
GROUP, DEAN WEGLEITNER,
1586668 ALBERTA LTD, JOHN
DOE, AND ABC CORPORATION
LTD.**

DOCUMENT **AMENDING ORDER**

ADDRESS FOR SERVICE
AND CONTACT **LOW, GLENN & CARD**
INFORMATION OF PARTY **Attention: Thomas F Glenn**
FILING THIS DOCUMENT **Email: tfglenn@lgc-law.com**
 120, 3636 - 23 Street NE
 Calgary, Alberta T2E 8Z5
 Phone: 403.291.2532 / Fax: 403.291.2534
 File No.: 03 9643 015/ Call Box: 10

DATE ON WHICH ORDER WAS PRONOUNCED: **Tuesday, April 24, 2018**

NAME OF JUDGE WHO MADE THIS ORDER: **The Honourable Mr. Justice Jones**

LOCATION OF HEARING: **Calgary, Alberta**

UPON THE APPLICATION of Davis Aiden Chmelyk (the "**Applicant**") in respect of the Estate of Ferlyn Robert John Chmelyk (the "**Estate**") and related corporations to which

the Estate holds an interest filed April 19, 2018 (the "Application"); **AND UPON HAVING READ** the Affidavit of Emily Lyon sworn April 3, 2018, the Receivership and Trustee Order granted by the Honourable Madam Justice Hunt-McDonald in the within matter on February 8, 2018 (the "Receivership Order"); **AND UPON HEARING** the submissions of counsel for the Applicant, counsel for Hudson & Company Insolvency Trustees Ltd. in its capacity as the Court-appointed receiver of the Estate, counsel for the Department of Justice, counsel for the Alberta Securities Commission, and counsel for Calvert Home Mortgage Investment Corporation;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.
2. The Receivership Order is hereby amended as follows:
 - (a) The words "RECEIVERSHIP AND TRUSTEE ORDER" on the first page of the Receivership Order are hereby deleted and replaced with the words "RECEIVERSHIP ORDER";
 - (b) The words "(the "Debtor")" in the preamble of the Receivership Order are hereby deleted;
 - (c) The words "to act as interim receiver and receiver and manager" in the preamble of the Receivership Order are hereby deleted and replaced with the words "to act as receiver and manager"
 - (d) Paragraph 2 of the Receivership Order is hereby deleted in its entirety and replaced with the following

"Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c J-2, and section 99(a) of the *Business Corporation Act*, RSA 2000, c B-9, and section 65(7) of the *Personal Property Security Act*, Hudson and Company Insolvency Trustees Inc. is hereby appointed receiver/manager, without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including the proceeds thereof (collectively, the "Property") of the following entities:

- (a) The Estate of Ferlyn Robert John Chmelyk;
- (b) 1848941 Alberta Ltd;
- (c) Aecor Inc.;
- (d) Ruhani Construction Inc.;
- (e) Cerezo Developments Inc.;
- (f) 1735560 Alberta Ltd.;
- (g) 1735563 Alberta Ltd.; and

(h) 1751886 Alberta Ltd.

(collectively, the "Debtors"). The Property shall specifically include all deposits concerning the sale of, and the proceeds from the sale of, lands legally described as:

PLAN C
BLOCK 121
THOSE PORTIONS OF LOTS 1 TO 16 INCLUSIVE BOUNDED AS
FOLLOWS:
COMMENCING AT A POINT IN THE WESTERN BOUNDARY AT A
DISTANCE OF 42.10 FEET
MEASURED NORTHERLY THEREON FROM THE SOUTH WEST
CORNER OE SAID BLOCK 121
THENCE ON AN ASSUMED BEARING OE NORTH, ALONG THE SAID
WESTERN BOUNDARY,
TO A POINT AT A DISTANCE OF 109.88 FEET MEASURED
SOUTHERLY THEREON, FROM
THE NORTH WEST CORNER OF THE SAID BLOCK 121,
THENCE SOUTH 89 DEGREES 40 MINUTES, EAST A DISTANCE OF
118.03 FEET,
THENCE NORTH 0 DEGREES 20 MINUTES EAST A DISTANCE OE
31.6 FEET MORE OR LESS,
TO THE NORTH EASTERN BOUNDARY OF THE SAID BLOCK 121,
THENCE SOUTH EASTERLY ALONG THE SAID NORTH EASTERN
BOUNDARY, TO THE NORTH
WEST CORNER OF THE PARCEL ON PLAN 695FP,
THENCE SOUTHERLY ALONG THE WESTERN BOUNDARY, TO THE
SOUTH WEST CORNER OF
SAID PARCEL,
THENCE WESTERLY, IN A STRAIGHT LINE TO THE POINT OF
COMMENCEMENT,
EXCEPTING:
THAT PORTION OF LOTS 15 AND 16 IN BLOCFC 121 ON PLAN C
REQUIRED FOR ROADWAY
WITHIN EXPROPRIATION PLAN 8210790
EXCEPTING THEREOUT ALL MINES AND MINERALS

which deposits and sale proceeds are currently held pursuant to Orders granted in Court of Queen's Bench of Alberta Court File Number 1701-06176."

- (e) The word "Debtor" throughout the Receivership Order shall be deleted and replaced with the word "Debtors"; and
- (f) The words "and Court of Queen's Bench in Bankruptcy Action No.: 1701-06176" in paragraph 32 of the Receivership Order are hereby deleted and replaced with the words "and Court Queen's Bench of Alberta Court File Number: 1701-06176".

(g) The following shall be added as paragraph 34 of the Receivership Order:

"Notwithstanding any other provision of this Order, the stay of proceedings against the Estate of Ferlyn Robert John Chmelyk created by paragraph 8 of this Order and the stay of rights and remedies against the Estate of Ferlyn Robert John Chmelyk created by paragraph 9 of this Order shall not apply as it relates to Court of Queen's Bench of Alberta Court File Number 1701-07803 and Court of Queen's Bench of Alberta Court File Number 1701-15276 (collectively, the "Condo Property Foreclosure Actions")."

(h) The following shall be added as paragraph 35 to the Receivership Order:

"Notwithstanding any other provision of this Order, neither the Receivership Charge created by paragraph 17 of this Order, nor the Receiver's Borrowing Charge created by paragraph 20 of this Order shall attach to the property that is the subject of either of the respective Condo Property Foreclosure Actions."

3. The style of cause of the within matter is hereby amended to read as follows:

"In the Matter of the Receivership of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd, Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd., and 1751886 Alberta Ltd."

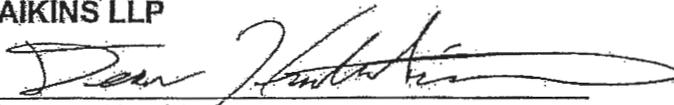
4. Approval as to the Order granted may be provided in counterpart and by facsimile, PDF, or other electronic means.



Justice of the Court of Queen's Bench of Alberta

APPROVED AS THE ORDER GRANTED:

MLT AIKINS LLP

Per: 

Dean A. Hutchison
Counsel for Hudson & Company Insolvency
Trustees Ltd.

HENDRIX LAW

Per: _____

Jennifer Blanchard
Counsel for Calvert Home Mortgage
Investment Corporation

(g) The following shall be added as paragraph 34 of the Receivership Order:

"Notwithstanding any other provision of this Order, the stay of proceedings against the Estate of Ferlyn Robert John Chmelyk created by paragraph 8 of this Order and the stay of rights and remedies against the Estate of Ferlyn Robert John Chmelyk created by paragraph 9 of this Order shall not apply as it relates to Court of Queen's Bench of Alberta Court File Number 1701-07803 and Court of Queen's Bench of Alberta Court File Number 1701-15276 (collectively, the "Condo Property Foreclosure Actions")."

(h) The following shall be added as paragraph 35 to the Receivership Order:

"Notwithstanding any other provision of this Order, neither the Receivership Charge created by paragraph 17 of this Order, nor the Receiver's Borrowing Charge created by paragraph 20 of this Order shall attach to the property that is the subject of either of the respective Condo Property Foreclosure Actions."

3. The style of cause of the within matter is hereby amended to read as follows:

"In the Matter of the Receivership of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd, Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd., and 1751886 Alberta Ltd."

4. Approval as to the Order granted may be provided in counterpart and by facsimile, PDF, or other electronic means.

Justice of the Court of Queen's Bench of Alberta

APPROVED AS THE ORDER GRANTED:

MLT AIKINS LLP

Per: _____
Dean A. Hutchison
Counsel for Hudson & Company Insolvency
Trustees Ltd.

HENDRIX LAW

Per:  _____
Jennifer Blanchard
Counsel for Calvert Home Mortgage
Investment Corporation

Appendix C

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:43 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858741
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2018489415
Business Number: 821917788
Legal Entity Name: 1848941 ALBERTA LTD.
Legal Entity Status: Struck
Struck Off Date: 2019/03/02
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2014/09/22 YYYY/MM/DD

Registered Office:

Street: 100, 2886 SUNRIDGE WAY NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y7H9

Records Address:

Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:

Last Name: CHMELYK
First Name: FERLYN
Street/Box Number: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:

Legal Entity Name: RUHANI CONSTRUCTION INC.
Corporate Access Number: 2017575065
Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: NO SHARES SHALL BE TRANSFERRED WITHOUT THE UNANIMOUS APPROVAL OF THE BOARD OF DIRECTORS
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: NONE

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2016	2016/10/29

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 2 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/09/22	Incorporate Alberta Corporation
2014/11/19	Change Director / Shareholder
2016/10/29	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2018/07/24	Change Address
2018/11/02	Status Changed to Start for Failure to File Annual Returns
2019/03/02	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/09/22

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:45 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858789
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2016807725

Business Number:

Legal Entity Name: AECOR INC.

Legal Entity Status: Struck

Struck Off Date: 2019/12/02

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2012/06/04 YYYY/MM/DD

Registered Office:

Street: 100, 2886 SUNRIDGE WAY NE

City: CALGARY

Province: ALBERTA

Postal Code: T1Y7H9

Records Address:

Street: 405, 929 - 18 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2T0H2

Directors:

Last Name: CHMELYK

First Name: FERLYN

Street/Box Number: 405, 929 - 18 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2T0H2

Voting Shareholders:

Last Name: CHMELYK

First Name: FERLYN

Street: 405, 929 - 18 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2T0H2

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: UNLIMITED NUMBER OF CLASS A VOTING COMMON SHARES, UNLIMITED NUMBER OF CLASS B NON-VOTING COMMON SHARES, & UNLIMITED NUMBER OF CLASS C NON-VOTING PREFERRED SHARES.

Share Transfers Restrictions: SHARE TRANSFER MUST BE OFFERED FIRST TO THE EXISTING SHAREHOLDERS.

Min Number Of Directors: 1

Max Number Of Directors: 10

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: NONE

Holding Shares In:

Legal Entity Name
CEREZO DEVELOPMENTS INC.

RUHANI CONSTRUCTION INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/07/14

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 1 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2012/06/04	Incorporate Alberta Corporation
2014/11/19	Change Director / Shareholder
2017/07/14	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2019/01/01	Change Address
2019/08/02	Status Changed to Start for Failure to File Annual Returns
2019/12/02	Status Changed to Struck for Failure to File Annual Returns

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:47 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858815
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017575065
Business Number: 808324339
Legal Entity Name: RUHANI CONSTRUCTION INC.
Legal Entity Status: Struck
Struck Off Date: 2019/12/02
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2013/06/27 YYYY/MM/DD

Registered Office:

Street: 100, 2886 SUNRIDGE WAY NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y7H9

Records Address:

Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:

Last Name: CHMELYK
First Name: FERLYN
Middle Name: RJ
Street/Box Number: 405, 929-18 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:

Legal Entity Name: AECOR INC.
Corporate Access Number: 2016807725
Street: 405, 929 - 18TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: 10,000 CLASS A COMMON VOTING SHARES.
Share Transfers Restrictions: NO SHARES ARE TRANSFERABLE WITHOUT APPROVAL FROM BOARD OF DIRECTORS.
Min Number Of Directors: 1
Max Number Of Directors: 5
Business Restricted To: NONE.
Business Restricted From: NONE.
Other Provisions: NONE.

Holding Shares In:

Legal Entity Name
1848941 ALBERTA LTD.
1852164 ALBERTA LTD.
1852166 ALBERTA LTD.
1852168 ALBERTA LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2018/05/30

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 1 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/06/27	Incorporate Alberta Corporation
2014/06/20	Change Director / Shareholder
2014/09/04	Name/Structure Change Alberta Corporation
2018/05/30	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2019/03/13	Change Address
2019/08/02	Status Changed to Start for Failure to File Annual Returns
2019/12/02	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:48 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858837
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017355500
Business Number: 821916186
Legal Entity Name: CEREZO DEVELOPMENTS INC.

Legal Entity Status: Struck
Struck Off Date: 2017/09/02
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2013/03/12 YYYY/MM/DD

Registered Office:

Street: #120, 3636 - 23RD STREET NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E8Z5

Records Address:

Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:

Last Name: CHMELYK
First Name: FERLYN
Street/Box Number: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:

Legal Entity Name: 1755227 ALBERTA INC.
Corporate Access Number: 2017552270
Street: 1200, 1015 - 4TH STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2R1J4
Percent Of Voting Shares: 40

Legal Entity Name: AECOR INC.
Corporate Access Number: 2016807725
Street: 120, 3636 - 23 STREET NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E8Z5
Percent Of Voting Shares: 60

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: UNLIMITED NUMBER OF CLASS A VOTING COMMON SHARES, UNLIMITED NUMBER OF CLASS B NON-VOTING COMMON SHARES, & UNLIMITED NUMBER OF CLASS C NON-VOTING PREFERRED SHARES.

Share Transfers Restrictions: SHARE TRANSFER MUST BE OFFERED FIRST TO THE EXISTING SHAREHOLDERS.

Min Number Of Directors: 1

Max Number Of Directors: 5

Business Restricted To: NONE

1/17/22, 10:48 AM

Business Restricted NONE
From:
Other Provisions: NONE

Holding Shares In:

Legal Entity Name
1735560 ALBERTA LTD.
1735563 ALBERTA LTD.
1751886 ALBERTA LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2015	2016/04/10

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 3 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/03/12	Incorporate Alberta Corporation
2014/07/31	Change Director / Shareholder
2015/03/05	Change Address
2016/04/10	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2017/05/02	Status Changed to Start for Failure to File Annual Returns
2017/09/02	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:50 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858882
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017355609
Business Number: 825823990
Legal Entity Name: 1735560 ALBERTA LTD.
Legal Entity Status: Struck
Struck Off Date: 2019/09/03
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2013/03/12 YYYY/MM/DD

Registered Office:
Street: 100, 2886 SUNRIDGE WAY NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y7H9

Records Address:
Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:

Last Name: CHMELYK
First Name: FERLYN
Street/Box Number: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:

Legal Entity Name: CEREZO DEVELOPMENTS INC.
Corporate Access Number: 2017355500
Street: 120, 3636 - 23RD STREET NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E8Z5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: UNLIMITED NUMBER OF CLASS A VOTING COMMON SHARES
Share Transfers Restrictions: NONE
Min Number Of Directors: 1
Max Number Of Directors: 5
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: NONE

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/04/11

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 1 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/03/12	Incorporate Alberta Corporation
2013/03/12	Change Director / Shareholder
2017/04/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2018/12/16	Change Address
2019/05/02	Status Changed to Start for Failure to File Annual Returns
2019/09/03	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:52 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858902
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017355633
Business Number: 825823594
Legal Entity Name: 1735563 ALBERTA LTD.
Legal Entity Status: Struck
Struck Off Date: 2019/09/03
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2013/03/12 YYYY/MM/DD

Registered Office:
Street: 100, 2886 SUNRIDGE WAY NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y7H9

Records Address:
Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:
Last Name: CHMELYK
First Name: FERLYN
Street/Box Number: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:
Legal Entity Name: CEREZO DEVELOPMENTS INC.
Corporate Access Number: 2017355500
Street: 120, 3636 - 23RD STREET NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E8Z5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: UNLIMITED NUMBER OF CLASS A VOTING COMMON SHARES
Share Transfers Restrictions: NONE
Min Number Of Directors: 1
Max Number Of Directors: 5
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: NONE

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/04/11

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 1 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/03/12	Incorporate Alberta Corporation
2013/03/12	Change Director / Shareholder
2017/04/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2018/12/16	Change Address
2019/05/02	Status Changed to Start for Failure to File Annual Returns
2019/09/03	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/17
Time of Search: 10:53 AM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 36858925
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017518867
Business Number: 825821994
Legal Entity Name: 1751886 ALBERTA LTD.
Legal Entity Status: Struck
Struck Off Date: 2019/11/05
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2013/05/30 YYYY/MM/DD

Registered Office:

Street: 100, 2886 SUNRIDGE WAY NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y7H9

Records Address:

Street: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Directors:

Last Name: CHMELYK
First Name: FERLYN
Street/Box Number: 405, 929 - 18 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T0H2

Voting Shareholders:

Legal Entity Name: CEREZO DEVELOPMENTS INC.
Corporate Access Number: 2017355500
Street: 120, 3636 - 23 STREET NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E8Z5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: UNLIMITED NUMBER OF CLASS A VOTING COMMON SHARES, UNLIMITED NUMBER OF CLASS B NON-VOTING COMMON SHARES, & UNLIMITED NUMBER OF CLASS C NON-VOTING PREFERRED SHARES.

Share Transfers Restrictions: SHARE TRANSFER MUST BE OFFERED FIRST TO THE EXISTING SHAREHOLDERS.

Min Number Of Directors: 1

Max Number Of Directors: 5

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: NONE

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/06/21

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020, 2019 and 1 previous file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/05/30	Incorporate Alberta Corporation
2013/09/04	Change Director / Shareholder
2017/06/21	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2019/01/01	Change Address
2019/07/02	Status Changed to Start for Failure to File Annual Returns
2019/11/05	Status Changed to Struck for Failure to File Annual Returns
2020/02/21	Update BN

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Appendix D

**IN THE MATTER OF THE RECEIVERSHIP
OF THE ESTATE OF FERLYN ROBERT JOHN CHMELYK, Deceased,
1848941 ALBERTA LTD., AECOR INC., RUHANI CONSTRUCTION INC.,
CEREZO DEVELOPMENTS INC., 1735560 ALBERTA LTD.
1735563 ALBERTA LTD. and 1751886 ALBERTA LTD.**

**Consolidated Statement of
Receipts and Disbursements
February 8, 2018 to May 30, 2022**

Receipts

Sale of Land	\$ 603,302.89
Settlement on Commission	100,199.01
Funds From Death Estate	25,803.62
Interest Earned on Trust Funds	6,231.14

Total Receipts 735,536.66

Disbursements

Receiver Fees	55,633.00
Legal Fees	44,109.75
Ascend License Fee (8 Estates)	2,200.00
GST paid on Fees and Disbursements	5,094.71
Filing Fees Official Receiver (8 Estates)	560.00
Search Fees	63.00

Total Disbursements 107,660.46

Available for Distribution \$ 627,876.20

**IN THE MATTER OF THE RECEIVERSHIP
OF THE ESTATE OF FERLYN ROBERT JOHN CHMELYK, Deceased,
1848941 ALBERTA LTD., AECOR INC., REHANI CONSTRUCTION INC.,
CEREZO DEVELOPMENTS INC., 1735560 ALBERTA LTD.
1735563 ALBERTA LTD. and 1751886 ALBERTA LTD.**

Proposed Distribution

Claimant Name	Amount Claimed	Amount Proposed	Balance Remaining
Amount to be Distributed			\$ 627,876.20
Mariner Mechanical Claim	6,882.31	6,882.31	620,993.89
Calla Healey	398,426.46	398,426.46	222,567.43
Alberta Security Commission	163,683.73	163,683.73	58,883.70
Gordon Koop	1,716,502.00	58,883.70	0.00
Total	<u>\$ 2,285,494.50</u>	<u>\$ 627,876.20</u>	<u>\$0.00</u>

Appendix E

Tax Court of Canada



Cour canadienne de l'impôt

January 10, 2019

Dean A. Hutchison
MLT Aikins LLP
1600, 520 - 3rd Avenue SW
Calgary, Alberta T2P 0R3



Dear Sir/Madam:

RE: Estate of Ferlyn Chmelyk
v. Her Majesty the Queen
2017-313(IT)G

Reference is made to the Notice of Withdrawal filed with the Court on January 7, 2019.

Please be advised that the above-noted appeal is deemed dismissed pursuant to subsection 16.2(2) of the *Tax Court of Canada Act*. Consequently this file is now closed.

For your information, a copy of the Notice of Withdrawal and a copy of this letter are being sent to all parties.

Yours truly,

GILLES PATRICE
REGISTRY ASSISTANT
ADJOINT DU GREFFE

For the Registrar

c.c. Canada Revenue Agency
Emera Nguyen, (Department of Justice - Calgary)

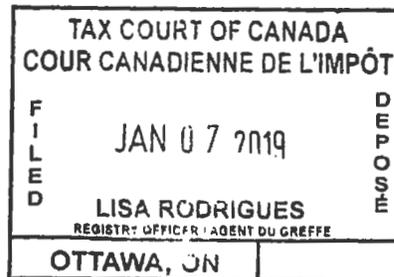
ADDRESS ALL COMMUNICATIONS
TO THE REGISTRAR
ADRESSER TOUTE DEMANDE AU
GREFFIER
TEL./TÉL. : 1-800-927-5499

PRINCIPAL OFFICE/BUREAU PRINCIPAL
200 KENT STREET
200, RUE KENT
OTTAWA, ONTARIO
OTTAWA (ONTARIO) K1A 0M1
TEL./TÉL. : (613) 992-0901
FAX : (613) 957-9034

REGIONAL OFFICE/BUREAU REGIONAL
30 MCGILL STREET
30, RUE MCGILL
MONTREAL, QUEBEC
MONTREAL (QUEBEC) H2Y 3Z7
TEL./TÉL. : (514) 283-9912
FAX : (514) 496-1996

REGIONAL OFFICE/BUREAU REGIONAL
SUITE 200 / BUREAU 200
180 QUEEN STREET WEST
180, RUE QUEEN OUEST
TORONTO, ONTARIO
TORONTO (ONTARIO) M5V 3L6
TEL./TÉL. : (416) 973-9181
FAX : (416) 973-5944

REGIONAL OFFICE/BUREAU REGIONAL
IBM TOWER / TOUR IBM
SUITE 300 / BUREAU 300
701 WEST GEORGIA STREET
701, RUE WEST GEORGIA
VANCOUVER, B.C.
VANCOUVER (C.-B.) V7Y 1K1
TEL./TÉL. : (604) 666-7987
FAX : (604) 666-7967



TAX COURT OF CANADA

2017-313(IT)G

BETWEEN:

ESTATE OF FERLYN CHMELYK,

Appellant,

and

HER MAJESTY THE QUEEN,

Respondent.

NOTICE OF DISCONTINUANCE

TAKE NOTICE THAT the Appellant discontinues the appeal from the Notice of Assessment Number 2596769 dated April 3, 2014 under appeal, which Notice of Assessment relates to the tax period January 1, 2017 to December 31, 2007, and to the tax period January 1, 2008 to December 31, 2008, without costs pursuant to an agreement reached by the parties.

DATE: January 7, 2019

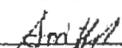
CONSENTED TO this 7th day of January, 2019.

MLT AIKINS LLP

Per: 
 Dean A. Hutchison
 Solicitor for the Appellant, Hudson & Company Insolvency Trustees Inc.,
 in its capacity as the Court-appointed Receiver of the Estate of Ferlyn Chmelyk
 1600, 520 - 3 Avenue S.W.
 Calgary, Alberta T2P 0R3
 Phone: 403-693-4305 Fax: 406-508-4349

CONSENTED TO this 7th day of January, 2019.

DEPARTMENT OF JUSTICE CANADA

Per: 
 Sydney McHugh for:
 Emera Nguyen
 Solicitor for the Respondent, Her Majesty the Queen
 Pacific Regional Office (Calgary)
 601, 606 0 4 Street S.W.
 Calgary, Alberta T2P 1T1
 Phone: 403-299-3505 Fax: 403 299-3507

TO: The Registrar
 Tax Court of Canada
 200 Kent Street
 Ottawa, Ontario K1A 0M1
 Phone: 613-992-0901 Fax: 613-957-9034

Appendix F

I hereby certify this to be a true copy of
the original Order

Dated this 31 day of Aug 2018
K. Sedkyellee
for Clerk of the Court



COURT FILE NUMBER 1701-06176
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF(S) ATRIUM MORTGAGE INVESTMENT CORPORATION
DEFENDANT(S) 1848941 ALBERTA LTD and FERLYLN CHMELYK
APPLICANT AVISON YOUNG REAL ESTATE ALBERTA INC. in its capacity as
JUDICIAL LISTING AGENT
DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Torys LLP
525 - 8th Avenue S.W., 46th Floor
Eighth Avenue Place East
Calgary, Alberta T2P 1G1 Canada
Lawyer: Evan Dickinson
Phone Number: (403) 776-3750
Fax Number: (403) 776-3800
Email Address: edickinson@torys.com

DATE ON WHICH ORDER WAS PRONOUNCED:

July 24, 2018

LOCATION WHERE ORDER WAS PRONOUNCED:

Calgary, Alberta

NAME OF MASTER WHO MADE THIS ORDER:

Master J.R. Farrington

ORDER

UPON THE APPLICATION OF the Judicial Listing Agent, Avison Young Real Estate Alberta Inc. ("**Avison Young**"); **AND UPON READING** the Affidavit of Walsh Mannas, dated January 30, 2018, filed in support of the Application; **AND UPON READING** the Affidavit(s) of Davis Chmelyk dated February 8, 2018, and Rikki Kidd, dated February 9, 2018; **AND UPON** being satisfied that service is in order; **AND UPON HEARING** arguments from counsel for DLK Construction Management and Development Services Ltd. ("**DLK**"), the Court Appointed Receiver of 1848941 Alberta Ltd. and the Estate of Ferlyn Chmelyk (the "**Receiver**"), and all

other interested parties present; **AND UPON THE** Written Reasons for Judgment issued by Master J.R. Farrington on July 23, 2018;

IT IS HEREBY ORDERED THAT:

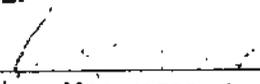
1. The \$200,000.00 deposit (the "**Deposit**"), paid by DLK in connection with its offer to purchase the Lands described in the within Action and currently held in trust by Avison Young, is deemed forfeited in accordance with the Order of Master Mason dated December 5, 2017.
2. The Deposit shall be distributed as follows:
 - (a) 50% shall be retained by Avison Young, and
 - (b) the remaining 50% shall be paid by Avison Young to the Receiver.
3. DLK shall pay costs to Avison Young in the amount of \$ 500.00 forthwith.



J. R. Farrington
Master of the Court of Queen's Bench of
Alberta

APPROVED AS TO FORM AND CONTENT:

Jensen Shawa Solomon Duguid
Hawkes LLP

Per: 

Andrew Macgregor
Counsel for DLK Construction
Management and Development
Services Ltd.

MLT Aikins LLP

Per: _____
Dean Hutchison
Counsel for Hudson & Company
Insolvency Trustees Ltd. in its capacity
as the Court-appointed Receiver
of 1848941 Alberta Ltd. and the Estate
of Ferlyn Chmelyk

other interested parties present; **AND UPON THE** Written Reasons for Judgment issued by Master J.R. Farrington on July 23, 2018;

IT IS HEREBY ORDERED THAT:

1. The \$200,000.00 deposit (the "**Deposit**"), paid by DLK in connection with its offer to purchase the Lands described in the within Action and currently held in trust by Avison Young, is deemed forfeited in accordance with the Order of Master Mason dated December 5, 2017.
2. The Deposit shall be distributed as follows:
 - (a) 50% shall be retained by Avison Young, and
 - (b) the remaining 50% shall be paid by Avison Young to the Receiver.
3. DLK shall pay costs to Avison Young in the amount of \$ 500.00 forthwith.

J. R. Farrington
Master of the Court of Queen's Bench of
Alberta

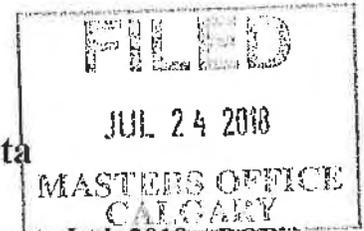
APPROVED AS TO FORM AND CONTENT:

Jensen Shawa Solomon Duguid
Hawkes LLP

MLT Aikins LLP

Per: _____
Andrew Macgregor
Counsel for DLK Construction
Management and Development
Services Ltd.

Per: _____
Dean Hutchison
Counsel for Hudson & Company
Insolvency Trustees Ltd. in its capacity
as the Court-appointed Receiver
of 1848941 Alberta Ltd. and the Estate
of Ferlyn Chmelyk



Court of Queen's Bench of Alberta

Citation: Atrium Mortgage Investment Corporation v 1848941 Alberta Ltd, 2018 ABQB 556

**Date: 20180724
Docket: 1701 06176
Registry: Calgary**

Between:

Atrium Mortgage Investment Corporation

Plaintiff

- and -

1848941 Alberta Ltd. and Ferlyn Cbmelyk

Defendants

**Endorsement
of
J.R. Farrington, Master, Court of Queen's Bench of Alberta**

[1] This is an application to deal with the disposition of deposit funds on a failed commercial real estate transaction arising from a foreclosure sale approved by the Court.

[2] There were competing offers. DLK Construction Management and Development Services Ltd. ("DLK") made an unconditional offer in the amount of \$9 million on the subject property. Macro Realty and Management Ltd. ("Macro") made an offer in the amount of \$6,300,000 that was also unconditional. Of course, the defaulting borrower strongly supported acceptance of the \$9 million offer.

[3] On December 1, 2017 Master Mason approved the \$9 million offer provided that DLK pay its \$200,000 deposit under its offer by 4 pm on December 1, 2017. If it did not do so, the Order provided that Macro's offer was approved and accepted without further order.

forfeiture of its approved rights under its accepted offer and an extension of the time for payment of the deposit. Not all parties were present on December 4, so Master Mason heard the application on December 5, 2017 after notice to the affected parties.

[5] On December 5, 2017 Master Mason ordered in relation to DLK's application and offer that:

1. A deposit of \$200,000 payable to Avison Young shall be provided by way of bank draft or certified cheque to counsel for the plaintiff no later than 11:30 AM on December 5, 2017.
2. A further deposit of \$300,000 payable to Borden Ladner Gervais LLP shall be provided by way of bank draft or certified cheque to counsel for the plaintiff no later than 2:00 PM on Friday, December 8, 2017.
3. In the event that both of these deposits are made as and when required herein, DLK shall be entitled to complete the purchase of the lands which are the subject matter of this action in accordance with the provisions of the December 1, 2017 Order of Master J. Mason.
4. In the event that either of these deposits are not made as and when required herein, any deposit made shall be forfeited and dealt with in accordance with the further directions of this Court.
5. In the event that either deposit is not made as and when required herein, Macro shall be entitled to resubmit its offer for \$6,300,000 and the plaintiff shall seek the advice and directions of the Court with respect to the acceptance of that offer.

[6] The judicial listing contract contains the following wording pertaining to deposits at paragraph 8:

You shall have a first charge against the sale proceeds in the amount of any commission payable hereunder. If the Court accepts an offer to purchase and the purchaser fails to complete the purchase, and the Court does not order relief from forfeiture of the deposit, you will retain, as compensation for services rendered, fifty per cent (50%) of the said deposit (provided such deposit does not exceed the commission payable had the sale been fully completed) and you will pay the balance of the deposit to counsel for the plaintiff to be applied against the indebtedness.

[7] DLK paid the \$200,000 deposit on time based upon the extended deadline that it sought and it received, but it did not pay the further \$300,000 deposit, and it did not close the transaction.

[8] DLK seeks relief from forfeiture for a second time (the first being the extension that it sought for preserving its rights to proceed with its offer) and return of its \$200,000 deposit. The Court appointed listing realtor Avison Young seeks 50% of the deposit pursuant to the Judicial Listing Agreement. The receiver of the registered owner borrower (Hudson & Company Insolvency Trustees Ltd.) seeks the remaining 50% of the deposit with the subject mortgage in this action being paid out in full on the closing of the subsequently accepted and closed Macro offer.

[9] I heard argument in morning chambers and I reserved my decision so that I could fully consider the relief from forfeiture authorities cited.

[10] Without more, the deposit is clearly subject to forfeiture in accordance with Master Mason's order of December 5, 2017 and the Judicial Listing Agreement.

[11] In *Saskatchewan River Bungalows Ltd. v. Maritime Life Assurance Co.*, [1994] 2 SCR 490 the Supreme Court of Canada held at paragraph 32:

The power to grant relief against forfeiture is an equitable remedy and is purely discretionary. The factors to be considered by the Court in the exercise of its discretion are the conduct of the applicant, the gravity of the breaches, and the disparity between the value of the property forfeited and the damage caused by the breach: *Shiloh Spinners Ltd. v. Harding*, [1973] A.C. 691 (H.L.); Snell's Equity (29th ed. 1990), at pp. 541-42.

[12] A number of factors are important to the disposition of this matter and consideration of the test in *Saskatchewan River Bungalows Ltd.*

[13] While it appears that DLK did not obtain specific legal advice about its offer and the deposit that it made, it had the assistance of a commercial realtor. DLK's offer specifically said "The buyer is represented by Coldwell Banker Commercial West Real Estate- Agent Robert Wilcox."

[14] Mr. Wilcox appeared on the original application before Master Mason on December 1, 2017, and he also appeared on the December 5, 2017 application, and he spoke to the requested extension of time for payment of the \$200,000. He was aware of the terms that Master Mason had ordered in relation to the deposits and the DLK offer, because he was there when the order was made, and he also signed the form of approval for the order on the December 5, 2017 application which unambiguously said:

4. In the event that either of these deposits are not made as and when required herein, any deposit made shall be forfeited and dealt with in accordance with the further directions of this Court.

[15] Ms. Kidd on behalf of DLK, who swore the affidavit seeking return of the deposit also appears to have understood that the deposit was at risk. Exhibit I to her Affidavit contains a series of text messages. The text message dated December 7 at 8:22 AM from Ms. Kidd to someone named "Ashley" says:

Morning Ashlee have you decided what you wanted to do either a loan or an investment so that I can get the guarantee out to you just getting a little nervous as money has to be paid into court before 2:00 on Friday and don't want to loose the deal or our \$200,000. Again don't mean to rush just want to make sure I have a proper guarantee drafted. Thank you again.

[16] While DLK now argues that its original offer does not provide for the deposits on the terms eventually required, it leaves out that its offer was dated November 30, 2017 for a Court application to take place on December 1, 2017. After the Court appearance by Mr. Wilcox, it knew precisely what it needed to do to satisfy deposit requirements if its offer was going to be approved and it went about trying to meet those requirements. When it did not or could not meet the terms that were ordered, rather than walk away from the transaction, it sought relief from

forfeiture of its rights under its offer, and it requested an extension. The extension was granted at its request. It was not something that was imposed upon DLK. It knew the terms under which the extension had been granted, and it chose to pay the \$200,000 deposit under those terms. As reminded by Master Prowse in *Chief Construction Company Ltd v Royal Bank of Canada*, 2017 ABQB 589, the purchaser's rights in a foreclosure sale are defined by the approving offer(s). They were clearly defined here.

[17] Considering the factors set out in *Saskatchewan River Bungalows Ltd.*, I decline to grant relief from forfeiture of the deposit. I address them here.

[18] As to conduct, DLK knew about the terms related to the deposits. The deposits were specifically addressed in the context of Court orders and a Court sale process in which DLK appeared on more than one occasion. It requested an extension for payment of the \$200,000 deposit and that extension was granted upon terms that it chose to meet. Its offer was represented to be unconditional, and it participated in an ongoing Court process by urging that its offer be accepted. The integrity of the Court process, while not a deciding factor, is an important factor. When offers are submitted as unconditional, the Court expects them to be unconditional. DLK's submission here would in effect treat its offer as conditional in some way.

[19] As to the gravity of the breach, DLK failed to close a \$9 million transaction which it had committed to close.

[20] While there is no exact calculation of the relative disparity between the value of the property forfeited and the damage caused by the breach, there is no question that additional legal expenses and delay were caused for all parties by the various court appearances and additional interest accrued on the mortgage, and the subsequent price of \$6,300,000 realized for the property was significantly less than the \$9 million to which DLK had committed.

[21] While the subsequent text messages seem to confirm that DLK did not have its financial affairs in order to the point where it ought to have been making an unconditional offer, DLK chose to make an unconditional offer and that was its choice to make.

[22] After carefully considering the facts and the authorities, I cannot conclude that relief from forfeiture should be granted. The deposit shall be forfeited as expressly provided in Master Mason's Order of December 5, 2017. One half shall be paid to the court appointed realtor Avison Young through its counsel, and one half shall be paid to Hudson & Company Insolvency Trustees Ltd., the receiver of the defendants.

[23] The parties may speak to costs before me on one of my regular morning chambers lists within 90 days of these reasons if they cannot otherwise agree.

[24] Thank you very much to counsel for their submissions.

Heard on the 9th day of July, 2018.

Dated at the City of Calgary, Alberta this 23rd day of July, 2018.



J. Farrington
M.C.Q.B.A.

Appearances:

Evan Dickinson
Tory's LLP
for the Applicant Avison Young Real Estate Alberta Inc.

Dean Hutchison
MLT Aikins
for Hudson & Company Insolvency Trustees Ltd.

Andrew MacGregor
Jensen Shawa Solomon Duguid Hawkes LLP
for the Respondent DLK Construction Management and Development Services Ltd.

Appendix G

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2022/05/10
Time of Search: 09:56 PM
Search provided by: CARON & PARTNERS LLP
Service Request Number: 37578381
Customer Reference Number: 58846-000 DAH:lrc

Corporate Access Number: 2017552270
Business Number: 782196893
Legal Entity Name: STUDIO DEVELOPMENTS INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1755227 ALBERTA INC.	2015/07/09

Legal Entity Status: Struck
Struck Off Date: 2021/12/02
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2013/06/14 YYYY/MM/DD

Registered Office:

Street: #911, 1811 - 4TH STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S1W2

Records Address:

Street: #911, 1811 - 4TH STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S1W2

Directors:

Last Name: ALEXANDER
First Name: CLIFF
Street/Box Number: #911 1811 4TH STREET SW
City: CALGARY
Province: ALBERTA

Postal Code: T2S1W2

Voting Shareholders:

Legal Entity Name: 1514422 ALBERTA LTD.
Corporate Access Number: 2015144229
Street: #911, 1811 - 4TH STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S1W2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"

Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE DIRECTORS OF THE CORPORATION AS EVIDENCED BY A RESOLUTION OF THE DIRECTORS OF THE CORPORATION

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE ATTACHED SCHEDULE "B"

Holding Shares In:

Legal Entity Name
CEREZO DEVELOPMENTS INC.
STUDIO 33 INC.
REDEVELOPMENT OPPORTUNITY CAPITAL INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2019/08/19

Outstanding Returns:

Annual returns are outstanding for the 2021, 2020 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/06/14	Incorporate Alberta Corporation
2015/07/09	Name Change Alberta Corporation
2016/02/01	Change Address
2016/09/01	Change Director / Shareholder
2019/08/19	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/02/21	Update BN
2021/08/02	Status Changed to Start for Failure to File Annual Returns
2021/12/02	Status Changed to Struck for Failure to File Annual Returns

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2013/06/14
Restrictions on Share Transfers	ELECTRONIC	2013/06/14
Statutory Declaration Notice Error	10000107113954315	2014/04/11

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Appendix H

District of: Alberta
Division No. 02 - Calgary
Court No. 25-095008
Estate No. 25-095008

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the receivership of
1848941 Alberta Ltd.
of the City of Calgary, in the Province of Alberta

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

Blue Moon
#112, 1500 - 14 Street SW Calgary, AB T3C 1C9

In the matter of the receivership of 1848941 Alberta Ltd. of the City of Calgary in the Province of Alberta and the claim of
Maximo Mechanical Ltd, creditor.
I, Katherine Cleary (name of creditor or representative of the creditor), of the city of Calgary in the
province of Alberta, do hereby certify:

1. That I am a creditor of the above named debtor (or I am Agent (position/title) of Maximo Mechanical Ltd 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 receivership, namely the 8th day of February 2017, and still is, indebted to the creditor in the sum of
\$ 6,882.31, as specified in the statement of account (or affidavit) 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 \$ 6882.31

(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 not (am/am not) (or the above-named creditor is not (is/is not)) related to the debtor within the meaning of section 4 of the Act, and has (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 Calgary, this 30 day of May, 2019.

[Signature]
Witness

[Signature]

Creditor
Phone Number: 403269-6904
Fax Number : _____
E-mail Address : Keth@bluemountain.ca

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.



PROVINCIAL COURT OF ALBERTA
(CIVIL)

Action No:
P1690103461

1701-08854

MARINER MECHANICAL LTD.

- and -

CLERK OF THE COURT
FILED
JUN 30 2017
JUDICIAL CENTRE
OF CALGARY

Plaintiff(s)

Defendant(s)

AECOR INC.
1848941 ALBERTA LTD.

CERTIFICATE OF JUDGMENT

In a claim filed in the Civil Division of the Provincial Court of Alberta, judgment was entered on the FOURTEENTH day of JUNE, 2017, at Calgary, ALBERTA

In favour of the PLAINTIFF(S)	
For the sum of	\$6182.31
Interest of	\$0.00
and costs of	\$700.00

Totalling	\$6882.31
=====	

In favour of the DEFENDANT(S)	
For the sum of	\$0.00
Interest of	\$0.00
and costs of	\$0.00

Totalling	\$0.00
=====	

Being a net judgment of \$6882.31 in favour of the Plaintiff(s).

Consent judgment.

Other: Judgment as against 1848941 Alberta Ltd. only.

DATED this 15TH day of JUNE, 2017
at Calgary, ALBERTA

[Signature]
Clerk of the Provincial Court

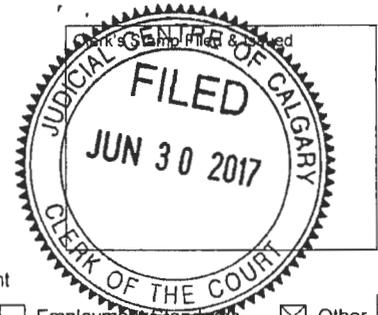
Certified copy of the original
Certificate of Judgment

Date _____

Clerk of the Provincial Court

Writ of Enforcement

Financing Statement
Civil Enforcement Act



Court Location Calgary	Court File Number 1701-08854	Type of Judgment <input type="checkbox"/> Crown <input type="checkbox"/> Employment Standards <input checked="" type="checkbox"/> Other
---------------------------	---------------------------------	--

This Writ authorizes enforcement proceedings in accordance with the Civil Enforcement Act. The particulars of the Writ are as follows:

Debtor

Select one Business Individual Occupation _____

Business Name or Last Name 1848941 Alberta Ltd.	First Name	Middle Name
Street Address 120, 3636 - 23 Street NE	City Calgary	Province AB
Postal Code T2E 8Z5	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Birthdate (if known) yyyy/mm/dd

Creditor

Select one Business Individual

Personal Property Registry (P.P.R.) Party Code _____

Business Name or Last Name Mariner Mechanical Ltd.	First Name	Middle Name
Street Address #112, 1500 - 14 Street SW	City Calgary	Province AB
Postal Code T3C 1C9		

Additional Debtors and Creditors and/or other information listed on attached addendum.

If claiming priority based on an Attachment Order or partial Assignment, indicate previous P.P.R. Registration Number. _____

Date of Judgment (or date Judgment effective, if different) 14 day of June, 2017 year

Original Judgment	\$ 6.182,31	Costs	\$ 700,00
Post Judgment Interest	\$	Current Amount Owning	\$ 6.882,31

Solicitor/Agent

Personal Property Registry (P.P.R.) Party Code _____

Name in Full Blue Moon	City Calgary	Province AB	Postal Code T3C 1C9
Street Address #112, 1500 - 14 Street SW	Telephone Number 403-269-6904	Fax Number	Call Box
Your Reference Number			

To Register Against Serial # Goods at Personal Property Registry, complete the following:

Serial Number (Only applicable to serial number goods, e.g. motor vehicles.)	Year (yyyy)	Make and Model	Category

Authorized Signature 	Name of Person Authorized to Complete this Form (PRINT) Keith MacLean	Registry Agent Office Use Only Date of Submission (yyyy/mm/dd)	Page <u>1</u> of <u>1</u>
--------------------------	--	---	---------------------------

Writ of Enforcement

Control #: F05085085

Registration Date: 2017-Nov-07

Registration #: 17110715049

The Registration Term is 2 Years

This Registration Expires at 11:59 PM on 2019-Nov-07

Issued in Calgary Judicial Centre

Court File Number is 1701-08854

Judgment Date is 2017-Jun-14

This Writ was issued on 2017-Jun-30

Type of Judgment is Other

Original Judgment Amount: \$6,182.31

Costs Are: \$700.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$6,882.31

Solicitor / Agent

Block

1 BLUE MOON
112-1500-14 ST SW
CALGARY, AB T3C1C9

Phone #: 403 269 6904

Reference #: 1701-08854

Debtor(s)

Block

1 1848941 ALBERTA LTD.
120-3636-23 ST NE
CALGARY, AB T2E 8Z5

Creditor(s)

Block

1 MARINER MECHANICAL LTD.
112-1500-14 ST SW
CALGARY, AB T3C 1C9

End of Verification Statement

Writ of Enforcement

Financing Statement
Civil Enforcement Act



Court Location Calgary	Court File Number 1701-08854	Type of Judgment <input type="checkbox"/> Crown <input type="checkbox"/> Employment Standards <input checked="" type="checkbox"/> Other
---------------------------	---------------------------------	--

This Writ authorizes enforcement proceedings in accordance with the Civil Enforcement Act. The particulars of the Writ are as follows:

Debtor

Select one Business Individual Occupation _____

Business Name or Last Name 1848941 Alberta Ltd.	First Name	Middle Name
Street Address 120, 3636 - 23 Street NE	City Calgary	Province AB
Postal Code T2E 8Z5	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Birthdate (if known) yyyy/mm/dd

Creditor

Select one Business Individual

Personal Property Registry (P.P.R.) Party Code _____

Business Name or Last Name Mariner Mechanical Ltd.	First Name	Middle Name
Street Address #112, 1500 - 14 Street SW	City Calgary	Province AB
Postal Code T3C 1C9		

Additional Debtors and Creditors and/or other information listed on attached addendum.

If claiming priority based on an Attachment Order or partial Assignment, indicate previous P.P.R. Registration Number. _____

Date of Judgment (or date Judgment effective, if different) 14 day of June, 2017 year

Original Judgment	\$ 6,182.31	Costs	\$ 700.00
Post Judgment Interest	\$	Current Amount Owing	\$ 6,882.31

Solicitor/Agent

Personal Property Registry (P.P.R.) Party Code _____

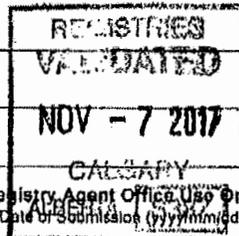
Name in Full
Blue Moon

Handwritten: F 070 85095, 17110 715049

Street Address #112, 1500 - 14 Street SW	City Calgary	Province AB	Postal Code T3C 1C9
Telephone Number 403-269-6904	Fax Number	Call Box	Your Reference Number

To Register Against Serial # Goods at Personal Property Registry, complete the following:

Serial Number (Only applicable to serial number goods, e.g. motor vehicles.)	Year (yyyy)	Make and Model	Category



Authorized Signature _____ Name of Person Authorized to Complete this Form (PRINT)
Keith MacLean

Registry Agent Office Use Only
Date of Submission (yyyy/mm/dd)

Appendix I

FORM 31
PROOF OF CLAIM

(Section 50.1, Subsection 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

300, 625 - 11th Avenue S.W., Calgary, Alberta T2R 0E1

Telephone: (403) 265-0340 Facsimile: (403) 234-8770

(All notices or correspondence regarding this claim must be forwarded to the following address): 136 Rainbow Falls Manor
Chestermere AB T1X0G6

In the matter of the bankruptcy (or the proposal, or the receivership) of Ferlyn Chmelyk (name of debtor) of Calgary AB (city and province) and the claim of Calla Healey, creditor.

I, Calla Healey (name of creditor or representative of the creditor), of Chestermere AB (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name 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 (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 18 day of February, 2018, and still is, indebted to the creditor in the sum of \$ \$398,426.46, 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 or solemn declaration must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)
 A. UNSECURED CLAIM OF \$ \$398,426.46

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 do not claim a right to a priority.

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

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LANDLORD 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 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)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits.) (Applicable only in the case of the bankruptcy of an individual.)

(Applicable only in the case of an individual)

I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.

I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.

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 Chestermere AB, this 28 day of Feb, 2021


Witness

cn=hea26403,
email=Calla.Healey@fluor.c
om

Cred#3102.28 17:02:50 -07'00'

Phone number: 403-681-2734 Fax Number: _____ E-Mail Address: calla.healey@gmail.com

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

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

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

Dated at _____, this _____ day of _____

Witness

Individual Creditor

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Witness

**Estate of Ferlyn Chmelyk
Claim of Calla Jane Healey
Calculated from Separation Agreement**

	Amount	Period	
Child Support 3.3	767.00	56	\$42,952.00
Section 7 Expenses	16,678.46	1	16,678.46
Spousal Support 7.1	4,233.00	12	50,796.00
Spousal Support 7.2	2,000.00	144	288,000.00
			<u>\$398,426.46</u>

Total - 29093.16

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
 - Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
 - Do not enter the cost of textbooks on this form. Students calculate the education and textbook amounts based on the number of months indicated in Box B or C below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
 - Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquiesir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
 - N'inscrivez pas le coût des manuels sur ce formulaire. L'étudiant calcule les montants relatifs aux études et pour manuels d'après le nombre de mois indiqué dans les cases B ou C ci-dessous.

Name of program or course - Nom du programme ou du cours First Year Studies				Student Number - Numéro d'étudiant 00003194			
Name and address of student - Nom et adresse de l'étudiant Chmelyk, Robyn Willow 405-929 18 AVE SW CALGARY, AB T2T0H2				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein		Number of Months for / Nombre de mois à	
From - De		To - À		B Part-time Temps partiel	C Full-time Temps plein		
Y-A	M	Y-A	M				
2016	09	2016	12	2615 17	00	04	
				Totals Totaux		2615 17	00 04
Name and address of educational institution - Nom et adresse de l'établissement d'enseignement Alberta University of the Arts 1407 14 Avenue NW Calgary, AB T2N 4R3 Canada							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
 Renseignements pour les étudiants: Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2.

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
 - Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
 - Do not enter the cost of textbooks on this form. Students calculate the education and textbook amounts based on the number of months indicated in Box B or C below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
 - Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquiesir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
 - N'inscrivez pas le coût des manuels sur ce formulaire. L'étudiant calcule les montants relatifs aux études et pour manuels d'après le nombre de mois indiqué dans les cases B ou C ci-dessous.

Name of program or course - Nom du programme ou du cours First Year Studies				Student Number - Numéro d'étudiant 00003194			
Name and address of student - Nom et adresse de l'étudiant Chmelyk, Robyn Willow 405-929 18 AVE SW CALGARY, AB T2T0H2				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein		Number of Months for / Nombre de mois à	
From - De		To - À		B Part-time Temps partiel	C Full-time Temps plein		
Y-A	M	Y-A	M				
2016	09	2016	12	2615 17	00	04	
				Totals Totaux		2615 17	00 04
Name and address of educational institution - Nom et adresse de l'établissement d'enseignement Alberta University of the Arts 1407 14 Avenue NW Calgary, AB T2N 4R3 Canada							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
 Renseignements pour les étudiants: Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2.



Canada Revenue Agency / Agence du revenu du Canada

Tuition and Enrolment Certificate / Certificat pour frais de scolarité et d'inscription

Protected B / Protégé B when completed / une fois rempli

T2202A(17) For student / Pour l'étudiant 1

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement post-secondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement reconnu par EDSC, ou à un établissement d'enseignement postsecondaire au Canada pour des cours qui ne sont pas de niveau postsecondaire, doivent viser des cours suivis en vue d'acquies ou d'améliorer des compétences professionnelles et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- Les étudiants calculent leur montant relatif aux études provincial ou territorial (s'il y a lieu) selon le nombre de mois indiqué à la case B ou C ci-dessous.

Name of program or course - Nom du programme ou du cours Bachelor of Design				Student number - Numéro d'étudiant 00003194			
Name and address of student - Nom et adresse de l'étudiant Chmelyk, Robyn Willow 405-929 18 AVE SW CALGARY, AB T2T0H2				Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein			
				From - De		To - À	
Y-A	M	Y-A	M			B	C
2017	01	2017	04	2505 17		00	04
2017	09	2017	12	1968 70		00	04
				Totals - Totaux		4473 87	08
28-DEC-2019 12 57AM				Name and address of educational institution - Nom et adresse de l'établissement d'enseignement Alberta University of the Arts 1407 14 Avenue NW Calgary, AB T2N 4R3 Canada			

Information for students: See the back of step 1. If you want to transfer all or part of your tuition amount, complete the back of step 2. Renseignements pour les étudiants: Voir le verso du feuillet 1 et remplissez le verso du feuillet 2, si vous désirez transférer une partie ou la totalité de vos frais de scolarité.



Canada Revenue Agency / Agence du revenu du Canada

Tuition and Enrolment Certificate / Certificat pour frais de scolarité et d'inscription

Protected B / Protégé B when completed / une fois rempli

T2202A(17) For designated individual / Pour la personne désignée 2

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement post-secondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement reconnu par EDSC, ou à un établissement d'enseignement postsecondaire au Canada pour des cours qui ne sont pas de niveau postsecondaire, doivent viser des cours suivis en vue d'acquies ou d'améliorer des compétences professionnelles et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- Les étudiants calculent leur montant relatif aux études provincial ou territorial (s'il y a lieu) selon le nombre de mois indiqué à la case B ou C ci-dessous.

Name of program or course - Nom du programme ou du cours Bachelor of Design				Student number - Numéro d'étudiant 00003194			
Name and address of student - Nom et adresse de l'étudiant Chmelyk, Robyn Willow 405-929 18 AVE SW CALGARY, AB T2T0H2				Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein			
				From - De		To - À	
Y-A	M	Y-A	M			B	C
2017	01	2017	04	2505 17		00	04
2017	09	2017	12	1968 70		00	04
				Totals - Totaux		4473 87	08
28-DEC-2019 12 57AM				Name and address of educational institution - Nom et adresse de l'établissement d'enseignement Alberta University of the Arts 1407 14 Avenue NW Calgary, AB T2N 4R3 Canada			

Information for students: See the back of step 1. If you want to transfer all or part of your tuition amount, complete the back of step 2. Renseignements pour les étudiants: Voir le verso du feuillet 1, si vous désirez transférer une partie ou la totalité de vos frais de scolarité, remplissez le verso du feuillet 2.

For T2202A payment enquiries, call 780 492-3000
 For other T2202A enquiries, call 780-492-3113

Dore,Bradley
 235 Maunsell Ct NE
 Calgary, AB T2E 7C1

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley				A Eligible tuition fees, part-time and full-time sessions		Number of months for:	
Season periods, part-time and full-time							
From		To					
Y	M	Y	M			B Part-time	C Full-time
2013	7	2013	8	825.92		0	2
2013	9	2013	12	3,212.46		0	4
2013 Totals				4,038.38		0	6
Name and address of educational institution University of Alberta Edmonton, AB T6G 2E1							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
 T2202A E (18)

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course - BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley				A Eligible tuition fees, part-time and full-time sessions		Number of months for:	
Season periods, part-time and full-time							
From		To					
Y	M	Y	M			B Part-time	C Full-time
2013	7	2013	8	825.92		0	2
2013	9	2013	12	3,212.46		0	4
2013 Totals				4,038.38		0	6
Name and address of educational institution University of Alberta Edmonton, AB T6G 2E1							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
 T2202A E (18)

For T2202A payment enquiries, call 780 492-3000
 For other T2202A enquiries, call 780-492-3113

Dore,Bradley
 235 Maunsell CI NE
 Calgary, AB T2E 7C1

Agence de revenu Canada / Canada Revenue Agency **Tuition and Enrolment Certificate** Protected B / when completed For Student 1

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley							
Session periods, part-time and full time				A Eligible tuition fees, part-time and full-time sessions	Number of months for		
From		To			B Part-time	C Full-time	
Y	M	Y	M				
2014	1	2014	4	3,273.10	0	4	
2014	9	2014	12	2,878.54	0	4	
2014 Totals				6,151.64	0	8	
Name and address of educational institution University of Alberta Edmonton, AB T6G 2E1							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

Agence de revenu Canada / Canada Revenue Agency **Tuition and Enrolment Certificate** Protected B / when completed For Designated Individual 2

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course - BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley							
Session periods, part-time and full time				A Eligible tuition fees, part-time and full-time sessions	Number of months for		
From		To			B Part-time	C Full-time	
Y	M	Y	M				
2014	1	2014	4	3,273.10	0	4	
2014	9	2014	12	2,878.54	0	4	
2014 Totals				6,151.64	0	8	
Name and address of educational institution University of Alberta Edmonton, AB T6G 2E1							

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

For T2202A payment enquiries, call 780 492-3000
 For other T2202A enquiries, call 780-492-3113

Dore,Bradley
 235 Maunsell CI NE
 Calgary, AB T2E 7C1

Agence du revenu du Canada **Canada Revenue Agency** **Tuition and Enrolment Certificate** Protected B / when completed For Student 1

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course BEA in Drama - Acting				Student Number 1415208			
Dore,Bradley							
Session periods, part-time and full time				A Eligible tuition fees, part-time and full-time sessions		Number of months for	
From		To				B Part-time	C Full-time
Y	M	Y	M				
2015	1	2015	4	3,436.62		0	4
2015	9	2015	12	3,082.48		0	4
2015 Totals				6,519.10		0	8

Name and address of educational institution

University of Alberta

Edmonton, AB T6G 2E1

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

Agence du revenu du Canada **Canada Revenue Agency** **Tuition and Enrolment Certificate** Protected B / when completed For Designated Individual 1

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to an institution certified by ESDC or to a post-secondary educational institution in Canada for courses that are not at a post-secondary school level, have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course - BEA in Drama - Acting				Student Number 1415208			
Dore,Bradley							
Session periods, part-time and full time				A Eligible tuition fees, part-time and full-time sessions		Number of months for	
From		To				B Part-time	C Full-time
Y	M	Y	M				
2015	1	2015	4	3,436.62		0	4
2015	9	2015	12	3,082.48		0	4
2015 Totals				6,519.10		0	8

Name and address of educational institution

University of Alberta

Edmonton, AB T6G 2E1

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

For T2202A payment enquiries, call 780 492-3000
 For other T2202A enquiries, call 780-492-3113

Dore,Bradley
 235 Maunsell C I NE
 Calgary, AB T2E 7C1

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- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley				A Eligible tuition fees, part-time and full-time sessions		Number of months for:	
Session periods, part-time and full time							
From		To					
Y	M	Y	M			B Part-time	C Full-time
2016	1	2016	4	2,550.40		0	4
2016 Totals				2,550.40		0	4

Name and address of educational institution
 University of Alberta

Edmonton, AB T6G 2E1

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

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- Students calculate their provincial or territorial education amounts (if applicable) based on the number of months indicated in Box B or C below.

Name of program or course - BFA in Drama - Acting				Student Number 1415208			
Dore,Bradley				A Eligible tuition fees, part-time and full-time sessions		Number of months for:	
Session periods, part-time and full time							
From		To					
Y	M	Y	M			B Part-time	C Full-time
2016	1	2016	4	2,550.40		0	4
2016 Totals				2,550.40		0	4

Name and address of educational institution
 University of Alberta

Edmonton, AB T6G 2E1

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2. T2202A E (18)

Tuition for Robyn Chmelyk
 ACAD - Alberta College of Art & Design
 2016

Term 201

** Thank you **

602 2,296.61 Total
 2,296.61 CHEQ .00

Alberta College of Art & Design
 1407 14TH AVENUE N.W.
 CALGARY, ALBERTA T2N 4R3

DATE 09-SEP-2016 TIME 02:00 PM
 TRANSACTION 03-172233 ART
 GST # 106692981R70001

STUDENT ID 000035194	
PROC TERM 201602	12.50
DTBP TERM 201602	14.21
SSER TERM 201602	30.00
LPAS TERM 201602	130.00
SAF TERM 201602	127.94
SNAC TERM 201602	50.00
TUIT TERM 201602	1,791.96
HLBP TERM 201602	100.00
SAIT TERM 201602	40.00

AMOUNT	2,296.61
GST	.00
TOTAL	2,296.61

CHEQ 2,296.61

RECEIVED	2,296.61
CHANGE	.00

Keep receipt for proof of purchase
 ** THANK YOU **

rm 201

** 1
 602 ALBERTA COLLEGE OF ART & DESIG

1407 14 AVE NW
 ALBE CALGARY AB

CARD 4519031185*****
 CARD TYPE INTERAC
 ACCOUNT TYPE CHEQUING
 DATE 2016/09/22
 TIME 9147 13:50:14
 RECEIPT NUMBER
 C84011362-001-001-767-0

STUC
 TUIT

PURCHASE
 TOTAL

\$447.99

INAC

INTERAC
 A0000002771010
 C32950167D08DC6B
 8080008000-6800
 B10378A6884ED46A

Keep

APPROVED
 AUTH# 009639 00-001
 THANK YOU

CARDHOLDER COPY

FIAT: granted this 31 day of October 2017.

Let the style of cause be amended from Calla Jane Healey v. Ferlyn Robert John Chmelyk to Calla Jane Healey v. Davis Aidan Chmelyk, Executor of Ferlyn Robert John Chmelyk, deceased.

Let the Applicant's Application and Affidavit be filed without the Application's s.21 disclosure, without prejudice to arguments that the hearing should not proceed without that disclosure.

Let the Applicant's Application and Affidavit be filed notwithstanding that the parties have not attended DRO.



Master in Chambers,
JUSTICE

E. A. Hughes

COURT FILE NUMBER 4801-156410
COURT COURT OF QUEENS BENCH
JUDICIAL CENTRE CALGARY
APPLICANT(S) CALLA JANE HEALEY
RESPONDENT(S) DAVIS AIDAN CHMELYK, EXECUTOR OF
FERLYN ROBERT JOHN CHMELYK,
DECEASED.
DOCUMENT **FAMILY APPLICATION
BY CALLA JANE HEALEY FOR
RETROACTIVE AND ONGOING
CHILD SUPPORT ORDER**
ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT Schuster Bruce LLP
129 17 Ave NE
Calgary AB T2E 1L7
Attn: Stephanie Sue Wan Wong
Tel: 403-520-2277
Fax: 403-460-0953

Clerk's Stamp

CLERK OF THE COURT
FILED
NOV 01 2017
JUDICIAL CENTRE
OF CALGARY

NOTICE TO THE RESPONDENT(S):

This application is made against you. You are the 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:

Court Date: **November 29, 2017**

Time: **10:00 am**

Where: **Calgary**

Before Whom: **Justice in Chambers**

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

Remedy claimed or sought:

1. I am seeking the following:

- a. Determination of Retroactive Child Support and Spousal Support Order;
- b. Determination of Ongoing Child Support and Section 7 Expenses;

c. Any other remedy this Honourable Court deems just.

Grounds for making this application:

1. The Respondent passed away on or about July 21, 2017.
2. The Respondent has not paid child support, section 7 expenses or spousal support as set out in the Separation Agreement and Divorce Judgment.
3. The Respondent confirmed in emails and text messages that a significant debt was owed to the Applicant.
4. The Separation Agreement stipulates that Child Support has first charge on the estate of the Respondent, and that Spousal Support is binding on the Estate of the Respondent.

Material or evidence to be relied on:

1. Affidavit of Calla Jane Healey dated October 19, 2017

Applicable rules:

1. Rules of Court

Applicable Acts and regulations:

1. Divorce Act, R.S.C. 1985, c.3 (2nd Supp.)
2. Family Law Act, Chap.F-4.5
3. Alberta Child Support Guidelines
4. Spousal Support Guidelines
5. Any other Act and Regulation this Honourable Court deems just.

Any irregularity complained of or objection relied on:

1. None.

How the application is proposed to be heard or considered:

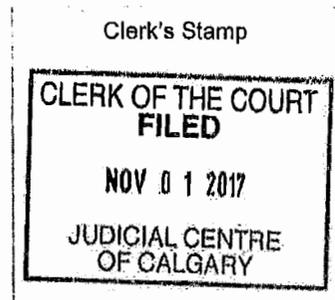
1. Morning chambers.

WARNING

If you do not come to Court on the date and at the time shown above 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 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.

COURT FILE NUMBER 4801-156410
 COURT COURT OF QUEENS BENCH
 JUDICIAL CENTRE CALGARY
 APPLICANT(S) CALLA JANE HEALEY
 RESPONDENT(S) DAVIS AIDAN CHMELYK, EXECUTOR
 OF FERLYN ROBERT JOHN
 CHMELYK, DECEASED.
 DOCUMENT AFFIDAVIT OF CALLA JANE HEALEY
 – RETROACTIVE CHILD SUPPORT
 ADDRESS FOR SERVICE Schuster Bruce LLP
 AND 129 17 Ave NE
 CONTACT INFORMATION Calgary AB T2E 1L7
 OF Attn: Calum J. Bruce
 PARTY FILING THIS Tel: 403-520-2275
 DOCUMENT Fax: 403-460-0953



I, Calla Jane Healey, ~~swear~~/affirm that:

1. I am the Applicant herein, and as such have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief.
2. The Respondent and I were married on December 23, 1993.
3. The Respondent and I entered into a Separation Agreement with independent legal advice on March 26, 2013 (the "Agreement").
4. The Divorce Judgment and Corollary Relief Order (Without Oral Evidence) was granted by the Honourable Justice B.E.C. Romaine was granted on August 27, 2013 and filed on September 11, 2013 ("the Divorce Judgment"). Both the Respondent and I were self-represented at the time we obtained the Divorce Judgment.
5. On or about July 21, 2017, the Respondent passed away. An Application for Grant of Probate has not yet been filed.
6. There were three children of the marriage, namely:
 - a. BRADLEY JOSEPH DORE, born June 28, 1993 (age 24) ("Bradley");
 - b. ROBYN WILLOW CHMELYK a.k.a. CHRISTIAN JOHN DENNIS CHMELYK, born August 31, 1994 ("Robyn"); and
 - c. DAVIS AIDAN CHMELYK ("Davis") born February 26, 1997 (age 20).

Herein, the "Children".

7. The Respondent had not paid any child support or spousal support pursuant to the Separation Agreement or Divorce Judgment.
8. Attached as **Exhibit "A"** to this my Affidavit is a Summary of calculations for arrears and ongoing spousal support, base child support and section 7 expenses.

Spousal Support

9. The Respondent owes me spousal support of \$4,233.00 per month commencing April 1, 2012 to April 1, 2013, and spousal support of \$2,000.00 per month commencing April 1, 2013 to April 1, 2025.
10. The details are set out in 7.1 – 7.3 of the Separation Agreement, and paragraph 5 of the Divorce Judgment. A copy of the Separation Agreement is attached as **Exhibit "B"** to this my Affidavit. A copy of the Divorce Judgment granted by the Honourable Justice B.E.C. Romaine on August 27, 2013 and filed September 11, 2013 is attached as **Exhibit "C"** to this my Affidavit.
11. The Spousal Support is binding on the Respondent's estate, which is specifically set out in para. 38.1 of the Separation Agreement.
12. The Respondent has not paid me any spousal support.
13. I made numerous requests to the Respondent, and the Respondent acknowledged that the debt was owed.
14. The Respondent had promised to provide me with a house, free and clear of any debt, in exchange for a portion of the matrimonial property, the child support and/or the spousal support he owed me. I later discovered that the house he had promised ended up going into foreclosure in or around May, 2016.
15. Attached as **Exhibit "D"** to this my Affidavit are two emails between me and the Respondent. I again requested funds from the Respondent in my email dated December 13, 2015 whereby I say **"Ferlyn can you just try and pay me something per month 500.00, 1000.00, anything, I just cannot do this anymore. I have been very patient waiting and waiting"**.
 - a. The Respondent responds in an email dated December 13, 2015 saying **"I can't support our kid's education, living expenses, moves, demands, pains, wants, needs, and send any money your way, I'm sorry. I know you have been patient, and I'm trying to reward that with a mortgage free \$750,000 home (maybe less with our present economy). This will cover everything we lost that we valued at \$550,000, plus make up all the cash from before... As always, I live on the edge. This is not where you want to be and I will disconnect that feeling as soon as I am able to pay off the \$609 security on the house. Then, you are free."**
16. Attached as **Exhibit "E"** to this my Affidavit are text messages from the Respondent dated July 22, 2016 whereby he again promises to provide me with a home and everything he had promised in 2016.

17. Rather than receiving any payment or receiving a home in consideration for the outstanding debt he owed me, I ended up losing approximately \$3,000 for appliances I delivered to the house that ended up being foreclosed on.

Base Child Support

18. As set out in section 3.1-3.3 of the Separation Agreement (**Exhibit "B"**), the Respondent was to pay me \$767.00 per month for base child support effective August 1, 2011, based on the Respondent's income of \$40,409 per year.

19. The Respondent's income was not to be set lower than \$40,409.00 as set out in section 6.2 of the Separation Agreement.

20. Base child support of \$767.00 per month was payable until further Order of the Court, as set out in paragraph 3 of the Divorce Judgment.

21. The base child support was to be paid for a longer time than typically expected due to some of our family's special circumstances. Therefore, the Divorce Judgment granted August 27, 2013, states that the Respondent and I agreed to depart from the Federal Child Support Guidelines because at the time, Bradley (20 years at the time) was attending University full time, and Robyn was going through psychiatric care with the intention to attend school afterwards.

22. To date:

- a. Bradley attended university from 2011 to 2016, and has completed his first degree in April, 2013.
- b. Robyn has now completed her psychiatric care and out-patient care in 2014. She was a full time student as of September 2016 to present, at the Alberta College of Art and Design.
- c. Davis has been attending Athabasca University, and is enrolled and will be attending University of Calgary full time starting January 2018.

23. I am seeking base child support of \$767.00 per month from August 1, 2011 until April 1, 2016, when Bradley completed his first degree. I am seeking base child support of \$568.00 per month from May 1, 2016 until (and including) Feb 1, 2019, up until when Davis turns 22 years of age. I am agreeable to terminate base child support despite Robyn and Davis still being enrolled in full time post-secondary education.

24. Section 3.4 of the Separation Agreement clearly states that child support obligations are a first charge against the Respondent's estate.

25. Therefore, the amount of base child support I am seeking is \$60,929.00.

Section 7 Child Support

26. I am seeking \$16,674.86 for the Respondent's 77.1% share of Section 7 expenses as set out in section 4 of the Separation Agreement.

27. The section 7 expenses include some of the children's tuition and medical expenses.

28. Section 3.4 of the Separation Agreement clearly states that child support obligations are a first charge against the Respondent's estate.

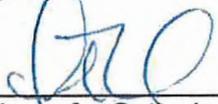
Summary

29. I am seeking the following Order:

- a. The Estate of the Respondent shall pay me \$60,929.00 in base child support;
- b. The Estate of the Respondent shall pay me \$16,674.86 for his share of the children's section 7 expenses;
- c. No further base child support and section 7 expenses shall be payable;
- d. The Estate of the Respondent shall pay me \$362,796.00 for retroactive and ongoing spousal support.
- e. Base Child support and Section 7 Expenses shall be a first charge against the Estate of the Respondent;
- f. Spousal Support is binding on the Estate of the Respondent.
- g. Alternatively, child support and spousal support to be determined as this Honourable Court deems just;
- h. Any other remedy this Honourable Court deems just.

Sworn/Affirmed before me on October 19,
2017

at Calgary, Alberta.



Commissioner for Oaths in and for the
Province of Alberta

Stephanie Sue Wan Wong
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta
My Commission Does Not Expire

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CALLA JANE HEALEY

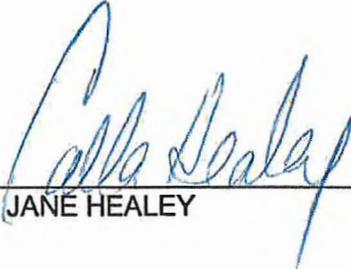


TABLE OF CONTENTS

TAB	DOCUMENT	PAGES	DATE
A.	Summary of calculations for arrears and ongoing Spousal Support	2	
B.	Separation Agreement	19	March 26, 2013
C.	Divorce Judgment and Corollary Relief Order	5	September 11, 2013
D.	Emails between Calla Healey and Ferlyn Chmelyk	3	December 13, 2015
E.	Text Messages from Ferlyn Chmelyk to Calle Healey	2	July 22, 2016

SPOUSAL SUPPORT

DATE	Per Month	Calculation	Support Owed	Notes
April 1, 2012 - March 1, 2013	\$4233.00	\$4233.00*12	\$50,796.00	7.1 of Separation Agreement
April 1, 2013 - October 1, 2017 (current)	\$2000.00	\$2000.00*55	\$110,000.00	7.2 & 7.3 of Separation Agreement and para 5 of Divorce Judgment (minimum \$2K/ month)
Nov 1, 2017 - April 1, 2025	\$2000.00	\$2000.00*101	\$202,000.00	7.2 & 7.3 of Separation Agreement and para 5 of Divorce Judgment (minimum \$2K/ month)
		TOTAL	\$362,796.00	

BASE CHILD SUPPORT

	Per Month	Calculations	Support Owed	Notes
Aug 1, 2011 - April 1, 2016	\$767.00	\$767*55	\$42,185.00	CS for 3 kids (until Bradley completed first degree); 3.1-3.4, 6.2 of Sep Agree and para 2 of Divorce Judgment (CS first charge on Estate)
May 1, 2016 - current	\$568.00	\$568*17	\$9,656.00	CS for 2 kids (Davis and Robyn in University)
Current - Feb 1, 2019	\$568.00	\$568*16	\$9,088.00	Future CS for 2 kids when Davis turns 22, although Davis and Robyn still in University
		TOTAL	\$60,929.00	

SECTION 7 CHILD SUPPORT

	Calculations	Support Owed	Notes
Bradley Dore 2011-2013 at MRU	\$ 14,027.57	\$ 10,815.26	Tuition; 4.1-4.4 of Sep. Agree. On 77.1%/22.9% ACAD Tuition; 4.1-4.4 of Sep Agree; taken time off due to special circumstances
Robyn Chmelyk Sept 2016 - current	\$ 2,500.00	\$ 1,927.50	
Davis Chmelyk -Anticipated Full Time UC Student as of January 2018	\$ 5,100.00	\$ 3,932.10	Athabasca Tuition; 4.1-4.4 of Sep Agree
Robyn Chmelyk - Medical costs	\$ 3,000.00	\$ 2,313.00	
	TOTAL	\$ 16,674.86	

TOTAL SUPPORT OWED

\$440,399.86

THIS IS EXHIBIT "A" referred to in the Affidavit sworn before me this day of 2019. A.D. 2019.

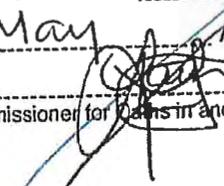
Stephanie Sue Wan Wong
 Barrister & Solicitor
 A Commissioner for Oaths
 In and for Alberta
 My Commission Does Not Expire

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

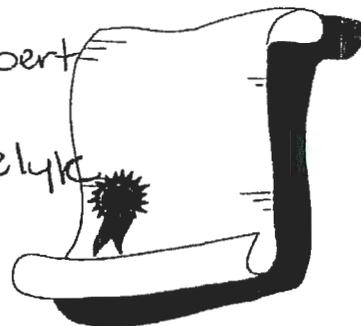
This is Exhibit " B " referred to in the
Affidavit of

Calla Jane Healey and Ferlyn Robert

Sworn before me this 6th day
of May A.D., 2013


A Commissioner for Oaths in and for Alberta

John
Chmelyk



SEPARATION AGREEMENT

BETWEEN:

THIS IS EXHIBIT " B **CALLA JANE CHMELYK (HEALEY)**
referred to in the Affidavit of

The "Wife"

Calla Jane Healey
Sworn before me this
day of June A.D. 2017

- and -

A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

FERLYN R.J. CHMELYK

Stephanie Sue Wan Wong
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta
My Commission Does Not Expire

The "Husband"

BACKGROUND:

- A. The parties were married in Field, British Columbia on December 23rd, 1993;
- B. The parties separated on August 1st, 2011;
- C. There are three children of the marriage;

Christian John Dennis Chmelyk, born August 31st, 1994;
Davis Aidan Chmelyk, born February 26th, 1997; and
Bradley Dore, born June 28th, 1993.

hereinafter referred to as the "Children".

- D. This Agreement is a final settlement of:
 - 1. All issues of custody, access and child support, subject to the approval of the Court or a change in material circumstances;

2. All issues of the marriage contract terms, spousal support, including any claim for compensatory, non-compensatory or contractual support; and
 3. The parties' rights to their matrimonial property.
- F. This Agreement represents a global settlement in which each party made compromises. Each part is interrelated. Neither party would have agreed to any part of this Agreement without agreement on the other parts.
- G. Each party has:
1. retained his or her own lawyer;
and
 2. received independent legal advice about the terms of this Agreement;
- H. Each party has been fully advised by his or her lawyer of their legal rights under:
1. the ***Divorce Act***, (Canada), and amendments thereto; and
 2. the ***Matrimonial Property Act***, R.S.A. 2000, c. M-8, and amendments thereto;
 3. The ***Family Law Act***, and
 3. other relevant legislation or causes of action.
- I. Each party has fully disclosed their assets, debts, income and expenses to the other;
- J. Each parties' assets and liabilities are as set out in Schedule "A" and "B" hereto;
- K. If either party conceals, neglects to reveal, alters or distorts any material information, or in any way misleads the other party, in giving information which is material to the terms of this Agreement, the provision of this agreement that are affected by the non-disclosure shall be vacated. The other party shall be entitled to apply to the court for a fair resolution of the issue. The party who has misled the other party shall pay all legal costs arising from any legal steps that may need to be taken on a solicitor/client basis;
- L. Each party has voluntarily entered into this Agreement, and there is no duress or undue influence to sign it by anyone; and

- M. Each party is aware that the law provides a process for obtaining full disclosure of all financial information, including copies of verifying documents. The parties have a general knowledge of the assets, liabilities, and financial position of the other, and are content to enter into this Agreement using the detailed financial particulars provided by the other party, without any further investigation of such matters. The parties have chosen to rely on the information which has been provided to them by the other rather than pursue formal disclosure processes. Each is satisfied with the information provided. Each party has had the opportunity to obtain full disclosure advice and information with regard to the rights, assets, liabilities, cash flow, sworn statement of assets and liabilities and prospects of the other party together with the full opportunity to obtain independent legal advice. The parties have been advised that they are entitled to seek formal valuations relating to all of their property including but not limited to their Matrimonial Home, their RRSPs, investments, pensions, and businesses. The parties have also been advised that they are entitled to seek the advice of a financial specialist relating to their investments if they wanted to ensure that the valuations they have attributed to these assets are accurate. The parties have been advised that they are entitled to seek the advice of a tax specialist relating to the tax assumptions that they have made in reaching the terms of this agreement as set out in this Contract. The parties acknowledge that if they proceeded to get further information relating to these matters, the information once obtained by their legal counsel might result in different legal advice regarding the settlement they have reached in this Contract. Upon executing this Contract the parties are verifying that they are aware of the potential risks of not obtaining any further information, and are satisfied with the information they have obtained.
- N. The Husband's statutory declaration is set up as **Schedule "A"** to this Agreement herein. The Wife's statutory declaration is set up as **Schedule "B"** to this Agreement herein.
- O. The Husband will file a Statement of Claim for Divorce and Division of Matrimonial Property against the Wife in the Court of Queen's Bench of Alberta and the parties shall proceed with an uncontested divorce upon being separated for more than one year.
- P. The parties are aware that the law may provide for judicial intervention if this Agreement is found to be unconscionable. The parties wish to confirm that:
- a. Each of them relies on this Agreement to be enforced according to its terms; and
 - b. Neither of them would have entered into this Agreement had it been anticipated that the other would ever apply to vary the Agreement.
- Q. This document is the Separation Agreement of the parties. It shall be called the "Agreement".

SEPARATION AGREEMENT

IN CONSIDERATION of the promises exchanged in this Agreement, the **PARTIES AGREE** as follows:

PART I

1.1 The parties shall not interfere in the life of the other in any way.

CUSTODY AND ACCESS

2.1 The parties shall continue to have joint custody of the Children. The Wife shall have residential day-to-day care and control of the Children.

2.2 Joint custody means that each of the parties shall share the responsibility and benefits of parenting; by providing a healthy, moral, social, economic and educational environment for the Children.

2.3 Joint custody also means that the parties shall promptly exchange all reasonable information concerning the health, education and welfare of the Children. The parties further acknowledge and agree that all professionals or individuals involved in providing services or activities for the Children shall be provided with the names and contact information of both parties and shall be advised that the parties are joint guardians of the Children. Further, each party shall notify the other of any professionals or individuals providing services or activities to the Children.

2.4 Joint custody also means that the parties shall consult with each other about important questions concerning the Children's educational programs, sports and recreational activities, religious upbringing, changes in social environment and non-emergency health care. The right to consult with each other shall not be used to interfere with the life of the other party.

2.5 The parties shall not interfere with the access and contact between the Children and the other party. Each party shall encourage the affection between the Children and the other party. Neither party shall speak negatively about the other party to the Children.

2.6 The Husband shall have general and liberal access to the Children as agreed to between the parties.

CHILD SUPPORT

- 3.1 The parties agree that, for the purposes of child support, the Husband's 2011 guideline income is \$40,409.00 per annum and the parties agree that, for the purposes of child support, the Wife's 2011 guideline income is \$12,000.00 per annum.
- 3.2 As of the Effective Date of this Agreement, the Husband's guideline base/table child support obligation for the Children is \$767.00 per month based upon a guideline income of \$40,409.00 per annum.
- 3.3 The parties acknowledge and agree that the Husband shall pay to the wife \$767.00 per month for base child support, commencing August 1st, 2011, payable on the 1st day of each and every month thereafter.
- 3.4 The parties acknowledge and agree that the child support obligations are a first charge against each party's estate.

SECTION 7 EXPENSES

- 4.1 The parties acknowledge and agree that as of July 15th, 2011, the Husband's share of any Section 7 Expenses is 77.1% and the Wife's share of Section 7 Expenses is 22.9%.
- 4.2 The parties agree that each party shall maintain additional health and dental coverage for the Children under the plans available through their respective employers for so long as such health care plans are available.
- 4.3 The parties agree that they shall share 77.1%/22.9% the uninsured portion of any necessary health care, medical premiums, or dental care costs, including medical, prescription, dental, orthodontic and optical expenses, for the Children.
- 4.4 The parties acknowledge and agree that the following extra, additional, reasonable and necessary expenses for the Children shall be shared 77.1/22.9% (Husband/Wife respectively), as follows:
 - (a) child care expenses incurred as a result of the custodial parent's employment, illness, disability or education or training for employment;
 - (b) extraordinary expenses for primary or secondary school education or for any other educational programs that meet the Children's particular needs;

- (c) expenses for post-secondary education; and
 - (d) extraordinary expenses for extracurricular activities
- ("Section 7 Expenses").

FINANCIAL DISCLOSURE

- 5.1 Commencing June 30th, 2013, each party shall provide to the other party with a complete copy of his or her personal and business income tax return and any notice of assessment and reassessment issued to him or her by the Canada Customs and Revenue Agency on an annual basis, on or before May 30th of each year, as long as there is a child of the marriage as defined by the *Divorce Act* (Canada).
- 5.2 In the event that a party has not filed an income tax return for the previous year, he or she shall provide the other party with copies of his or her T4, T4A and all other relevant tax slips and statements disclosing any and all sources of income, including self-employment income.

VARIATION OF CHILD SUPPORT

- 6.1 The monthly child support to be paid by the Husband to the Wife pursuant to this Agreement shall be recalculated on an annual basis. Any adjustment to child support which may be required shall be made retroactive to January 1st of the year for which the tax returns are exchanged. In the event that this recalculation results in amount payable by either party to the other as a "top-up for underpayment" or "reimbursement for over payment", any such payment shall be made by way of lump sum payment payable to the other party on or before August 31st of that year.
- 6.2 Husband's annual income shall be set at no less than \$40,409.00 for the purposes of child support.

FIXED TERM SPOUSAL SUPPORT

- 7.1 The Husband shall pay \$4,233.00 per month in spousal support to the Wife commencing on April 1st, 2012, and continuing on the first day of each month thereafter until March 1st, 2013.
- 7.2 Commencing April 1st, 2013, the Husband shall pay 25% of his gross income per annum, payable in monthly instalments on the first day of each month thereafter

until with the final payment on April 1st, 2025, after which time the Wife's entitlement to spousal support shall terminate.

- 7.3 The Husband's annual income shall be set at no less than \$96,000.00 for the purposes of spousal support. Thus, the parties agree that the Husband shall pay to the Wife no less than \$2,000.00 per month in spousal support to the Wife commencing on April 1st, 2013, and continuing on the first day of each month thereafter until April 1st, 2025 based on an agree upon minimum income of \$96,000.00 for the purposes of spousal support.

NON-VARIATION OF SPOUSAL SUPPORT

- 8.1 Neither party shall make any application to vary either the quantum or the term of the Spousal Support.
- 8.2 This Agreement shall constitute a full and complete defence to any such variation application.
- 8.3 In the event that a Court shall vary the quantum or term of the Spousal Support, an amount equal to such adjustment shall be a charge against the Estate of the party applying for variation.

WAIVER OF SPOUSAL SUPPORT

- 9.1 In consideration of the property settlement hereinafter referred to in this Agreement, as well as in consideration of all other terms contained herein, specifically in paragraphs 7.1, 7.2, and 7.3 herein, and after the April 1st, 2025 payment, the Husband and Wife agree that both are self-supporting and each hereby waives and releases the other from any and all claims for alimony, or maintenance and support that he or she may have against the other. This is intended to be a permanent waiver of spousal support and shall survive any Court Orders and not be merged into them.
- 9.2 Now therefore In consideration of the above factors, the Husband and Wife agree that both are self-supporting now and will be in the future.
- 9.3 Accordingly, the Husband and Wife each hereby waive, relinquish and release the other from any and all claim or claims for alimony, maintenance and spousal support (interim or permanent) each may have had or may have against the other and any and all other claims or demands whatsoever which each has had, may have had, now have or hereafter can or may have against the other and will not commence or prosecute or authorize or condone the commencement or prosecution on his or her behalf of any action or other proceedings of any nature

and kind whatsoever for alimony, maintenance or support in any sum or sums whatsoever.

- 9.4 It is the parties' declared intention that the specific waiver by the Husband and the Wife of spousal support is made in full consideration of the economic consequences of the marriage and its breakdown as contemplated by Sections 15.2(4) and 15.2(6) and 17(4.1) and 17(7) of the *Divorce Act*, 1985 (Canada) and that this Agreement more than balances the equitable distribution of property, assets and income as contemplated by the provisions of the *Divorce Act*.
- 9.5 It is the intention of the parties that the issue of spousal support will be final no matter what the future circumstances, and not subject to any further intervention by the Court.
- 9.6 The parties agree that, in the event that either the Husband or the Wife makes an application to obtain financial information from the other or to vary or reinstate spousal support in this matter, this Agreement will be a full and complete defence to such claim and the party applying for such variation will be responsible for the other party's solicitor/client costs in the event such an application is made, regardless of the success of such application.
- 9.7 In agreeing to a waiver of Spousal Support the parties acknowledge that they have carefully, and on the advice of their respective Counsel, considered the factors set out in Section 15.2(4) and 15.2(6) of the *Divorce Act*, 1985 and in particular, having considered the following factors:
- (a) the length of cohabitation of the parties prior to or during the marriage;
 - (b) the Wife's career and employment opportunities and any limitations or changes of same; and
 - (c) the Husband's career and employment opportunities and any limitations or changes of same.
- 9.8 The Husband and Wife agree that provided the terms of this Agreement are fulfilled neither is in need of spousal support and hereby releases and discharges the other party from any and all spousal support obligations which may arise as a result of their common-law or marital relationship. The Husband and Wife acknowledge that each has reviewed Sections 15.1, 15.2 and 17 of the *Divorce Act* with independent legal counsel. More specifically, the Husband and Wife:
- (a) acknowledge that this Agreement addresses any economic advantage or disadvantage experienced by him or her due to the marriage or its breakdown;
 - (b) agree that they have fairly apportioned the financial consequences of the care of any child of the marriage over and above the obligations apportioned between the spouses pursuant to Section 15(8);

- (c) acknowledge that this Agreement relieves any economic hardship experienced by him or her arising from the breakdown of the marriage;
- (d) acknowledge that they are both economically self-sufficient now and in the future; and
- (e) acknowledge that the division of property more than fully and properly offsets and compensates either party for any disadvantages either may have suffered financially by reason of the parties' marriage to each other or by reason of the breakdown of that marriage.

9.9 It is the firm agreement of the Husband and Wife to forever release the other party from any spousal support obligations now and in the future no matter how their circumstances may change, provided that the terms of this Agreement are fulfilled. Neither the Husband nor the Wife will apply now, or in the future, under the **Divorce Act** or any other federal or provincial law or statute, for spousal support for themselves. The Husband and Wife specifically waive any rights to proceed against the other party under any law or statute, whether existing now or created in the future, for additional payments in the nature of alimony or spousal support. The parties realize that their respective financial circumstances may change in the future by reason of their health, cost of living, their employment or otherwise. No such change shall give either party the right to claim support or maintenance pursuant to any legislation, Provincial or Federal. Without limiting the foregoing and in addition to the foregoing, the parties specifically agree that none of the following events will give rise to any claim for interim or permanent maintenance or spousal support of any kind or for any term now and in the future:

- (a) temporary or permanent illness or disability, mental or physical, of either party or the children, whether same is present now, or arises in the future;
- (b) temporary or permanent loss of employment of either party for any reason whatsoever;
- (c) increase or decrease in assets or financial obligations of any nature or kind;
- (d) inflation;
- (e) economic depression;
- (f) increase or decrease in income of either party in the future;
- (g) assignments, bankruptcy or insolvency of either party;
- (h) windfall or inheritance of either party;

- (i) remarriage, cohabitation or separation, to, with or from each other or any third party; or
- (j) acts of God.

- 9.10 In the event that either party applies to receive payments of any sort in excess to those set out in this Agreement, this Agreement will constitute an absolute defence to such application. In the event a Court of competent jurisdiction should make an Order or award of spousal support contrary to this paragraph, the party applying will become immediately liable to the other party, in equal amounts of property, to offset the amount of any spousal support awarded.
- 9.11 The Husband and Wife jointly and severably acknowledge that the funds being provided to them pursuant to this Agreement are more than are required for either of them to live their life very comfortably, without impinging on their capital, and that should either of them at any time end up consuming all or any portion of their capital on their lifestyle, that is their personal choice. Further, the Husband and Wife specifically waive any right to argue before the Court that either is entitled to support their lifestyle out of only the income from their capital, without impinging on the capital itself.
- 9.12 The Husband and Wife acknowledge that their respective solicitors have explained to them in full recent rulings which have awarded spousal support notwithstanding full releases contained in Agreements. They acknowledge that no circumstances, including but not limited to those set out in this Agreement, will enable either of them to overcome any threshold test for overriding the release of spousal support contained in this Agreement. They agree that there will be no circumstances in the future which will allow either party to claim a change in circumstances, radical, unforeseen or otherwise related to the marriage relationship, or any other threshold test, which will enable either party to claim spousal support from the other.
- 9.13 The parties acknowledge that Sections 56, 57 and 60 of the ***Family Law Act of Alberta*** may allow the Court to make an Order for spousal support under certain circumstances. The parties acknowledge and agree that they are entering into this waiver of spousal support pursuant to Section 62 of the ***Family Law Act of Alberta*** and it is their intention that the terms of this Agreement shall prevail over the provisions of Sections 56, 57, 58 and 60 of the ***Family Law Act of Alberta***.

PART II - MATRIMONIAL PROPERTY

MATRIMONIAL HOME

- 10.1 The parties acknowledge and agree that the Matrimonial Home municipally described as 816 Thorneycroft Drive, N.W., Calgary, Alberta T2K 3K4, has been sold as part of a foreclosure action by HSBC.

HOUSEHOLD CONTENTS

- 10.2 The parties have mutually agreed to the division of their personal belongings and household contents.

PERSONAL PROPERTY AND HOUSEHOLD CONTENTS

- 11.1 The Wife shall have sole ownership and possession of each of the items of personal property presently in her possession.
- 11.2 The Husband shall have sole ownership and possession of each of the items of personal property presently in his possession.
- 11.3 All property in each party's respective possession belongs to that party free from any claim by the other.

VEHICLES

- 12.1 The Wife's 2003 Land Rover Discovery was seized as per the Notice of Seizure of Personal Property, Civil Enforcement Agency File No. 56521-WC-2C in order to realize the sum of \$693,104.72 owing to Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, dated at Calgary, Alberta on the 25th day of June 9th, 2012.
- 12.2 The Husband shall retain the 2004 Porche Cayenne vehicle in his name without claim by the Wife and shall be responsible for said vehicle' debt, insurance, registration, upkeep and repair.

BANK ACCOUNTS

- 13.1 Each party shall retain the bank accounts in their own name.

CANADA PENSION PLAN

- 14.1 Neither of the parties shall make any Application for the division of the unadjusted pensionable earnings of the other party pursuant to the ***Canada Pension Plan Act***, and in the event that such an Application is made, the party making the Application shall, on the request of the other party, immediately execute a withdrawal of such Application.

LIFE INSURANCE

- 15.1 Each party revokes the naming of the other as beneficiary to any life insurance policies owned by them.
- 15.2 Each party shall be responsible for their own life insurance policy including the payment of any premiums.

DEBTS

- 16.1 The Husband shall be solely responsible for the CIBC Line of Credit, the CIBC credit card, the ATB Mastercard, the TD Visa, American Express credit card, all in his name alone and the Husband shall indemnify the Wife and save her harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by him as a result of his failure to pay these debts, including all legal fees and disbursements incurred on a solicitor/client basis.
- 16.2 The Wife shall be solely responsible for the Royal Bank Visa, the TD Visa, and the American Express, all in her name alone and the Wife shall indemnify the Husband and save him harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by her as a result of her failure to pay these debts, including all legal fees and disbursements incurred on a solicitor/client basis.
- 16.3 The Husband and Wife covenant that there are no other outstanding joint debts or liabilities which have been incurred up to the date of this Agreement by the Husband and Wife jointly, or by the Husband or the Wife on the credit of the other, except as provided for in paragraphs 16.1 and 16.2 herein this Agreement. The Husband and Wife further covenant and agree that each shall be responsible for his or her own debts or liabilities, and each shall indemnify the other from and against all such costs, charges, losses, damages and expenses that may be incurred on account thereof including all legal fees and disbursements incurred on a solicitor and his or her own client basis. The parties mutually declare that neither shall pledge the credit of the other in any way, whatsoever as to cause indebtedness by the other to third parties.

- 16.4 Without limiting paragraph 16.1 the Husband shall be solely responsible for the payment of the specific debts set out at Schedule "A" to this Agreement and the Husband shall indemnify the Wife and save her harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by her as a result of his failure to pay these debts, including all legal fees and disbursements incurred on a solicitor and her own client basis.
- 16.5 Without limiting paragraph 16.2 the Wife shall be solely responsible for the payment of the specific debts set out at Schedule "B" to this Agreement and the Wife shall indemnify the Husband and save him harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by him as a result of her failure to pay these debts, including all legal fees and disbursements incurred on a solicitor and his own client basis.

AANGSTROM STRATEGIC INC.

- 17.1 The Parties agree that the Husband shall retain all of his interests in Aangstrom Strategic Inc. and the Wife waives and renounces any interest she may have now or in the future regarding this business. The Parties agree that the Husband shall be solely responsible for any and all of the business liabilities and debts against Aangstrom Strategic Inc. and indemnify the Wife and save her harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by him as a result of his failure to pay these debts, including all legal fees and disbursements incurred on a solicitor/client basis.

ROTHCHILDE CANADA INC.

- 18.1 The Parties agree that the Husband shall retain all of his interests in Rothchilde Canada Inc. and the Wife waives and renounces any interest she may have now or in the future regarding this business. The Parties agree that the Husband shall be solely responsible for any and all of the business liabilities and debts against Rothchilde Canada Inc. and indemnify the Wife and save her harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by him as a result of his failure to pay these debts, including all legal fees and disbursements incurred on a solicitor/client basis.

BLACKBRIDGE WEALTH ADVISORY COPORATION

- 19.1 The Parties agree that the Husband shall retain all of his interests in Blackbridge Wealth Advisory Corporation and the Wife waives and renounces any interest she may have now or in the future regarding this business. The Parties agree that the Husband shall be solely responsible for any and all of the business

liabilities and debts against Blackbridge Wealth Advisory Corporation and indemnify the Wife and save her harmless from any and all costs, charges, arrears, losses, damages and expenses that may be incurred by him as a result of his failure to pay these debts, including all legal fees and disbursements incurred on a solicitor/client basis.

CAUSES OF ACTION AT COMMON-LAW

20.1 The parties acknowledge and agree that neither of them shall have, by virtue of their marriage or their cohabitation, any further rights to make any claim arising out of their relationship and they hereby waive any and all remedies against each other for constructive or other trusts, no matter how arising. The parties waive any rights, actions and claims against the other as a result of any other form of action, including and without limiting the generality of the foregoing, any actions against the other for damages arising out of tort, contracts or trusts, or any other equitable remedies which may accrue or have accrued to the parties by virtue of their marriage or cohabitation.

EDUCATION & PRACTICE

21.1 Each party gives up any claim to any degree, education, professional standing and practice, diploma or certificate of the other, now and in the future.

DOWER RIGHTS

22.1 Each party gives up any claim to dower rights that either may have against the other, now and in the future. Each party shall provide a registrable Dower Release, if requested.

MATRIMONIAL PROPERTY ACT

23.1 The parties have each had the *Matrimonial Property Act*, c.M-8, R.S.A. 2000, and amendments thereto, explained to them by their respective lawyers and understand their rights. Only Sections 37 and 38 of the *Matrimonial Property Act* shall apply to their property owned now and in the future.

GENERAL RELEASE

24.1 This Agreement is a final settlement of the parties' rights to their matrimonial property. Upon completion of the terms of this Agreement, each of the parties

gives up any claims at law and in equity that either may have to the property of the other, now and in the future.

24.2 Except as provided in this Agreement, each party gives up all claims at law, in equity or by statute against the other, including:

- a. support;
- b. property;
- c. succession rights;
- d. constructive trusts, resulting trust, quantum merit and unjust enrichment; and
- e. any other matter arising from their marriage and cohabitation.

PART III - GENERAL

ACKNOWLEDGMENTS

25.1 The Husband and Wife separately acknowledge that:

- a. I am fully aware of the effect, purpose, and intent of this Agreement;
- b. I have a general knowledge of the assets, liabilities, financial position, income and expenses of the other, and I am content to enter into this Agreement without detailed financial particulars or any further investigation of such matters;
- c. I have received independent legal advice about my rights against and obligations to my spouse under the law and this Agreement;
- d. this Agreement provides adequately for my present and future needs;
- e. I am satisfied with this settlement of all matters in dispute between my spouse and me, including our assets and debts;
- f. I have read this Agreement carefully, know and understand its contents, and sign it voluntarily without any undue influence or coercion; and
- g. I am of sound mind.

25.2 The parties agree that any change in their respective incomes, assets or debts or causes of action against the other party or any alteration of the terms of this property agreement or the release of support that has been negotiated.

- 25.3 The Husband and Wife have each been advised by his or her respective solicitor as to the current law with respect to disclosure of income, assets and liabilities in agreements and are aware of the Supreme Court of Canada decision in ***Rick v. Brandsema*** [2009] S.C.J. No. 10.
- 25.4 The Husband and Wife have each been advised by his or her respective solicitor as to the current law with respect to the enforcement of spousal support waivers in agreements and are aware of the Supreme Court of Canada decision in ***Miglin v. Miglin*** [2003] S.C.J. No. 21. In full appreciation of the law in this area, the Husband and Wife unequivocally intend that his or her spousal support waiver is to be honoured and be enforceable notwithstanding any future change in the law or interpretation of the law. In this regard, they acknowledge there have been no circumstances of oppression, pressure, or other vulnerabilities which would suggest there has been an imbalance of power in the negotiating of this Agreement. The Husband and Wife acknowledge they have both had the assistance of legal counsel and that they acknowledge that the Agreement is in substantial compliance with the ***Divorce Act*** as well as the objectives of s.15.2(6). The Husband and Wife acknowledge the Agreement reflects the intentions of the parties.

INHERITANCE

- 26.1 The parties give up any claim to the estate of the other, including any claim under any law of Alberta, any Province of Canada, or any country, in which any part of the estate of the other may be located.
- 26.2 Nothing in this Agreement shall be a waiver by either party of any bequest left to him or her by any Will or Codicil of the other. No promises have been made by either of the parties to the other with respect to such a bequest.

DIVORCE JUDGMENT

- 27.1 The terms of this Agreement shall survive a Divorce Judgment under the ***Divorce Act***, (Canada).
- 27.2 The Husband and Wife agree that they will instruct their respective legal counsel to proceed with and consent to a desk divorce application to the Court of Queen's Bench of Alberta as soon as possible upon the expiry of the one year separation date.
- 27.3 the parties also agree to instruct their legal counsel to take all reasonable steps to ensure the Divorce Judgment and Corollary Relief Order is granted as soon as

possible, by way of desk divorce application. In the event of the Clerk of the Court or a Justice of the Court of Queen's Bench rejecting the application, the parties shall instruct their lawyers to take all reasonable steps to correct or vary the desk divorce documents to accord with the requirements of the Clerk of the Court or the Justice of the Court of Queen's Bench, so long as the changes are within the spirit of this Agreement.

FURTHER DOCUMENTS

28.1 The parties shall promptly sign and give to the other all further documents which may be necessary to give effect to the terms of this Agreement.

ENFORCEMENT

29.1 If it becomes necessary for one of the parties to enforce any term of this Agreement, then the party who has not complied with any term of this Agreement shall pay all costs arising from such enforcement on a solicitor/client basis. All rights of enforcement by the appropriate Court shall be maintained to enforce this Agreement.

SEVERABILITY

30.1 If any term of this Agreement is or becomes unenforceable, that term shall be severed from this Agreement. The rest of this Agreement shall remain in force.

CHOICE OF LAW

31.1 This Agreement and all of the property of the parties shall be governed by the laws of Alberta.

31.2 The parties irrevocably attorn to the jurisdiction of the Court of Queen's Bench of Alberta, Judicial District of Calgary, unless otherwise mutually agreed upon between the parties.

OTHER CONTRACTS

32.1 This Agreement replaces any other written or oral agreements between the parties, dealing with the issues of support or matrimonial property.

TERMINATION OR CHANGE

33.1 This Agreement may only be terminated or changed:

- (a) by a written contract signed by both parties;
- (b) with attached Certificates of Independent Legal Advice concerning the changes.

COMPLIANCE

34.1 The parties shall comply strictly with the terms of this Agreement.

34.2 The deadlines in this Agreement will be strictly enforced.

EFFECTIVE DATE

35.1 This Agreement comes into force when signed by both parties.

RECONCILIATION

36.1 The division of matrimonial property in this Agreement shall not be affected by any reconciliation of the parties. This Agreement shall remain in force unless the parties agree in writing to change or terminate the Agreement in accordance with paragraph 24.1.

COSTS

37.1 The Wife shall be responsible for the costs of drafting of this Agreement.

37.2 The Husband shall be responsible for costs of drafting the divorce package as he is the Plaintiff to the divorce action and will have to swear to an Affidavit of the Applicant.

BINDING ON ESTATES

38.1 The terms of this Agreement shall be binding on each of the parties and their respective estates.

THIS AGREEMENT is dated the 26th day of March, 2013.

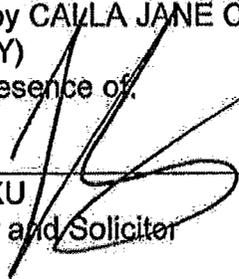
EXECUTION:

Signed by FERLYN R.J. CHMELYK
in the presence of



FERLYN R.J. CHMELYK

Signed by CALLA JANE CHMELYK
(HEALEY)
in the presence of



SHAYI XU
Barrister and Solicitor



CALLA JANE CHMELYK (HEALEY)

COURT FILE NUMBER 4801 156410

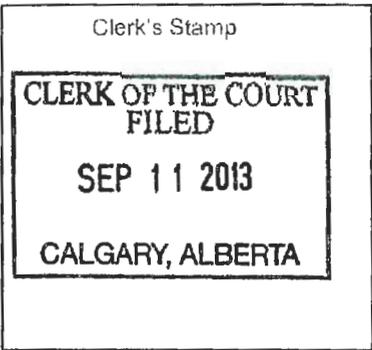
COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

WIFE Calla Jane Healey

HUSBAND Ferlyn Robert John Chmelyk

DOCUMENT **DIVORCE JUDGMENT AND
COROLLARY RELIEF ORDER
(WITHOUT ORAL EVIDENCE)**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF WIFE

Calla Jane Healey
Name
824 Thornecroft Dr NW
Full address and phone number
Calgary, AB T2K 3K4

(403) 681-2734

I hereby certify this to be a true copy of the original Divorce Judgment

Dated this 11 day of Sept 2013

[Signature]
for Clerk of the Court

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF HUSBAND

Ferlyn Robert John Chmelyk
Name
173 Temple Hill Dr NE
Full address and phone number
Calgary, AB T1Y 5K6

(403) 680-2734

THIS IS EXHIBIT " C " referred to in the Affidavit of Calla Jane Healey Sworn before me this 19 day of Oct A.D. 2017

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

[Signature]
Stephanie Sue Wan Wong
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta
My Commission Does Not Expire

DATE ON WHICH JUDGMENT WAS GRANTED: Aug 27, 2013

NAME OF JUDGE WHO GRANTED THIS JUDGMENT AND ORDER: B.E.C. ROMAINE

THE COURT HAS REVIEWED THE JOINT STATEMENT OF CLAIM FOR DIVORCE AND THE JOINT AFFIDAVIT OF THE APPLICANTS: Calla Jane Healey and Ferlyn Robert John Chmelyk;

THE HUSBAND has a guideline income of \$40,408;

THE WIFE has a guideline income of \$12,000;

THE NAME AND BIRTHDATE of each child of the marriage is as follows:

Bradley Joseph Dore, born June 28, 1993

Robyn Willow Chmelyk a.k.a. Christian John Dennis Chmelyk, born August 31, 1994

Davis Aidan Chmelyk, born February 26, 1997

UPON NOTING that **Bradley Joseph Dore**, born **June 28, 1993**, is attending university on a full time basis;

AND UPON NOTING that **Robyn Willow Chmelyk a.k.a. Christian John Dennis Chmelyk**, born **August 31, 1994**, is under psychiatric care at home as an out patient and will be attending university within the next 6 months to 1 year;

THE PARTIES have agreed to depart from the Federal Child Support Guidelines for the following reason:

Bradley Dore is a full-time student

Robyn Chmelyk is under psychiatric care at home and will be attending university within the next 6 months to 1 year and therefore reside at home with the Wife.

IT IS ADJUDGED:

1. THAT the Court grants a Judgment of Divorce between the Husband and the Wife, who were married on December 23, 1993 at Field, British Columbia, the divorce to be effective on the 31st day after the day this Judgment is made, unless this Judgment is appealed before that 31st day.

IT IS ORDERED THAT:

2. The Husband and Wife shall have joint custody of the child of the marriage, Davis Aidan Chmelyk, born February 26, 1997

The Wife shall have primary care of the child and the Husband shall have generous and liberal access to the child.

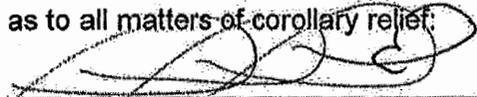
3. The Husband shall pay child support to the Wife in the sum of **\$767 per month**, payable on the first day of each month commencing April 1, 2013 and payable each and every month thereafter until further Order of the Court.
4. The Wife shall provide medical and dental insurance coverage for the children of the marriage.
5. The Husband shall pay spousal support to the Wife in the sum of \$2,000, payable on the first day of each month commencing April 1, 2013.
6. Each party shall provide the other party with a complete copy of his or her income tax return and any notices of assessment and reassessment issued to him or her by the Canada Customs and Revenue Agency on an annual basis, on or before June 30th of each year, as long as there is a child of the marriage as defined by the *Divorce Act* (Canada). In the event that a party has not filed an income tax return for the previous year, he or she shall provide the other party with copies of his or her T4, T4A and all other relevant tax slips and statements disclosing any and all sources of income, including self-employment income.
7. Leave is hereby granted to amend the Joint Statement of Claim paragraph 6(1), particulars of the children should read as: Davis Aidan Chmelyk, born February 26, 1997; Robyn Willow Chmelyk a.k.a. Christian John Dennis Chmelyk, born August 31, 1994; Bradley Joseph Dore, born June 28, 1993.

8. The amounts owing under this Order shall be paid to the Director of Maintenance Enforcement ("MEP") at 7th floor North, 10365-97 Street, Edmonton, Alberta, T5J 3W7 (telephone 780-422-555, website www.albertamep.gov.ab.ca) and shall be enforced by MEP on the filing of the Order with MEP by the creditor (recipient of support) or debtor (payor of support). The amounts owing shall continue to be enforced by MEP until the party who filed this Order gives MEP notice in writing withdrawing this Order from filing in accordance with section 9 of the *Maintenance Enforcement Act*.

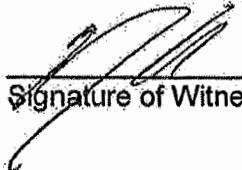
B.E.C. ROMAINE

Justice of the Court of Queen's Bench of Alberta

Consent provided for matter to proceed without oral evidence and consented to as to all matters of corollary relief:

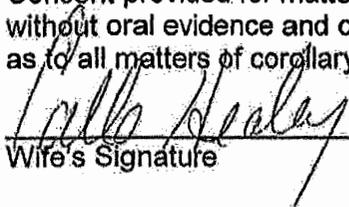


Husband's Signature

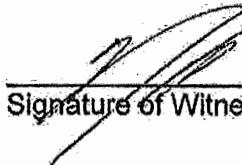


Signature of Witness

Consent provided for matter to proceed without oral evidence and consented to as to all matters of corollary relief:



Wife's Signature



Signature of Witness

THE SPOUSES ARE NOT FREE TO REMARRY UNTIL THIS JUDGMENT TAKES EFFECT, AT WHICH TIME EITHER SPOUSE MAY OBTAIN A CERTIFICATE OF DIVORCE FROM THIS COURT. IF AN APPEAL IS TAKEN FROM THIS JUDGMENT, IT MAY DELAY THIS JUDGMENT TAKING EFFECT.

Affidavit of Execution

CANADA) I, NICOLE FABER
PROVINCE OF ALBERTA) of CALGARY, Alberta,
TO WIT:) **MAKE OATH AND SAY / SOLEMNLY AFFIRM:** *da*

1. THAT I was personally present and did see the Applicant/Plaintiff/Wife, *da*
Calla Jane Hawley, who is:
 personally known to me to be the person named herein
 known to me on the basis of photographic identification provided,
sign and execute the Divorce Judgment/Consent Variation Order for the purpose named therein.

SWORN / AFFIRMED BEFORE ME
at Calgary, Alberta, this
18 day of July, 20 13.

A Commissioner for Oaths in and for
the Province of Alberta

LAURA LANDAVERDE
COMMISSIONER FOR OATHS
in and for the Province of Alberta
My Commission Expires: Aug. 24, 20 15

Signature of Declarant

Affidavit of Execution

CANADA) I, NICOLE FABER
PROVINCE OF ALBERTA) of CALGARY, Alberta,
TO WIT:) **MAKE OATH AND SAY / SOLEMNLY AFFIRM:** *da*

1. THAT I was personally present and did see the Respondent/Defendant/Husband, *da*
Fredyn Robert John Chmelyk, who is:
 personally known to me to be the person named herein
 known to me on the basis of photographic identification provided,
sign and execute the Divorce Judgment/Consent Variation Order for the purpose named therein.

SWORN / AFFIRMED BEFORE ME
at Calgary, Alberta, this
18 day of July, 20 13.

A Commissioner for Oaths in and for
the Province of Alberta

LAURA LANDAVERDE
COMMISSIONER FOR OATHS
in and for the Province of Alberta
My Commission Expires: Aug. 24, 20 15

Signature of Declarant

I am \$6.9MM in debt right now, and climbing. Will I pull it off? I may just do that this time, but it won't show for years. The cars, those were my targets, are my reward, for the brutal and intense moments, months, of mind numbing horror of trying desperately to believe in myself through each new deal. I have failed multiple times since we split (I lost \$254,000 trying to open a restaurant because I lost \$818,000 in a pipe deal at the same time. I lost \$110,000 in deposits on properties I couldn't close because another domino happened), had near heart attacks, and I have had successes. Each time I risk it all. Actually, more than all. Will this stop, I don't know, but I do know that Debra's financial position would not come even vaguely close to helping me out if the crap hit the fan. She can barely keep herself afloat. Daily I scare myself at what I have thrown myself into, but I am bright enough to always find a way to get it done. Am I bankrupt, not even close. The debt is professionally structured, I have the cash flow to handle the debt, so for now I just have to keep swimming hard.

Ferlyn

THIS IS AFFIDAVIT
referred to in the affidavit of
Calla Healey
Sworn before me on the
day of Dec A.D. 2017
STEPHANIE SUE WAN WONG
A COMMISSIONER FOR OATHS
FOR THE PROVINCE OF ALBERTA

Stephanie Sue Wan Wong
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta
My Commission Does Not Expire

Calla Healey <calla.healey@gmail.com>

12/13
/15

to Ferlyn

I wanted you to know that I pulled the title on my house and there is a demand mortgage on it for \$610,000. Not sure how much is still outstanding on the mortgage but the fact that it is a demand mortgage is concerning enough. They could demand the balance at any time. Based on the email your wrote me last October about how you structured the deal to purchase the house and your most recent email regarding how much debt you are in is extremely troubling to me. You told me that you bought the house with a steel deal and now you tell me that you lost \$818,000 for a pipe deal, I am assuming they are related. I went there the other day and there was an outstanding property tax bill in the mailbox for more than \$3100.00, not sure who is going to pay for that. I will not be able to move in there unless you can show me a clear title on the house and it is in my name. I am not prepared to move in there with constant worry about whether the demand mortgage needs to be paid.

I only have until December 19 to get my money back on the appliances, that is why I am having them picked up tomorrow and returned to Loew's for a refund. I should have never bought them. You had said you would pay me back and \$3000.00 is a lot of money but again based on your mounting debt I am not sure when that will happen.

Ferlyn can you just try and pay me something per month 500.00, 1000.00 anything, I just cannot do this anymore. I have been very patient waiting and waiting. I just want my inheritance and the kids inheritance back. I dont know that I will ever see any of the other debt paid back.

Ferlyn R J Chmelyk <ferlyn@aangstrom.ca>

12/13

/15

to me

Told you about that a year ago. Will be gone before it's in your name, not a mortgage but a security for a pipe deal. The inventory is sitting there (Nisku, at Flint's yard) paying it down but as you can see, the oil patch has hit a slump and it is paying it down slower than expected.

I sent \$1800, and will send the remaining \$1200 +/- as soon as Velvet Jane's other partner acknowledges she owes me money. This week I will start harassing her (cocksucking low life) husband to pay me, just to add incentive. I keep going back to this because Enzo is a useless shell of a human being, and I do not want one moment of my efforts to reward him in any way. If you have another reason why this has not been addressed, please tell me, because I will start calling that fuck this week. I don't want to embarrass you, so if there is a nuance I should know about, please let me know before I start harassing that pig Enzo.

I missed the tax bill, should get the mail sent to my place instead of there. As I said in the previous email, all my debt is structured correctly and I have the cash flow to look after them all. On April 1st the project on Edmonton Trail is sold for \$1.9MM, I owe \$860,000. There is more than enough money to keep going. They said last week they wanted to move that date up to January 15th, but haven't had that confirmed. Monday I receive another \$125,000 from a land deal. I have to pay out \$50,000, but the rest is mine. All cash I can get my hands on has a home right now, I am growing at a blistering rate, and yes that means a high level of risk. I'm not afraid of risk, risk is an old friend by now. We will get along just fine.

The contractor has all the materials on site now for your place. He is working all week. And working until it is completely finished.

The counter tops are paid for and they promised install before Christmas. Davis and I bought the sinks and taps and tiles for the backsplashes and bathrooms.

The door downstairs is hung. The missing door is at the supplier and the contractor will pick it up and finish all the doors. The door handles are on site, they are expensive and nice. They match the expensive solid wood custom maple doors.

The contractor has been paid to repaint the entire house. If you want to change the colour, now is the time. Need to make your decision fast though, I'm not sure when he is going to start painting.

The contractor is installing the carpet downstairs as well. 35oz berber, unless you want something different.

I paid \$410,000 for the house. I had no idea if the original owner does not sign the transfer papers the deal doesn't go through. I thought a purchase agreement is all you need and the buyer cannot back out. Not true, not true if the owner is willing to accept damages in court. This ass did just that, after I invested \$125,000 into the renovation he wouldn't sign the transfer papers. I had to sue him and after nine months when he got another adjournment from the court, we settled and I had to pay him an extra \$35,000 to close or fight for two years. Plus \$25,000 of my own lawyer and carrying costs, hasn't been a nice one.

Since then I have paid another \$55,000 into the house. I have no plans to have a problem there. I will send you my personal net worth statement I had to produce for BDC to get a loan for another one of my companies www.peluelsinternational.com. This company has \$81MM in orders for our product and I am building the plant in Abbotsford. We signed a \$25MM deal with WalMart, that is why I have to go to Chicago. I own 22%, but am the largest shareholder at 22%. I can control the business. I told them not to list me on the site until www.trumpet.ca is off the ground, I don't want people confused. I'm not broke and have not intent to go bankrupt, at this point it couldn't happen, I have too many assets. On the PNW you can see my debt as well, it is nothing compared to the values.

House cost: \$410 + \$125 + \$55 = \$590,000 should have been my budget, plus another \$35,000 to finish the outside. \$625 would have given you a \$750 house. But of course, add another \$60,000 in that butthead seller (his bank said "watch out, this guy is a piece of work") and I'm at \$685,000. Still 10% below value, but who knows what the appraisal will be next year.

I am in development stages of three companies, hence I am completely cash strapped. I borrowed money for the pipe deal to flip the pipe, taking longer than needed but their real security is one the \$3.6MM worth of pipe in Nisku. I paid \$818,000 for it, so the funds aren't lost, but very delayed. Worst case scenario I have to dump it for 50% discount, I still pay off the security 3x. The demand note is a non-issue. If they actually wanted to act on their security they would seize the pipe first, it has more value. I had to do it this way because the pipe wasn't in my control when I borrowed the money, now that it is stored and inventoried in Nisku, non-issue. If I can pay it off before the pipe sells, I will. If you remember Andy Trenkwalder from Springbank, he will buy all the pipe at a deep discount if I can't move it. He owns IMEX and that is what they do (\$300MM per year). Nothing is final yet, so not perfect, but I always find a way.

I can't support our kid's education, living expenses, moves, demands, pains, wants, needs, and send any money your way, I'm sorry. I know you have been patient, and I'm trying to reward that with a mortgage free \$750,000 home (maybe less with our present economy). This would cover everything we lost that we valued at \$550,000, plus make up all the cash from before. I have been doing my share, and the kids haven't suffered, even though when I started looking out for them I suffered intensely to make it happen.

As always, I live on the edge. That is not where you want to be and I will disconnect that feeling as soon as I am able to pay off the \$609 security on the house. Then, you are free. Then you are a millionaire. Next summer you will have Improved your net worth times 5 from 2008. Plus whatever you have been able to save by living meagrely on a decent wage. It will feel and be different at that point. The kids will have a place they will be comfortable to stay, live, visit, whatever the case may be. That lot has a huge entertaining space, it truly is a beautiful, quiet, well facing lot. It is massive when you look at it. It can be nurtured into a gorgeous home.

F

Sorry about everything, there was one note from the previous email that I wanted to clarify, Eddie had posted something about now he didn't have to hide that he knew, that was because has was standing behind us when we checked into our hotel in Vegas. He text me "I'm behind you", and I thought he was following behind a Cayenne in Calgary. No one knew.

Calla Healey <calla.healey@gmail.com>

12/14
/15

to Ferlyn

Can you tell me what the terms are on the demand mortgage? I want to make sure that they are not waiting in the wings for the house

< **Ferlyn Chmelyk**
+14036802734



Fri, Jul 22, 2016 11:57 AM

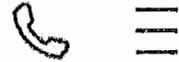
I'm working towards completing everything Cal. I'm sorry, but the stress has kind of immobilized me in terms of giving answers, not only to you, but to others as well. I am five feet from the pinnacle and within six weeks of being back on top. I will solve it for you, you will be immensely happy. This is the year everything culminates. Six weeks to getting clear of the hurdles, three months to be actualized. Sorry, I know you are at the absolute end of your patience, but I have achieved what we needed for the whole family.

THIS IS EXHIBIT " E "
referred to in the Affidavit of
Calla Jane Healey
Sworn before me this 19
day of Oct A.D. 2017

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

Stephanie Sue Wan Wong
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta
My Commission Does Not Expire

< **Ferlyn Chmelyk**



+14036802734

Can you please provide me with an update.

Thanks

9:12 AM

F

I'm working towards completing everything Cal. I'm sorry, but the stress has kind of immobilized me in terms of giving answers, not only to you, but to others as well. I am five feet from the pinnacle and within six weeks of being back on top. I will solve it for you, you will be immensely happy. Th



View all



11:57 AM

F

You will have a home. You will have everything I promised this year.

11:58 AM



Enter message



SEND

Appendix J

District of: Alberta
Division No. 02 - Calgary
Court No. 1801-02034
Estate No. 25-095009

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the receivership of
The Estate of Ferlyn Robert John Chmelyk
of the City of Calgary, in the Province of Alberta

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

c/o HMC Lawyers LLP, 320 - 903 - 8th Ave S.W.
Calgary, AB T2P 0P7
Attention: Erin Viala

In the matter of the receivership of The Estate of Ferlyn Robert John Chmelyk of the City of Calgary in the Province of Alberta and the claim of Alberta Securities Commission creditor.

I, David Linder (name of creditor or representative of the creditor), of the city of Calgary in the province of Alberta, do hereby certify:

1. That I am a creditor of the above named debtor (or I am Executive Director (position/title) of Alberta Securities Commission 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 receivership, namely the 8th day of February 2018, and still is, indebted to the creditor in the sum of \$ 163,683.73, as specified in the statement of account (or affidavit) 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 \$ 163,683.73
(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 \$ 163,683.73 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.) N/A

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 CALGARY, ALBERTA, this 11th day of JULY, 2019.

[Signature]
 Witness

[Signature]
 Creditor
 Phone Number: 40403-261-3333
 Fax Number: 403-269-9304
 E-mail Address: aviata@hmc lawyers.com

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 129(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.

SCHEDULE "A"

2018

0.87%

INTEREST CALCULATION

Date from	Date to	No. of Days	Sum	Rate	Interest
14-Jun-17	27-Nov-17	167	\$165,000.00	0.530%	\$400.11
28-Nov-17	08-Feb-18	73	\$163,000.00	0.870%	\$283.62

\$683.73

COURT FILE NUMBER 1701- 08486
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE *Securities Act*, (RSA
2000, c S-4, as amended)
(the "Act")

CLERK OF THE COURT
FILED
JUN 22 2017
JUDICIAL CENTRE
OF CALGARY

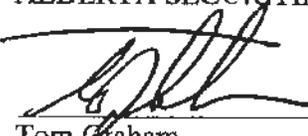
IN THE MATTER OF Ferlyn Robert John
Chmelyk, Blackbridge Financial Inc.,
Cerezo Developments Inc., 1735560 Alberta Ltd.,
1735563 Alberta Ltd., 1751886 Alberta Ltd., and
Studio 33 Inc. (formerly 1751889 Alberta Ltd.)

DOCUMENT **CERTIFICATE**
(Sections 200 and 202)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT ALBERTA SECURITIES COMMISSION
600, 250-5th Street SW
Calgary, Alberta T2P 0R4
GARNER GROOME
Phone: 403-297-5946/ Fax: 403-297-2210
File No.: IND-0182599

1. PURSUANT TO sections 200 and 202 of the Act, I, Tom Graham, Acting Executive Director of the Alberta Securities Commission (the "Commission"), hereby certify that **FERLYN JOHN ROBERT CHMELYK** is required to pay an administrative penalty in the amount of \$75,000.00 plus costs in the amount of \$90,000.00, totalling \$165,000.00, pursuant to the Decisions of the Commission dated February 2, 2017 and June 14, 2017.
2. ATTACHED HERETO and marked as Appendix "A" to this Certificate is a true copy of the Decision of the Commission dated February 2, 2017. Attached hereto and marked as Appendix "B" to this Certificate is a true copy of the Decision of the Commission dated June 14, 2017.

Dated at Calgary, Alberta this
20 day of June, 2017.

) ALBERTA SECURITIES COMMISSION
)
)
)
) 
) Tom Graham
) Acting Executive Director
)

TO: Clerk of the Court
AND TO: Ferlyn Robert John Chmelyk

APPENDIX "A"

ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Chmelyk, 2017 ABASC 13

Date: 20170202

**Ferlyn Robert John Chmelyk, Blackbridge Financial Inc., Cerezo
Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd., 1751886
Alberta Ltd. and Studio 33 Inc. (formerly 1751889 Alberta Ltd.)**

Panel: Tom Cotter
Webster Macdonald, QC
Richard Shaw, QC

Representation: Peter Verschoote
for Commission Staff

Submissions Completed: October 21, 2016

Decision: February 2, 2017

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I. INTRODUCTION

[1] Staff (**Staff**) of the Alberta Securities Commission (**the ASC**) alleged that Ferlyn Robert John Chmelyk (**Chmelyk**), Blackbridge Financial Inc. (**BFI** and, together with Chmelyk, the **Blackbridge Respondents**), Cerezo Developments Inc. (**Cerezo**), 1735560 Alberta Ltd. (**560**), 1735563 Alberta Ltd. (**563**), 1751886 Alberta Ltd. (**886**) and Studio 33 Inc. (formerly 1751889 Alberta Ltd.) (**889** and, together with 560, 563 and 886, the **Cerezo Subsidiaries**) variously engaged in conduct contrary to Alberta securities laws and the public interest. Allegations against Clifford George Alexander (**Alexander**) were resolved by settlement prior to the hearing.

[2] Staff's allegations, as set out in a notice of hearing dated December 11, 2015 and amended on the second day of the hearing with our leave (**Notice of Hearing**), were that: Chmelyk, BFI and Cerezo illegally traded in securities; Chmelyk, BFI, 560, 563 and 886 illegally distributed securities; BFI and the Cerezo Subsidiaries failed to file exempt-distribution reports; Chmelyk and BFI made misleading or untrue statements to investors; and all of the respondents acted contrary to the public interest. Staff also asserted in the Notice of Hearing that Chmelyk authorized, permitted or acquiesced in all of the conduct of BFI, Cerezo and the Cerezo Subsidiaries that was contrary to Alberta securities laws, and that Cerezo authorized, permitted or acquiesced in all of the conduct of the Cerezo Subsidiaries that was contrary to Alberta securities laws.

[3] We held an eight-day hearing into the merits of Staff's allegations, beginning on August 8, 2016. At the outset of the hearing Staff advised that 889 (represented by counsel) would likely not attend the hearing, as was the case. The other respondents were represented by counsel throughout the first and most of the second hearing days, at which point we gave counsel leave to withdraw pursuant to ASC Rule 15-501 *Rules of Practice and Procedure for Commission Proceedings* (**the ASC Rule**). Thereafter, none of those respondents appeared or participated in the hearing. We received written submissions from Staff only.

[4] Our decision and reasons follow. In summary, we find that most, but not all, of Staff's allegations have been proved: we find that the Blackbridge Respondents illegally traded and distributed securities and made materially untrue statements to investors; that Chmelyk, 560, 563 and 886 illegally distributed securities; that 563 and 889 failed to file exempt-distribution reports; and that Chmelyk authorized, permitted or acquiesced in the corporate respondents' contraventions of Alberta securities laws.

II. EVIDENTIARY MATTERS

[5] Staff's evidence consisted of witness testimony and documentary exhibits.

A. Standard of Proof

[6] Staff must prove each of their allegations on a balance of probabilities, which requires a determination of "whether it is more likely than not that an alleged event occurred" (*F.H. v. McDougall*, 2008 SCC 53 at para. 49). To satisfy this test, the evidence must be "sufficiently clear, convincing and cogent" (*F.H.* at para. 46).

B. Witness Credibility

[7] We generally considered the witness testimony to be truthful and attributed any gaps in memory, minor inconsistencies or lack of clarity to the passage of time and, in some instances, to the witnesses' relative inexperience with the capital market. We discerned from the testimony of Robert Brent Harker (**Harker**), a BFI sales consultant, a tendency to minimize his role in persuading others to invest in BFI, particularly in light of credible investor witness testimony that suggested he employed, at times, high-pressure sales tactics to secure share subscriptions. That said, we otherwise found Harker's evidence to be generally consistent with other evidence adduced in the hearing.

C. Staff Investigative Interviews

[8] In this decision, statements attributed to Chmelyk derive from statements he made to Staff investigators in the course of two compelled investigative interviews held on May 8, 2014 and June 26, 2014. Staff sought to "read in" as evidence certain portions of the transcripts from these interviews. We directed that the entire transcripts be entered into evidence with the understanding that Staff was not necessarily adopting the remaining portions of the transcripts as part of their case.

[9] Also in evidence is the transcript of a Staff interview with a BFI investor (for privacy purposes, we will refer to this BFI investor as **SM**). Counsel for the Blackbridge Respondents objected to the admission of this transcript on the ground that Staff had not disclosed it prior to the hearing as part of their obligation (under section 7.1(c)(iii) of the ASC Rule) to provide "copies of all documents that staff intends to enter as evidence during the proceeding". Counsel conceded that the transcript had previously been provided as part of Staff's "original disclosure" under section 7.1(b) of the ASC Rule. Section 29(e) of the *Securities Act* (Alberta) (the **Act**) requires that a hearing panel "shall receive that evidence that is relevant to the matter being heard". Although admission of relevant evidence may be tempered by overarching considerations of procedural fairness, we discerned no demonstrable prejudice or unfairness in the circumstances by entering the transcript into evidence, particularly as it had been disclosed by Staff well in advance of the hearing. Accordingly, we admitted **SM**'s interview transcript into evidence, albeit with the qualification that it is hearsay evidence and may therefore be given limited weight unless corroborated by other evidence.

III. FACTUAL BACKGROUND

A. The Respondents

1. BFI

[10] BFI was an Alberta company incorporated on January 16, 2012, with its registered office and records address in Calgary, Alberta.

[11] Marketing material described BFI as the parent company of both Blackbridge Insurance Group Inc. (**BIGI**) and Blackbridge Wealth Advisory Corporation (**BWAC**), collectively "a financial services organization" (**Blackbridge Group**). The Blackbridge Group had two business lines. One involved the acquisition and consolidation of insurance managing general agencies (**MGAs**) – licensed businesses that act as conduits between insurers and their agents, for which they are compensated by the insurers. Blackbridge Group's marketing materials indicated that the consolidation of **MGAs** would provide a consistent revenue stream that could

potentially increase due to scale. The MGAs were to initially be held by BIGI, and ultimately by (a yet-to-be-formed) partnership, Blackbridge United Limited Partnership (**BULP**).

[12] The second Blackbridge Group business line involved the development of BWAC as an exempt market dealer focused on "portfolio design and delivery of investment products". BWAC, incorporated on April 26, 2010, was registered in Alberta and British Columbia as an exempt market dealer in February 2011. Chmelyk (BWAC's sole director, CEO and shareholder) was also registered as BWAC's "ultimate designated person". Chmelyk consented to the suspension of BWAC's exempt market dealer registration effective September 9, 2011, on the basis that the company had "failed to comply with Alberta securities laws". Since that time BWAC has not been registered in any capacity with the ASC.

2. Cerezo and Subsidiaries

[13] Cerezo, an Alberta company, was incorporated on March 12, 2013 with its registered office located in Calgary, Alberta.

[14] The incorporation of Cerezo was the result of a joint venture agreement between AECOR Inc. (**AECOR**), controlled by Chmelyk, and First Stop Capital Inc. (**First Stop**), controlled (indirectly) by Alexander. Ownership of Cerezo was split on a 60/40 basis in favour of AECOR. According to the joint venture agreement, Cerezo was created to develop real estate projects, with AECOR to contribute (among other things) "business and real estate development and operational expertise" and First Stop to provide (among other things) "development operating capital". Evidence suggested that First Stop contributed approximately \$432,000 to the Cerezo joint venture.

[15] Cerezo undertook four real estate projects, each developed and financed through a separate Cerezo Subsidiary.

[16] Investments in each Cerezo Subsidiary were generally structured as joint venture agreements (**JV Agreements**) between the Cerezo Subsidiary and each investor (**JV Partner**). In one instance, an investor loaned money to 560 in exchange for a promissory note. As Staff's allegations concerned only the JV Agreements, we limit our discussion to that aspect of the capital-raising.

3. Chmelyk

[17] Chmelyk, an Alberta resident, was BFI's sole director at all relevant times. He also acted as BFI's CEO (having signed a key document on behalf of BFI in that capacity), and authorized the use and content of some (if not all) of BFI's marketing materials. Chmelyk, along with David Dyck (**Dyck**) (BFI's chief operating officer), gave at least two presentations to promote investments in BFI. After at least one of those presentations, Chmelyk (who was described by Dyck in the presentation as "the brains of the operation") sat down to speak with prospective investors.

[18] We find that Chmelyk was the guiding mind of BFI at all relevant times.

[19] Chmelyk was also sole director, CEO and president of Cerezo, and sole director and president of each Cerezo Subsidiary at all relevant times. Chmelyk told Staff that he was "in a control position on Cerezo" based on his 60% indirect (via AECOR) ownership of Cerezo, and he agreed that he always had "complete control" over Cerezo. Chmelyk also said that he and Alexander both had signing authority over Cerezo's bank accounts and that they came to "a mutual agreement" when making Cerezo decisions. Although Chmelyk's primary involvement with Cerezo and the Cerezo Subsidiaries was to develop the real estate projects (with Alexander focused on marketing and "bringing in potential investors"), he personally met at least some of the JV Partners and he signed the JV Agreements on behalf of the Cerezo Subsidiaries.

[20] We find that Chmelyk was the guiding mind of Cerezo and of the Cerezo Subsidiaries at all relevant times.

B. BFI Shares Offering

1. Marketing of BFI Shares

[21] Beginning in January 2012 until at least the end of February 2012, BFI offered "Cumulative Convertible Preferred Shares" (**BFI Shares**) to investors at \$25 per BFI Share. Shareholders were to receive "a 6% dividend per annum cumulative" and could exercise conversion rights within two years to acquire either BULP limited partnership units or BWAC common shares (or a combination of the two). Unconverted BFI Shares were redeemable after two years at the issue price of \$25 per share.

[22] BFI raised \$425,000 from four Alberta investors (for privacy purposes we will refer to them as **SS**, **RS-G** and **AS**, and collectively with **SM**, as the **BFI Investors**). These funds were all directly solicited by Harker, although others may have been involved in soliciting sales of BFI Shares. The promotion of BFI Shares involved at least two presentations and marketing materials that included: (i) a document entitled "Summary" (**Term Sheet**); (ii) an "Offering Memorandum" document (**Offering Memorandum**); and (iii) a PowerPoint document (**PowerPoint**) (of which there were at least two versions in evidence).

(a) Harker

[23] Harker, previously a life insurance salesman, had no securities training and was never registered to sell securities in Canada. Chmelyk said that Harker "worked for the company that was raising the money for us", and Harker described his relationship with BFI as a "consultant".

[24] In late October or November 2011, Harker attended a presentation given by Dyck, which included the use of PowerPoint slides (similar, as we understand it, to the PowerPoint slides later used to market BFI Shares). Harker understood that "Blackbridge" was "seeking some financing to help in . . . their endeavours", and he learned from Dyck's presentation that "they were looking for" \$1,000,000 and were offering commissions "in association with raising this money".

[25] Harker "was prepared to talk to some other people in connection with investing", and he subsequently met with Chmelyk and Dyck on several occasions to discuss "in much greater detail what Blackbridge was about". Harker recalls being told that he should meet Chmelyk because he "was the president, or he was the originator of the Blackbridge idea, concept" and he "is the guy who has come up with the concept, it's his baby, it's his project".

[26] From December 2011 to February 2012, Harker solicited at least six (and perhaps as many as eight) of his "friends and associates" to invest in BFI. Four individuals – the BFI Investors – agreed to purchase BFI Shares. Harker explained that he would arrange "a get-together" with a prospective investor, at which point he would engage in a more in-depth discussion about BFI while referring to the Term Sheet (which he "probably" obtained from Dyck), the Offering Memorandum (that "would have been provided" to him by Chmelyk or Dyck) and a hard copy of the PowerPoint (that he had received from either Chmelyk or Dyck).

[27] Harker also described two public presentations held in January 2012, at which both Chmelyk and Dyck discussed "the Blackbridge investment opportunity" while making use of the PowerPoint presentation. The Term Sheet may also have been provided to attendees. According to Harker, attendees at the first presentation included the BFI Investors.

[28] Harker recalled telling prospective investors that BWAC "is an exempt market dealer in Alberta and British Columbia" in the context "that the overall nature of the enterprise was an insurance arm and the investment arm". Harker assumed that an "exempt investment dealer" was an entity registered with the ASC, although he did not specifically communicate that point to investors, stating that "if a group is presenting themselves as doing this . . . they'd be registered, or . . . they would have taken the steps to be registered if you're taking this to market".

[29] Harker told investors (based on his discussions with Chmelyk and Dyck) that Alaris Royalty Corp. (Alaris) "had a partnership with Blackbridge to provide funding to facilitate" consolidation of MGAs. Harker also explained to investors that "if an investor wanted or needed liquidity before two years, that [Alaris] would provide funding for that" and that after the two-year period, capital would be available to buy out investors who did not exercise their BFI Share conversion rights.

[30] Harker testified that he would not have promoted BFI to anyone "without the purported relationship with Alaris", and he thought it unlikely that any of the BFI Investors would have made their investment "without the understanding that there was a relationship between Alaris to provide the financial backing". One potential investor approached by Harker "had a personal contact with the people at Alaris" and suggested that Harker "better check and make sure that Alaris has an agreement . . . with Blackbridge". In subsequent conversations with Chmelyk and Dyck, Harker was assured that "all is well".

[31] Harker received commissions of 5% from his referrals, or about \$20,000.

(b) Marketing Materials

[32] The Term Sheet was identified by most of the BFI Investors. Chmelyk described it as an "introduction sheet", and said that he did not prepare the document but thought he would have reviewed it before it was provided to prospective investors.

[33] The Term Sheet provided a summary of the BFI investment, including a list of "Highlights" that contained four statements. Two such statements provided that "[p]ublicly traded capital partner investing 60% +/- of equity component to no set maximum of funds" and

"[p]ublic company provides liquidity to LP Unit holders in the event of a requested liquidity event, essentially providing a liquidity exit to a private entry". Chmelyk indicated that Alaris was the only public company involved. According to Harker's testimony (and confirmed by at least one BFI Investor), Harker told investors that the terms "publicly traded capital partner" and "public company" were references to Alaris. The Term Sheet also projected a three-year equity appreciation of nearly four-fold for the BULP units and twelve-fold for the BWAC shares.

[34] Each BFI Investor acknowledged as part of their purchase documentation that he or she had read the Offering Memorandum. We were not told whether the Offering Memorandum – a six-page document dated January 24, 2012 and signed by Chmelyk in his capacity as BFI's CEO – was ultimately filed with the ASC but a Staff investigator testified that it was not "in an appropriate form" as prescribed by National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106). It was evident that the Offering Memorandum did not comply with the requirements of Form 45-106F2. Chmelyk confirmed that the Offering Memorandum was used to raise funds for BFI and said that he reviewed and approved its issuance but he did not prepare the document.

[35] Pertinent statements in the Offering Memorandum included:

- "You will be restricted from selling your securities for an indefinite period";
- BWAC "is an exempt market dealer in Alberta and British Columbia", and "is a securities registrant";
- a "use of funds" section indicated that funds raised for BFI would be used for BWAC and BULP;
- a statement that BFI Shares were convertible into BULP units or BWAC common shares at any time within two years;
- a warning that "[n]o liquidity may be available for the Shares" (which we understood to be a reference to BFI Shares), but also that a "liquidity function is offered by the capital partner for holders of the Units" (which we understood to be a reference to BULP units); and
- a statement that "[m]anagement of [BFI] acknowledges their responsibility to guarantee the above to be accurate and true. Management as of January 24, 2012, is represented by" Chmelyk as CEO, followed by Chmelyk's signature.

[36] Chmelyk characterized the "exempt market dealer" statement as "an accident" and "semantics", stating that at the time "[w]e were an exempt market dealer, but we were suspended". He acknowledged that the Offering Memorandum did not disclose BWAC's suspension as an exempt market dealer and agreed – "[a]bsolutely" – that such information would be something an investor would like to know in advance. Chmelyk also said that he instructed "the guys" (as we understand it, a reference to BWAC-affiliated individuals promoting BFI Shares) to explain that BWAC's registration had been suspended.

[37] Several versions of the PowerPoint were in evidence. At least one version was used during the public presentations to current and prospective BFI investors, and Harker showed a paper copy of the PowerPoint to BFI Investors when soliciting investments from them. Chmelyk said that Dyck prepared the PowerPoint, that there were many versions of it, and that it was used in 2012 "on stage" during the presentations.

[38] Pertinent portions of the PowerPoint included:

- On one slide, under the heading "Blackbridge Wealth Advisory", a bullet read "Investment Dealer (EMD)". Another version of the PowerPoint had a similar slide in which the bullet read: "Exempt Investment Dealer". SS testified that this latter PowerPoint version was provided to him by Harker and used by Chmelyk and Dyck during their presentation (although he could not recall whether this particular slide was discussed at the time). RS-G, in relation to the "Investment Dealer (EMD)" statement, said that Harker "probably" mentioned this when discussing the investment with him. Chmelyk described this representation as "the expectation", stating that it was not a representation "that it was, at that moment. This is a representation of what the structure would [look] like when it was mature". He also said: "I just don't think that the essence is promoting that we were an EMD". Chmelyk agreed that the PowerPoint contained no indication that BWAC's registration had been suspended, although he suggested that investors were investing in BFI ("the financial corporation") and "if it [BWAC] still remained suspended, they still could go into the insurance side of it".
- Another slide reflected that an investor would receive "2 year – 6% Cumulative, Redeemable, Convertible, Preferred Shares" and that such shares carry a "conversion option ratio into [BULP] and/ or [BWAC] at investor discretion". SS said that Chmelyk elaborated on this slide during his presentation.
- A slide stated "[i]n 2011, the leadership of [BFI] developed a strategic capital partner for execution of MGA consolidations", followed by a reference to "Alaris Royalty Corp." and a statement: "Canadian company (TSX: AD) providing alternative financing to a diversified range of profitable, well-managed private businesses in North America". SS recalled that this slide was discussed by Chmelyk or Dyck during the presentation, giving him confidence that Alaris was backing the project. According to RS-G, Harker said to him that this slide indicated that Alaris "was hacking this project" with "a significant amount of money".
- Another slide, titled "Financial Partner – Alaris Royalty Corp.", stated: "Terms allow for liquidity to the L.P. investors to sell LP units to Alaris for cash or in exchange for Alaris shares (current yield 6.74%)". SS said that Chmelyk or Dyck elaborated on this slide during the presentation, stating that "[t]his is a viable company, and . . . they're providing assurances that the investors would not lose their principal for those two years". RS-G also recalled the slide, testifying that

"this is probably the page that sold me on this. The idea of Alaris being the backer of this project made it safer in my mind".

- One slide referenced the conversion option in relation to BULP, and read: "Capital Partner (TSX traded) will provide liquidity to Unit Holders based on Multiple of EBITDA". In context, it is clear that the capital partner meant Alaris. SS said that there was no mention during the presentation that Alaris was a TSX-traded company but that Harker later told SS the "full company name", which he looked up and "saw that they had shares being traded".

(c) Preferred Share Purchase Agreements

[39] Each BFI Investor signed a Preferred Share Purchase Agreement (**BFI Agreement**) for their investment. Chmelyk said that he did not prepare the BFI Agreement but he reviewed it and approved its use.

[40] Recitals to the five-page BFI Agreement included statements that BFI was "the registered and beneficial owner" of BFI Shares, and that BFI wishes to sell the BFI Shares "through a private placement arrangement". Terms of the BFI Agreements included:

- the BFI Shares were preferred shares "with a set dividend payment of 6% cumulative" and redeemable by BFI "anytime after two years from [the] closing date" of January 31, 2012;
- the BFI Shares were convertible into BULP units or into BWAC common shares, with such conversion able to be made "into either option at any ratio the shareholder deems appropriate"; and
- the BFI Agreement "including the Schedules hereto, constitutes the entire agreement between the parties hereto. There are not and shall not be any verbal statements, representations, warranties, undertakings or agreements between the parties . . .".

[41] The BFI Agreements included an addendum, signed by each BFI Investor, which provided that the BFI Investor had "read the Offering Memorandum dated January 24, 2012".

[42] Each of the BFI Agreements in evidence was signed by a BFI Investor, witnessed by Harker, and all but one were later countersigned by Dyck as BFI's chief operating officer.

(d) BFI Investors

[43] Three of the BFI Investors testified at the hearing, with the transcript from SM's Staff interview entered into evidence. The following is a summary of the BFI Investors' evidence:

- The BFI Investors were introduced to the BFI investment by Harker.
- Prior to his investment, AS met with Harker at least twice. AS testified to his belief that it was Chmelyk who attended with Harker at their second meeting in

late November or December 2011 and that he did not know Dyck (although Harker told us that it was Dyck who attended with him to meet AS). AS said that the investment was described to him as "a consolidation of MGAs", and that he would receive 6% interest with the ability to exercise conversion options after two years. AS paid \$200,000 on December 20, 2011 and signed an agreement to purchase BIGI shares. AS said that he attended a Calgary presentation in January or February 2012 (with perhaps a dozen other attendees) in which the BFI investment was promoted. AS subsequently signed another agreement – a BFI Agreement – dated February 9, 2012. AS did not recall the explanation for having a second agreement, but said that he did not provide any additional funds in connection with it; Harker said that the BFI Agreement "superseded" the earlier agreement.

- RS-G met with Harker at least twice in January or February 2012 before he made his investment in BFI on February 25, 2012. RS-G recalled being told by Harker that BFI was "amalgamating insurance management companies", and RS-G understood (both from discussions with Harker and from the PowerPoint document) that the investment was a two-year commitment, at which point he could convert his BFI Shares into an investment of an insurance business or an investment business (or some combination of the two). RS-G recalled that one of these opportunities was more lucrative (that it "would earn higher income"), although he could not recall which option offered such promise. RS-G also attended a presentation given by Chmelyk (among others) with "about 40-odd people" in attendance, where they "elaborated on [BFI's] project". At the time of his investment, RS-G planned to invest \$100,000 and his BFI Agreement reflected a purchase price in that amount. RS-G actually paid \$25,000 from his holding company, with the remainder to be paid at a later date when he anticipated having the additional capital available. About two weeks later, RS-G was told by Harker not to provide the additional funds because "things are unravelling".
- SS invested in BFI on February 8, 2012, drawing all of the \$100,000 subscription funds from his home equity line of credit. Before making his BFI investment, SS met with Harker on more than one occasion. SS was told by Harker that BFI was an "amalgamation of other insurance entities in groups", that his "principal was guaranteed" and he "would receive a 6 percent annual increase", and that after two years BFI "would split into two entities ... an insurance entity and ... an investment stock entity". SS understood that he could get out of the investment at any time within the first two years ("Alaris would just take my shares and ... give me back the principal"), and that after the two years he had the option of getting out of the investment or remaining in either the "insurance end" (in which he would receive "the same investment return of 6 percent going forward") or in the "investment end" (BWAC, which had the higher growth potential "because it would be into stocks ... that had ... riskier but higher potential of gains"). SS said that he attended, at Harker's invitation, a presentation (with about a dozen other attendees) in the last quarter of 2011. SS said that Dyck and Chmelyk gave

the presentation by reviewing the PowerPoint and discussing BFI, and that Chmelyk "sat down and talked to everybody" after the presentation. Harker gave SS a paper copy of the PowerPoint after the presentation but prior to his investment.

- SM paid \$100,000 in February 2012 to invest in BFI, using money from her private company. She recalled being told that the investment involved the acquisition of insurance companies and after two years she could choose to go with one of two companies. It was apparent from SM's evidence that her spouse made the decision to invest in BFI based on his discussions with Harker, but the transaction was in SM's name for tax purposes and so she could "have the benefits".
- Harker had shown, or provided a copy of, the Term Sheet to each of SS, AS and RS-G. SM also had a copy of the Term Sheet.
- SS and RS-G were each shown the Offering Memorandum by Harker at the time they signed their respective BFI Agreements but were provided limited opportunity to review it. SM recalled being provided (by her spouse) a copy of the Offering Memorandum at the time she executed her BFI Agreement. AS did not recall reading an Offering Memorandum, but was "sure that [he] did" based on the signed acknowledgement in his BFI Agreement. RS-G acknowledged that he "probably didn't understand" (and Harker did not discuss) the Offering Memorandum statement that BWAC "is an exempt market dealer in Alberta and British Columbia"; he considered the descriptions of BWAC as a "securities registrant" and "an exempt market dealer" to have provided BFI credibility. SS was not directed to the Offering Memorandum statement that referenced BWAC as an "exempt market dealer", and nobody told him before he made his BFI investment that BWAC was no longer registered with the ASC. Harker did not direct SS's attention to the statement that "[n]o liquidity may be available for" BFI Shares, although the reference to a "liquidity function . . . offered by the capital partner for holders of the Units" may have led SS to think he "still had the option to leave the investment".
- Harker assured AS about the safety of his investment "because they were associated with Alaris", a company "trading on the TSX" who was "backing the investment or in a form of backing the investment". AS understood that he "could get a cash-out, or . . . take Alaris's shares", which gave "credibility to the investment" and made it seem "pretty safe". AS recalled that Alaris' involvement was also discussed at the presentation he attended. AS said that the statement in the Offering Memorandum that there may not be liquidity available for the BFI Shares "would have raised a red flag" based on his understanding that "Alaris was giving liquidity to this whole presentation".

- SM was told by Harker that there was "no risk" to the BFI investment, that SM's "money would be safe" and that "a large investment company . . . had committed to make the investment for this to happen".
- RS-G recalled Harker describing Alaris' involvement as "a safeguard for our investment", in the sense that if there was "ever a need for further funding, that they [Alaris] would cover that". RS-G was also told by Harker, in relation to certain statements in the PowerPoint document, that Alaris "was backing this project" and "would be the main financial component of this operation", and that Blackbridge Group personnel "had made a business partnership arrangement of some kind with Alaris". This made the investment "safer" in RS-G's assessment since Alaris "would be doing their due diligence in assessing the value of this company and the ability for it to succeed, and under those circumstances . . . it seemed reasonable for me to accept that challenge". RS-G did not know the extent of Alaris' investment but understood that "it was a significant amount of money" and that it would allow BFI to obtain additional capital "[w]henver they needed money".
- SS was told by Harker that his "principal would be guaranteed" because Alaris "was backing this whole activity" and "would guarantee the investment by buying back our investment if we chose to". SS said that his decision to invest in BFI was prompted in part by Harker's assurances that "Alaris is guaranteeing the principal". Before he invested, SS searched Alaris' company profile and "saw that they had shares being traded", which gave him comfort that "Alaris was viable".
- Most (if not all) of the BFI Investors did not qualify as accredited investors at the time of their investment; none of the BFI Investors were related to, or close friends or business associates of, Chmelyk; and Harker did not ask questions of the BFI Investors to determine whether any of them qualified for exemptions under NI 45-106.
- None of the BFI Investors received any return of their investment money or any returns on their investments. AS has incurred approximately \$25,000 to \$30,000 in legal fees attempting to "recover" his money.

(c) Alaris Royalty Corp.

[44] We heard testimony from Stephen King (King), founder, director, president and CEO of Alaris. King described Alaris as a publicly-traded, private-equity fund that typically invests in private companies by obtaining preferred shares that pay distributions based on revenues.

[45] According to King, Chmelyk met with Alaris personnel in 2010 in relation to Chmelyk's business proposal involving a "potential rollup of insurance brokers". King said the discussion was "very, very preliminary", in that there was not "a whole lot of substance to it other than the concept at that time, but [Chmelyk] certainly indicated that he had some of these brokers lined up" and "he felt he could put this together successfully". Chmelyk was told that "if he could put

something together like he's represented that we would be interested". Alaris and BWAC entered into a mutual confidentiality agreement dated December 8, 2010.

[46] Chmelyk and Alaris had further communications in July and August 2011 regarding Chmelyk's proposal, culminating in the execution of an "Expression of Interest" agreement between Alaris and BWAC dated September 27, 2011 (Letter of Intent).

[47] King explained that the Letter of Intent "signified that we both have an agreement of the minds that we're going to go forward together and analyze the opportunity and see if it's something that we can form a deal on". Terms of the Letter of Intent anticipated the formation of a partnership, to which Alaris would contribute \$10,800,000 in exchange for "non-voting preferred equity", with BWAC's management to contribute \$1,000,000 in exchange for "voting common equity". King explained this latter requirement as ensuring the commitment of BWAC's management to the business: "where we're essentially creating a business for somebody that's putting it together, we want to make sure that it means as much to them as it does to us, so we want to see their skin in the game . . .". King testified that Chmelyk was told that BWAC's funds were to come from Chmelyk "and his management team", and that equity "from random people doesn't solve the equation . . . of having skin in the game". According to King, neither Chmelyk nor anyone else at the Blackbridge Group informed Alaris that they planned on raising those funds from the public.

[48] The Letter of Intent also provided that BWAC would have access (subject to Alaris' approval) "to further capital from Alaris to fund potential acquisitions, working capital requirements or to provide for shareholder liquidity". King said that this term was meant to assist the owners of the MGAs "that were vending into this entity" and he did not recall any discussions with BWAC about providing liquidity to other investors, particularly since the transaction was not structured to include "outside" investors. King also said that Alaris was unaware that the Blackbridge Group was making representations concerning its relationship with Alaris.

[49] King characterized the Letter of Intent as "nonbinding", which was consistent with a term in the Letter of Intent that it "is intended to be, and is to be construed only as a non-binding expression of interest and not a formal agreement or legally binding obligation . . .". According to King, "[e]ither side can walk away at any time".

[50] BWAC and Alaris did not enter into a definitive agreement. In early December 2011, King advised Chmelyk "that Alaris would still act if the Possible Combination came together" as set out in the Letter of Intent. However, later that month King told Chmelyk that "Alaris was no longer interested in pursuing" any transaction and Alaris "would not extend the Letter of Intent". Chmelyk met with Alaris representatives in February 2012 and proposed an alternative type of acquisition, but was told that Alaris was not interested. In a telephone conversation "soon after" the February 2012 meeting, King clearly told Chmelyk "that there would be no further discussions".

2. Allegations Concerning BFI Shares

[51] Staff alleged that the Blackbridge Respondents breached section 75(1)(a) of the Act by acting as a dealer in respect of BFI Shares without registration or exemptions, and section 110 by distributing BFI Shares without a prospectus or exemptions, such trading and distributing occurring from approximately February 6 to 25, 2012. Staff also alleged that BFI failed to file reports of exempt distribution with the ASC in respect of BFI Shares, as required by section 6.1 of NI 45-106.

[52] Staff also alleged that the Blackbridge Respondents made what amounted to misrepresentations (as defined in section 1 of the Act) in connection with the marketing of BFI Shares. In particular, Staff alleged that from December 2011 to February 2012 the Blackbridge Respondents represented to investors that:

- BWAC was registered with the ASC (**BWAC Representations**);
- Alaris agreed to provide BFI, or one or more entities related to BFI, with capital to facilitate the acquisition and consolidation of various MGAs (**Alaris Capital Representations**); and
- Alaris would provide liquidity to BFI preferred shareholders in the event that such shareholders converted their shares into units of BULP (**Alaris Liquidity Representations**).

[53] Staff asserted that these representations were materially misleading or untrue and would reasonably have been expected to have a significant effect on the value of the BFI Shares.

3. Analysis and Findings on the BFI Shares Allegations

(a) Illegal Trades and Distributions Allegations

(i) Trades

(A) The Law

[54] Section 75 of the Act prohibits an unregistered person or company from acting as a dealer (defined in section 1(m) to mean "a person or company engaging in or holding itself out as engaging in the business of . . . trading in securities . . .") in the absence of an exemption. To find a contravention of section 75, we must conclude from the evidence that:

- there was a security as defined in the Act;
- there was a trade as defined in the Act in relation to that security;
- the person or company engaged in or held itself out as engaging in the business of trading in securities;
- the person or company was not registered; and
- no registration exemption was available.

(B) Securities

[55] The BFI Shares were "securities" within the meaning of section 1(ggg)(i) and (v) of the Act.

(C) Trades

[56] Section 1(jjj) of the Act defines "trade" to include "any sale or disposition of a security for valuable consideration", as well as "any act, advertisement, solicitation, conduct or negotiation made directly or indirectly in furtherance" of a trade. What constitutes an act in furtherance of a trade was discussed in *Re Kustom Design Financial Services Inc.*, 2010 ABASC 179 (at paras. 159-60):

In analyzing whether an act in furtherance of a trade has occurred, we take guidance from the reasoning of the Ontario Securities Commission . . . in *Re Costello* (2003), 26 O.S.C.B. 1617 (at para. 47):

There is no bright line separating acts, solicitations and conduct indirectly in furtherance of a trade from acts, solicitations and conduct not in furtherance of a trade. Whether a particular act is in furtherance of an actual trade is a question of fact that must be answered in the circumstances of each case. A useful guide is whether the activity in question had a sufficiently proximate connection to an actual trade.

Thus, it is a question of fact whether a particular act is in furtherance of a trade. We consider the totality of the conduct and the context in which the acts occurred, including the effect on investors. The [ASC] has found that acts such as accepting investor money, depositing investor money into bank accounts, preparing and providing forms of agreements for signature by investors, meeting with individual investors, conducting or holding information sessions with investors, preparation and dissemination of advertisements, newsletters and other promotional material and hiring of salespersons to sell securities may constitute acts in furtherance of a trade in a security (see, for example, *Re Maitland Capital Ltd.*, 2007 ABASC 357; *Re KCP Innovative Services Inc.*, 2007 ABASC 584; and *Re Gold-Quest International Corp.*, 2010 ABASC 18).

[57] The sale of BFI Shares to the four BFI Investors for an aggregate of \$425,000 in February 2012, as evidenced by the BFI Agreements signed by Dyck in his capacity as BFI's chief operating officer, constituted "trades" by BFI. Although SM's BFI Agreement in evidence was not signed by Dyck, she signed the BFI Agreement and paid \$100,000 for her BFI Shares. The transaction clearly constituted a trade – a sale of a security for valuable consideration.

[58] Staff submitted that Chmelyk engaged in acts in furtherance of trades by meeting with BFI Investors, speaking at BFI "information sessions" that were attended by at least some BFI Investors along with other potential investors, and by approving the issuance of marketing materials used to solicit investments in BFI Shares.

[59] Chmelyk made at least two presentations (along with Dyck and possibly others) and authorized the Offering Memorandum (which he executed as BFI's CEO) to promote BFI Shares to prospective investors. He also explained the BFI Share offering to Harker (and perhaps others) and gave him BFI marketing material to promote BFI Shares. All of this satisfies us that Chmelyk engaged in acts in furtherance of sales of BFI Shares.

[60] We therefore find that the Blackbridge Respondents traded in BFI securities within the meaning of the Act.

(D) Engaging in the Business of Trading Securities

[61] A person or company engaging in or holding itself out as engaging in the business of trading in securities is considered a dealer and therefore required to be registered as such. Section 1.3 of Companion Policy 31-103CP – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (31-103CP) identifies certain factors, none of which are conclusive, to assist in determining whether a person or company is in the business of trading in securities: (i) engaging in activities similar to those of a registrant; (ii) intermediating trades or acting as a market maker; (iii) directly or indirectly carrying on the activity with repetition, regularity or continuity; (iv) being, or expecting to be, remunerated or compensated for carrying on the activity; and (v) directly or indirectly soliciting securities transactions.

[62] According to 31-103CP, an issuer with an "active non-securities business" will generally not have to register as a dealer if it (i) does not hold itself out as being in the business of trading in securities; (ii) trades in securities infrequently; (iii) is not (or does not expect to be) compensated for trading in securities; (iv) does not act as an intermediary; and (v) does not produce (or intend to produce) a profit from trading in securities. Additional commentary in 31-103CP provides further guidance to securities issuers in the "start-up stage" of their corporate development:

We consider a start-up securities issuer to have an "active non-securities business" if the entity is raising capital to start a non-securities business. Although the entity does not need to be producing a product or delivering a service, we would expect it to have a bona fide business plan to do so, containing milestones and the time anticipated to reach those milestones.

[63] Staff submitted that the Blackbridge Respondents engaged in the business of trading in securities by undertaking activities similar to those of a registrant, by making a market in BFI Shares, and by trading in BFI Shares with repetition, regularity and continuity.

[64] BFI Shares were sold over a one-month period, resulting in four share subscriptions. At least two presentations to prospective investors were given in which BFI Shares were promoted. Marketing materials were shown and possibly distributed to as many as eight prospective investors in meetings with Harker, a BFI sales consultant. On those facts alone, we are not persuaded that the Blackbridge Respondents acted with sufficient repetition, regularity or continuity such that their conduct reached the level of engaging in the business of trading securities.

[65] There was no evidence to support Staff's contention that the Blackbridge Respondents were making a market in BFI Shares.

[66] Nevertheless, BFI was the parent of a "financial services organization" involving two distinct, but complementary, businesses: a "licensed insurance agency" seeking to consolidate MGAs (BIGI and, eventually, BULP) and an exempt market dealer (BWAC). Although BFI's capital-raising was perhaps focused on the insurance business, the objective was also to develop BWAC's securities business. BFI's marketing material, particularly the Offering Memorandum and the PowerPoint, promoted BWAC's securities business (such promotion included, as later discussed, representations that BWAC was a registrant). The Offering Memorandum also disclosed that some of BFI's capital-raising proceeds were to be used for BWAC's trading

business. As mentioned, the BFI Shares were convertible into BWAC shares, which promised significantly greater returns to investors than the BULP units.

[67] We are thus satisfied that there is a sufficient nexus between BWAC's business as a dealer (albeit suspended as a registrant) and the Blackbridge Respondents' capital-raising activity to find that the Blackbridge Respondents engaged, or held themselves out as engaging, in the business of trading in securities, and accordingly the Blackbridge Respondents were each required to be registered as a dealer.

(E) No Registration or Exemptions

[68] Throughout the relevant time, neither of the Blackbridge Respondents was registered as a dealer (or in any other capacity) in accordance with Alberta securities laws.

[69] The onus of demonstrating the availability, and adherence to the conditions and requirements, of a registration or prospectus exemption rests with the respondent claiming the benefit of the exemption, who must show that it made a reasonable, serious effort – by taking whatever steps were reasonably necessary – to satisfy itself that the exemption was available for the trade or distribution at the pertinent time (*Re Homerun International Inc.*, 2015 ABASC 990 at para. 83).

[70] We find that none of the registration exemptions found in Part 8 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* were available in respect of the trades of BFI Shares to BFI Investors.

[71] We also considered whether Blanket Order 31-505 – *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* provided the Blackbridge Respondents with an exemption from the dealer registration requirement. Because that instrument applies to trades made by a person or company in connection with certain prospectus-exempt distributions available under NI 45-106, and given our finding (below) that such prospectus exemptions were unavailable in the circumstances, we conclude that the exemptions provided by Blanket Order 31-505 were also unavailable.

[72] Accordingly, the Blackbridge Respondents had no exemptions from the registration requirement throughout the relevant time.

(F) Conclusion

[73] For these reasons, we find that the Blackbridge Respondents contravened section 75(1)(a) of the Act in respect of trades in BFI Shares.

(ii) Distributions

(A) The Law

[74] Section 110 of the Act prohibits the distribution by any person or company of a security without a receipted prospectus, absent an applicable exemption. A "distribution" is defined in section 1(p) to include "a trade in securities of an issuer that have not been previously issued".

(B) Distributions

[75] Certain terminology in the recitals to the BFI Agreements provided that BFI was the "registered and beneficial owner" of BFI Shares, perhaps implying that the BFI Shares had been previously issued. Despite this language, we are satisfied, and we find, that the BFI Shares had not been previously issued, and that each trade of BFI Shares constituted a distribution within the meaning of the Act.

(C) No Prospectus; Exemptions Not Available for All Distributions

[76] No prospectus was filed in relation to the distribution of BFI Shares.

[77] As with the registration exemptions, a respondent claiming the benefit of an exemption from the prospectus requirement has the onus of demonstrating its availability.

[78] NI 45-106 prescribes various exemptions from the prospectus requirement, including:

- the accredited investor exemption, available when an individual investor meets specified financial-asset, net-income or net-asset thresholds;
- the offering memorandum exemption, available when the issuer delivers to the purchaser, at or before the time the purchaser signs an agreement to purchase the security, an offering memorandum in the required form (Form 45-106F2); and
- the family, friends and business associates exemptions, available when an individual investor is in a certain close relationship with a director, executive officer or control person of an issuer, such that the investor can assess the official's capabilities and trustworthiness.

[79] We are unable to find that any of these prospectus exemptions were available for the distribution of BFI Shares to BFI Investors. We received no evidence that any of the BFI Investors were accredited investors, and no inquiries were made of the BFI Investors to make such a determination. Moreover, none of the BFI Investors: (i) received an offering memorandum in the required form; or (ii) were related to, or had any personal or business relationship with, either Chmelyk or Dyck (Harker's role with BFI did not qualify him as an "executive officer" of BFI).

(D) Conclusion

[80] We therefore find that the Blackbridge Respondents contravened section 110(1) of the Act by illegally distributing BFI Shares.

(b) Failure to File Exempt-Distribution Reports Allegations

[81] Section 6.1 of NI 45-106 requires an issuer distributing its own securities in reliance on certain prospectus exemptions (including the accredited investor exemption, the offering memorandum exemption and the family, friends and business associates exemptions) to file an exempt-distribution report in the jurisdiction where the distribution took place no later than 10 days after the distribution.

[82] Staff's allegation presumes that BFI Shares were distributed in accordance with an available prospectus exemption. Having determined that BFI Shares were not distributed pursuant to an available prospectus exemption, we do not find that BFI contravened section 6.1 of NI 45-106 for failing to file exempt-distribution reports (*Re Johnston*, 2013 ABASC 376 at para. 99).

(c) Misrepresentation Allegations
(i) Section 92(4.1)

[83] Section 92(4.1) of the Act provides:

No person shall make a statement that the person or company knows or reasonably ought to know

- (a) in any material respect and at the time and in the light of the circumstances in which it is made,
 - (i) is misleading or untrue, or
 - (ii) does not state a fact that is required to be stated or that is necessary to make the statement not misleading,

and

- (b) would reasonably be expected to have a significant effect on the market price or value of a security

[84] The materiality standard is an objective one, based on reasonable expectations. Moreover, "[c]ommon-sense inferences about materiality may suffice" (*Re Arbour Energy Inc.*, 2012 ABASC 131 at para. 764). The assessment involves:

. . . a determination as to whether untrue or omitted facts would reasonably be expected to have a significant effect on the market price or value placed on securities by reasonable investors – a proxy for this is, essentially, determining whether there is a substantial likelihood that such facts would have been important or useful to a reasonable prospective investor in deciding whether to invest in the securities on offer at the price asked (*Re Arbour Energy Inc.*, at para. 765)

(ii) BWAC Representations

[85] Staff submitted that the BWAC Representations were made between November 2011 to February 2012 in the Offering Memorandum and the PowerPoint. The Offering Memorandum contained statements that BWAC "is an exempt market dealer in Alberta and British Columbia" and that BWAC "is a securities registrant". At least two versions of the PowerPoint contained a BWAC Representation; both provided a list of bulleted terms underneath a reference to BWAC with a statement that read (depending on the PowerPoint version) either "Exempt Investment Dealer" or "Investment Dealer (EMD)". We were not pointed to evidence indicating the date that either version was in circulation, nor did any witness offer evidence as to whether these statements were specifically referenced or explained during the presentations.

[86] Chmelyk seemingly denied that the PowerPoint statements were "promoting that we were an EMD" and that they should not be construed as a representation that BWAC was an exempt market dealer at the time they were made. Instead they were "a representation of what the

structure would [look] like when it was mature". In considering Chmelyk's explanation, we saw nothing in the impugned statements to indicate that they were anything other than a representation as to BWAC's present status. That is consistent with other statements in the PowerPoint implying BWAC's extant status as an exempt market dealer, and not a contingent future event. Accordingly, we find that the BWAC Representations were made by BFI in the PowerPoint.

[87] Any doubt is dispelled by the Offering Memorandum, which unequivocally indicated that BWAC was an exempt market dealer and a registrant. The document made no mention of BWAC's suspension as an exempt market dealer or that further steps had to be taken for BWAC to be registered. Accordingly, we find the BWAC Representations were also made by BFI in the Offering Memorandum.

[88] We also find that Chmelyk made the BWAC Representations. He signed the Offering Memorandum as BFI's CEO, attesting to the accuracy and truth of its contents, and he used at least one of the two versions of the PowerPoint in presentations to prospective investors.

[89] The BWAC Representations were untrue. BWAC had been registered as an exempt market dealer with the ASC (and the British Columbia Securities Commission) effective February 8, 2011 until September 9, 2011, when Chmelyk consented to the suspension of BWAC's exempt market dealer registration with the ASC. BWAC's status as an exempt market dealer remained suspended throughout the relevant period.

[90] We also find that the Blackbridge Respondents knew throughout the relevant time that the BWAC Representations contained in the PowerPoint and Offering Memorandum were untrue. Chmelyk and (through him) BFI knew that BWAC's exempt market dealer status with the ASC had been suspended since September 9, 2011. Chmelyk, in his capacity as BWAC's CEO and Ultimate Designated Person, signed the "Consent to Suspension and Waiver of Hearing" in which BWAC's registration "in the category of Exempt Market Dealer is suspended, effective immediately".

[91] Chmelyk also said that he instructed BFI sales personnel to clearly explain to prospective investors that BWAC had been suspended as an exempt market dealer. Implicit in Chmelyk's purported (and uncorroborated) instruction is an awareness that BWAC's registration suspension would reasonably be expected to bear on an informed investment decision.

[92] We are of the view that the BWAC Representations were material, in that they would reasonably be expected to have a significant effect on the market price or value of BFI Shares. Chmelyk agreed that an investor would want to know before making an investment decision that BWAC's status as an exempt market dealer was suspended. It is self-evident that BWAC's stated business plan could not be pursued without registration as a dealer. Registration was thus fundamental to BWAC's ability to earn income and provide any return to investors from that business. It is difficult to imagine a fact more material to the value of BWAC's securities, and therefore to a significant degree the value of the BFI Shares, than BWAC's status as a registrant.

(iii) **Alaris Capital Representations**

[93] Staff asserted that the Blackbridge Respondents made the Alaris Capital Representations via the PowerPoint and the Term Sheet, which were repeated by Harker in his discussions with BFI Investors and by Chmelyk and Dyck during presentations to prospective investors.

[94] We find that the Blackbridge Respondents made the Alaris Capital Representations. The Term Sheet made reference to a "[p]ublicly traded capital partner investing 60% +/- of equity component to no set maximum of funds". It is clear from the evidence that the mentioned publicly-traded capital partner was a reference to Alaris. The PowerPoint also stated "the leadership of [BFI] developed a strategic capital partner for execution of MGA consolidations", followed by a reference to Alaris and an additional statement that read: "Canadian company (TSX:AD) providing alternative financing to a diversified range of profitable, well-managed private businesses in North America".

[95] Harker testified that he referred to both the Term Sheet and the PowerPoint in his meetings with prospective investors to explain that Alaris had a partnership with "Blackbridge" to provide funding for the consolidation of MGAs. Harker's evidence was consistent with that of the BFI Investors. To briefly summarize, RS-G recalled Harker referring to the PowerPoint and telling him that Alaris "was backing this project" with "a significant amount of money", that BFI had "a business partnership arrangement . . . with Alaris" and that Alaris would be the "main financial component of this operation", which RS-G understood to mean that BFI would be able to obtain additional capital "[w]henver they needed money". AS said that Harker assured him as to the safety of the BFI investment "because they were associated with Alaris", a TSX company that was "backing the investment". SM was told by Harker that there was "no risk" to her BFI investment, that her money "would be safe" and that "a large investment company . . . had committed to make the investment for this to happen". SS understood from his discussion with Harker that his investment was guaranteed, largely due to Alaris' involvement in backing "this whole activity".

[96] We further find that the Alaris Capital Representations were untrue, and in a material respect. Documentary evidence, along with King's testimony, confirmed that negotiations with Alaris progressed no further than the nonbinding Letter of Intent. BFI's business plan to consolidate MGAs required a significant capital contribution (\$10.8 million) from Alaris, and the failure to obtain that capital would prove fatal to BFI's plans. Without committed capital, the plan to consolidate MGAs was merely an idea (and according to King, not a novel one). Moreover, Chmelyk said that he had unsuccessfully sought conventional bank financing before turning to the public to raise capital. In the circumstances, it is clear that the prospect of Alaris providing capital was crucial for BFI – one that would reasonably be expected to have a significant effect on the market price or value of its securities.

[97] Alaris' purported financial commitment provided a significant measure of comfort to prospective investors. Harker told us that he would not have promoted BFI Shares without Alaris' involvement, and that it was "unlikely that any of the [BFI Investors] would have made an investment without the understanding that there was a relationship between Alaris to provide the financial backing that they did". RS-G considered Alaris' involvement to be a "safeguard" that

made his investment safer. AS also considered Alaris' backing to have provided "credibility to the investment".

[98] We are also satisfied that the Blackbridge Respondents knew that the Alaris Capital Representations were materially untrue. Chmelyk was primarily (if not solely) involved in the Alaris negotiations on behalf of BWAC, and he knew throughout (and admitted to Staff) that Alaris did not provide any financing to the Blackbridge Group. As BFI's controlling mind, Chmelyk's knowledge in this regard is attributable to BFI.

(iv) Alaris Liquidity Representations

[99] Staff submitted that the Blackbridge Respondents made the Alaris Liquidity Representations via the Term Sheet, the PowerPoint and the Offering Memorandum, which were "expounded" on in Harker's discussions with BFI Investors and Chmelyk's (and Dyck's) presentations to prospective investors. Staff pointed to the following instances in which the Alaris Liquidity Representations were allegedly made:

- The Term Sheet contained a statement that read: "Public company provides liquidity to LP Unit holders in the event of a requested liquidity event, essentially providing a liquidity exit to a private entity". Harker told prospective investors that Alaris was the public company referred to in this statement.
- The PowerPoint contained two relevant statements. One is found in a slide titled "Financial Partner – Alaris Royalty Corp.", which read: "Terms allow for liquidity to the L.P. investors to sell LP units to Alaris for cash or in exchange for Alaris shares (current yield 6.74%)". The second statement was in a subsequent PowerPoint slide, which identified "Liquidity" as one of the features of the "L.P. Units" and stated: "Capital Partner (TSX traded) will provide liquidity to Unit Holders based on Multiple of EBITDA. Can be converted into cash or on a tax free rollover basis to Publicly Traded units". SS was told by Harker that Alaris was the "Capital Partner".
- The Offering Memorandum contained a statement that read: "A liquidity function is offered by the capital partner for holders of the Units. With three months notice, the Unit Holder will be able to liquidate the Units in part or in whole at a seven (7) times a trailing EBITDA (Earnings Before Interest Depreciation and Amortization) prorated per Unit." The term "capital partner" also appears elsewhere in the Offering Memorandum but without any definition. Chmelyk said (in reference to the Term Sheet) that there were no other public companies involved other than Alaris. We infer from the evidence as a whole that "capital partner" in the Offering Memorandum meant Alaris.

[100] We conclude that the Alaris Liquidity Representations were made by the Blackbridge Respondents in BFI's marketing materials, as set out above, and that Chmelyk authorized the use of these materials in promoting sales of BFI Shares. We also find that the Blackbridge Respondents made the Alaris Liquidity Representations through authorized BFI representatives.

[101] The Alaris Liquidity Representations were patently false. As noted above, Alaris never entered into a binding agreement to provide liquidity to BFI security holders. Moreover, BFI's contemplated access to Alaris funds for the purpose of providing liquidity was contingent on Alaris' approval and was intended (according to King) to assist the "owners of the MGAs that were vending into this entity" and not third party "outside investors" such as the BFI Investors.

[102] The Alaris Liquidity Representations were material. They promised prospective BFI Investors that they would be able to, if they converted their BFI Shares into BULP units, exchange those units for either cash or TSX-traded Alaris shares. There can be little doubt that any investment decision relating to unlisted securities of a non-reporting issuer will be significantly influenced by the likelihood and timing of future liquidity, whether for cash or publicly-traded securities. BFI Investor testimony confirmed the importance they ascribed to the Alaris Liquidity Representations. RS-G told us that one of the Alaris Liquidity Representations made his investment in BFI "safer in my mind" and probably "sold" him on the investment. SS told us that his investment decision was prompted partially by assurances from Harker that "Alaris is guaranteeing the principal". AS said that an important feature was the ability to "take Alaris's shares or cash", which made it seem "pretty safe" and led him to "feel confident in the investment".

[103] The Blackbridge Respondents knew that the Alaris Liquidity Representations were materially untrue. Chmelyk was intimately involved in the negotiations between BWAC and Alaris and would have known that the Letter of Intent was nonbinding and did not provide for the liquidity suggested by the Alaris Liquidity Representations. His knowledge is attributable to BFI as its guiding mind.

(v) Entire Agreement Clause

[104] Staff's submissions addressed a clause in the BFI Agreements that provided: "This Agreement, including the Schedules hereto, constitutes the entire agreement between the parties hereto. There are not and shall not be any verbal statements, representations, warranties, undertakings or agreements between the parties . . .". Staff argued that this provision does not and should not absolve the Blackbridge Respondents because it "does not apply to *written* representations" [emphasis by Staff] and it was "buried in the text" of the BFI Agreements where it likely would not have attracted the attention of the BFI Investors.

[105] An entire agreement clause cannot provide a safe harbour from the consequences that would otherwise follow from making misleading or untrue statements in contravention of section 92(4.1) of the Act. Stated another way, issuers and their principals cannot contract out of provisions of the Act that provide fundamental investor protections, such as section 92(4.1). It would be a perverse result, and one we consider to be contrary to the public interest, to suggest that an entire agreement clause in a subscription agreement could give an issuer licence to misrepresent the attributes of its securities in collateral oral presentations or other promotional materials. Accordingly, we disregarded the entire agreement clause in the BFI Agreements when assessing the merits of Staff's misrepresentation allegations.

(vi) Conclusion

[106] For these reasons, we find that the Blackbridge Respondents contravened section 92(4.1) of the Act.

C. Cerezo Subsidiaries' Offerings

1. Marketing of JV Agreements

[107] Each of the four Cerezo Subsidiaries undertook a real estate project funded by one or more JV Partners under JV Agreements. The Cerezo Subsidiaries collectively raised at least \$1,860,000 from the JV Partners, some of whom were involved in more than one Cerezo Subsidiary. In particular, 560 raised at least \$490,000 from 13 JV Partners from May 3 to October 30, 2013; 563 raised at least \$450,000 from four JV Partners from June 13, 2013 to January 31, 2014; 886 raised at least \$155,000 from three JV Partners from June 18 to August 1, 2013; and 889 raised \$765,000 from one JV Partner on or about March 4, 2014.

[108] Most of the JV Partners were referred by Alexander – Chmelyk said that Alexander brought in all the investors, with many identified on Chmelyk's list of investors as Alexander's "Personal Friend". Chmelyk later told Staff that aside from one JV Partner (who Chmelyk described as "a friend of mine") he had no relationship with any of the JV Partners and they were not his business associates, family or close friends. Alexander was not an officer or director of the Cerezo Subsidiaries.

[109] According to Staff, Alexander's marketing activities included "posting [investment] information on various websites, including Facebook". One of the four webpages in evidence, consisting of minutes from an Edmonton property development association meeting, made no reference to Cerezo but instead to "Cerezo Development Partners" (an entity not named as a respondent). Two other web pages in evidence respectively promoted 560's and 889's real estate projects, although the 560 page indicated that the "project has been oversubscribed" and that "JV Partners are no longer being sought". The final web page appeared to be a Facebook page for Cerezo Development Partners.

[110] Most of the JV Agreements were admitted into evidence. Chmelyk said that he initially understood from Alexander that a lawyer had prepared the JV Agreements, but he later discovered it was Alexander who had drafted the documents. With few exceptions, the JV Agreements were materially identical. They provided that the "exclusive purpose" of the joint venture was "to fund a portion or all of the development capital obligations" required to complete the project, and that the JV Partners would provide some or all of the required capital. The JV Agreements also stipulated that the Cerezo Subsidiary would provide "development, project management, operating and management expertise" and be responsible to exclusively manage the project "in any manner at its sole discretion consistent with ensuring it optimize[s] and does what is necessary to complete the Project". Consistent with JV Partner witness testimony, Chmelyk said that the JV Partners had no active role and no control over the projects, and "were really just informed of the progress forward".

[111] The JV Agreements also provided for the return to the JV Partner of their "initial development capital" along with a "pro-rata share of profits". One arrangement also provided for monthly interest payments payable to the JV Partner. The 889 JV Agreement was unique,

providing the JV Partner with a return of its capital contribution plus "a simple interest return on development capital of 8% per annum" and a 50% "share equity interest in the rental pool retained in the project . . . upon completion of the Project".

[112] Each JV Agreement was signed by the JV Partner and by Chmelyk as "President" of the Cerezo Subsidiary.

[113] The evidence indicated that all of the JV Partners received payment of their capital contribution along with a return on their capital, consistent with terms of their respective JV Agreements. Aside from 889's JV Partner (who apparently negotiated an agreement that resulted in the termination of that joint venture), each JV Partner executed a Final Release in connection with the payment of their capital contribution and return.

[114] Certain of the JV Partners testified about their investments with the Cerezo Subsidiaries (we will refer to them as GP, CG, and PG for privacy purposes). In summary the salient evidence included:

- GP knew Alexander from two previous unrelated investments. GP paid (through his private company) \$50,000 to each of 560 and 563, and signed a JV Agreement with 560 (on May 3, 2013) and with 563 (on June 26, 2013). He understood that he was providing the initial capital for the development of these projects, that he would receive a share of the profits once the projects were built and sold, and that he would have no role in their management. GP also understood that Chmelyk and Alexander (who he described as the "front man" who was "running the deal") were partners but GP's only contact throughout was with Alexander.
- CG (and his spouse) invested \$50,000 with 886 by signing a JV Agreement dated July 16, 2013 and providing Alexander a bank draft dated July 17, 2013 for this amount. CG understood that Alexander and Chmelyk were partners through Cerezo, that Alexander "was doing more of the project management type stuff" and Chmelyk was "good at getting City approval and stuff like that".
- PG entered into a JV Agreement with 560 dated July 4, 2013, a JV Agreement with 886 dated July 3, 2013, and a "Joint Venture Agreement Amendment" with 886 (in which PG agreed "to provide the \$50,000 capital contribution for the Project from funds received from distributions by" 560) dated July 4, 2013. Also in evidence was a "Direction to Pay" dated July 4, 2013 (in which PG directed 560 to pay \$50,000 "otherwise payable to [PG]" to 886), as well as a bank draft dated July 10, 2013 in the amount of \$50,000. PG recalled a conversation with Alexander about "money being transferred from one project to another" if the project was successfully completed and PG was satisfied with his return, but PG did not "recall exactly what projects were discussed". PG understood that Alexander and Chmelyk were partners in Cerezo but that Chmelyk "was kind of the leader".

- Alexander did not tell GP, CG or PG whether he was to receive any commissions or other payments based on their investments in the Cerezo Subsidiaries. According to a document provided to a Staff investigator from Alexander's lawyer, "[r]eferral partners" were to receive a fee of "2.5% of the value of [the] capital contributions made by a [JV Partner] of one of the Cerezo projects", and all but one of the referral partners had "referral agreements" with Cerezo. According to this document, Chmelyk and First Stop raised \$30,000 and \$1,927,000, respectively. Chmelyk denied receiving any commissions or finder's fees in relation to funds raised for the Cerezo Subsidiaries.
- GP recalled having "a limited discussion" with Alexander about whether he needed to qualify for his investment in 560 and 563. He told us that Alexander presented him with a "different document . . . about [GP] being friends and family with" Alexander, and that Alexander "made it sound like it was part of the process", that "[i]his was the only way that [GP] could get involved with this limited amount of money that [he] was investing" and that it "was the only way that the deal could proceed". Alexander instructed GP to read a particular paragraph and assess whether "it qualifies as our business relationship under friends and family . . .". GP said that he checked off the "friends and family" option and signed the document, explaining that "at the time it was a bit of stretch saying friends, but . . . we had a good relationship. We had done business deals previous, so I was comfortable in signing that and checking that off because I did want to invest in this deal". GP did not recall whether this occurred before or after his investment in 560 and 563. CG (along with his spouse) and PG did not know Alexander prior to entering into their respective JV Agreements, and neither they, nor GP, had ever met Chmelyk.
- None of GP, CG (alone, or in conjunction with his spouse) or PG qualified as accredited investors at the time they entered into their respective JV Agreements, although CG told us that Alexander asked him questions related to the accredited investor exemption. Neither GP nor PG recalled Alexander asking them similar questions.

[115] Chmelyk said that he did not have a lawyer review the JV Agreements to determine whether they were securities or whether Cerezo and the Cerezo Subsidiaries needed to adhere to Alberta securities laws in relation to the JV Agreements, stating it was his "general understanding that we did not". Chmelyk also said that "we weren't relying on any exemptions" in raising funds through the Cerezo Subsidiaries and that "we believe that we were creating partnerships, and it wasn't a security that we were selling". Chmelyk acknowledged that he did not know if Alexander qualified the JV Partners as accredited investors, that he did not instruct Alexander to qualify JV Partners under that exemption, and that he "made it clear that we would be under scrutiny because of the previous dealings that I had with Blackbridge and that [Alexander] should make sure that . . . the people were provided with the information required". Chmelyk recalled being told by Alexander that he understood "the rules around the accredited investors", that "everybody has met those criteria" but because of "the way he's bringing it in . . . he didn't have to file" reports.

2. Allegations Concerning the Cerezo Subsidiaries' Offerings

[116] Staff alleged that Chmelyk and Cerezo breached section 75(1)(a) of the Act by acting as dealers in respect of 560's, 563's and 886's JV Agreements without registration or exemptions. Staff further alleged that Chmelyk, 560, 563 and 886 breached section 110 by distributing those JV Agreements without a prospectus or exemptions. Finally, Staff alleged that the Cerezo Subsidiaries failed to file with the ASC reports of exempt distribution, contrary to section 6.1 of NI 45-106. All of this conduct was alleged to have occurred between approximately May 2013 and March 2014.

3. Analysis and Findings on the Cerezo Subsidiaries' Allegations

(a) Illegal Trades and Distributions Allegations

(i) Trades

(A) The Law

[117] As mentioned, to find a contravention of section 75 of the Act, we must conclude from the evidence that:

- there was a security as defined in the Act;
- there was a trade as defined in the Act in relation to that security;
- the person or company engaged in or held itself out as engaging in the business of trading in securities;
- the person or company was not registered; and
- no registration exemption was available.

(B) Securities

[118] Staff submitted that the JV Agreements were "securities" as defined in the Act, on the basis that they were "documents constituting interest in the profits" of the Cerezo Subsidiaries (section 1(ggg)(ii)), profit-sharing agreements (section 1(ggg)(ix)) and investment contracts (section 1(ggg)(xiv)).

[119] "Security" is broadly defined in section 1(ggg) of the Act, and includes "any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any person or company", "any profit-sharing agreement or certificate" and "any investment contract".

[120] Though the term "investment contract" is not defined in the Act, the case law has construed it as meaning an investment of money in a common enterprise with an expectation of profits derived primarily from the effort of others (*Pacific Coast Coin Exchange v. Ontario Securities Commission*, [1978] 2 SCR 112).

[121] We find that the JV Agreements were investment contracts and thus securities within the meaning of the Act. The JV Agreements provided that the JV Partners' sole involvement was the contribution of capital to the joint ventures to develop and complete real estate projects and that the Cerezo Subsidiaries exercised "sole discretion" in managing their respective projects. The evidence was clear that the JV Partners had no role in managing the projects. Further, the JV Agreements contemplated that the profits would be shared "pro-rata".

[122] Given our finding on this issue, we need not determine whether the JV Agreements also constituted evidence of an interest in profits of the Cerezo Subsidiaries or profit-sharing agreements within the meaning of the Act.

(C) Trades

[123] Staff submitted that Cerezo, 560, 563 and 886 engaged in trades in JV Agreements by "selling" them to JV Partners for valuable consideration. Staff further submitted that Chmelyk engaged in acts in furtherance of trades by signing the JV Agreements on behalf of 560, 563 and 886, and by "acting as a referral partner".

[124] We consider the entering into JV Agreements by each of 560, 563 and 886 in exchange for capital contributions from the various JV Partners to have constituted "trades" within the meaning of the Act.

[125] Chmelyk, the guiding mind of 560, 563 and 886, admitted that he signed the JV Agreements on behalf of these Cerezo Subsidiaries. Chmelyk denied soliciting any funds or receiving any fees (aside from project management fees) from any of the Cerezo Subsidiaries. Chmelyk also said that he met with as many as four JV Partners, including one of 560's JV Partners who was Chmelyk's friend. The capital contribution made by Chmelyk's friend was the same amount apparently raised by Chmelyk through a referral agreement. We did not have any referral agreements in evidence, but we nevertheless accept that Chmelyk was involved in the solicitation of at least one 560 JV Partner, for which he may have received a commission or fee. In our view, there was sufficient evidence to find that Chmelyk undertook acts in furtherance of a trade in securities of 560, 563 and 886.

[126] Staff argued that Cerezo also made trades in 560's, 563's and 886's JV Agreements. The evidence did not establish that Cerezo was a party to any of these JV Agreements or that it handled or received capital invested by JV Partners. Although Staff did not expressly contend that Cerezo undertook acts in furtherance of trades, the Notice of Hearing and other Staff submissions referred to Cerezo's involvement in promoting the Cerezo Subsidiaries' investments and Cerezo entering into agreements to pay fees for referring investors to the Cerezo Subsidiaries. We were not persuaded on the evidence before us that Cerezo was responsible for promoting investments in the Cerezo Subsidiaries, and we saw no evidence suggesting that investors viewed or acted on the advertisements which were in evidence. No referral agreements were adduced in evidence, nor did we receive other direct evidence of payments made by Cerezo for capital raising. We are unable to find on a balance of probabilities that Cerezo made trades, or that it undertook acts in furtherance of trades, in respect of 560's, 563's or 886's JV Agreements.

(D) Engaging in the Business of Trading Securities

[127] Staff submitted that Cerezo and Chmelyk engaged in the business of trading in JV Agreements. (No allegations or submissions were made in this regard against 560, 563 or 886.) In particular, Staff asserted that both Cerezo and Chmelyk engaged in activities similar to that of a registrant by trading in securities for a business purpose, by making a market in securities through the sale and distribution of the JV Agreements, by selling JV Agreements with

repetition, regularity and continuity (for which Chmelyk was compensated), and by directly or indirectly soliciting securities transactions.

[128] We are not persuaded that Chmelyk engaged in the business of trading in respect of the JV Agreements. We found Chmelyk to have engaged in acts in furtherance of trades by executing JV Agreements, soliciting a friend to invest \$30,000 (evidence as to whether Chmelyk was compensated in relation to this investment is inconclusive), and meeting with as many as three other JV Partners. However, Chmelyk's primary role was to develop the real estate properties, and his limited involvement in any capital-raising activities was merely to advance the non-securities aspect of the overall business.

[129] Having determined that Cerezo did not engage in trades or in acts in furtherance of trades, we need not consider whether Cerezo acted as a dealer.

[130] We therefore find that Chmelyk and Cerezo did not engage, or hold themselves out as engaging, in the business of trading in securities, and accordingly were not required to be registered as a dealer.

(ii) Distributions

[131] Staff submitted that 560, 563, 886 and Chmelyk contravened section 110 of the Act by engaging in illegal distributions of JV Agreements.

(A) Distributions

[132] As mentioned, to find a contravention of section 110 of the Act, we must find a trade in a security that has not been previously issued. There is no doubt that the relevant securities of 560, 563 and 886 were not previously issued. Accordingly, trades of those securities were also distributions.

(B) No Prospectus; Exemptions Not Available for All Distributions

[133] No prospectus was filed or received in relation to the 560, 563 and 886 distributions.

[134] As noted, a respondent claiming the benefit of an exemption from the prospectus (or registration) requirement has the onus of demonstrating the availability and adherence to the conditions and requirements of the exemption. NI 45-106 allows certain exemptions to the prospectus requirement, including the family, friends and business associates exemption, the accredited investor exemption, and the minimum amount exemption (available when a person purchases a security for an acquisition cost of not less than \$150,000, payable in cash at the time of the distribution).

[135] Chmelyk was the sole director and officer of 560, 563 and 886 at all relevant times. One of the 560 JV Partners was a friend of Chmelyk, although we did not receive any evidence concerning the length of time they had known each other, the nature of their relationship or that person's ability to assess Chmelyk's capabilities and trustworthiness. Accordingly, we do not find any of the 560, 563 or 886 JV Partners to have qualified under the friends, family and business associates exemption.

[136] Similarly, there was scant evidence that any of the 560, 563 or 886 JV Partners was an accredited investor. CG recalled being asked questions relating to this exemption but his evidence was such that he (and his spouse) were not accredited investors at the relevant time. Chmelyk's list of investors indicated that one 563 JV Partner was an accredited investor, but we heard nothing more on whether he satisfied any of the required financial thresholds. Moreover, Chmelyk said that there was no attempt to qualify JV Partners under prospectus exemptions based on his (misguided) view that the Cerezo Subsidiaries were merely creating partnerships, in respect of which the Act was inapplicable. It was not established that any of the 560, 563 or 886 JV Partners were accredited investors at the relevant time.

[137] Evidence indicated that one JV Partner qualified under the minimum amount exemption, having paid \$200,000 to 563.

(C) Conclusion

[138] For these reasons, we find (with the one exception in relation to the 563 JV Partner who met the minimum amount exemption) that 560, 563, 886 and Chmelyk contravened section 110(1) of the Act by illegally distributing securities between March 2013 and May 2014.

(b) Failure to File Exempt-Distribution Reports Allegations

[139] Staff alleged that the Cerezo Subsidiaries breached section 6.1 of NI 45-106 by failing to file exempt-distribution reports in respect of JV Agreements.

[140] As mentioned, we are not prepared to make a finding that a respondent failed to file exempt-distribution reports in circumstances where securities were not distributed pursuant to an available prospectus exemption.

[141] None of the Cerezo Subsidiaries filed any reports of exempt distribution with the ASC in respect of JV Agreements.

[142] We found that a distribution to one of the 563 JV Partners qualified under the minimum amount exemption. The evidence also demonstrated that 889's JV Partner similarly qualified under this exemption, having paid \$765,000 to 889 (according to the JV Agreement, payments were structured into three instalments each exceeding \$150,000). Not having filed exempt-distribution reports in respect of these JV Agreements, we find both 563 and 889 contravened section 6.1 of NI 45-106.

D. Conduct Contrary to the Public Interest Allegation

[143] Staff alleged that each of the respondents, by their respective misconduct, acted contrary to the public interest. We do not consider it necessary, and therefore decline, to make a separate finding that the respondents' contraventions of Alberta securities laws found herein were also contrary to the public interest.

E. Authorizing, Permitting or Acquiescing Allegation

[144] The Notice of Hearing alleged that Chmelyk, as the sole director, an officer and "a directing, controlling and guiding mind" of each of BFI, Cerezo and the Cerezo Subsidiaries,

authorized, permitted or acquiesced in "all of the conduct . . . that violated Alberta securities laws". The Notice of Hearing further alleged that Cerezo, as "the owner of 100% of the voting shares of the [Cerezo Subsidiaries] at all relevant times", authorized, permitted or acquiesced in all of their conduct "that violated Alberta securities laws".

[145] As noted, the evidence satisfied us that Chmelyk was at all relevant times the guiding mind of BFI, Cerezo and the Cerezo Subsidiaries. In his roles as sole director and CEO of these issuers, it was clear that he orchestrated virtually all aspects of their operations. We therefore find that Chmelyk authorized, permitted or acquiesced in BFI's, Cerezo's, and the Cerezo Subsidiaries' contraventions of Alberta securities laws.

[146] Turning to Cerezo, there was insufficient evidence concerning Cerezo's acts or omissions to sustain a finding that it authorized, permitted or acquiesced in the Cerezo Subsidiaries' misconduct. Cerezo's status as the sole shareholder of the Cerezo Subsidiaries (bearing in mind their beneficial ownership was controlled by Chmelyk and Alexander through AECOR and First Stop, respectively) is, in our view, insufficient to make such a finding.

IV. CONCLUSION AND NEXT STEPS

[147] In summary, we have found that many, but not all, of Staff's allegations have been proved: we have found that the Blackbridge Respondents illegally traded and distributed securities and made materially untrue statements to investors; that Chmelyk, 560, 563 and 886 illegally distributed securities; that 563 and 889 failed to file exempt-distribution reports; and that Chmelyk authorized, permitted or acquiesced in the corporate respondents' contraventions of Alberta securities laws.

[148] This proceeding now moves into a second phase for the determination of what, if any, orders for sanctions and costs ought to be made against each of the Respondents in light of our findings just summarized. All parties are directed to inform the ASC Registrar, **by 16:00 on Wednesday, February 22, 2017**, of their views concerning an appropriate timetable for the delivery and hearing of evidence (if any) and submissions on the issue of appropriate orders.

February 2, 2017

For the Commission:

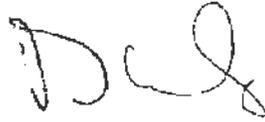


Tom Cotter

Webster Macdonald, QC

Richard Shaw, QC

Webster Macdonald, QC

A handwritten signature in black ink, appearing to read 'W Macdonald', written in a cursive style.

Richard Shaw, QC

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February 2, 2017

For the Commission:

Tom Cotter

Webster Macdonald, QC



Richard Shaw, QC

APPENDIX "B"

ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Chmelyk, 2017 ABASC 109

Date: 20170614

**Ferlyn Robert John Chmelyk, Blackbridge Financial Inc.,
1735560 Alberta Ltd., 1735563 Alberta Ltd., 1751886
Alberta Ltd. and Studio 33 Inc. (formerly 1751889 Alberta Ltd.)**

Panel: Tom Cotter
Webster Macdonald, QC
Richard Shaw, QC

Representation: Peter Verschoote
for Commission Staff

Craig Leggatt
for Studio 33 Inc.

Submissions Completed: May 3, 2017

Decision: June 14, 2017

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I. INTRODUCTION

[1] After an eight-day hearing into the merits of allegations made by staff (Staff) of the Alberta Securities Commission (ASC), we found that Ferlyn Robert John Chmelyk (Chmelyk), Blackbridge Financial Inc. (BFI), 1735560 Alberta Ltd. (560), 1735563 Alberta Ltd. (563), 1751886 Alberta Ltd. (886) and Studio 33 Inc. (formerly 1751889 Alberta Ltd.) (889) each contravened Alberta securities laws. The findings, and the underlying facts, are more fully discussed in *Re Chmelyk*, 2017 ABASC 13 (Merits Decision).

[2] Once we issued the Merits Decision, the proceeding moved into a second phase to determine what, if any, sanctions and cost-recovery orders ought to be made against each of the respondents. We established a timeline for the parties to make written submissions on this issue. Staff provided written submissions along with their estimated investigation and hearing costs. The respondents were given an opportunity to be heard (including an extension of their filing deadline), but they provided no submissions.

[3] For reasons set out below, we are ordering an array of sanctions against Chmelyk, BFI, 560, 563 and 886. We are also ordering Chmelyk to pay investigation and hearing costs in the amount of \$90,000.

II. BACKGROUND

[4] We summarize here the facts pertinent to our analysis.

A. Blackbridge

[5] In February 2012, BFI raised \$425,000 from four Alberta investors in exchange for BFI securities. While marketing BFI securities, Chmelyk and BFI (the **Blackbridge Respondents**) told investors that a BFI subsidiary (Blackbridge Wealth Advisory Corporation (BWAC)) was "an exempt market dealer" and "a securities registrant". These statements were material and untrue, as Chmelyk had consented to the suspension of BWAC's registration months earlier and its status did not change throughout the relevant period. Other statements made by the Blackbridge Respondents to investors – that a TSX-traded company had agreed to provide capital financing to BFI and to provide liquidity to BFI shareholders if they exercised certain share conversion rights – were also found to be material and untrue. In addition to this misconduct, the Blackbridge Respondents also acted as a dealer without registration and illegally distributed BFI securities.

[6] Chmelyk, as BFI's sole director and chief executive officer, was BFI's guiding mind at all relevant times, and he authorized, permitted or acquiesced to BFI's contraventions of Alberta securities laws.

[7] The BFI investors lost all of their capital contributions, and one investor also incurred approximately \$25,000 to \$30,000 in legal fees seeking to recover his funds.

B. Cerezo Developments Inc.

[8] In 2013, Chmelyk entered into a business venture with Clifford George Alexander (Alexander) to develop real estate. They created Cerezo Developments Inc. (Cerezo), with Chmelyk owning (indirectly) 60% of the company. An agreement between Chmelyk and Alexander provided that Chmelyk would contribute "business and real estate development and operational expertise" while Alexander would provide "development operating capital".

[9] Four real estate projects were pursued separately through 560, 563, 886 and 889 (collectively, the **Cerezo Subsidiaries**). At all relevant times, Chmelyk was the sole director and president of each Cerezo Subsidiary, and we found him to be a guiding mind of each Cerezo Subsidiary.

[10] Most of the capital raised for the Cerezo Subsidiaries' projects came from individual investors, who signed joint venture agreements that provided them with a right to a "pro-rata share of the profits". 560 raised at least \$490,000 from 13 investors between May and October 2013; 563 raised at least \$450,000 from four investors between June 2013 and January 2014; 886 raised at least \$155,000 from three investors between June and August 2013; and 889 raised \$765,000 from a single investor in March 2014. While Alexander referred all but one of the investors, Chmelyk met with at least four individual investors and signed the joint venture agreements on behalf of the Cerezo Subsidiaries. Investors ultimately received full payment of their capital contribution plus a return on their investment.

[11] We found in the Merits Decision that the joint venture agreements were investment contracts, and that each was therefore a "security" within the meaning of the *Securities Act (Alberta) (Act)*. We also found that the securities of 560, 563 and 886 were issued without a prospectus having been filed or an available exemption from the prospectus requirement (with one exception pertaining to one of 563's investors), and that Chmelyk, 560, 563 and 886 had therefore illegally distributed securities. We dismissed Staff's allegations that Chmelyk and Cerezo were engaged in the business of trading in the Cerezo Subsidiaries' securities.

[12] 563 and 889 both failed to file Form 45-106F1 reports with the ASC for their respective prospectus-exempt distributions.

[13] Finally, we determined that Chmelyk authorized, permitted or acquiesced to the Cerezo Subsidiaries' contraventions of Alberta securities laws. We dismissed a similar allegation against Cerezo in respect of the Cerezo Subsidiaries' contraventions.

C. Alexander's Settlement Agreement

[14] Prior to the merits hearing, the Executive Director of the ASC entered into a settlement agreement with Alexander to resolve Staff's allegations against him. In the agreement, Alexander – "a directing, controlling and guiding mind of each" Cerezo Subsidiary – admitted to having contravened ss. 75 and 110 of the Act by acting as a dealer without being registered and participating in distributions of securities without a prospectus or a prospectus exemption, and acting contrary to the public interest. Alexander undertook to pay \$30,000 to the ASC, although this payment was not specifically identified in the agreement as being either a monetary sanction or a cost-recovery order. Alexander also agreed to be subject to certain market restrictions (as modified by limited carve-outs) for a period of one-and-a-half years.

III. PARTIES' POSITION ON SANCTIONS AND COST-RECOVERY ORDERS

A. Staff's Position

[15] For Chmelyk's misconduct, Staff seek an administrative penalty of \$75,000, an order requiring Chmelyk to pay investigation and hearing costs of \$100,000 and "10 year market access restrictions . . . which shall not expire until Chmelyk repays his administrative penalty in full". The requested market-access restrictions include orders that:

- prohibit Chmelyk from trading in or purchasing securities or derivatives;
- exemptions contained in Alberta securities laws do not apply to Chmelyk;
- prohibit Chmelyk from engaging in investor relations activities;
- prohibit Chmelyk from becoming or acting as a director or officer (or both) of any issuer, registrant, or certain other market participants;
- prohibit Chmelyk from advising in securities or derivatives;
- prohibit Chmelyk from becoming or acting as a registrant, investment fund manager or promoter; and
- prohibit Chmelyk from acting in a management or consultative capacity in connection with activities in the securities market.

[16] In respect of the corporate respondents, Staff seek permanent market-access restrictions against BFI, 560, 563 and 886. Staff do not seek any sanctions against 889.

B. Respondents' Positions

[17] As mentioned, we received no submissions from Chmelyk, BFI, 560, 563 or 886.

[18] Counsel for 889 advised that, in light of Staff's position that they were not seeking sanctions against 889, it had no submissions.

IV. SANCTIONS

A. The Law

[19] Sections 198 and 199 of the Act authorize an ASC hearing panel to impose sanctions against a respondent when it is in the public interest to do so. A sanctions order is preventive in nature and prospective in orientation – not punitive or remedial – having as its purpose the protection of the public interest, having due consideration for investor protection and the efficiency of, and public confidence in, the capital market (*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 37 at paras. 39-45). While specific deterrence (discouraging repeated misconduct by a respondent) and general deterrence (discouraging similar misconduct by others) are both legitimate considerations, an appropriate sanction must ultimately be proportionate and reasonable (*Re Cartaway Resources Corp.*, 2004 SCC 26 at paras. 52-62; *Walton v. Alberta (Securities Commission)*, 2014 ABCA 273 at para. 154).

[20] We adopt here the recent restatement of the applicable sanctioning factors from *Re Homerun International Inc.*, 2016 ABASC 95 at para. 20:

In making the requisite sanctioning assessment and determination, several factors are considered. Numerous potential factors have been discussed in past ASC decisions including *Re Lamoureux*, [2002] A.S.C.D. No. 125 at para. 11 (affirmed on other grounds 2002 ABCA 253); *Re Workum and Hennig*, 2008 ABASC 719 at para. 43 (affirmed 2010 ABCA 405); and *Re Hogerty*,

2014 ABASC 348 at para. 11. With a view to clarifying the interaction of principles and factors, it is helpful here to recast the analytical framework by coupling the principles discussed above with a refined enumeration of sanctioning factors:

- the seriousness of the respondent's misconduct;
- the respondent's pertinent characteristics and history;
- any benefit sought or obtained by the respondent; and
- any mitigating or aggravating considerations.

B. Staff's Submissions on Sanctions

[21] Staff submitted that the untrue statements were "very serious" and caused BFI investors to make investment decisions based on misinformation. The misinformation regarding BWAC's business was critically material to the value of BFI's shares, whereas the false information as to the involvement of a TSX-traded company "made the BFI investment seem more credible and safe to investors". The Blackbridge Respondents' illegal trades were said to be "also very serious", as this misconduct deprived BFI investors of "the opportunity to invest through a registered EMD" who could provide suitability advice on the investment. Similarly, the illegal distributions were serious, as they resulted in four investors losing a total of \$425,000.

[22] While none of the respondents have been previously sanctioned by the ASC or "by any other relevant regulatory body", Staff asserted that Chmelyk's capital-market misconduct occurred "within months" of the suspension of his registration with the ASC and "should be viewed as a significant aggravating factor".

[23] Staff contended that the \$425,000 raised from BFI investors constituted a financial benefit to BFI, and that Chmelyk benefitted financially from the reimbursement of his expenses. Staff also submitted that 560, 563 and 886 received a collective financial benefit of at least \$1,095,000 (the amounts found to have been raised for these entities) and that Chmelyk financially benefitted by receipt of at least \$30,000 for referring investors to the Cerezo Subsidiaries.

[24] The Blackbridge Respondents' misconduct harmed investors, who did not receive "any returns of or on capital", and one investor incurred an additional \$25,000 to \$30,000 in legal fees "attempting to recoup his losses". Staff also pointed to investors' evidence indicating that their losses were significant and made them cautious about investing in the capital market in the future. No mention was made of any harm resulting from the Cerezo Subsidiaries' misconduct.

[25] Chmelyk was described as posing "a significant risk" to future investors and the capital market unless his misconduct is appropriately sanctioned. Staff highlighted the egregiousness of the untrue statements, the "continued pattern of illegal fundraising" and Chmelyk's capital-market experience, which warranted sufficiently severe sanctions to deter him and others who might emulate his misconduct.

[26] BFI, 560, 563 and 886 were also said to "pose a significant risk to future investors and Alberta's capital market if not appropriately sanctioned", given the seriousness of their misconduct. Staff contended that these companies pose a continuing threat and should be

sanctioned accordingly, given that they remain active Alberta corporations and are controlled by Chmelyk.

[27] Staff acknowledged that certain mitigating factors were present, notably that Chmelyk (and Alexander) "repaid" \$1,917,207.92 to all of the investors in 560, 563 and 886. Staff also suggested that BFI, 560, 563 and 886 "had genuine, albeit somewhat unsuccessful businesses", which mitigates the seriousness of their misconduct.

[28] Staff suggested a \$75,000 administrative penalty and 10-year market-access restrictions for Chmelyk to be sufficient to achieve the necessary specific and general deterrence while taking into account mitigating factors. Staff also sought to tie the expiration of the market-access restrictions to Chmelyk's payment (in full) of the administrative penalty. Staff submitted that permanent market-access restrictions for BFI, 560, 563 and 886 would be appropriate to achieve specific and general deterrence, and that such orders were consistent with prior ASC decisions.

[29] In respect of 889, Staff did not consider a sanction to be warranted "because the only finding made against it in the Merits Decision was that it failed to file one report of exempt distribution". Staff also indicated that 889's sole investor reinvested with the company, and that Alexander (not Chmelyk) was now 889's "sole director and effective 100% voting shareholder".

C. Analysis

1. Seriousness of Misconduct

[30] We consider the Blackbridge Respondents' misconduct to be very serious. It caused four Alberta investors to make important investment decisions based on materially false information, while deprived of key protections afforded by the Act, resulting in a collective loss of \$425,000. This argues for significant sanctions to deter the Blackbridge Respondents and others from engaging in similar misconduct.

[31] The illegal distribution of 560's, 563's and 886's securities was also serious. It too caused investors to advance large sums of money without the benefit of a prospectus or an available exemption. Although investors ultimately received their original capital contributions plus a return on their investment, this misconduct was a serious contravention of Alberta securities laws.

[32] Chmelyk authorized, permitted or acquiesced to 560's, 563's and 886's misconduct. Even though he may have thought the joint ventures fell outside the scope of Alberta securities laws, this does not diminish the seriousness of his misconduct, particularly given his capital-market experience and background (as discussed below). The seriousness of Chmelyk's misconduct is also not diminished by assurances he purportedly received from Alexander (later determined to be incorrect) that the joint venture offerings had been prepared by, or with the assistance of, legal counsel. Chmelyk, as the director, officer and directing mind of 560, 563 and 886, bore ultimate responsibility to ensure their compliance with Alberta securities laws.

[33] The exempt-distribution report filing requirement is important, as it gives the ASC certain information that is useful in monitoring the capital market. However, we view the single instance here of failing to file the report as a technical contravention, which does not warrant sanction.

2. Characteristics and History

[34] Staff acknowledged, and we accept, that none of the respondents have previously been sanctioned, either by the ASC or by any other Canadian securities regulatory authority.

[35] In some circumstances, the lack of sanctioning history might moderate the perceived need for specific deterrence, but that is not the case here. Chmelyk had previously been registered as BWAC's Ultimate Designated Person and had taken an "Officers' Partners' and Directors' Course", which (according to Chmelyk) was "designed for the EMD market". Chmelyk was thus familiar with the requirements of Alberta securities laws -- particularly in relation to the prospectus-exempt market -- yet he was careless about their observance.

[36] In his Staff interview (in response to a question as to whether his experience provided an understanding as to what "should go into an offering memorandum"), Chmelyk explained that they "couldn't hire law firms to help us" due to the lack of "funding . . . to pay a law firm to vet it". This implies that Chmelyk recognized he needed to obtain legal advice to ensure compliance with securities laws, but proceeded to raise money from BFI investors without it. This demonstrated preference for expediency over prudence raises concerns over Chmelyk's future participation in the capital market and indicates a clear need for specific deterrence.

[37] Moreover, we consider it self-evident that providing misinformation to investors when raising capital is wrong (*Re Global Social Capital Partners, Inc.*, 2016 ABASC 97 at para. 17 (Global)).

3. Benefits Sought or Obtained

[38] Both BFI and the Cerezo Subsidiaries raised capital from the public in a manner contrary to Alberta securities laws. While the Cerezo Subsidiaries' investors were fully repaid their capital contributions along with a return on their investments, the same cannot be said of the BFI investors. In both circumstances, Alberta securities laws were contravened with the intent to profit.

[39] We were not provided with any clear evidence that Chmelyk received a direct personal benefit from his misconduct. Chmelyk denied receiving investor funds through the Cerezo Subsidiaries. While Alexander's counsel suggested to Staff investigators that Chmelyk had received a modest referral fee, the evidence was unclear whether Chmelyk received that fee or the project management fees (the latter being a term in the joint venture agreements). Nonetheless, Chmelyk was in business with a view to making a profit and we have no doubt that his misconduct was motivated, at least in part, to benefit financially.

4. Mitigating or Aggravating Considerations

[40] We accept that the repayments in full to the Cerezo Subsidiaries' investors by Chmelyk are mitigating circumstances. Staff also suggested that the existence of a genuine business was a mitigating factor. While the respondents' business ventures may have had legitimate purpose, we are not persuaded that this merits any reduction or modification of sanction, taking into account the general and specific deterrence otherwise required.

5. Outcomes in Other Proceedings

[41] As noted in *Re Holby*, 2015 ABASC 891 (at para. 54): "A consideration of previous decisions and settlement outcomes, particularly those involving the same or similar factual

background and allegations, is essential in determining what sanctions are proportionate to the circumstances of a respondent's misconduct and to the personal circumstances of the respondent".

[42] Staff cited three ASC decisions as relevant to our determination of sanctions: *Global, Re Johnston*, 2013 ABASC 456 and *Re McKenzie*, 2014 ABASC 506. We have considered these decisions in our assessment of what sanctions, if any, ought to be imposed. We have also taken into account Alexander's settlement with Staff.

6. Conclusion on Appropriate Sanctions

[43] We conclude that significant sanctions are necessary in the public interest to instill the requisite deterrence demanded by the respondents' misconduct. That is particularly so in respect of the Blackbridge Respondents' contraventions, which were more serious and lacked the mitigating facts present in the Cerczo Subsidiaries' securities distributions.

[44] Consistent with Staff's position, we consider both an administrative penalty and market-access restrictions to be necessary and in the public interest to address Chmelyk's misconduct. We also consider market-access restrictions for BFI and the Cerczo Subsidiaries to be warranted in respect of their misconduct.

[45] In our view, a \$75,000 administrative penalty, together with market-access restrictions of 10 years for Chmelyk, will suffice as general and specific deterrence in the circumstances. We also consider it appropriate to tie the duration of the market-access restrictions to payment of the administrative penalty.

[46] We turn now to the sanctions to be assessed for BFI, 560, 563 and 886. We consider permanent market-access restrictions to be appropriate for BFI. Although Staff were of the view that restrictions of similar duration should also be imposed on 560, 563 and 886, proportionality considerations suggest that a shorter duration is appropriate for their misconduct, which we found to be relatively less serious, and to recognize the mitigating facts relating specifically to their misconduct. Accordingly, we order market-access restrictions against 560, 563 and 886 for a period of 10 years.

[47] As mentioned, we have accepted Staff's recommendation not to impose a sanction on 889.

V. COST RECOVERY

A. The Law

[48] Section 202(1) of the Act authorizes an ASC hearing panel, if satisfied after conducting a hearing that a respondent has contravened Alberta securities laws or acted contrary to the public interest, to order the respondent to pay "costs of or related to the hearing or the investigation that led to the hearing, or both". As stated in *Re Marcotte*, 2011 ABASC 287 at para. 20:

A costs order is not a sanction, but rather a means of recovering, from a respondent found to have engaged in capital-market misconduct, certain investigation and hearing costs that would otherwise be borne indirectly by law-abiding market participants whose fees fund the [ASC's] operations. It is generally appropriate that a respondent pay at least some portion of the relevant costs. Determination of the appropriate portion may involve assessing parties' contributions to the efficient conduct and ultimate resolution of the proceeding.

[49] Cost-recovery orders are typically not made in respect of allegations that have been withdrawn or dismissed, and if such costs "cannot be readily separated" from those incurred in relation to proved allegations, "a panel may estimate the proportion fairly attributable to a particular respondent and particular proved allegations" (*Spaetgens* at para. 108). The reasonableness of the remaining costs claimed by Staff may then be assessed, taking into account the respondents' contributions (if any) to the efficiency of the proceeding.

B. Staff's Submissions on Costs

[50] Staff tendered a statement, along with supporting documentation, identifying investigative and hearing costs of \$134,665.02. Staff submitted that Chmelyk, as the guiding mind of BFI, 560, 563 and 886, was primarily responsible for Staff's investigation and hearing costs. Staff acknowledged that Alexander was also responsible for an unspecified portion of the costs related to Staff's investigation and reduced their costs request by approximately 25%. Accordingly, Staff's position was that Chmelyk should pay \$100,000 of Staff's investigation and hearing costs.

C. Analysis

[51] Not all of Staff's allegations were proved. In particular, Staff failed to establish that Chmelyk acted as a dealer in respect of the Cerezo Subsidiaries. Staff also did not prove any of the allegations against Cerezo (that it acted as a dealer or that it authorized, permitted or acquiesced to the Cerezo Subsidiaries' misconduct), as well as some of the allegations that BFI and some of the Cerezo Subsidiaries failed to file exempt distribution reports. Staff's submissions did not appear to account for these unproven allegations.

[52] As acknowledged by Staff, some of the investigative and prehearing costs are also the responsibility of Alexander. Although the precise amount cannot be readily identified, we agree with Staff's submission that a 25% reduction provides a reasonable estimate of the investigation and settlement time attributable to Alexander.

[53] We are reducing the \$100,000 of costs sought by Staff by a further \$10,000 to account for the allegations that were not proved.

VI. CONCLUSION

[54] For the reasons given, we make the following orders.

[55] Against Chmelyk, we order that:

- under section 198(1)(d) of the Act, he must resign all positions he holds as a director or officer (or both) of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
- until the later of June 14, 2027 and the date on which the administrative penalty ordered against Chmelyk has been paid in full to the ASC

- under section 198(1)(b) and (c), he must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to him;
- under section 198(1)(c.1), he is prohibited from engaging in investor relations activities;
- under section 198(1)(e), he is prohibited from becoming or acting as a director or officer (or both) of any issuer (or other person or company that is authorized to issue securities), registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
- under section 198(1)(e.1), he is prohibited from advising in securities or derivatives;
- under section 198(1)(e.2), he is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
- under section 198(1)(e.3), he is prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- under section 199, he must pay an administrative penalty of \$75,000; and
- under section 202, he must pay \$90,000 of the costs of the investigation and hearing.

[56] Against BFI, we order, with permanent effect, that:

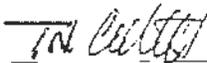
- under section 198(1)(a), (b) and (c) of the Act, all trading in or purchasing of securities or derivatives of BFI must cease, BFI must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to BFI;
- under section 198(1)(c.1), BFI is prohibited from engaging in investor relations activities;
- under section 198(1)(e.1), BFI is prohibited from advising in securities or derivatives;
- under section 198(1)(e.2), BFI is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
- under section 198(1)(e.3), BFI is prohibited from acting in a management or consultative capacity in connection with activities in the securities market.

[57] Against 560, 563 and 886, we order that until June 14, 2027:

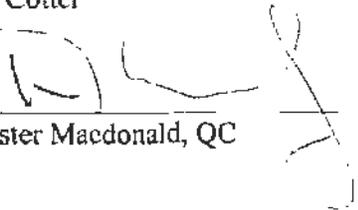
- under section 198(1)(a), (b) and (c) of the Act, all trading in or purchasing of securities or derivatives of 560, 563 and 886 must cease, 560, 563 and 886 must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to 560, 563 and 886;
- under section 198(1)(c.1), 560, 563 and 886 are each prohibited from engaging in investor relations activities;
- under section 198(1)(e.1), 560, 563 and 886 are each prohibited from advising in securities or derivatives;
- under section 198(1)(e.2), 560, 563 and 886 are each prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
- under section 198(1)(e.3), 560, 563 and 886 are each prohibited from acting in a management or consultative capacity in connection with activities in the securities market.

June 14, 2017

For the Commission:



Tom Cotter



Webster Macdonald, QC

Richard Shaw, QC

[57] Against 560, 563 and 886, we order that until June 14, 2027:

- under section 198(1)(a), (b) and (c) of the Act, all trading in or purchasing of securities or derivatives of 560, 563 and 886 must cease, 560, 563 and 886 must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to 560, 563 and 886;
- under section 198(1)(c.1), 560, 563 and 886 are each prohibited from engaging in investor relations activities;
- under section 198(1)(e.1), 560, 563 and 886 are each prohibited from advising in securities or derivatives;
- under section 198(1)(e.2), 560, 563 and 886 are each prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
- under section 198(1)(e.3), 560, 563 and 886 are each prohibited from acting in a management or consultative capacity in connection with activities in the securities market.

June 14, 2017

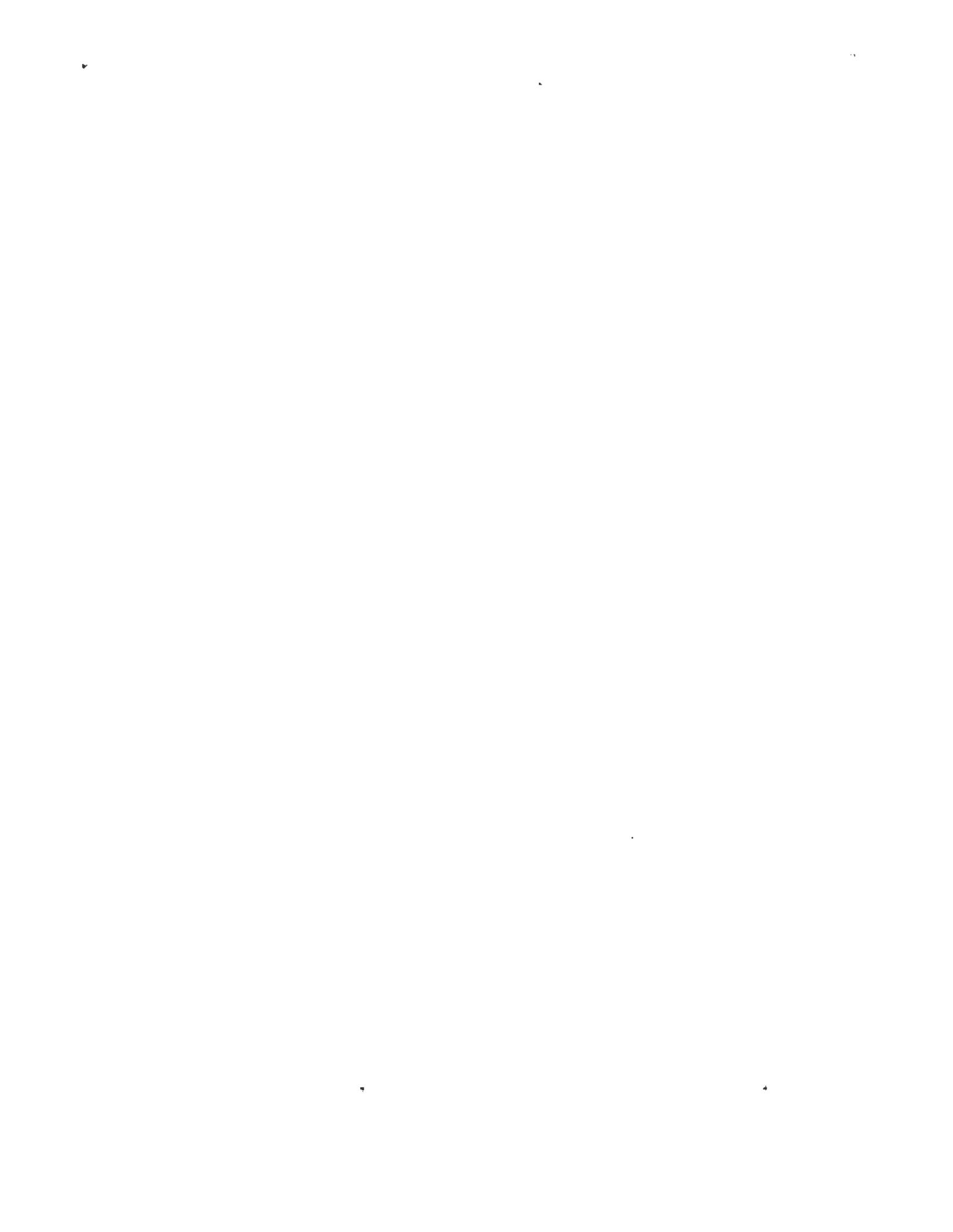
For the Commission:

Tom Cotter

Webster Macdonald, QC



Richard Shaw, QC



Transmitting Party

THE LICENSING COMPANY (CALGARY) INC. (P247)

246 BOW VALLEY SQ IV, 250 6 AVENUE SW
CALGARY, AB T2P 3H7

Party Code: 50077551

Phone #: 403 299 2373

Reference #: IND-0182599

Amendment and Renewal of Writ of Enforcement

Control #: M05557117

Registration Date: 2019-May-07

Registration #: 19050722007

Status Report - Financing Change Statement

Use this section to Renew, Discharge or Change Amount(s). Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Change Amounts: Please Complete the following

a. Post Judgment Interest

b. Costs

c. Current Amount Owing

Renew:

Total Discharge: Discharge permanently removes ALL record of the registration(s)

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Amendment and Renewal of Writ of Enforcement

Control #: M05557117

Registration Date: 2019-May-07

Registration #: 19050722007

This Registration Expires at 11:59 PM on 2021-May-07

Latest Registration # is 18012519509.

First Current Debtor is CHMELYK, FERLYN, ROBERT, JOHN.

First Current Creditor is ALBERTA SECURITIES COMMISSION.

Issued in Calgary Judicial Centre

Court File Number is 1701-08486

Judgment Date is 2017-Jun-14

This Writ was issued on 2017-Jun-22

Type of Judgment is Other

Original Judgment Amount: \$75,000.00

Costs Are: \$88,000.00

Post Judgment Interest: \$1,898.95

Current Amount Owing: \$164,898.95

End of Verification Statement

Appendix K

FORM 31
PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

300, 625 - 11th Avenue S.W., Calgary, Alberta T2R 0E1
Telephone: (403) 265-0340 Facsimile: (403) 234-8770

(All notices or correspondence regarding this claim must be forwarded to the following address):
218 20 Sierra Morena Mews SW Calgary Alberta T3H3K6

In the matter of the bankruptcy (or the proposal, or the receivership) of _____ (name of debtor) of
Calgary Alberta (city and province) and the claim of Gordon Peter Koop, creditor.

I, Gordon Peter Koop (name of creditor or representative of the creditor), of Calgary Alberta (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name 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 (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 8 day of February, 2018, and still is, indebted to the creditor in the sum of \$ 1,716,502, 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 or solemn declaration must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

() A. UNSECURED CLAIM OF \$ _____
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 do not claim a right to a priority.

() B. CLAIM OF LANDLORD 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 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)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits.) (Applicable only in the case of the bankruptcy of an individual.)

(Applicable only in the case of an individual)

- (x) I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act
- () I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.
- () 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 Calgary Alberta, this 8 day of April 2018

Witness Lt

Creditor

Phone number: 403 620 0017 Fax Number: _____ E-Mail Address: gordon.koop@gmail.com

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

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

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

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Name of Corporate Creditor

Per : _____
Name and Title of Signing Officer

Witness

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

GORDON KOOP

DEFENDANTS

ESTATE OF FERLYN ROBERT
JOHN CHMELYK, DAVIS AIDAN
CHMELYK, BRADLEY JOSEPH
DORE, ROBYN WILLOW
CHMELYK as the personal
representatives of the ESTATE OF
FERLYN ROBERT JOHN
CHMELYK and in their own personal
capacity as beneficiaries of the
ESTATE OF FERLYN ROBERT
JOHN CHMELYK

DOCUMENT

STATEMENT OF CLAIM

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

GORDON PETER KOOP
144 HAWKTREE CLOSE NW
CALGARY, ALBERTA
T3G 3R1

NOTICE TO DEFENDANTS

You are being sued. You are a defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff is a self-employed businessman who resides in the City of Calgary.
2. Ferlyn Robert John Chmelyk, (the “Deceased”), prior to his passing on July 21, 2017, was a businessman in Calgary who borrowed money from the Plaintiff.
3. As far as is known to the Plaintiff, the personal defendants live in Calgary, Alberta and are the children and heirs to the Deceased and also beneficiaries of the Estate of Ferlyn Robert John Chmelyk.

BUSINESS RELATIONSHIP BETWEEN THE DECEASED AND THE PLAINTIFF

4. In 2010, in Calgary, the Plaintiff was introduced to the Deceased through mutual friends.
5. From the outset, in his interactions with the Plaintiff, the Deceased asserted his business experience to the Plaintiff. As the conversations evolved, and the friendship developed, the Deceased induced the Plaintiff to loan money to the Deceased.
6. In the time that followed, the under the veil of friendship represented to the Plaintiff that the Deceased was a successful businessman seeking a short term personal loan or series of personal loans to take advantage of business opportunities. The Deceased represented that he was of sufficient net personal and business worth to be credit worthy of financial loans to be provided by the Plaintiff. The Deceased represented that he would share in the proceeds of his business ventures by making a double-digit interest payment in a lump sum or at intervals as would be agreed from time to time between the Deceased and the Plaintiff.
7. The Plaintiff relied on the Deceased’s representations and on the basis of their friendship that the Deceased he was a successful businessman who would make good on repayment of loans once advanced by the Plaintiff.
8. Because the Plaintiff relied on the Deceased’s word and their friendship, most of the agreements between the parties were verbal agreements or communicated by way of email and or text messages between the Deceased and the Plaintiff.

LOANS OF THE PLAINTIFF TO THE DECEASED

9. The Plaintiff did subsequently loan to the Deceased the following sums on the following basis:
 - A. Loan # 1 in the amount of \$264,104.00 between the period of May 2013 to August 2013;
 - B. Loan #2 in the amount of \$141,750.00 on or about June , 2013;
 - C. Loan #3 in the amount of \$50,000.00 on or about September 1, 2013;

- D. Loan #4 in the amount of \$100,000.00 on or about October 1, 2013;
- E. Loan #5 in the amount of \$60,000.00 on or about March 25, 2014;
- F. Loan #6 in the amount of \$400,000.00 on or about Nov 23, 2015;
- G. Loan #7 in the amount of \$150,000.00 on or about March 2016;
- H. Loan #8 in the amount of \$65,000.00 on or about June 6, 2016;
- I. Loan #9 in the amount of \$16,000.00 on or about September 30, 2016;
- J. Loan #10 in the amount of \$15,000.00 on or about October 7, 2016;
- K. Loan #11 in the amount of \$60,148.00 on or about October 26, 2016;
- L. Loan #12 in the amount of \$140,000.00 on or about October 31, 2016;
- M. Loan #13 in the amount of \$4,500.00 on or about June 9, 2017; and
- N. Loan #14 in the amount of \$250,000.00 on or about June 2017.

10. In relation to these loans a general lending agreement was agreed to between the Deceased and the Plaintiff ("the General Loan Agreement") whereby the Plaintiff would advance loan funds and Deceased would make a principal repayment plus a bonus interest not less than 15 percent simple annual interest calculated annually with an additional bonus interest up to 10 percent simple annual interest depending on the success of the business ventures entered into by the Deceased using the proceeds of the Plaintiff's loan funding as capital.

BOOKER'S PROPERTY, PARKING LOT & OTHER PROPERTIES

11. The ventures that the Deceased warranted as security to support the Plaintiff's General Loan Agreement included a fuel additives business and real estate ventures centered around the Booker's Land Assembly Development Property ("Booker's Property") municipally located at or near 3rd Street & 4th Ave SE, a real estate parcel in Calgary described as the Victoria Community parking lot ("Parking Lot") municipally located at or near Olympic Way and 11th Ave SE, and Tecumseh SW, Restaurant near Macleod Trail and Southland Drive, Oilfield Pipe and Rail, the South Dakota Hotel, Cerezo Development, Faro, two residential properties located at Edmonton trail and 27th Ave NE in Calgary (together the "Other Properties").
12. About October 2015, the Deceased advised that he could not make interest or principal payments at regular intervals. Instead the Deceased offered to enhance the General Loan Arrangement so that the Plaintiff would have a joint venture interest (the "Joint Venture") in the Booker's Property and the Victoria Parking Lot.

13. The Deceased represented to the Plaintiff that the Booker's Property was a tear down and rebuild development opportunity that would have more than \$10,000,000.00 in profits. The Deceased represented to the Plaintiff that the Victoria Parking Lot Property was land development that would have more than \$20,000,000.00 in profits. Profits from these opportunities would be used to pay back the Plaintiff his money, interest and bonus interest owed by the Deceased as in relation to the Plaintiff and the General Loan Arrangement.
14. Consequently, the Plaintiff acted with forbearance in calling his loans due from the Deceased with the promise from the Deceased that his funds advanced under the General Loan Agreement would be secured by the near term disposition and sale by the Deceased of the Booker's Property, the Parking Lot and the Other Properties.

CONSTRUCTIVE TRUST AND UNJUST ENRICHMENT

15. Because the Plaintiff was induced by the Deceased to forbear from calling as due the principal and interest monies owed to him by the Deceased, the Plaintiff required, and the Deceased agreed, to assign a measure of oversight privilege in favour of the Plaintiff with respect to the Booker's Property, the Parking Lot and the Other Properties.
16. The Deceased represented, and the Plaintiff relied on the representations of the Deceased, that generally speaking, the Plaintiff would be made whole in terms of being repaid principal and interest monies due pursuant to the General Loan Agreement.
17. When the Deceased passed away, the Estate of the Deceased took measures to transfer interests from the Parking Lot and the Other Properties, or each of them, to the Booker's Property.
18. Subsequently, following the Deceased's passing, the Estate of the Deceased, the Defendants or their duly authorized agent(s), or each of them, issued instructions to their agents to convert the Plaintiff's security in the Parking Lot and Other Properties to the Booker's Property.
19. The registered ownership title to the Parking Lot and Other Properties was transferred without the consent or oversight of the Plaintiff. Consequently, the Estate of the Deceased was unjustly enriched to the detriment of this consolidation of the Parking Lot and Other Properties to the Booker's Property.
20. The Plaintiff therefore seeks a declaration that he holds a constructive trust in the interest of the "Bookers Property."
21. The Plaintiff states that by virtue of the evolving agreement between he and the Estate and in consideration of his forbearance from calling the loans due under the General Loan Arrangement, the Plaintiff is a joint venture partner in the Booker's Property, the Parking Lot and the Other Properties.

Remedy sought:

22. An Order for judgment of the sum of \$1,716,502.00 representing the monies lawfully owed by the Deceased to the Plaintiff.
23. A Declaration that the Defendants, and each of them, hold property or an interest in the Booker's Property for the Plaintiff under a constructive or resulting trust;
24. An Order dividing the property of the parties to these proceedings between them in a manner which is just and equitable;
25. An Order requiring the Defendants to transfer ownership of specific properties to the Plaintiff;
26. An Order for damages in favour of the Plaintiff against the Defendants and each of them in an amount to be determined by this Honourable Court;
27. A judgment, providing compensation by way of transfer of property, assets or the payment of funds to the Plaintiff from the Defendants, or any one of them, as this Honourable Court may decide, for:
 - a. Unjust enrichment of the Defendants;
 - b. *Quantum meruit* based on the contributions and services provided by the Plaintiff;
 - c. Constructive trust over the property and assets of the Defendants;
 - d. Determination of the relationship between the parties as a joint venture for which the Plaintiff has acquired an equitable interest in the properties and assets of the Defendants in the Booker's Property;
 - e. Judgment for interest pursuant to *The Judgment Interest Act* of Alberta;
 - f. Such further and other relief as this Honourable Court deems appropriate; and
 - g. Costs, as this Honourable Court may determine in the circumstances of these proceedings.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

FORM 31
PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.15(3) of the Act)

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.
300, 625 - 11th Avenue S.W., Calgary, Alberta T2R 0E1
Telephone: (403) 265-0340 Facsimile: (403) 234-8770

(All notices or correspondence regarding this claim must be forwarded to the following address):
218 20 Sierra Morena Street SW Calgary AB T3H 3K6

In the matter of the bankruptcy (or the proposal, or the receivership) of 1848941 Alberta Ltd (name of debtor) of Calgary AB (city and province) and the claim of Gordon Peter Koop, creditor.

I, Gordon Peter Koop (name of creditor or representative of the creditor), of Calgary AB (city and province), do hereby certify:

- 1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name 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 (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 8 day of February, 2018, and still is, indebted to the creditor in the sum of \$ 1000000, 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 or solemn declaration must specify the vouchers or other evidence in support of the claim.)
- 4. (Check and complete appropriate category)
 - () A. UNSECURED CLAIM OF \$ 1000000
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 \$ 1000000, I do not claim a right to a priority.
() Regarding the amount of \$ 1000000, I claim a right to a priority under section 136 of the Act. (Set out on an attached sheet details to support priority claim.)
 - () B. CLAIM OF LANDLORD 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 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)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits.) (Applicable only in the case of the bankruptcy of an individual.)

(Applicable only in the case of an individual)

() I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act

() I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.

() 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 Calgary Alberta, this 13 day of April 2021

Gordon Koop
Creditor

Gordon Koop
Creditor

Phone number: 4036200017 Fax Number: _____ E-Mail Address: gordon.koop@gmail.com

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

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

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

Dated at _____, this _____ day of _____

Witness

Witness

Individual Creditor

Name of Corporate Creditor

Per : _____
Name and Title of Signing Officer

FORM 31
PROOF OF CLAIM
(Provision 53, Subsections 65.2(4), 61.2(1), 102(7), 124(2), 124(1),
and paragraphs 31(1)(e) and 66.1(9) of the Act)

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.
300, 625 - 11th Avenue S.W., Calgary, Alberta T2R 0E1
Telephone: (403) 265-0340 Facsimile: (403) 234-8770

(All notices or correspondence regarding this claim must be forwarded to the following address):
218 20 Sierra Matera Mead SW Calgary AB T3M 3K6

In the matter of the bankruptcy (or the proposal, or the receivership) of The Estate Of Ferlyn Robert John Chmelyk (name of debtor) of Calgary AB (city and province) and the claim of Gordon Peter Koop, creditor.

I, Gordon Peter Koop (name of creditor or representative of the creditor), of Calgary AB (city and province), do hereby certify:

- 1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name 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 (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 6 day of February 2018, and still is, indebted to the creditor in the sum of \$ 716502, 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 or solemn declaration must specify the vouchers or other evidence in support of the claim.)
- 4. (Check and complete appropriate category.)
 - () A. UNSECURED CLAIM OF \$ 716502
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 \$ 716502, I do not claim a right to a priority.
() Regarding the amount of \$ 716502, I claim a right to a priority under section 136 of the Act. (Set out on an attached sheet details to support priority claim.)
 - () B. CLAIM OF LANDLORD 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 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)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits.) (Applicable only in the case of the bankruptcy of an individual.)

(Applicable only in the case of an individual)

- () I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.
- () I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.
- () 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 Calgary Alberta, this 13 day of April 2021

[Signature]
Witness

[Signature]
Creditor

Phone number: 403620007 Fax Number: _____ E-Mail Address: gordonkoop@gmail.com

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

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

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

Dated at _____, this _____ day of _____

Witness

Witness

Individual Creditor

Name of Corporate Creditor

Per : _____
Name and Title of Signing Officer

Schedule "A" TABLE OF ATTACHMENTS

ATTACHMENT LETTER	BRIEF DESCRIPTION OF ATTACHMENT	PAGE
1	Accounting summary	1 - 2
2	Certificate of Lis Pendens Dec 8 2017 Municipal address 316 3 rd St SE Calgary Alberta	3
3	Email from Kalim to Gord Koop, Sent Dec 14 2017 Subject: Note from me	4
4	Scotiabank statements, drafts and cheques	5 - 16
5	TD Bank statement	17
6	Cheques from Shannon Hunchak on behalf of and duly auth agent for Gord Koop	18 - 19
7	Letter from Norres	20
8	Statement from Ferlyn to Gord	21
9	Texts between Ferlyn Chmelyk and Gord Koop	22 - 26
10	Emails between Ferlyn Chmelyk and Gord Koop	27 - 32

Description	Revenue
Insurance and company set up	
GC001 - GCS	\$2,490.00
GC002 - Can-Find	\$48,825.00
GC003 - Can-Find	\$44,100.00
GC004 - Can-Find	\$48,825.00
GC005 - Can-Find	void
GC006 - Can-Find	void
GC007 - GCS	\$12,007.98
GC008 - Prairie North	\$4,410.00
GC009 - Prairie North	\$6,615.00
wcb	
GC010 - Prairie North	\$8,085.00
GC011 - Ironhorse	\$2,272.00
GC012	void
GC013	void
GC014	void
GC015 - Davis	\$4,515.00
GC016 - Davis	\$10,930.50
GC017 - Davis	\$2,404.50
GC013 Ipac	2151.45
GC014 Ipac	4520.25
GC012 NEC	5880.00
GC013 NEC	9555.00
GC018 RCS	10958.00
GC019 RCS	12333.30
GC022 RL Supervision	10649.60
Sub Total	\$251,527.58
gst	\$12,576.38
Total	\$264,103.96

JN 1 2013 141750

pd from ferlyn account
Tecumseh

Sept 1 2013 50000

30 from account and 20 cash
Restaurant

oct 1 2013 100k

20 cash 80 cheque
North Dakota

*Rain
SMT*

Mar 25 2014 60000

pipe/rail I think

Total in 615854

Ferlyn has 615854 of my money since 2013, no interest paid so far, just keeps rolling into next projects see loan spreadsheet	615854	515854
NOV 23 2015, Jimmy put 400k into fuel company, Must pay back 450k by April 1 2016 or 10k/month penalty have bank statement and contract and emails texts, have copy of scotia draft	400000	590000 if paid by April 2018
Feb 25 2016, Gave Ferlyn 150k for interim bridging to get plant built in abbotsford, I am to get 3% instead of 2 percent of oil fuels have bank statement for 120000 the rest was cash, scotiabank could not find draft	150000	150000
June 5/2016 gave ferlyn 65k of the 130k for the stampede tent, Our deal is I put in the 130k, after all cost are covered and my 130k is back to me we split the remaining profits. Expecting there to be between 300-400k to split. That didnt work out and cra took the 65k from ferlyn for payroll deductions, Jimmy wants 75k before end of sept have bank statement and email and copy of cheque 24	65000	100000 if paid by August 2016
Sept. 20 2016 Gave ferlyn 16k, he says he will pay back with interest Cash, mentioned in emails/texts	16000	20000
Oct 7 2016 Gave Christine 15k on behalf of ferlyn for scientist payroll and moving expense I think Ferlyn to pay back with interest have bank statement, scotia could only tell me it was transferred to ambassador fuels	15000	20000
Oct 26 2016 Gave Ferlyn 60k of the 200k promised for Bahrain deal, see email dated Oct 25 2016 for deal structure. 60148 from shannons account have copy of cheque	60148	60000
Oct 31 2016 Gave ferlyn 140k to make the total 200k for Bahrain deal 130 came from Shannons account have copy of cheque	140000	140000
June 8+9 2017 gave ferlyn 4500, suppose to pay back 5000 in 18 2017 have bank statement and texts, no email transfer available	4500	5000
Coal Deal	250000	250000
Cash	1716502	Total 2050854

COURT FILE NUMBER 1701 16308
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

PLAINTIFF Gordon Koop

DEFENDANT ESTATE OF FERLYN ROBERT JOHN CHMELYK, DAVIS AIDAN CHMELYK, BRADLEY JOSEPH DORE, ROBYN WILLOW CHMELYK as the personal representatives of the ESTATE OF FERLYN ROBERT JOHN CHMELYK and in their own personal capacity as beneficiaries of the ESTATE OF FERLYN ROBERT JOHN CHMELYK

Land Titles Act

Clerk's Stamp

DOCUMENT Certificate of Lis Pendens

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT GORDON PETER KOOP
144 HAWKTREE CLOSE NW
CALGARY, ALBERTA
T3G 3R1

THIS IS TO CERTIFY that in this action a claim has been made to enforce an interest in land or some title or interest in land is called into question, as follows:

The Plaintiff claims a constructive trust and joint venture interest in the subject property which is registered title to the Defendants as advanced in his Statement of Claim, Court File Number 1701 16308, Alberta Court of Queen's Bench. The Plaintiff asserts he has a beneficial ownership interest to be registered on title pending the outcome of his claim in respect of the following land:

Title #141 346 296 LINC 0017 945 974 SHORT LEGAL SC;121;1-16
PLANC BLOCK121 PORTIONS OF LOTS 1-16 Municipal address 316 3rd Street SE

DATED at Calgary, Alberta,
City / Town / Municipality

on Dec 08, 2017
Date

Clerk of the Court

1/3/2018

Higgerty Law Mail - RE: note from me

Gord Koop <gord.koop@higgertylaw.ca>



RE: note from me

1 message

Thu, Dec 14, 2017 at 5:01 PM

khan@thinkingreshaped.com <khan@thinkingreshaped.com>
To: Gord Koop <gord.koop@higgertylaw.ca>

Hey Gord,

Not sure what to write!

Here is what I know – Ferlyn was a good friend of yours – he spoke highly of you.

Ferlyn had mentioned that you invested funds in his PE Fuel Systems start up, however, he didn't mention how much you had invested.

I do recall in Oct 2016 – we met at Joey's Restaurant Crowfoot Mall where you gave Ferlyn a cheque in the amount of \$300K (is that correct?) – I think it was for investment into PE Fuel Systems start up.

Does this help?

Thanks,

Kalim

9/7/2017

Account Activity



Page created on Sep 7, 2017 - 8:18 p.m. ET

GORD KOOP
403-620-0017

Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,196.80
 Record keeping: Paperless Balance details: \$1,250.00 currently on hold

Show hold details

Show account number and details

Transaction History for June 2016

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
June 30, 2016	Service Charge MONTHLY FEES	6.25		80,726.55
June 30, 2016	Interest		2.62	
June 29, 2016	Bill Payment MB-ENMAX 11011043	489.40		80,730.18
June 29, 2016	DEPOSIT MB-EMAIL MONEY TRF		1,100.00	
June 28, 2016	Mortgage Payment PREPAYMENT	171.54		80,119.58
June 27, 2016	Bill Payment PC-CALGARY (CITY) PROPERTY TAXES 05892152	2,816.34		80,291.12
June 24, 2016	WITHDRAWAL	3.00		83,109.16
June 24, 2016	Mortgage Payment #1296563	475.52		
June 21, 2016	Mortgage Payment PREPAYMENT	171.54		83,501.98
June 17, 2016	Mortgage Payment #1296683	479.52		83,763.92
June 15, 2016	Bill Payment PC-ENMAX 71431425	117.97		84,243.04
June 14, 2016	ABM Deposit		1,800.00	84,381.01
June 14, 2016	Mortgage Payment PREPAYMENT	171.54		
June 11, 2016	Mortgage Payment #1296683	479.52		82,732.55
June 10, 2016	Mortgage Payment PREPAYMENT	171.54		83,212.07
June 10, 2016	Cheques		65,000.00	83,363.61

Description	Revenue
Insurance and company set up	
GC001 - GCS	\$2,490.00
GC002 - Can-Find	\$48,825.00
GC003 - Can-Find	\$44,100.00
GC004 - Can-Find	\$48,825.00
GC005 - Can-Find	void
GC006 - Can-Find	void
GC007 - GCS	\$12,007.98
GC008 - Prairie North	\$4,410.00
GC009 - Prairie North	\$6,615.00
wcb	
GC010 - Prairie North	\$8,085.00
GC011 - Ironhorse	\$2,272.00
GC012	void
GC013	void
GC014	void
GC015 - Davis	\$4,515.00
GC016 - Davis	\$10,930.50
GC017 - Davis	\$2,404.50
GC013 lpac	2151.45
GC014 lpac	4520.25
GC012 NEC	5880.00
GC013 NEC	9555.00
GC018 RCS	10958.00
GC019 RCS	12333.30
GC022 RL Supervision	10849.60
Sub Total	\$251,527.58
gst	\$12,576.38
Total	\$264,103.96

JN 1 2013 141750

pd from ferlyn account
fecumseh

Sept 1 2013 50000

30 from account and 20 cash
Restaurant

oct 1 2013 100k

20 cash 80 cheque
North Dakota

RAVE
5 W/RAVE ✓

Mar 25 2014 60000

pipe/rail I think

Total in 615854

COURT FILE NUMBER **1701 16308**
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

PLAINTIFF

Gordon Koop

DEFENDANT

ESTATE OF FERLYN ROBERT JOHN CHMELYK, DAVIS AIDAN CHMELYK, BRADLEY JOSEPH DORE, ROBYN WILLOW CHMELYK as the personal representatives of the ESTATE OF FERLYN ROBERT JOHN CHMELYK and in their own personal capacity as beneficiaries of the ESTATE OF FERLYN ROBERT JOHN CHMELYK

Land Titles Act

Clerk's Stamp

DOCUMENT

Certificate of Lis Pendens

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

GORDON PETER KOOP
144 HAWKTREE CLOSE NW
CALGARY, ALBERTA
T3G 3R1

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PLANC BLOCK121 PORTIONS OF LOTS 1-16 Municipal address 316 3rd Street SE

DATED at Calgary, Alberta,
City / Town / Municipality

on Dec 08, 2017
Date

Clerk of the Court

1/3/2018

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Gord Koop <gord.koop@higgertylaw.ca>



RE: note from me

1 message

Thu, Dec 14, 2017 at 5:01 PM

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To: Gord Koop <gord.koop@higgertylaw.ca>

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Does this help?

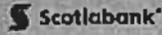
Thanks,

Kalim

9/7/2017

Account Activity

Page created on Sep 7, 2017 - 2:18 p.m. ET



Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,196.80
 Record keeping: Paperless Balance details: \$1,250.00 currently on hold
 Show hold details

Show account number and details

Transaction History for October 2016

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
October 31, 2016	Service Charge MONTHLY FEES		10.00	6,836.32
October 31, 2016	Interest		0.39	6,847.97
October 28, 2016	Mortgage Payment #1293663	542.32		
October 28, 2016	Service Charge MB-EMAIL MONEY TRF		1.00	
October 28, 2016	WITHDRAWAL MB-EMAIL MONEY TRF	3,000.00		
October 26, 2016	Bill Payment MB-ENMAX GNC37513	11.66		
October 27, 2016	Service Charge MB-EMAIL MONEY TRF		1.00	10,402.95
October 27, 2016	WITHDRAWAL MB-EMAIL MONEY TRF	3,000.00		
October 26, 2016	Bill Payment ATCO Energy Ltd	215.20		13,407.95
October 26, 2016	Service Charge MB-EMAIL MONEY TRF		1.00	
October 26, 2016	WITHDRAWAL MB-EMAIL MONEY TRF	3,000.00		
October 21, 2016	Mortgage Payment #1200683	542.32		15,621.15
October 17, 2016	Bill Payment MB-ENMAX 26943201	83.92		17,163.47
October 17, 2016	Bill Payment MB-EQUITABLE LIFE INDIVIDUAL LIFE 2694322	262.00		
October 11, 2016	Mortgage Payment #1296683	542.32		17,509.39

9/7/2017

Account Activity



GORD KOOP
403-620-0017

Page created on Sep 7, 2017 - 9:18 p.m. ET

Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,196.80
 Record keeping: Paperless Balance details: \$1,250.00 currently on hold

Show hold details

Show account number and details

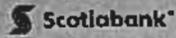
Transaction History for June 2016

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
June 30, 2016	Service Charge MONTHLY FEES		6.25	80,726.55
June 30, 2016	Interest		2.62	
June 29, 2016	Bill Payment: MELBENMAX 11011843	439.10		80,730.18
June 29, 2016	DEPOSIT MO-L-MAIL MONEY TRF		1,100.00	
June 28, 2016	Mortgage Payment PREPAYMENT	171.54		80,119.58
June 27, 2016	Bill Payment PC-CALGARY (CITY) PROPERTY TAXES 05592152	2,818.34		80,291.12
June 24, 2016	WITHDRAWAL	3.00		83,109.48
June 24, 2016	Mortgage Payment #1299663	479.52		
June 21, 2016	Mortgage Payment PREPAYMENT	171.54		83,591.08
June 17, 2016	Mortgage Payment #1299663	479.52		83,763.52
June 15, 2016	Bill Payment PC-ENMAX 71431475	117.07		84,243.04
2016-06-10	ABM Deposit		1,600.00	84,381.01
2016-06-08	Mortgage Payment PREPAYMENT	171.54		
June 07, 2016	Mortgage Payment #1209683	479.52		82,732.55
June 03, 2016	Mortgage Payment PREPAYMENT	171.54		83,212.07
	CHILDS		69,000.00	83,583.81

9/7/2017

Account Activity

Page created on Sep 7, 2017 - 8:53 p.m. ET



Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,196.80
 Record keeping: Paperless Balance details: \$1,250.00 currently on hold

Show hold details

Show account number and details

Transaction History for February 2016

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
February 29, 2016	Service Charge MONTHLY FEES		3.75	14,869.72
February 29, 2016	Interest		0.52	
February 29, 2016	DEPOSIT MB-EMAIL MONEY TRF		871.00	
February 26, 2016	Mortgage Payment #1299683	479.52		14,301.95
February 25, 2016	WITHDRAWAL	120,007.50		14,161.47
February 25, 2016	DEPOSIT		8,498.00	
February 25, 2016	Customer Transfer Cr MB-TRANSFER		99,656.00	
February 24, 2016	DEPOSIT		808.50	26,336.97
February 23, 2016	Mortgage Payment PREPAYMENT	171.54		25,528.47
February 19, 2016	Mortgage Payment #1299683	479.52		25,700.01
February 14, 2016	Mortgage Payment PREPAYMENT	171.54		26,179.53
February 12, 2016	Mortgage Payment #1299681	479.52		26,351.07
February 11, 2016	Mortgage Payment PREPAYMENT	171.54		26,830.59
February 10, 2016	Mortgage Payment #1299683	479.52		27,002.13
February 4, 2016	Check # 14	5,000.00		27,481.65
February 4, 2016	CD # 938 10	10,750.00		
February 3, 2016	ABM Deposit		1,700.00	43,231.65
February 3, 2016	Mortgage Payment PREPAYMENT	171.54		41,531.65

9/11/2017

Account Activity



Page created on Sep 7, 2017 - 8:18 p.m. ET

Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,198.80
 Record keeping: Paperless Balance details: \$1,250.00 currently on hold
 Show hold details

Show account number and details

Transaction History for November 2015

Search transaction descriptions ... November 2015

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
November 30, 2015	Service Charge MONTHLY FEES		1.25	443,647.11
November 30, 2015	Interest		29.02	
November 30, 2015	Customer Transfer Cr. PC FROM 718290228184		100,000.00	
November 27, 2015	Cheque 12	10,000.00		343,619.34
November 27, 2015	Mortgage Payment #1299683	479.52		
November 24, 2015	Mortgage Payment PREPAYMENT	171.54		354,698.86
November 23, 2015	Service Charge		7.50	354,270.40
November 23, 2015	Debit Memo DRAFT PURCHASE	400,000.00		
November 20, 2015	Mortgage Payment #1299683	479.52		754,277.90
November 19, 2015	ABM Deposit		120.15	754,757.42
November 17, 2015	Mortgage Payment PREPAYMENT	171.54		754,637.27
November 16, 2015	Debit Memo DRAFT PURCHASE	45,000.00		754,808.81
November 13, 2015	Mortgage Payment #1299683	479.52		749,808.81
November 10, 2015	Mortgage Payment PREPAYMENT	171.54		800,288.33
November 9, 2015	Service Charge		7.50	800,459.87
November 8, 2015	Debit Memo DRAFT PURCHASE	380,650.00		
November 8, 2015	Mortgage Payment #1299683	479.52		

BNS Online Image Retrieval Services: Requests

9/7/2017

Account Activity

			Balance \$
October 7, 2016	WITHDRAWAL	15,000.00	18,051.71
October 7, 2016	Mortgage Payment #1299603	542.32	
Total \$		26,756.06	0.39

*PA TO
AMBASS TO
FWD*

Export results as:

Select Format

Additional details you may need:

Find out more about your account balance details.

Account details - Banking: N75A627AB

9/7/2017

Account Activity



Page created on Sep 7, 2017 - 4:18 pm EDT

Gain Plan - 718290122726

Current balance: \$16,446.80 Available balance: \$15,196.80
 Rollover keeping: Paperless Balance details: \$1,250.00 currently on hold

Show hold details

Show account number and details

Transaction History for June 2017

Transaction Date	Transaction description	Withdrawals \$	Deposits \$	Balance \$
June 30, 2017	Service Charge MONTHLY FLEES		3.75	19,134.59
June 30, 2017	Interest		8.37	
June 30, 2017	Mortgage Payment #1299853	542.32		
June 23, 2017	Mortgage Payment #1299663	542.32		19,680.29
June 18, 2017	Service Charge PC-EMAIL MONEY TRF		1.00	20,222.61
June 19, 2017	WITHDRAWAL PC-EMAIL MONEY TRF	10.00		
June 16, 2017	DEPOSIT MB-EMAIL MONEY TRF		2,400.00	20,233.61
June 16, 2017	DEPOSIT MB-EMAIL MONEY TRF		2,100.00	
June 16, 2017	Mortgage Payment #1299433	542.32		
June 16, 2017	DEPOSIT PC-EMAIL MONEY TRF		420.00	16,275.93
June 9, 2017	Service Charge PC-EMAIL MONEY TRF		1.00	
June 9, 2017	WITHDRAWAL PC-EMAIL MONEY TRF	1,500.00		
June 8, 2017	Mortgage Payment #1299463	542.32		
June 7, 2017	Returned Cheque FUNDS NOT CLEARED		1,250.00	17,693.25
June 7, 2017	ANN Dividend		3,245.00	
June 7, 2017	Service Charge PC-EMAIL MONEY TRF		1.00	



71829
171-1823 RANGLANDS BLVD. N.W.
CALGARY ALBERTA T3G 2A7

MR GORDON P KOOP
170 ROCKY RIDGE CIRCLE NW
CALGARY AB
T3G 4P1

Your account number:
71829 01227 26

Questions?
Call 1 800 4-SCOTIA
(1 800 472-6842)

For online account access:
www.scotiabank.com

Your Gain Plan Investment Savings account summary

Opening Balance on March 1, 2014	\$19,689.46
Minus total withdrawals	\$125,576.55
Plus total deposits	\$13,978.41
Closing Balance on March 31, 2014	\$8,091.32

Here's what happened in your account this statement period

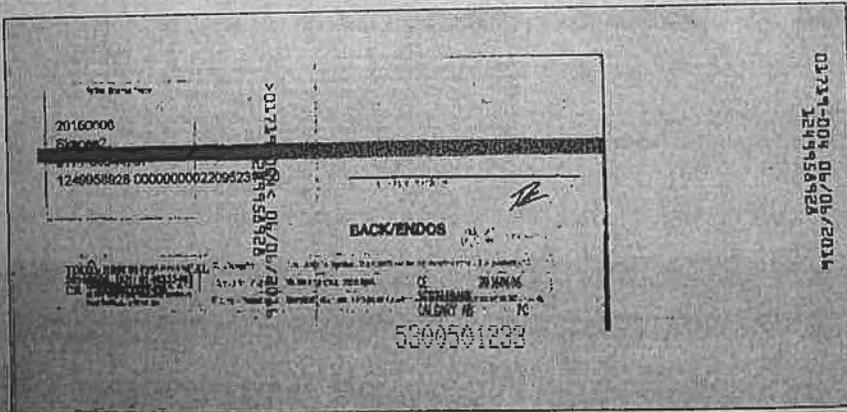
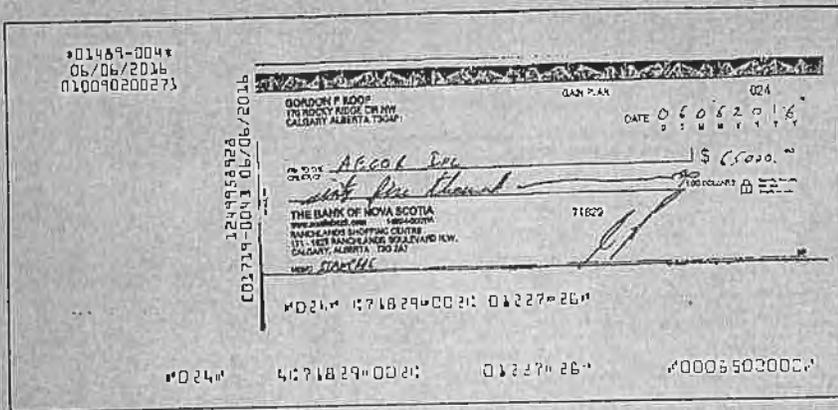
Date	Transactions	Amounts withdrawn (\$)	Amounts deposited (\$)	Balance (\$)
Mar 1	Opening Balance			19,689.46
Mar 5	Mortgage payment 1299683 Prepayment	171.54		19,517.92
Mar 5	ABM deposit Ranchlands S.C. #3 Calgary AB		1,250.00	20,767.92
Mar 6	Deposit Shawn Foucault		1,500.00	22,267.92
Mar 6	Deposit		51,000.00	73,267.92
Mar 7	Mortgage payment #1299683	483.41		72,784.51
Mar 7	MB-Transfer to 71829 02281 84	60,000.00		12,784.51
Mar 7	Returned cheque G H Highberg Insufficient Funds	1,250.00		11,534.51
Mar 10	Withdrawal 83676405 PC-Email Money Trf	1,700.00		9,834.51
Mar 10	Service charge PC-Email Money Trf	1.00		9,833.51
Mar 11	Mortgage payment 1299683 Prepayment	171.54		9,661.97
Mar 14	Mortgage payment 1299683	483.41		9,178.56

continued on next page

Cheque Item Image

User: Rajpal Saini

Request #:	-1	Request Desc:	
Transit - FI #:	71829-002	Account #:	0122726
Locator #:	5300501233	Amount:	\$65,000.00 CAD
Date:	06/06/2016		



Print Close

Cheque Item Image

User: Stephan Rajasinghan

Request #:	-1	Request Desc:	
Transit - FI #:	38562-002	Account #:	000004371829
Locator #:	300246909	Amount:	\$400,000.00 CAD
Date:	11/25/2015		

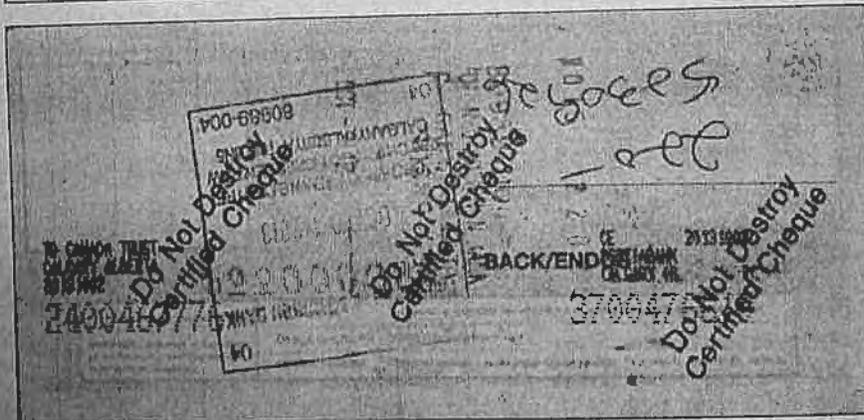
Scotiabank CANADIAN DOLLAR DRAFT 476152
 RANGLANDS SHOPPING CTR
 CALGARY AB T3G 2A7
 DATE 2015 11 23
 PAY TO ORDER OF LAECOR INC \$ 400,000.00
 SUM OF EXACTLY 400,000 DOLLARS ***** 00/100 CANADIAN FUNDS
 TO: ANY BRANCH OF THE BANK OF NOVA SCOTIA
 AUTHORIZED OFFICER
 476152 38562-002 000004371829 0040000000



Cheque Item Image

User: Rajpal Saini

Request #:	-1	Request Desc:	
Transit - FI #:	71829-002	Account #:	0122726
Locator #:	3700476619	Amount:	380,000.00 CAD
Date:	10/02/2013		



Print Close



71829
171-1825 RANGLANDS BLVD. N.W.
CALGARY ALBERTA T3G 2A7

MR GORDON P KOOP
170 ROCKY RIDGE CIRCLE NW
CALGARY AB
T3G 4P1

Your account number:
71829 01227 26

Questions?
Call 1 800 4-SCOTIA
(1 800 472-6842)

For online account access:
www.scotiabank.com

Your Gain Plan Investment Savings account summary

Opening Balance on October 1, 2013	\$10,467.40
Minus total withdrawals	\$87,911.42
Plus total deposits	\$107,328.73
Closing Balance on October 31, 2013	\$29,884.71

Effective January 1, 2014, some account and service fees will be changing. Please refer to the insert for more details.

Here's what happened in your account this statement period

Date	Transactions	Amounts withdrawn (\$)	Amounts deposited (\$)	Balance (\$)
Oct 1	Opening Balance			10,467.40
Oct 1	PC Transfer from 71829 0223: 84		75,000.00	85,467.40
Oct 1	ABM deposit Ardrie Branch #3 Ardrie AB		3,000.00	88,467.40
Oct 1	Certified cheque	80,000.00		8,467.40
Oct 4	Mortgage payment #129968-3	591.36		7,876.04
Oct 7	ABM deposit Ranchlands S.C. #1 Calgary AB		5,145.00	13,021.04
Oct 11	Mortgage payment #129968-3	591.36		12,429.68
Oct 15	PG Bill payment BC Hydro	1,079.23		11,350.45
Oct 15	PG Bill payment Wawanesa Insurance	906.00		10,444.45
Oct 15	PG Bill payment Bell Mobility Cellular	150.00		10,294.45
Oct 18	Mortgage payment #129968-3	591.36		9,703.09

continued on next page



MR GORDON P KOOP

Your Gain Plan Investment Savings account
October 1 to October 31, 2013

71829 01227 26

Here's what happened in your account (continued)

Date	Transactions	Amounts withdrawn (\$)	Amounts deposited (\$)	Balance (\$)
Oct 22	PC Bill payment BC Hydro	6.89		9,596.20
Oct 22	PC Bill payment BC Hydro	2.17		9,694.03
Oct 25	Mortgage payment #129968-2	591.35		9,102.57
Oct 30	ABM deposit Ranchlands S.C. #2 Calgary A9		14,628.55	23,731.22
Oct 30	ABM deposit Ranchlands S.C. #3 Calgary AB		9,555.00	33,286.22
Oct 30	BR Bill payment Prov BC Rural Property Tax	1,213.78		32,072.44
Oct 31	PC Bill payment BC Hydro	2,176.91		29,895.53
Oct 31	Interest		0.18	29,895.71
Oct 31	Service charge Monthly Fees	10.00		29,885.71
Oct 31	Service charge Record Keeping Fees	1.00		29,884.71
Oct 31	Closing Balance			\$29,884.71



Direct Trading - CDN - 11XY61

Statement for March 1 to March 31, 2016

Activities (continued)

Date	Activity	Quantity	Description	Price (\$)	Charged (\$)	Credited (\$)	Account balance (\$)
Mar 17	Sell	-100	TRANSCANADA CORP HI*7475	47,405		4,730.51	94,333.72
Mar 17	Sell	-3,300	TRANSCANADA CORP HI*7475	47,400		156,420.00	250,753.72
Mar 17	Buy	3,400	TRANSCANADA CORP SB*7038	46,930	159,571.99		91,161.73
Mar 18	Cheque Issued By Firm	10	TE809A-EUB1501		50,000.00		41,161.73
Mar 18	Web Banking Withdrawal		JR290-TSE TO R981501		92,509.00		-51,318.27
Mar 18	Sell	-100	TRANSCANADA CORP IW*7979	47,815		4,771.51	-46,546.76
Mar 18	Sell	-200	TRANSCANADA CORP IW*7979	47,810		9,562.00	-36,984.76
Mar 18	Sell	-2,400	TRANSCANADA CORP IW*7979	47,810		114,744.00	77,759.24
Mar 18	Sell	-1,000	TRANSCANADA CORP IW*7979	47,810		47,810.00	125,569.24
Mar 18	Sell	-200	TRANSCANADA CORP IW*7979	47,810		9,562.00	135,131.24
Mar 18	Buy	18,800	TRICAN WELL SERVICE LTD AR*5867	1,560	76,137.99		58,993.25
Mar 18	Buy	100	TRICAN WELL SERVICE LTD AR*5867	1,560	156.00		58,837.25
Mar 18	Buy	11,100	TRICAN WELL SERVICE LTD AR*5867	1,560	17,316.00		41,521.25
Mar 18	Buy	200	VALEANT PHARMA INTL-NEW YY*8008	37,790	7,557.99		33,963.26
Mar 18	Buy	800	VALEANT PHARMA INTL-NEW YY*8008	37,790	30,232.00		3,721.26
	Month's closing balance						3,721.26

04/12/2017

Request #:		Request Desc:	
Transit - FI #:	26349-001	Account #:	3090189
Sequence #:	4313507066	Amount:	\$130,000.00 CAD
Date:	11/01/2016		

MS SHANNON D HUNCHAK
144 HAWKTREE CLOSE NW
CALGARY AB T3G 3R1

019
DATE 2016-10-28
Y Y Y Y M M D D

PAY TO THE ORDER OF AECOR INC. \$130,000.-
One hundred & thirty thousand dollars 100 DOLLARS

RBC Bank of Montreal
6249 RICHMOND ROAD S.W.
CALGARY, AB T3E 7C4

MEMO Investment Shannon D Hunchak

⑆019⑆ ⑆26349⑆001⑆ 3090⑆189⑆

Printer ID# 1021

20161101
Dumlag2

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9248962110 00000000022095231450

Endorsement - Signature or Stamp

BACKVERSO

TDC1 BRN 80769 CAL
20161101 ISN: 0147289343
CR: 02209-5231450

- BOFD
Account: 80769-004 02209-5231450
Date: 2016-11-01
ISN: 9248962110
- Direct Clearer
Transit: 80769-004
Date: 2016-11-01
ISN: 9248962110
- Direct Clearer
Transit: 00720-001
Date: 2016-11-01
ISN: 4313507066

Cheque Item Image

User: Joanna Wong

Request #:		Request Desc:	
Transit - FI #:	26349-001	Account #:	3090189
Sequence #	4313251232	Amount:	\$60,148.00 CAD
Date:	10/26/2016		

MS SHANNON D HUNCHAK 144 HAWKTREE CLOSE NW CALGARY AB T3G 3R1		018
PAY TO THE ORDER OF: <i>AFCOR INC</i> <i>Sixty thousand, one hundred & forty eight</i>		DATE <i>2016-10-12</i> <small>Y Y Y Y M M D D</small> \$ <i>60,148.-</i> 100 DOLLARS
BMO Bank of Montreal 549 RICHMOND ROAD S.W. CALGARY, AB T2E 7C4		
⑆016⑆ ⑆26349⑆001⑆ ⑆3090189⑆		

Printer ID# 102	
20161026	
Leung9	
00700090520	
9245029086 00000000022095231450	Endorsement - Signature or Stamp
	BACK/VERSO
TDCT IBRN 80769 CAL	
20161026 ISN 3142509539	
CR 02209-5231450	

- BOFD
Account: 80769-004 02209-5231450
Date: 2016-10-26
IBN: 0246020086
- Direct Clearer
Transit: 80769-004
Date: 2016-10-26
ISN: 9245029086
- Direct Clearer
Transit: 00720-001
Date: 2016-10-26
ISN: 4313251232



Alternative Energy Solutions
Solar / Wind / Water / Plasma

Attention: Gord Koop
Regarding: PE FUELS INTERNATIONAL INC
Shareholder offer

Gord,

This offer is purely based on the repeated trust and loyalty you **have displayed towards** assisting in my own personal and professional growth. It is not transferable, and **has no redeemable value** until executed.

Overview of status, Northern Energy and Resources Inc / NORRES, currently owns 22% of the outstanding shares of PE Fuels International Inc. As of November 20, 2015 NORRES is required to fulfill its investment of \$1,650,000.00 to enable the project to complete the production facility. NORRES has invested \$1,250,000.00 and has the requirement to fund a remaining \$400,000.00 to complete the share purchase. The shares have been issued based on expected performance, with the balance being held as a receivable within the corporate financials. NORRES is under no pressure from current shareholders or partners to complete this purchase, it is solely the desire to complete the plant in Abbotsford as the driver for NORRES to perform.

To confirm the offer, NORRES is offering to transfer 2% of their 22% ownership to Gord Koop upon completion of these requirements, and options:

1. Obtain a loan of \$400,000.00 to the benefit of NORRES; payable to AECOR Inc.
 - a. The loan will be repaid on or about April 1st 2016 upon closing of land sale in Calgary;
 - b. The loan funds must be delivered on or before December 1st, 2015.
2. Upon repayment of the loan April 1st, 2016, Gord Koop will have the option to convert his ownership of all his holdings under the control of Ferlyn Chmelyk to the 2% ownership as above.
 - a. Upon acceptance, the shares will be transferred immediately to Gord Koop, or to an entity as to be determined by Gord at a later date.

To date, the orders and purchase orders available to PE Fuels have the valuation of the company estimated at \$300,000,000.00. The valuation is first year only and NORRES expects the value to be far higher. The percentage of ownership to be transferred to Gord is expected to have a value exceeding \$6,000,000.00.

The option to convert the current holdings of Gord Koop with Ferlyn Chmelyk (et al) is solely at the discretion of Gord Koop, but must be executed on or before March 31st, 2016.



Ferlyn R.J. Chmelyk
Chief Executive Officer
NORRES

Gord Koop

1. Tecumseh Road SW
 - a. Tecumseh Road SW achieved a development permit from the City of Calgary. The resulting project displayed a two story single family home with a potential net profit of \$440,000.00. The neighbours appealed and won to reinstate a caveat placed upon the property in 1951 forbidding any development over a single story. The decision is under appeal. No development to date.
 - b. The loan of \$141,750.00 into the 1904 Tecumseh Road SW project will pay out \$161,878.50 as part of a refinance and buyout of all interested parties in Cerezo Developments Inc. (see attached spreadsheet "Overview Cobra" sheet "Cerezo")
2. Restaurant
 - a. The restaurant development was not able to proceed after the circumstances around an oilfield investment depleted the ongoing efforts. A total of \$175,000 was received, a recovery of \$110,000 in equipment and materials is in storage.
 - b. The loan of \$50,000 has a net loss of \$18,500 once the recovered items are retailed to the market.
 - c. As a provision, please review the Subsequent below
3. Oilfield and Rail
 - a. The oilfield and rail deals with Tom Fiddler have a complete loss scenario. While Fiddler has agreed to deliver 200 pieces of drill pipe to RSS in Leduc the week of January 12, 2015, it is doubtful this will happen. McLeod Law has drafted a legal action contending fraud and will be serving Fiddler next week if no pipe is delivered.
 - b. The loan of \$60,000 is a total net loss.
 - c. As a provision, please review the Subsequent Investment below

Subsequent Investment:

1. The loan has been verbally agreed to ensure no loss is achieved by yourself. The recovery of these funds can be optioned in one of two ways
 - a. Option 1: Repayment of all funds in 90 days
 - i. $\$161,878.50 + \$50,000.00 + \$60,000.00 = \$271,879$
 - b. Option 2: investment in ready development – FARO 401 – 27th Ave NE
 - i. Total investment: \$271,879
 - ii. Total payout: \$435,006
 - iii. Return at 60% (see attached spreadsheet "Investment Overview Cobra" sheet "Subsequent Investment")
 - iv. FARO
 1. Sales: \$9,380,258 (wholesale numbers)
 2. Costing: \$6,486,737 (Aquarius Quantity Surveyor estimate)
 3. Net: \$2,893,521
 - v. Payout registered on via PSA on title
 1. Upon completion the bank is paid out first; then the PSA
 2. Your payout comes before the corporation.



66%

7:42 AM



Ferlyn Chmelyk

4036802734



Who cheque to. What bank what account



8:44 AM



I just text her now to ask Lenard. Lenard knows, also knows about loan and shares, just haven't followed up

8:46 AM



AECOR Inc

8:46 AM



AECOR Inc

8:46 AM



Draft or cheque? Draft you cab deposit, cheque I need to deposit so there are no holds

8:46 AM

enter message



Ferlyn Chmelyk

4036802734

van

1:10 PM

17-10-2016 Mon

Morning. The guy that lent u the 400. It's now about 500. Need to try and get that 500 out so i can convert it to my investment. How can you do that.



Sounds like the other guy might stick with whiterock. Not completely sure. How soon does my investment have to come in. I know we money now to take out lenard. I have 200 in my stock account. How will it take to get lenard gone. Is that the main burden right now to move forward.

Gimme a call. Thought i would text some of this so u had the heads up on what i wanted to talk about

10:46 AM

20-10-2016 Thu

Enter message



7:48 AM 64%

Ferlyn Chmelyk
4036802734



4:21 PM

15-09-2015 Tue

Hey ferlyn. I am pretty discouraged right now with everything. I have had almost 400k tied up with u for two years and have made nothing. Not worth the risk. Could have put it in low risk investment and made at least 5 to 10%. Now no job with u like we had discussed and looks like engineering company is not going to work out either. I still owed 12k from fox valley. Some other shit has happened and i am thinking about pulling all my money from you and getting out of here. It seems like all these things you tell me about never work out yet u r busy on things that i am not apart of and they seem to be doing fine. Not interested in waiting 90 days for my money and i dont know whats going on with my 100 down in north dakota



10:02 AM



I'm sorry to hear that, and will work through exiting you.

Type message



7:23 AM 70%



Ferlyn Chmelyk

4036802734



11-06-2017 Sun

Hey Bud. I just had supper with Jimmy. The guy that put the 400 into fuel back in Nov 2015. He was suppose to get a payback and interest or take a position in fuel company under me. Also he put in stampede tent money a year ago, he was suppose to get that back with interest. Then he put in some of the 200k money for fuel in Oct 2016. Then if course he just lent you the 4500 mortgage money. He not too happy right now and need to see some serious movement and contracts and security etc so he says. Told him I would get together with you this week and discuss. I told him you were going to Bahrain ASAP. U didn't lead him into it, but he did suggest with the amount of money we both have in that I should be going with you if only to be a fly on the wall. I didn't tell him I already suggested that. We'll talk I unch this week please



6:41 PM

Enter message



< Ferlyn Chmelyk 4036802734

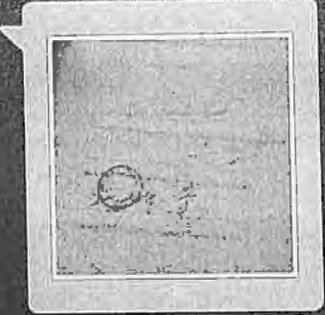
Good

9:18 PM

14-06-2017 Wed

Are u back. How did it go. What day r u paying Jimmy back

1:51 PM



1:59 PM MMS



16th

1:59 PM



Enter message



7/31/2017

mail.com - Fw: Re: RE: RE: jim loan



Fw: Re: RE: RE: jim loan

From: "COBRA CONSULTING" <cobracon@mail.com>
To: khan@thinkingreshaped.com
Date: Jul 26, 2017 9:51:29 AM

Sent: Monday, June 19, 2017 at 3:13 PM
From: "COBRA CONSULTING" <cobracon@mail.com>
To: "Ferlyn R J Chmelyk" <ferlyn@ aangstrom.ca>
Subject: Re: RE: RE: jim loan

yes tomorrow fine..Thanks

Sent: Monday, June 19, 2017 at 3:10 PM
From: "Ferlyn R J Chmelyk" <ferlyn@ aangstrom.ca>
To: "COBRA CONSULTING" <cobracon@mail.com>
Subject: RE: RE: jim loan

I'll work with you to create whatever solution we need to accomplish.

I'm in the middle of the coal synopsis, can I get back to you tomorrow?

F

From: COBRA CONSULTING [mailto:cobracon@mail.com]
Sent: June 19, 2017 3:07 PM
To: Ferlyn R J Chmelyk <ferlyn@ aangstrom.ca>
Subject: Re: RE: jim loan

ok thanks ferlyn. I wanted a clearer understanding and you have provided that. Not sure I can win jimmy over and keep his money. That presents a few issues. First being what will I get for my 650k? Second being if I can secure another four from my buddy sean on my own terms with him than am I back at 12%? Third what will we do if jim wants his 10k/month and the 450k back. that 30%/yr. I guess it reasonable but not favorable and how quickly could you pay him back. If we use the agreed terms it would come to 600k. This is not favorable but I have concerns about taking that responsibility cuz if things dont work out I have no way to pay him back. If I cant negotiate with him I would prefer to cash him out and borrow from sean and give sean a peice of equity where he has his own risk to deal with. Of course I will try to renegotiate with jimmy but not holding my breath. Just looking to know my options for the different outcomes ahead of time lol. I am glad PE (well) and the people are gone but it has delayed things and cost us. I have told sean a little bit but I will explain more to him and show him the spreadsheet (to some degree) with your permission if it goes that way, I am not going to feel bad about deserving a bigger slice of this. My money has been used for quite a few years without earning anything. I hope you feel ok rewarding me also.

----- Forwarded from Ferlyn R J Chmelyk (mailto:ferlyn@ aangstrom.ca) on Monday, July 24, 2017, 10:51 AM -----

7/31/2017

mail.com - Fw: Re: RE: RE: Jim loan

Expected returns - KOOP	\$200,000.00	
YR1	\$406,152.14	
YR2	\$1,218,456.43	
YR3	\$2,436,912.86	
YR4	\$4,684,493.07	
YR5	\$5,152,942.38	Company gets bought out after this date, 3x cash flow
	\$13,898,956.90	6949%

Assume:

Year 1 Revenue is the 8.1% as per established

Year 2 Revenue is 16.1%

Year 3 Revenue is 32.4%

Year 4 Revenue includes Aramco at 1%

Year 5 Revenue is mature model

Aramco refines 4 million barrels per day of diesel

Bahrain investors pay the \$2.0MM licensing fee

On NOV 23 2015, Jimmy put 400k into fuel company as loan. His payback was 450k by april 1 2016 or add 10k/month interest. Obviously the date has come and gone and the fuel situation has also changed drastically. There was talk of converting his money (loan plus interest) into a position in fuel but I dont have any idea how that would work or if its even an option any more. Not sure I want to even mention it as I dont want to dilute the share structure for us and if we dont need his money because we are not financing the project then should we get it back to him asap from land sales or coal etc. I am curious as to your thoughts on this.

He then put 65k into the stampede tent on June 6 2016. He knew that went bust and cra took the money for payroll tax or something and we were going to give him 75k before the end of sept. That never happened and I forgot about it but I have been reminded that it needs to get dealt with. He prob want 100k now or something. I dont know but I am not looking forward to talking to him about it.

I have paid him back 4800 for the 4500 loan already

7/31/2017

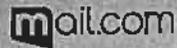
mail.com - Fw: Re: RE: jim loan

I have outstanding with you the 300 interest for jim 4500 loan. I also lent you 16k about 9 months ago and you paid back 2500 so far. That was my own money and was only suppose to be for a few weeks I thought so we never talked about interest and that fine. I dont care about that. When you do good I expect to do good too, coal or fuel etc.

I thought would email this to you first instead of an unexpected phone call. Need your thoughts asap. I tried to sent this to geo@bbwa.co Do I have that address wrong or is it shut down?

7/31/2017

mail.com - Fw: Re: WSSL Deposit



Fw: Re: WSSL Deposit

From: "COBRA CONSULTING" <cobracon@mail.com>
To: kha@thinkingreshaped.com
Date: Jul 26, 2017 10:05:54 AM

Sent: Saturday, June 04, 2016 at 9:16 PM
From: "Ferlyn R J Chmelyk" <ferlyn@angstrom.ca>
To: GK <cobracon@mail.com>
Subject: Re: WSSL Deposit

Great. Thanks for the quick response.

F

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: GK
Sent: Saturday, June 4, 2016 8:08 PM
To: Ferlyn R J Chmelyk
Subject: Re: Fw: WSSL Deposit

Deposited funds last Monday. Should be cleared Monday

----- Original message -----

From: Ferlyn R J Chmelyk
Date: 04-06-2016 9:02 PM (GMT-07:00)
To: Gord Koop
Subject: Fw: WSSL Deposit

In Abbotsford, forgot about this. How did you make out?

F

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Cody Brayton <cody@trumpet.ca>
Sent: Friday, June 3, 2016 2:19 PM
To: Ferlyn R J Chmelyk
Subject: WSSL Deposit

Hi Ferlyn,

WSSL was expecting the deposit for the tent today totalling \$18,791.33. I informed them we would provide the deposit on Monday June 8th.

Cody

Cody Brayton / Client Relations

Schedule "A" TABLE OF ATTACHMENTS

ATTACHMENT LETTER	BRIEF DESCRIPTION OF ATTACHMENT	PAGE
1	Accounting summary	1 - 2
2	Certificate of Lis Pendens Dec 8 2017 Municipal address 316 3 rd St SE Calgary Alberta	3
3	Email from Kalim to Gord Koop, Sent Dec 14 2017 Subject: Note from me	4
4	Scotiabank statements, drafts and cheques	5 - 16
5	TD Bank statement	17
6	Cheques from Shannon Hunchak on behalf of and duly auth agent for Gord Koop	18 - 19
7	Letter from Norres	20
8	Statement from Ferlyn to Gord	21
9	Texts between Ferlyn Chmelyk and Gord Koop	22 - 26
10	Emails between Ferlyn Chmelyk and Gord Koop	27 - 32

Ferlyn has 615854 of my money since 2013, no interest paid so far, just keeps rolling into next projects see loan spreadsheet	615854	615854
NDV 23 2015, Jimmy put 400k into fuel company. Must payback 450k by april 1 2016 or 10%/month penalty have bank statement and contract and emails texts, have copy of scotia draft	400000	690000 If paid by april 2018
Feb 25 2016. Gave Ferlyn 150k for interim bridging to get plant built. In abbotsford. I am to get 3 instead of 2 percent of ne fuels have bank statement for 120000 the rest was cash. scotiabank could not fund draft	150000	150000
June 6/2016 gave ferlyn 65k of the 130k for the stampede tent. Our deal is I put in the 130k, after all cost are covered and my 130k is back to me we split the remaining profits. Expecting there to be between 300-400k to split. That didnt work out and cra took the 65k from ferlyn for payroll deductions. Jimmy wants 75k before end of sept have bank statement and email and copy of cheque 24	65000	100000 If paid by august 2016
Sept 30 2016 Gave ferlyn 16k, he says he will pay back with interest Cash, mentioned in emails/texts	16000	20000
Oct 7 2016 Gave Christine 15k on behalf of ferlyn for scientist payroll and moving expence I think. Ferlyn to pay back ewith interest have bank statement. scotia could only tell me it was transferred to ambassador fuels	15000	20000
Oct 26 2016 Gave Ferlyn 60k of the 200k promised for bahrain deal, see email dated Oct 25 2016 for deal structure. 60148 from shannons account have copy of cheque	60148	60000
Oct 31 2016 Gave ferlyn 140k to make the total 200k for bahrain deal 130 came from Shannons account have copy of cheque	140000	140000
June 8-9 2017 gave ferlyn 4500. suppose to pay back 5000 in 18 2017 have bank statement and texts. no email transfer available	4500	5000
Coal Deal	250000	250000
Cash	1716502	Total 2050854

Appendix L



Caron & Partners LLP | Lawyers
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue S.W.
Calgary, Alberta T2P 4K3
www.caronpartners.com
T: 403.262.3000
F: 403.237.0111

November 16, 2021

VIA E-MAIL (gordon.koop@gmail.com)

Gordon Peter Koop
218, 20 Sirerra Morena Mews S.W.
Calgary, Alberta
T3H 3K6

DEAN HUTCHISON

Direct Line: (403) 770-4023

Email: dhutchison@caronpartners.com

Lorraine Chanasyk, Paralegal

Phone: (403) 770-4025

Email: lchanasyk@caronpartners.com

Dear Sir:

Re: In the Matter of the Receivership of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd., Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd. and 1751886 Alberta Ltd. – Court File No.: 1801-02034 (the “Receivership Proceedings”)

We are counsel for Hudson & Company Insolvency Trustees Ltd. (the “Receiver”), in its capacity as the court-appointed receiver and manager of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd., Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd. and 1751886 Alberta Ltd.

The Receiver is in receipt of the following three (3) Proofs of Claim submitted by you with respect to the Receivership Proceedings (collectively, the “Proofs of Claims”), together with documentation contained therein:

- 1) A Proof of Claim dated April 8, 2021 in the amount \$1,716,502.00 which does not indicate against whom (which debtor) the claim is made;
- 2) A Proof of Claim dated April 13, 2021 in the amount of \$1,000,000.00 against 1848941 Alberta Ltd.; and
- 3) A Proof of Claim dated April 13, 2021 in the amount of \$716,502.00 against the Estate of Ferlyn Robert John Chmelyk.

We, together with the Receiver, have reviewed each of the three (3) Proofs of Claims and documentation enclosed therein, and have the following questions and requests:

1. Do the two (2) Proofs of Claim respectively dated April 13, 2021 replace the Proof of Claim dated April 8, 2021? In other words, are you claiming \$1,000,000 against 1848941 Alberta Ltd. and \$716,502.00 against the Estate of Ferlyn Robert John Chemlyk, or are you claiming \$1,716,502.00 against one of the parties in receivership? If you are claiming \$1,716,502.00 against just one party, please provide the name of the party you are claiming

against.

2. Enclosed with the respective Proofs of Claim is an unfiled copy of a Statement of Claim (the “**Unfiled Statement of Claim**”) naming you, Gordon Kopp, as the “Plaintiff”, and naming the Estate of Ferlyn Robert John Chmelyk, David Aidan Chmelyk, Bradly Joseph Dore, Robyn Willow Chmelyk as the personal representative of the Estate of Ferlyn Robert John Chmelyk and in their own personal capacity as beneficiaries of the Estate of Ferlyn Robert John Chmelyk, as “Defendants”. Are the claims asserted in the said Statement of Claim the basis for your claims made in the Proof of Claims?
3. If yes to question 2 above, can you please provide us with copies of any loan or other agreements made between you and Ferlyn Robert John Chmelyk. We note that paragraphs 5, 6, 7, 8 and 9 of the Unfiled Statement of Claim make reference to loans asserted to have been made by you to Ferlyn Robert John Chmelyk. Please provide copies of any agreements made between you and Ferlyn Robert John Chmelyk with respect to these asserted loans.
4. Paragraph 8 of the Unfiled Statement of Claim states “most of the agreements between the parties were verbal agreements or communicated by way of email and or text messages between the Deceased [Ferlyn Robert John Chmelyk] and the Plaintiff [yourself]”. Please provide us with copies of these agreements, as well as copies of these e-mails and text messages.
5. Paragraph 9 of the Unfiled Statement of Claim lists fourteen (14) different loans that you assert were made by you to Ferlyn Robert John Chmelyk between the period of May 2013 to June 2017. Please provide us with copies of documentation with respect to each of these fourteen (14) different purported loans, such as any loan agreements. Please also provide us with copies of documentation evidencing the advancement of funds by you to Ferlyn Robert John Chmelyk with respect to the amounts of each of the respective fourteen (14) loans described in paragraph 9 of the Unfiled Statement of Claim.
6. Paragraph 10 of the Unfiled Statement of Claim refers to a “general lending agreement” or “General Loan Agreement” made between you and Ferlyn Robert John Chmelyk. Please provide us with a copy of this “General Loan Agreement.
7. Paragraph 11 of the Unfiled Statement of Claim asserts that Ferlyn Robert John Chmelyk warranted certain security to support the “General Loan Agreement”. Please provide us with copies of any and all agreements concerning this purported security, such as security agreements, mortgages, or any other security documents.

8. Paragraph 12 of the Unfiled Statement of Claim refers to a “joint venture interest” or “Joint Venture”. Please provide us with a copy of the joint venture agreement, or any other documentation, regarding this purported “joint venture interest”.
9. Paragraph 14 of the Unfiled Statement of Claim asserts that you “acted with forbearance in calling his [your] loans due from the Deceased [Ferlyn Robert John Chmelyk] with the promise from the Deceased that his [your] funds advanced under the General Loan Agreement would be secured”. Please provide us with a copy of any forbearance agreement made, or any other documentation regarding this purported forbearance and purported security.
10. Paragraph 20 of the Unfiled Statement of Claim states that you, as Plaintiff, seek “a declaration that he [you] hold a constructive trust in the interest of the “Bookers Property””. Are you claiming to have a constructive trust in the assets of any of the companies in receivership, such as 1848941 Alberta Ltd.? If so, have you obtained a declaration of any such constructive trust from the Court of Queen’s Bench of Alberta or any other Court? If so, please provide us with copies of any documentation (like an Order of the Court) regarding such declaration of constructive trust.
11. Paragraph 21 of the Unfiled Statement of Claim states that “The Plaintiff [you] states that by virtue of the evolving agreement between he [you] and the Estate [of Ferlyn Robert John Chmelyk] and in consideration of his [your] forbearance from calling the loans under the General Loan Arrangement, the Plaintiff is a joint venture partner in the Booker’s Property, the Parking Lot and the Other Properties.” Please provide us with copies of these agreements, specifically copies of any forbearance agreements, security agreements and joint venture agreements.
12. The documentation included with the Proof of Claims includes a document entitled “Schedule “A” Table of Attachments”. Such document refers to “Cheques from Shannon Hunchak on behalf of and duly auth agent for Gord Kopp”. Please provide a copy of any agency agreement or other documentation evidencing that Shannon Hunchak acted on your behalf as your duly authorized agent with respect to any cheques enclosed with the Proof of Claims.

Answers to the above questions and the provision of copies of the above requested documentation is necessary for the Receiver to properly assess your Proof of Claims and is also necessary to get clarification as to who you are asserting claims against. Based on the information you have provided to the Receiver to date, it appears that you are asserting a claim against 1848941 Alberta Ltd., in the amount of \$1,000,000.00, and asserting a claim against the Estate of Ferlyn John Robert Chmelyk in the amount of \$716,502.00. Please confirm if this is in fact the case. If it is not, please

advise as to who it is you are asserting claims and the amount of such claims.

We look forward to receiving responses to our questions from you in writing, as well as receiving from you copies of the requested documentation and requested clarification.

Should you have any questions or concerns, please contact the undersigned.

Yours Truly,

CARON & PARTNERS LLP

A handwritten signature in blue ink, appearing to read "Dean Hutchison", written in a cursive style.

DEAN HUTCHISON

DH/lc

Cc: Robert Price and Jeff Price (*Hudson & Company Insolvency Trustees Inc.*) – via e-mail with copies of enclosures

Appendix M

Dean Hutchison

From: Gord Koop <gordon.koop@gmail.com>
Sent: November 16, 2021 3:34 PM
To: Dean Hutchison
Cc: Lorraine Chanasyk
Subject: Re: In the Matter of the Receivership of the Estate of Ferlyn Robert John Chmelyk, et. al
- Court File No.: 1801-02304

Hello Dean. My computer was stolen so I will have to rely on emails I previously sent to Robert Price as evidence you are looking for and I will forward those shortly.

I am not well schooled in these matters and relied upon Robert's advice and help for which I am thankful. Robert worked with me and I am hopeful you will as well. If there are still questions after you process the evidence please let me know and I can try to provide explanation and further evidence. Please do not simply dismiss it. Thanks in advance for that.

I lent Ferlyn money in both cash and cheques and also had third parties send money on my behalf. Ferlyn always meant to secure me on his real estate namely the Bookers building and the Victoria parking lot. He was about to that finally but then he passed away.

In response to your question about the proof of claims, please dismiss the one dated April 8 and proceed with the two dated april 13

Look forward to hearing from you.

Regards,

Gordon Koop
403 620 0017

On Tue, Nov 16, 2021 at 9:54 AM Dean Hutchison <dhutchison@caronpartners.com> wrote:

Good Morning Mr. Koop,

We are legal counsel for Hudson & Company Insolvency Trustees Inc. in its capacity as Court-appointed Receiver in the above referenced matter.

Please find our letter to you of today's regarding the above referenced matter.

Regards,

Dean Hutchison

Barrister & Solicitor



Caron & Partners LLP

Barristers & Solicitors

Fifth Avenue Place – West Tower

2120, 237 – 4th Avenue, S.W.

Calgary, Alberta T2P 4K3

W: www.caronpartners.com

T: 403.262.3000

D: 403.770.4023

F: 403.237.0111

E: dhutchison@caronpartners.com

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Appendix N



Caron & Partners LLP | Lawyers
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue S.W.
Calgary, Alberta T2P 4K3
www.caronpartners.com
T: 403.262.3000
F: 403.237.0111

January 19, 2022

VIA E-MAIL (gordon.koop@gmail.com)

Gordon Peter Koop
218, 20 Sirerra Morena Mews S.W.
Calgary, Alberta
T3H 3K6

DEAN HUTCHISON

Direct Line: (403) 770-4023

Email: dhutchison@caronpartners.com

Lorraine Chanasyk, Paralegal

Phone: (403) 770-4025

Email: lchanasyk@caronpartners.com

Dear Sir:

Re: In the Matter of the Receivership of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd., Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd. and 1751886 Alberta Ltd. – Court File No.: 1801-02034 (the “Receivership Proceedings”)

As you know, we are counsel for Hudson & Company Insolvency Trustees Ltd. (the “**Receiver**”), in its capacity as the court-appointed receiver and manager of the Estate of Ferlyn Robert John Chmelyk, Deceased, 1848941 Alberta Ltd., Aecor Inc., Ruhani Construction Inc., Cerezo Developments Inc., 1735560 Alberta Ltd., 1735563 Alberta Ltd. and 1751886 Alberta Ltd. (collectively, the “**Debtor Entities**”).

Thank you for your e-mails of November 16, 2021 and the JPEGs and spreadsheet attached thereto, provided in response to our letter to you of November 16, 2021 (copy enclosed) regarding the three (3) Proofs of Claim you have submitted to the Receiver with respect to the Receivership Proceedings (collectively, the “**Proofs of Claims**”). We have reviewed your said e-mails and the attachments thereto with the Receiver.

Your said e-mails address question 1 of our said November 16, 2021 letter and clarifies that the two Proofs of Claim you are pursuing are the two dated April 13, 2021 which are made against 1848941 Alberta Ltd. in the amount of \$1,000,000.00 and against the Estate of Ferlyn Robert Chmelyk in the amount of \$716,502.00, respectively. However, your e-mails do not directly address any of the other questions / request for documentation posed in paragraphs 2 through 12 in our said November 16, 2021 letter. The JPEGs attached to your said e-mails are pictures of documents, cheques, bank statements, e-mails, letters and texts that the Receiver had received from you previously when you initially submitted your Proofs of Claims. Most notably, none of your said November 16, 2021 e-mails, nor any communications you have had with the Receiver or our office to date, contain:

- a) any loan agreements made between you and 1848941 Alberta Ltd., or between you and Ferlyn Chmelyk;
- b) any general lending agreement made between you and 1848941 Alberta Ltd. or between you and Ferlyn Chmelyk; or
- c) any security agreements, mortgages, or any other security documents between you and 1848941 Alberta Ltd. or between you and Ferlyn Chmelyk.

Based on the information and documentation provided to date, it appears that you did not make loans to Ferlyn Chmelyk, but rather you may have made equity type investments, akin to capital contributions, to Ferlyn Chmelyk that provided you with the opportunity to share in potential profits from investments made by the late Mr. Chmelyk, including an option for you to convert your investments with Ferlyn Chmelyk to the ownership of shares in PE Fuels International Inc.. Thus, the documentation indicates that you may have made investments with the late Mr. Chmelyk, but did not the loan money to Mr. Chmelyk or 1849741 Alberta Ltd.. We specifically note that there is nothing in the documentation provided to show any connection between you and 1849741 Alberta Ltd.

We enclose a copy of a decision of the Alberta Court of Queen's Bench in the context of a receivership proceeding that address the difference between a claim in debt and a claim in equity - *Alberta Energy Regulator v. Lexin Resources Ltd.*, 2018 ABQB 590. We refer you to paragraphs 42 to 68 of the decision in which the Court noted that the subject claim in issues was found to be an equity claim, with equity claim being subordinate to any valid debt claims against the subject debtor company. Based on this decision, it appears your claim against the Estate of Ferlyn Chmelyk is in the nature of an equity claim, not a claim in debt. Furthermore, and as discussed in more detail below, based on the information and documentation you have provided to the Receiver and our office to date, it is unclear as to what the amount of the equity claim you may have is.

To be clear, based on the information and documentation provided to the Receiver to date:

- 1) there is nothing to indicate that you made any loans to, or are a creditor of, 1848941 Alberta Ltd.; and nothing to indicate that you hold any security over the assets and property of 1848941 Alberta Ltd. Therefore, the Receiver will be denying your claim against 1848941 Alberta Ltd. in its entirety; and
- 2) there is nothing to indicate that you made loans to the late Ferlyn Chmelyk, and nothing to indicate that you are a debt creditor of the Estate of Ferlyn Chmelyk. There is also nothing to indicate that you hold any security over the assets and property of the Estate of Ferlyn Chmelyk. Therefore, the Receiver will be denying your claim against the Estate of Ferlyn Chmelyk, as submitted, in its entirety.

As noted above, it does appear that you may have a claim against the Estate of Ferlyn Chmelyk as

an equity claimant. However, based on the information and documentation that you have provided to the Receiver to date, it is unclear as to what the amount of the equity claim you may have is. The Receiver requires further information and documentation from you to evidence the exact amount you personally invested with the late Ferlyn Chmelyk. Please provide this information and documentation to our office forthwith.

Please be advised that the Receiver will be bringing an application to the Court in the near future (likely within the next two months) for an Order approving a proposed distribution of funds to those creditors who the Receiver has determined have valid claims against the Debtor Entities. As noted above, the Receiver will be denying the claims you have submitted to date. Should you have further information and documentation to support your claims, we suggest that you submit such information and documentation to our office, by no later than February 18, 2022. Be advised that should you fail to do so by that date, or should the information and documentation you provide be unsatisfactory to the Receiver, then you will not be seen by the Receiver as a valid creditor of any of the Debtor Entities and you will accordingly not be part of any of the proposed distributions.

We trust the foregoing is sufficiently clear. Should you have any questions or concerns, please contact the undersigned.

Yours Truly,

CARON & PARTNERS LLP



DEAN HUTCHISON

DH/lc

Enclosures

Cc: Robert Price and Jeff Price (*Hudson & Company Insolvency Trustees Inc.*) – via e-mail with copies of enclosures

Appendix O

Quantum Calculations of Koop Claim

<u>Date</u>	<u>Amount</u>	<u>Method</u>
September 30, 2013	\$ 80,000	Cheque
March 7, 2014	\$ 60,000	Bank Transfer
November 15, 2015	\$400,000	Bank Draft
February 25, 2016	\$120,007.50	Bank Withdrawal
June 6, 2016	\$ 65,000	Cheque
October 7, 2016	\$ 15,000	Bank Withdrawal
October 12, 2016	\$ 60,148	Cheque
October 25, 2016	\$ 3,000	E-mail Money Transfer
October 27, 2016	\$ 3,000	E-mail Money Transfer
October 28, 2016	\$ 3,000	E-mail Money Transfer
October 28, 2016	\$130,000	Cheque
June 5, 2017	\$ 1,500	E-mail Money Transfer
June 8, 2017	\$ 3,000	E-mail Money Transfer
TOTAL	\$943,655.50	