



COURT FILE NUMBER 1901-06027
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF ATB FINANCIAL
DEFENDANTS SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA

AND IN THE MATTER OF THE RECEIVERSHIP OF SOLO LIQUOR STORES LTD. and SOLO LIQUOR HOLDINGS LTD.

APPLICANT FTI CONSULTING CANADA INC. in its capacity as Court-appointed Receiver and Manager of the assets, undertakings and properties of SOLO LIQUOR STORES LTD. and SOLO LIQUOR HOLDINGS LTD.

DOCUMENT **APPLICATION (Distribution Order)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Torys LLP
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Calgary, AB T2P 1G1
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File Number: 39586-2004

NOTICE TO RESPONDENT(S):

This Application is made against you. You are a Respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the Application is heard as shown below:

Date: Friday, September 6, 2019
Time: 10:00 a.m.

Where:	Calgary Courts Centre
Before Whom:	Madam Justice M.H. Hollins, of the Commercial List

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. FTI Consulting Canada Inc. (“**FTI**”) in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Solo Liquor Stores Ltd. (“**Solo Liquor**”) and Solo Liquor Holdings Ltd. (“**Solo Holdings**”, and together with Solo Liquor, the “**Debtors**”), seeks an Order in substantially the same form as that attached as Schedule “**A**” to this Application, granting the following relief and directions:
 - 1.1 abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
 - 1.2 authorizing the Receiver to make a distribution of funds realized by the Receiver to Crown Capital Partner Funding LP (“**Crown Capital**”), as the assignee of the senior debt and security of ATB Financial (“**ATB**”), as an interim distribution and partial repayment of the indebtedness owing to Crown Capital by the Debtors;
 - 1.3 approving the actions, conduct and activities of the Receiver to date in respect of the administration of the Debtors’ receivership estate, as reported in the Second Report of the Receiver, dated and filed August 26, 2019 (the “**Second Report**”); and
 - 1.4 granting leave to the Receiver to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of the Order sought.
2. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this Application:

3. On May 1, 2019, following the Application of ATB, FTI was appointed as Receiver over the Property of Debtors, subject to the terms of the Receivership Order granted by Mr. Justice C.M. Jones.
4. On May 27, 2019, pursuant to the terms of a transfer and assignment of debt and security agreement between ATB and Crown Capital, ATB assigned a portion of their senior secured debt to Crown Capital as well as the security granted under ATB’s secured loan.
5. ATB and Crown Capital also at this time entered into a priority, intercreditor, indemnity and security sharing agreement, which outlines how the proceeds realized from the sale of Debtors’ assets would be shared between the two parties.

6. The Receiver's legal counsel has reviewed ATB's loan and security documents, and on June 3, 2019 provided an opinion that concluded that the ATB security forms a valid and first position security interest in the Debtors' assets.
7. On June 19, 2019, the Receiver was granted 12 Approval and Vesting Orders by Justice C. Dario, that approved a number of transactions relating to substantially all of the sale of the Debtors' assets.
8. These transactions have now been completed and have closed, and the Receiver is in the possession of funds representing the sale proceeds from these transactions.
9. An interim distribution to Crown Capital at this time, as set out and described in the Second Report, is just and appropriate.
10. ATB takes no position with the proposed distribution to Crown Capital.
11. The terms as set out in the proposed form of Order attached hereto as Schedule "A" to this Application are necessary to effect the interim distribution to Crown Capital, as contemplated by the Receiver.
12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

13. All pleadings and proceedings filed in the within action, including the Receivership Order.
14. The Second Report of the Receiver, filed.
15. The proposed form of Order attached as Schedule "A" to this Application.
16. The inherent jurisdiction of this Honourable Court to control its own process.
17. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

18. Rules 1.3, 6.3(1), 6.47(e) and (f), 6.9(1)(a), 11.27, 11.29 and 13.5 thereof, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

Applicable Acts and regulations:

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

20. None.

How the Application is proposed to be heard or considered:

21. Oral submissions by counsel at an Application in Justice Chambers as agreed and scheduled by counsel, before Madam Justice M.H. Hollins of the Commercial List, at the Calgary Courts Centre, 601 - 5th Street SW, at Calgary, Alberta, on Friday, September 6, 2019 at 10:00 a.m. or as soon thereafter as counsel may be heard.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

SCHEDULE "A"
FORM OF ORDER

SCHEDULE "A"

COURT FILE NUMBER 1901-06027 Clerk's Stamp

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ATB FINANCIAL

DEFENDANTS SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA

AND IN THE MATTER OF THE RECEIVERSHIP OF SOLO LIQUOR STORES LTD. and SOLO LIQUOR HOLDINGS LTD.

DOCUMENT **ORDER**
(Distribution)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Torys LLP
4600 Eighth Avenue Place East
525 - Eighth Ave SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: kkashuba@torys.com
File Number: 39586-2004

DATE ON WHICH ORDER WAS PRONOUNCED: September 6, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice M.H. Hollins

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "**Debtors**") for an order approving a distribution of funds by the Receiver; **AND UPON HAVING READ** the Receivership Order dated May 1, 2019 (the "**Receivership Order**"), the Second Report of the Receiver dated and filed August 26, 2019 (the "**Second Report**") and the Affidavit of Service of Tracy Hutchings, sworn

September __, 2019; **AND UPON HEARING** the submissions of counsel for the Receiver, and from any other interested parties who may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.
2. The Receiver is hereby authorized to make a distribution of funds realized by the Receiver in the course of the administration of these proceedings, to ATB Financial (“**ATB**”) and to Crown Capital Partner Funding LP (“**Crown Capital**”), as an interim distribution and in partial repayment of the indebtedness owing to ATB and to Crown Capital by the Debtors, as set out and described in the Second Report, subject to the Receiver holding sufficient funds to satisfy the administrative costs of the receivership proceedings, and valid statutory deemed trust and priority claims.
3. The actions, conduct and activities of the Receiver as reported in the Second Report, are hereby authorized and approved.
4. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
5. Service of this Order on any party not attending this Application is hereby dispensed with.

Justice of the Alberta Court of Queen’s Bench